WOOLWORTHS LIMITED

28 January 2009 **PRESS RELEASE**

FIRST HALF YEAR SALES RESULTS FOR THE 27 WEEKS TO 4th JANUARY 2009

SALES OF $26.1 BILLION, UP 8.8% OR $2.1 BILLION

Half Year by Division ($ millions)	2008 27 weeks	2009 27 weeks	Increase (%)
Australian Food and Liquor	15,495	16,897	9.0
New Zealand Supermarkets (NZD)	*2,484*	*2,571*	*3.5*
New Zealand Supermarkets (AUD)	2,158	2,132	(1.2)
Petrol	2,671	3,072	15.0
Supermarket Division	**20,324**	**22,101**	**8.7**
BIG W	**2,187**	**2,406**	**10.0**
Consumer Electronics – Aust / NZ	769	839	9.1
Consumer Electronics – India	46	90	95.7
Consumer Electronics - Total	**815**	**929**	**14.0**
General Merchandise Division	**3,002**	**3,335**	**11.1**
Hotels	**586**	**592**	**1.0**
Continuing Operations	**23,912**	**26,028**	**8.8**
Wholesale Division	80	86	7.5
Total First Half Year Sales	**23,992**	**26,114**	**8.8**

Woolworths Chief Executive Officer and Managing Director, Michael Luscombe, today announced half year sales growth of 8.8% from continuing operations. “Woolworths has continued to reinvest in all its businesses to improve our stores, create jobs, add services, deliver value, and create an even better shopping experience for our customers. This is a pleasing result in a more challenging economic environment and I am confident that we are well positioned to meet future challenges.” he said.

WOOLWORTHS LIMITED

AUSTRALIAN FOOD AND LIQUOR

Australian Food and Liquor sales for the half year were $16.9 billion, an increase of 9.0%. Sales for the second quarter were $8.6 billion, an increase of 9.8% over last year.

Comparable store sales in Food and Liquor for the second quarter increased 7.1% (1st quarter 6.0%, half year 6.6%). Inflation in the second quarter increased to 4.8% from 3.2% in quarter one and reflects the deflation in produce ceasing.

The continued positive momentum in the business re-affirms the strength of the company's operations, the depth of talent of its people and its ability to deliver consistent quality results. Naum Onikul has been an outstanding leader of our business. The transition to Greg Foran as Director of Food, Liquor and Petrol has been seamless.

Key strategic initiatives focussed on our customers, including the accelerated rollout of our 2010c format, our Everyday Rewards Program and continued price re-investment have all contributed to this sales result. These initiatives continue to be well received by our customers.

We were pleased with the Christmas trading period and the high standard of service delivered to our customers, which resulted in increasing numbers of customers shopping in our stores.

Fifteen new supermarkets were opened during the half year taking the total to 792. We also opened nine new Dan Murphy stores taking the total to 97.

NEW ZEALAND SUPERMARKETS

New Zealand Supermarkets achieved a sales result of $2.13 billion for the half year, an increase of 3.5% in NZD. (1.2% decline in AUD). Second quarter achieved sales of $1.12 billion, an increase of 3.9% in NZD terms for the second quarter, (1st quarter: 3.1%, first half: 3.5%).

New Zealand comparable sales for the second quarter were 3.0% (1st quarter 3.0%, half year 3.0%) reflecting the continued tight macroeconomic environment. In New Zealand, overall food inflation was approximately 5.9% in the quarter. (1st quarter 5.7%, half year 5.8%, prior half year 2.7%)

Note: Comparable sales % quoted are based on NZD sales.

PETROL

Petrol sales for the half, including Woolworths/Caltex Alliance sites, increased by 15.0% to $3.1 billion. Petrol sales growth in the second quarter were flat reflecting reduced petrol prices.

Petrol comparable sales increased 11.2% during the half, (2nd quarter declined 3.7%). Comparable volumes increased 1.9% in the half. Comparable volumes in the second quarter increased 2.2% benefiting from the reduced petrol price.

During the half year, 15 petrol canopies were opened taking total sites to 537, including 133 alliance sites.

BIG W

BIG W sales grew by 10.0% during the half and 9.5% for the second quarter. Comparable store sales in the second quarter were 6.4% (1st quarter 4.4%, half year 5.6%).

“This is a very pleasing sales result for our general merchandise business, and represents the ninth consecutive quarter of positive comparable sales. The result reflects customers’ acknowledgement of the great value and range offered by BIG W and the success of our repositioning of this business over the last few years, together with the benefit of the government stimulus package in December. Results in the home entertainment, childrenswear and everyday needs categories were particularly pleasing.” said Julie Coates, General Manager BIG W.

Four BIG W stores were opened during the half year taking total stores in the division to 155.

CONSUMER ELECTRONICS

Total Consumer Electronics sales grew by 14.0% during the half and 15.8% for the second quarter.

Consumer Electronics (Aust / NZ) sales growth in the second quarter was 11.6%, an improvement on the 6.1% growth in the first quarter. Comparable store sales (Aust / NZ) for the half were 5.8%(1) (2nd quarter 6.5%, 1st quarter 4.9%), with a much stronger performance from the Australian business:

	1st half comparable sales
Australia	6.9%
New Zealand (NZD)	0.9%
Total	**5.8%**

Results achieved in our new format Dick Smith stores have been extremely pleasing reflecting strong customer acceptance of the new refreshed offer. Comparable sales growth in the 33 stores we have completed was well in excess of the network.

It should be noted that the sales result has been delivered at a lower margin as we transition out of certain categories and experience both changes in sales mix and a highly competitive market.

29 Dick Smith Electronics stores and 3 Powerhouse stores were opened during the half taking total stores to 433.

Our business venture with TATA in India now services 26 retail stores operating under the Croma brand and has produced sales of $90 million for the half year. As part of this venture Woolworths Limited provides buying, wholesale, supply chain and general consulting services to TATA.

(1) Comparable sales quoted above are normalised for movements in exchange rates. Unadjusted for exchange rate movements comparable store sales for the half year were 4.7% (1st quarter 2.5%, 2nd quarter 6.4%)

HOTELS

Our Hotels business enjoyed solid growth with sales in the first half increasing by 1.0% to $592 million. Second quarter sales increased by 1.0% to $292 million.

Comparable sales increased by 0.9% in the second quarter, an improvement on the decline in the first quarter of 0.8% (1st half increased 0.1%). Gaming comparable sales for the second quarter were strong at 5.2 % (1st quarter: flat, half: 2.4%).

A further 7 properties were added to the portfolio in the half taking total hotels to 276.

SALES OUTLOOK FOR THE FULL YEAR

We are mindful that discretionary spending continues to be influenced by macroeconomic factors and by the recent events in global financial markets. Factors such as inflation, fluctuating petrol prices, interest rates, rising unemployment and consumer confidence levels are very difficult to predict in the current environment.

Subject to the uncertainty regarding these factors, we expect sales from continuing operations to grow in the upper single digits (excluding Petrol Sales) on a 52 week basis.

Earnings guidance for the full year will be provided in conjunction with the half year profit announcement on 27 February 2009.

For further information contact:

Clare Buchanan	(02) 8885 1032	Media
Tom Pockett (Finance Director)	(02) 8885 1105	Investors / Analysts

Appendix 1

	2008 13 weeks	2009 13 weeks	Increase (%)
Second Quarter by Division ($million)			
Australian Food and Liquor	7,828	8,593	9.8
New Zealand Supermarkets (NZD)	*1,266*	*1,315*	*3.9*
New Zealand Supermarkets (AUD)	1,088	1,122	3.1
Petrol	1,350	1,349	(0.1)
Supermarket Division	**10,266**	**11,064**	**7.8**
BIG W	**1,251**	**1,370**	**9.5**
Consumer Electronics – Aust / NZ	422	471	11.6
Consumer Electronics – India	28	50	78.6
Consumer Electronics – Total	**450**	**521**	**15.8**
General Merchandise Division	**1,701**	**1,891**	**11.2**
Hotels	**289**	**292**	**1.0**
Continuing Operations	**12,256**	**13,247**	**8.1**
Wholesale Division	40	43	7.5
Total Second Quarter Sales	**12,296**	**13,290**	**8.1**

Periods ($million)	2008 27 weeks	2009 27 weeks	Increase (%)
14 Weeks Ended 5 October, 2008	11,696	12,824	9.6
13 Weeks Ended 4 January, 2009	12,296	13,290	8.1
Total Half Year Sales	**23,992**	**26,114**	**8.8**

1st half 2009 financial year	New Stores*	Refurbishments
Australian Supermarkets	15	98
Liquor (BWS & Dan Murphys)	49	53
New Zealand Supermarkets	-	9
Petrol	15	-
BIG W	4	11
Consumer Electronics – Aust / NZ	32	2
Hotels	7	17
Total 1st half	**122**	**190**

** Reflects Gross store openings*

Appendix 2

Woolworths Limited	**2009 HALF YEAR**	**2008 FULL YEAR**	**2007 FULL YEAR**	**2006 FULL YEAR**	**2005 FULL YEAR**
STORES (number)					
NSW & ACT	237	234	237	238	233
QLD	182	177	168	161	147
VIC	192	187	183	182	183
SA & NT	72	72	72	69	69
WA	80	81	79	79	64
TAS	29	29	27	27	27
Supermarkets in Australia [1]	792	780	766	756	723
New Zealand Supermarkets (includes franchise)	199	201	199	198	-
Total Supermarkets	991	981	965	954	723
Freestanding Liquor (incl. Dan Murphy)	250	233	212	204	192
ALH Retail Liquor Outlets	453	434	424	432	382
Caltex/WOW Petrol	133	133	134	131	117
Woolworths Petrol – Australia	404	389	371	360	339
Woolworths Petrol/Convenience – New Zealand	22	22	22	22	-
Total Supermarket Division	**2,253**	**2,192**	**2,128**	**2,103**	**1,753**
BIG W	155	151	142	129	120
Dick Smith Electronics	313	282	254	223	202
Dick Smith Powerhouse	23	28	23	20	18
Tandy	97	106	123	123	122
Total General Merchandise Division	588	567	542	495	462
Hotels (includes 8 clubs)	276	271	263	250	169
Total Group	**3,117**	**3,030**	**2,933**	**2,848**	**2,384**
Trading Area (sqm)					
Supermarkets Division – Australia [2]	1,990,804	1,945,641	1,848,792	1,784,279	1,682,536
Supermarkets Division – New Zealand [3]	299,534	296,549	291,092	291,792	-
General Merchandise Division[4]	1,026,511	989,767	930,288	843,316	783,685

(1) Supermarket Store Movements July 08 - Dec 08

New Stores – incremental	15
Closures - permanent	(2)
Closures – for re-development	(1)
Net New Stores	**12**

(2) Australian Supermarkets Division trading area (excluding Petrol and ALH BWS outlets and including the Australian Ex-FAL stores) has increased by: 2.32% HY08: 2.68%

(3) Excludes Gull and franchise stores

(4) Excludes Woolworths India