

WOOLWORTHS LIMITED

30 April 2010

PRESS RELEASE

THIRD QUARTER SALES RESULTS 13 WEEKS TO 4 APRIL 2010

**SALES OF \$12.9 BILLION IN THIRD QUARTER
UP 3.8% EXCLUDING PETROL SALES (3.3% EASTER ADJUSTED)
UP 4.7% INCLUDING PETROL SALES (4.3% EASTER ADJUSTED)
AUSTRALIAN FOOD AND LIQUOR INFLATION DECLINES FROM 4.4% TO ZERO**

	2009 Statutory 13 weeks	2010 Statutory 13 weeks	Statutory Increase (%)	Proforma ⁽¹⁾ Increase (%)
Third Quarter by Division (\$millions)				
Australian Food and Liquor	8,431	8,753	3.8	3.3
<i>New Zealand Supermarkets (NZD)</i>	<i>1,266</i>	<i>1,318</i>	<i>4.1</i>	<i>4.4</i>
New Zealand Supermarkets (AUD)	1,015	1,032	1.7	2.0
Petrol (dollars)	1,247	1,403	12.5	12.5
<i>Petrol (litres)</i>	<i>1,178</i>	<i>1,208</i>	<i>2.5</i>	<i>2.5</i>
Supermarket Division	10,693	11,188	4.6	4.2
BIG W	958	923	(3.7)	(4.8)
Consumer Electronics – Aust	291	280	(3.8)	(2.4)
<i>Consumer Electronics – NZ (NZD)</i>	<i>93</i>	<i>81</i>	<i>(12.9)</i>	<i>(12.0)</i>
Consumer Electronics – NZ (AUD)	74	64	(13.5)	(13.5)
Consumer Electronics – India	48	59	22.9	22.9
Consumer Electronics – Total	413	403	(2.4)	(1.5)
General Merchandise Division	1,371	1,326	(3.3)	(3.8)
Hotels	267	264	(1.1)	(0.3)
Home Improvement	-	128	-	-
Total Third Quarter Sales	12,331	12,906	4.7	4.3
<i>Total Third Quarter Sales (excluding Petrol)</i>	<i>11,084</i>	<i>11,503</i>	<i>3.8</i>	<i>3.3</i>

⁽¹⁾ 2010 statutory sales include the first week of Easter. 2009 statutory sales do not include Easter. Proforma increase has been calculated adjusting 2009 sales to reflect the timing of Easter in 2010.

Woolworths Limited Chief Executive Officer, Michael Luscombe, today announced third quarter sales of \$12.9 billion. “Our Supermarkets achieved solid sales whilst experiencing no inflation in Australia for the quarter and deflation in New Zealand of 0.5% for the quarter. Our General Merchandise and Hotel businesses were impacted by the cycling of the Australian Government’s stimulus packages in the prior year. Due to our strong customer focus, we were very well positioned to benefit from those payments. Consumer spending has tightened in the quarter reflecting consumer concerns about further interest rate hikes and higher petrol prices than last year.”

AUSTRALIAN FOOD AND LIQUOR

Australian Food and Liquor sales for the third quarter were \$8.8 billion, representing an increase of 3.8% (Q3 09: 9.9%) or 3.3% Easter adjusted (Q3 09: 10.8 % Easter adjusted) .

Comparable store sales in Food and Liquor increased 2.0% in the third quarter (Q3 09: 7.9%) or 1.6% Easter adjusted (Q3 09: 8.8% Easter adjusted). Inflation during the quarter was zero which reflected deflation in produce, meat and perishables and was significantly below the 4.4% experienced during the same quarter last year.

During the quarter, the Australian Food and Liquor business has continued to grow volumes and market share.

Greg Foran, Director of Food, Liquor and Petrol said “Our customer focused initiatives have made a positive contribution to this result, including continued store refurbishments, our Everyday Rewards program with Qantas Frequent Flyer and a substantial price reinvestment with over 3,500 shelf prices lower than they were a year ago. We are focused on delivering to our customers consistently lower prices, supported by strong specials. These initiatives have resulted in increased customer numbers, increased items sold and increased basket sizes.”

The ongoing positive momentum in the business re-affirms the strength of the company’s operations, the depth of talent of its people and the ability of the business to adapt to ever changing economic and competitive trends. This ensures the delivery of consistent quality results.

Four new supermarkets were opened during the quarter taking the total to 816. One new Dan Murphy’s store opened during the quarter taking the total number of Dan Murphy’s stores to 115.

NEW ZEALAND SUPERMARKETS

New Zealand Supermarkets achieved sales of NZ\$1.3 billion for the third quarter, an increase of 4.1% (4.4% Easter adjusted). Comparable sales for the quarter were 3.4% (3.6% Easter adjusted). This is a strong result despite the challenging economic conditions and food price deflation. The result demonstrates the benefits of the completed integration process and reflects the hard work of the New Zealand team to continually improve our customer offer through new formats, improved ranging, private label growth and improved in stock position. It also reflects the business' ability to leverage the intellectual property and IT capabilities now at its disposal.

In New Zealand, overall food inflation was negative at approximately (0.5%), (Q3 09: 6.0% inflation).

Two new supermarkets were opened during the quarter taking the total to 152 (excluding franchise stores).

Note: comparable sale % quoted based on NZD sales.

PETROL

Petrol sales for the third quarter, including Woolworths/Caltex Alliance sites, increased by 12.5% (12.5% Easter adjusted) reflecting higher petrol prices compared to last year. Petrol comparable sales (dollars) increased 10.6% (10.6% Easter adjusted) during the quarter.

Total volumes increased 2.5% for the quarter (2.5% Easter adjusted). Comparable volumes increased 0.9% (0.9% Easter adjusted).

During the quarter, one petrol canopy opened taking total sites to 552, including 132 alliance sites.

BIG W

BIG W sales declined by 3.7% (4.8% decline Easter adjusted). The decrease reflected the cycling of the prior year Government stimulus packages with sales in the third quarter last year increasing 9.0% (9.7% increase Easter adjusted). In the current period, customer spending has tightened, particularly in discretionary categories. Comparable sales in the third quarter declined 4.7% (Q3 09: 6.0% increase) or 5.8% decline Easter adjusted (Q3 09: 6.7% increase Easter adjusted).

The third quarter two year sales CAGR ⁽¹⁾ for BIG W is 2.5% reflecting growth in the business over a two year period despite tightened consumer spending. This reflects the strength of the BIG W strategy including its competitive pricing position in the market, improved offer and range, roll out of new store formats and new product categories such as optical.

Julie Coates, Director BIG W said "In the current environment the consumer is focused on value and we are confident that customers who shop with us recognise the BIG W value proposition. We continue to maintain BIG W's everyday low price position and continue to lead the market on price."

No new stores opened during the quarter with the total of stores at 158.

⁽¹⁾ Compound Annual Growth Rate

CONSUMER ELECTRONICS

Total Consumer Electronics sales declined by 2.4% (Q3 09: 16.0% increase) or 1.5% decline Easter adjusted (Q3 09: 16.3% increase Easter adjusted). The third quarter two year sales CAGR growth for Consumer Electronics was 6.4%.

Consumer Electronics Australia sales were challenging in the third quarter as we cycled the government stimulus payments last year and experienced tightened consumer spending. Third quarter sales declined 3.8% (Q3 09: 11.9% increase) or 2.4% decline Easter adjusted (Q3 09: 11.1% increase Easter adjusted). Comparable store sales for the third quarter declined 2.6% (Q3 09: 7.8% increase) or 1.2% decline Easter adjusted (Q3 09: 7.1% increase Easter adjusted).

The comparable store sales for the third quarter for our Australian Dick Smith stores (excluding Tandy and ex Powerhouse stores) grew 2.5% (Q3 09: 15.8% increase) or 3.9% Easter adjusted (Q3 09: 14.5% increase Easter adjusted). Comparable sales in the 121 new format Dick Smith stores were well in excess of the network. This growth reflects the strong customer acceptance of the Dick Smith offer as more stores are refurbished in the new format.

Consumer Electronics New Zealand was also challenged as the weak economic environment continued to impact discretionary retailers. Third quarter sales declined 12.9% (Q3 09: 16.3% increase) or 12.0% decline Easter adjusted (Q3 09: 20.8% increase Easter adjusted). Comparable store sales for the third quarter declined 17.6% (Q3 09: 8.6% increase) or 17.5% decline Easter adjusted, (Q3 09: 12.4% increase Easter adjusted).

During the quarter we opened four new stores in Australia taking total stores to 426 across Australia and New Zealand.

Our consumer electronics business venture in India with TATA now services 43 retail stores operating under the Croma brand. It recorded sales of \$59 million for the quarter.

Note: comparable sale % quoted for New Zealand based on NZD sales.

HOTELS

Hotel sales in the third quarter declined by 1.1% (0.3% decline Easter adjusted) to \$264 million. This result reflects the cycling of the stimulus package benefits, tightened consumer spending and the increased regulatory environment.

Overall comparable sales declined by 3.7% (2.7% decline Easter adjusted) in the quarter. Gaming comparable sales for the quarter declined 4.1% (2.9% decline Easter adjusted).

The total number of hotels remains at 286.

SALES AND EARNINGS GUIDANCE FOR THE FULL YEAR

Year to date sales growth is 5.3% which is within our previous guidance. Sales in the final quarter of the prior year benefited significantly from stimulus payments together with lower interest rates and petrol prices. The sales for the final quarter of the current year are expected to be impacted significantly by cycling these conditions. In addition, current levels of food and liquor inflation are significantly lower than those historically experienced and this is expected to continue in the final quarter.

Given the greater than anticipated impact on sales of low food and liquor inflation and the cycling of the prior year stimulus, we revise sales growth guidance for the year which we now expect to be between 3% and 6%.

We reaffirm the following earnings guidance:

We expect net profit after tax for FY10 will grow in the range of 8% to 11%.

The second half of the year is expected to continue be impacted by low price inflation and the cycling of the government stimulus packages. Discretionary spending levels will continue to be influenced by macro economic factors such as interest rates, petrol prices, confidence around employment and consumer attitudes to spending. The above guidance is subject to the extent of the impact of these factors.

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Appendix 1

	2009 Statutory 13 weeks	2010 Statutory 13 weeks	Statutory Increase (%)	Proforma ⁽¹⁾ Increase (%)	Prior Year Statutory Increase (%)	Prior Year Proforma ⁽²⁾ Increase (%)	2 Year CAGR Statutory Increase (%)	2 Year CAGR Proforma ⁽³⁾ Increase (%)
Third Quarter by Division (\$millions)								
Australian Food and Liquor ⁽⁴⁾	8,431	8,753	3.8	3.3	9.9	10.8	6.8	6.8
New Zealand Supermarkets (NZD)	1,266	1,318	4.1	4.4	3.8	4.0	3.9	3.9
New Zealand Supermarkets	1,015	1,032	1.7	2.0	(4.7)	(4.5)	(1.6)	(1.5)
Petrol (dollars)	1,247	1,403	12.5	12.5	(11.4)	(11.9)	(0.1)	(0.4)
Petrol (litres)	1,178	1,208	2.5	2.5	5.9	5.4	4.2	3.9
Supermarket Division	10,693	11,188	4.6	4.2	5.4	6.0	5.0	5.0
BIG W	958	923	(3.7)	(4.8)	9.0	9.7	2.5	2.5
Consumer Electronics – Aust	291	280	(3.8)	(2.4)	11.9	11.1	3.8	4.0
Consumer Electronics – NZ (NZD)	93	81	(12.9)	(12.0)	16.3	20.8	0.6	1.9
Consumer Electronics – NZ (AUD)	74	64	(13.5)	(13.5)	5.7	8.8	(4.4)	(3.0)
Consumer Electronics – India	48	59	22.9	22.9	84.6	84.6	50.6	50.6
Consumer Electronics – Total	413	403	(2.4)	(1.5)	16.0	16.3	6.4	6.7
General Merchandise Division	1,371	1,326	(3.3)	(3.8)	11.0	11.6	3.6	3.7
Hotels	267	264	(1.1)	(0.3)	1.5	1.1	0.2	0.3
Home Improvement	-	128	-	-	-	-	-	-
Total Third Quarter Sales	12,331	12,906	4.7	4.3	5.9	6.5	5.3	5.3
<i>Total Third Quarter Sales (excluding Petrol)</i>	<i>11,084</i>	<i>11,503</i>	<i>3.8</i>	<i>3.3</i>	<i>8.3</i>	<i>9.0</i>	<i>6.0</i>	<i>6.0</i>
Period (\$ millions)								
Quarter 1 (14 weeks)	12,824	13,367	4.2	4.2	9.6	9.6	6.9	6.9
Quarter 2 (13 weeks)	13,290	13,836	4.1	4.1	8.1	8.1	6.1	6.1
Quarter 3 (13 weeks)	12,331	12,906	4.7	4.3	5.9	6.5	5.3	5.3
Total Group Sales Year to Date (40 weeks)	38,445	40,109	4.3	4.2	7.9	8.1	6.1	6.1
Group Excluding Petrol (\$ millions)								
Quarter 1 (14 weeks)	11,101	11,927	7.4	7.4	7.0	7.0	7.2	7.2
Quarter 2 (13 weeks)	11,941	12,495	4.6	4.6	9.1	9.1	6.8	6.8
Quarter 3 (13 weeks)	11,084	11,503	3.8	3.3	8.3	9.0	6.0	6.0
Total Group Sales excluding Petrol Year to Date (40 weeks)	34,126	35,925	5.3	5.1	8.2	8.4	6.7	6.7

(1) 2010 statutory sales include the first week of Easter. 2009 statutory sales do not include Easter. Proforma increase has been calculated adjusting 2009 sales to reflect the timing of Easter in 2010.

(2) 2009 statutory sales do not include Easter. 2008 statutory sales do include Easter. Proforma increase has been calculated adjusting 2008 sales to reflect the timing of Easter in 2009.

(3) 2010 statutory sales include the first week of Easter. 2008 statutory sales do include Easter. Proforma increase has been calculated adjusting 2008 sales to reflect the timing of Easter in 2010.

(4) Includes Wholesale Division previously reported separately.

	2009 Statutory 13 weeks	2010 Statutory 13 weeks	Statutory Increase (%)	Proforma ⁽¹⁾ Increase (%)	Prior Year Statutory Increase (%)	Prior Year Proforma ⁽²⁾ Increase (%)	2 Year CAGR Statutory Increase (%)	2 Year CAGR Proforma ⁽³⁾ Increase (%)
Year to date by Division								
(\$millions)								
Australian Food and Liquor ⁽⁴⁾	25,414	26,896	5.8	5.6	9.3	9.6	7.6	7.6
<i>New Zealand</i>								
Supermarkets (NZD)	3,837	4,004	4.4	4.5	3.6	3.7	4.0	4.0
New Zealand Supermarkets	3,147	3,194	1.5	1.6	(2.4)	(2.3)	(0.5)	(0.4)
Petrol (dollars)	4,319	4,184	(3.1)	(3.1)	5.9	5.7	1.3	1.2
<i>Petrol (litres)</i>	3,597	3,694	2.7	2.7	5.1	4.9	3.9	3.8
Supermarket Division	32,880	34,274	4.2	4.1	7.6	7.8	5.9	5.9
BIG W	3,364	3,385	0.6	0.3	9.7	9.9	5.1	5.1
Consumer Electronics – Aust	972	990	1.9	2.3	11.5	11.2	6.6	6.6
<i>Consumer Electronics – NZ (NZD)</i>	284	268	(5.6)	(5.6)	9.2	10.5	1.5	1.9
Consumer Electronics – NZ (AUD)	232	214	(7.8)	(8.2)	2.7	3.6	(2.7)	(2.5)
Consumer Electronics – India	138	183	32.6	32.6	91.7	91.7	59.4	59.4
Consumer Electronics – Total	1,342	1,387	3.4	3.6	14.6	14.7	8.8	9.0
General Merchandise Division	4,706	4,772	1.4	1.2	11.1	11.3	6.1	6.2
Hotels	859	855	(0.5)	(0.1)	1.2	1.1	0.4	0.4
Home Improvement	-	208	-	-	-	-	-	-
Total Year to Date Sales	38,445	40,109	4.3	4.2	7.9	8.1	6.1	6.1
<i>Total Year to Date Sales (excluding Petrol)</i>	<i>34,126</i>	<i>35,925</i>	<i>5.3</i>	<i>5.1</i>	<i>8.2</i>	<i>8.4</i>	<i>6.7</i>	<i>6.7</i>

- (1) 2010 statutory sales include the first week of Easter. 2009 statutory sales do not include Easter. Proforma increase has been calculated adjusting 2009 sales to reflect the timing of Easter in 2010.
- (2) 2009 statutory sales do not include Easter. 2008 statutory sales do include Easter. Proforma increase has been calculated adjusting 2008 sales to reflect the timing of Easter in 2009.
- (3) 2010 statutory sales include the first week of Easter. 2008 statutory sales do include Easter. Proforma increase has been calculated adjusting 2008 sales to reflect the timing of Easter in 2010.
- (4) Includes Wholesale Division previously reported separately.

Appendix 2: Third quarter new stores and refurbishments

	New Stores ⁽¹⁾	Refurbishments
Australian Supermarkets	4	6
Thomas Dux	1	-
Liquor	11	13
New Zealand Supermarkets ⁽²⁾	2	3
Petrol	1	-
BIG W	-	-
Consumer Electronics – Aust / NZ	4	4
Hotels	-	2
Total third quarter	23	28

(1) Reflects Gross store openings

(2) Includes Franchisee stores