WOOLWORTHS LIMITED

A.B.N 88 000 014 675

25 May 2005

Mr Sean Ward
Senior Companies Advisor
Companies Department
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Mr Ward,

TRADING HALT REQUEST

Woolworths advises that following its request for a trading halt today, it makes the attached Announcement and requests that the trading halt be immediately released.

Yours faithfully,

R K S JEFFS
Company Secretary
WOOLWORTHS LIMITED

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WOOLWORTHS ANNOUNCES ACQUISITION OF FOODLAND NEW ZEALAND BUSINESS PLUS 22 AUSTRALIAN STORES

Woolworths Limited ("Woolworths") today announced that it has entered into an agreement with Foodland Associated Limited ("Foodland") and Metcash Trading Limited ("Metcash") under which Woolworths has agreed to acquire Foodland's New Zealand business and 22 Action stores (including 3 development sites) in Western Australia, Queensland and New South Wales for a total enterprise value of approximately A$2.5 billion following a demerger of those businesses by Foodland. Metcash has agreed to acquire the remainder of Foodland following the demerger.

Woolworths will provide Foodland shareholders with the option to receive a mix of cash and Woolworths shares subject to a total pool of Woolworths shares of approximately 81.6 million shares and a total cash pool of A$1.25 billion less any Foodland net debt assumed by Woolworths.

Roger Corbett, Chief Executive Officer of Woolworths, commented "For Woolworths, this transaction provides an exciting opportunity. It provides a significant opportunity in New Zealand within Woolworths' core area of business expertise. Woolworths believes that it will be able to leverage its retail experience and scale into New Zealand to enhance Foodland's customer offer, buying, merchandising, supply chain, information technology and store standards. Going forward, Foodland also provides an attractive platform for future growth opportunities in New Zealand including general merchandise and liquor. The 22 Action stores will be added to Woolworths' existing Australian store network and infrastructure."

Woolworths expects the transaction to be EPS positive. Woolworths is committed to maintaining its A- credit rating from Standard and Poor's.

The transaction has been unanimously recommended by the Foodland Board.

The transaction will be effected by way of schemes of arrangement, which are currently expected to be submitted to Foodland shareholders by the end of August in the absence of an alternative proposal on superior terms.

- ends -

Wednesday 25th May 2005

Contact: Roger Corbett, CEO Woolworths Limited - 02 9323 1580