WOOLWORTHS LIMITED

A.B.N 88 000 014 675

18 October 2004

The Manager, Companies
Australian Stock Exchange Limited
Company Announcements Office
Exchange Centre
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: Bruandwo Pty Ltd

Attached please find announcement by Bruandwo Pty Ltd.

For and on behalf of
WOOLWORTHS LIMITED

RKS JEFFS
COMPANY SECRETARY

MEDIA CONTACT:
Clare Buchanan (02) 9323 1545

Bruandwo Pty Ltd

ABN 68 098 212134

18 October 2004

ANNOUNCEMENT BY BRUANDWO PTY LIMITED

Bruandwo Pty Ltd (Bruandwo) announces that it will let its unconditional cash offer for Australian Leisure & Hospitality Group Limited (ALH) lapse at 7.00 pm today, 18 October 2004 if Bruandwo does not achieve a relevant interest in ALH in excess of 20% by 6.00pm today.

Bruandwo refers to its announcement of 15 October 2004 and confirms that if the proposal by CMM Hotel & Retail Investments Pty Ltd (CMM) to take over ALH by way of a scheme of arrangement is ever put to shareholders, Bruandwo and its associates currently intend to vote against the proposal with the shares held by it. Bruandwo also fully reserves its rights in relation to the legal issues associated with such a scheme.

Bruandwo also announces that it will increase its unconditional cash offer of $3.15 cash per ALH share to $3.40 cash per ALH share provided that Bruandwo's relevant interest in ALH is in excess of 20% by 6.00 pm today, 18 October 2004.

Further if Bruandwo has achieved a relevant interest in ALH in excess of 20% by 6.00 pm today, 18 October 2004 and subsequently achieves a relevant interest in ALH in excess of 50% by the closing time of its offer, its unconditional cash offer will be further increased to $3.50 cash per ALH share.

In each case shareholders that have already accepted Bruandwo's offer will be paid the increased consideration within five business days of the relevant price increase being effected, and new accepting shareholders will be paid their consideration within five business days after their valid acceptance is received by Bruandwo's share registry following the relevant price increase being effected.

Bruandwo considers that ALH shareholders have a clear choice: to accept Bruandwo's offer in sufficient numbers to receive $3.40 or $3.50 cash per share depending on the level of acceptances, or to wait for the proposal by CMM which may not receive the necessary approvals.

Bruandwo also confirms that it will continue to accept valid acceptances on fax number +61 2 8235 8212 prior to the close of its offer.

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