WOOLWORTHS LIMITED

A.B.N 88 000 014 675

28 February 2005

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

Dear Sir/Madam

RE: Executive Option Plan

Attached is a copy of the Prospectus in respect of the Executive Option Plan.

For and on behalf of
WOOLWORTHS LIMITED

RKS JEFFS
COMPANY SECRETARY

WOOLWORTHS LIMITED
EXECUTIVE OPTION PLAN

Prospectus for the Woolworths Limited Executive Option Plan

February 2005

Woolworths Limited (ABN 88 000 014 675)

OVERVIEW

1. KEY DATES[1]

Offer Opens	*7 March 2005*
Offer Closes	*8 April 2005*
Expected Date for Grant of Options	*22 April 2005*

(1) These dates are subject to change and are indicative only. Woolworths Limited reserves the right to amend this indicative timetable including, subject to the Corporations Act and Listing Rules, to extend the latest date for receipt of applications.

2. HOW TO APPLY FOR OPTIONS

Eligible Executives wishing to participate in the Offer should:

- complete all remaining details on the Option Application Form which accompanies this Prospectus, in BLOCK LETTERS, sign the Option Application Form; and
- deliver their completed Option Application Form to Judy McCabe at Level 9, 540 George Street, Sydney NSW 2000 by the Company's internal mail or in person, so as to be received no later than 5.00 pm on ***8 April 2005***.

You must use the Option Application Form accompanying this prospectus. Photocopied Option Application Forms will not be accepted. If you lose this Option Application Form, or otherwise require a new Option Application Form, contact the Executives Remuneration and Benefits Officer, Judy McCabe on (02) 9323 1993.

3. LATE APPLICATIONS MAY NOT BE ACCEPTED

If after reading this Prospectus you have questions about the procedures relating to the Offer or the Plan you may call the Executives Remuneration and Benefits Officer, Judy McCabe, on (02) 9323 1993. *If you have any other queries, please seek advice from your financial adviser.*

This Prospectus is dated 28 February 2005 and was lodged with the Australian Securities and Investments Commission ("ASIC") on that date.

Neither ASIC nor Australian Stock Exchange Limited ("ASX") take any responsibility for the contents of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than thirteen months after the date of this Prospectus.

Applicants should read this Prospectus in its entirety before deciding to participate in the Offer. Any advice contained in this Prospectus is general advice only. Applicants should consider obtaining financial advice from an independent person who is licensed by ASIC to give such advice.

Defined terms and abbreviations included in the text of this Prospectus are explained in the Glossary.

CONTENTS

PAGE

1. GENERAL DESCRIPTION OF THE EXECUTIVE OPTION PLAN 3
2. SUMMARY OF EXECUTIVE OPTION PLAN RULES 4
3. DETAILS OF VESTING AND EXERCISE CONDITIONS 6
4. FINANCIAL BENEFITS AND RISKS OF OPTION AND SHARE INVESTMENT 8
5. TAXATION 15
6. DESCRIPTION OF WOOLWORTHS LIMITED 19
7. ADDITIONAL INFORMATION 21

GLOSSARY OF TERMS 18

OPTION APPLICATION INSTRUCTIONS 19

1. GENERAL DESCRIPTION OF THE EXECUTIVE OPTION PLAN

1.1 INTRODUCTION

At the Annual General Meeting of Woolworths Limited in November 1999, the shareholders resolved that Woolworths should establish a long-term incentive program incorporating a new Executive Option Plan as part of the Woolworths' 75th Anniversary celebration and to encourage further executive share ownership in Woolworths.

Eligible Executives selected by the Board will be invited to apply for up to a specified number of Options over Shares in Woolworths at an Exercise Price of $11.54 per Option. Eligible Executives may apply for the grant of Options by completing and signing the Option Application Form accompanying this Prospectus. Eligible Executives may apply for that number of Options stated in the Application Form.

1.2 ELIGIBILITY

The Board will declare which employees of Woolworths are Eligible Executives for the purposes of the Offer under this prospectus.

1.3 OPTIONS ARE GRANTED TO EXECUTIVE

Generally, an Option granted to an Eligible Executive is not transferable, except with the Board's approval. The Board may allow Options to be granted to an Eligible Executive's nominee, although this may have significant adverse tax consequences to the executive.

1.4 EXERCISE OF OPTION

Each Option is exercisable subject to achievement of defined performance hurdles (see section 3) into one fully paid ordinary Woolworths Share which, once exercised, will carry the same rights as all other Shares in the same class then on issue.

1.5 VESTING

The Options will be subject to vesting and exercise conditions cumulatively over a 5 year term. On or after the prescribed exercise dates of the Options on which the Options become exercisable provided the vesting and exercise conditions have been achieved, Participants may acquire a certain number of the Shares by exercising the specified number of Options.

1.6 PARTICIPATION

Participation by Eligible Executives in the Option Plan is entirely voluntary.

If an Eligible Executive chooses to become a Participant in the Option Plan, they will be granted the number of Options set out in the Application for Options attached. The proportion of this maximum entitlement, which a Participant eventually will be able to exercise, will depend on Woolworths performance as a total business. The Exercise Price for each of these Options will be $11.54. This price is the weighted average market price on the 5 Trading Days prior to 1 July 2004, the date approved by the Board as the effective date of Options under this Prospectus for the purpose of determining exercise periods and performance hurdles.

The number of Woolworths Shares to which a Participant is entitled on exercise of their Options, or the Exercise Price of their Options, will be adjusted by way of increase or decrease, as appropriate, in the event of a reconstitution of the Share capital of Woolworths. These events include a bonus issue or rights issue to ordinary shareholders or a reduction or return of issued capital. These events are defined in the ASX Listing Rules as are the adjustments to the number of underlying securities which a Participant may be entitled to on exercise of their Options and/or the Exercise Price of those Options.

1.7 PLAN RULES

By making an application to take up the Options, an Eligible Executive will be taken to have agreed to be bound by the provisions of the Rules which govern the operation of the Option Plan. Copies of the Rules of the Option Plan are available for inspection at Woolworths registered office at 5th floor, 540 George Street, Sydney, and at each State Support and Divisional Support Office. At the Eligible Executive's request, a copy of the Rules will be provided to any Eligible Executive (without charge) within a reasonable period of any such request being made. All requests should be made to your Divisional HR Manager.

2. SUMMARY OF EXECUTIVE OPTION PLAN RULES

2.1 GRANT OF OPTIONS

Upon receipt of an Option Application Form, an Eligible Executive's participation in the Option Plan is entirely at the discretion of the Board.

Participants do not need to pay any money for the grant of Options, however, upon exercise, the Exercise Price shown on the Option Certificate will be payable in full in respect of all of the Options granted and exercised.

There are no voting rights, dividend rights or rights to participate in new or bonus issues of Shares attached to the Options.

2.2 OPTIONS ARE NON-TRANSFERABLE

An Option granted to a Participant is not transferable, except with the Board's approval or by force of law. Any purported transfer of an Option without the Board's approval will cause that Option to lapse.

2.3 EXERCISE OF OPTIONS

Participants may only exercise an Option in accordance with the terms and conditions of grant and by paying the Exercise Price. The Exercise Price of an Option issued under this prospectus is $11.54 per Option. Each Option is exercisable into one fully paid ordinary Woolworths Share which, once exercised, will carry the same rights as all other Shares in the same class then on issue.

An Option is subject to vesting and exercise conditions. Before a Participant can exercise an Option, these vesting and exercise conditions must be satisfied. This is explained in more detail in section 3.

The Board will prescribe a date or dates on which Options become exercisable. Vested Options may only be exercised 5 years after the effective date. On or after the prescribed exercise date, and providing any other vesting and exercise conditions prescribed by the Board have been achieved, Participants may acquire a defined number of Shares by exercising the Options. An Option will expire if it is not exercised within the life of the Option. If they have not expired sooner, unexercised Options will lapse after 5.5 years from the effective date (ie, on 31 December 2009), or up to 3 months after termination of a Participant's employment, whichever first occurs.

When a Participant exercises Options, Woolworths will issue the Shares resulting from the exercise of Options to the Participant. The exercise of the Options will only be taken to be effective immediately before the resulting Shares are allotted to the Participant.

Woolworths will apply for Shares acquired pursuant to an exercise of Options for the purposes of the Option Plan to be quoted on ASX if other Shares are quoted at that time.

2.4 EARLY EXERCISE

Subject to the Board's approval, a Participant may exercise their Options before the prescribed exercise date if their employment ceases in circumstances such as death, retirement, ceasing employment because of illness, incapacity, redundancy and where otherwise permitted by the Board, or on a takeover, scheme of arrangement or winding up.

If a Participant dies or retires, or in the Board's opinion becomes unable to perform their duties because of illness or incapacity, is made redundant, or their employment is terminated other than for cause, or they leave their employment with the consent of the Board given for the purpose of the Option Plan, then:

- they (or, in the case of their death, their legal personal representative) may exercise vested Options earlier than the prescribed exercise date, in accordance with the Option Plan Rules, unless the Board reasonably determines that the Options lapsed immediately; and
- they may exercise unvested Options (ie those which have not satisfied the performance or exercise conditions) only if permitted by the Board.

If a Participant leaves their employment for any other reason, they may exercise any unexercised Options (whether vested or unvested), only with the Board's written permission.

The Board may declare that any of a Participant's unexercised Options lapse if in the opinion of the Board, they have acted fraudulently or dishonestly, or in breach of duty, or are convicted of or charged with a criminal offence, or otherwise bring the Woolworths Group into disrepute. Participants will not be able to exercise any unexercised Options that have lapsed.

In all cases, Participants may not exercise an Option if they are bankrupt or if they have committed an act of bankruptcy. If the Board has approved for a Participant's Options to be held by a nominee and that nominee is a company, then an Option may not be exercised by their nominee if it is insolvent or is being wound up.

All Shares once issued under the Option Plan will rank equally in all respects with all other Woolworths Shares of the same class on issue and will be listed on ASX.

2.5 RECONSTRUCTIONS, BONUS AND RIGHTS ISSUES

If Shares are issued to Woolworths shareholders generally by way of a bonus issue involving capitalisation, a Participant's entitlement to Woolworths Shares under an Option will be adjusted. For example, if Shares are issued pro rata to Woolworths shareholders generally by way of a bonus issue, Participants are entitled (on exercise of Options) to receive an issue of as many additional Shares as would have been issued to a shareholder who held Shares of the same number as that which is issued to them upon exercise of their Options.

If there is a rights issue to all Woolworths shareholders before a Participant exercises an Option, and the price at which each Share is offered under the rights issue is less than the market value on the day the rights issue is announced, then the Option Exercise Price will be reduced in accordance with a prescribed formula as set out in the Option Plan Rules.

If there is any reorganisation, including any subdivision, consolidation, reduction or return of the issued capital of Woolworths, the number of Options to which a Participant may be entitled or the Exercise Price, or both, will be adjusted as specified by the ASX Listing Rules.

2.6 LAPSE OF OPTIONS

Options will expire on, and so may not be exercised after, 5.5 years from the effective date (ie, will lapse on 31 December 2009). Before then, each Option also lapses:

- if a Participant dies, 12 months after their death;
- if a Participant retires, 3 months after their retirement;
- if a Participant's employment ceases for any other reason, 3 months after their employment ceases; and
- if a Participant acts fraudulently or dishonestly, or in breach of their duty, or is convicted or charged with a criminal offence, or otherwise brings a Woolworths Group company into disrepute and the Board determines that the Option lapses, then the Option lapses accordingly.

2.7 CURRENT MARKET PRICE OF WOOLWORTHS SHARES

The closing price of Woolworths Shares on ASX on 24 February 2005 was $14.71.

At any time during the offer period, the current market price of Woolworths ordinary Shares, as traded on the ASX, can be obtained by calling your stockbroker or the Share Registry & Shareholder Relations on (02) 9323 1538 or (02) 9323 1563. You will be provided with the current market price either immediately or within a reasonable time after the request is made.

3. DETAILS OF VESTING AND EXERCISE CONDITIONS

3.1 VESTING OF OPTIONS

Options are subject to vesting conditions. The vesting conditions applicable to the Options are set out in this section. Options granted to Eligible Executives will be issued on the basis of EPS performance hurdle vesting conditions for 50% of the total number of Options granted and a TSR performance hurdle vesting condition for the remaining 50% of the Options granted.

For the purposes of calculating the EPS and TSR hurdles, the "effective date" is 1 July 2004.

Options will vest in five tranches. Generally, provided the selected performance hurdles are achieved and the relevant Options have vested, each tranche of Options may be exercised in accordance with the following exercise conditions:

Tranche	Percentage of Options in total grant that may be exercised	Performance hurdle to be achieved	Exercise period
Tranche 1	12.5%	4 year 10% EPS	5 years from the effective date (ie, 1 July 2004) to the expiry date (ie, 31 December 2009)
Tranche 2	12.5%	4 year 11% EPS	5 years from the effective date to the expiry date
Tranche 3	12.5%	5 year 10% EPS	5 years from the effective date to the expiry date
Tranche 4	12.5%	5 year 11% EPS	5 years from the effective date to the expiry date
Tranche 5	12.5% - 50%	TSR	5 years from the effective date to the expiry date

3.2 EARNINGS PER SHARE PERFORMANCE HURDLE FOR VESTING

The performance hurdles for the Options comprised in Tranches 1 to 4 representing 50% of the total grant is based on growth of Woolworths' Earnings Per Share from one financial year to the next.

Of the Options comprised in tranches 1 and 2, the number of Options that will vest at the end of four years from the effective date will be as follows:

- if the average annual EPS growth over the period from the effective date (ie 1 July 2004) to the date 4 years after the effective date (ie, 30 June 2008) is at least 10% per annum compounded, 12.5% of the total grant of options vest; and
- if the average annual EPS growth over the period from the effective date to the date 4 years after the effective date (ie, 30 June 2008) is at least 11% per annum compounded, an additional 12.5% of the total grant of options vest.

Of the Options comprised in tranches 3 and 4, the number of Options that will vest at the end of five years from the effective date will be as follows:

- if the average annual EPS growth over the period from the effective date (ie 1 July 2004) to the date 5 years after the effective date (ie, 30 June 2009) is at least 10% per annum compounded, 12.5% of the total grant of options vest; and
- if the average annual EPS growth over the period from the effective date to the date 5 years after the effective date (ie, 30 June 2009) is at least 11% per annum compounded, an additional 12.5% of the total grant of options vest.

Earnings Per Share is the non-dilutive EPS which will be measured as the net profit after outside equity interests divided by the weighted average number of Shares on issue (where the closing balance of Shares on issue includes ordinary Share issues and dividend reinvestment plan issues) over the relevant period.

3.3 TOTAL SHAREHOLDER RETURN PERFORMANCE HURDLE FOR VESTING

The performance hurdle relating to Tranche 5 representing the remaining 50% of the grant is based on the relative growth in Woolworths' Accumulative Index (a measurement of its TSR), measured over the period of sixty months from the effective date, equalling or exceeding the nominated percentile ranking of the TSR of the constituent companies (from time to time) Accumulation Index in the S&P/ASX 100 Index, collectively referred to as "Comparator Companies".

Broadly, TSR measures growth in a company's Share price plus dividends notionally reinvested in the company's Shares.

For the purpose of measuring TSR performance, a three month smoothing period will be used to eliminate market volatility. The Comparator Companies will be ranked with the company with the highest TSR figure having the highest ranking and the other companies ranked below it according to their respective TSR figures, in descending order.

The percentage of the total number of Options comprised in Tranche 5 of a grant which becomes vested depends upon Woolworths' TSR figure relative to the percentile performance of the Comparator Companies, as follows:

Woolworths TSR equals or exceeds the following percentile of the Comparator Companies	Percentage of Options in total grant that may be exercised
60th percentile	12.5%
65th percentile	25%
70th percentile	37.5%
75th percentile	50%

Where Woolworths' TSR falls between two of the stated percentiles, the percentage of Options that become vested will be pro rata on the basis of the Woolworths' TSR performance.

4. FINANCIAL BENEFITS AND RISKS OF OPTION AND SHARE INVESTMENT

4.1 GENERAL INFORMATION ON OWNING OPTIONS

The value of Options will fluctuate with the value of Shares which are quoted on ASX. As the Options generally cannot be transferred, the benefit Participants receive from Options is through exercising them into Shares. However, a Participant may choose not to exercise their Options. With Options, unlike Shares, a loss may be avoided by not exercising if the market price of the Shares is below the Exercise Price of the Options. Participants do not pay any money for the grant of Options.

Once a Participant exercises their Options and if the Participant retains the Shares issued, (as a resultant shareholder) they will be exposed to the normal investor risks, and benefits, of owning Shares.

4.2 FINANCIAL BENEFITS AND RISKS OF SHARE OWNERSHIP

There are two main financial benefits that may arise from owning Shares:

- income in the form of dividends; and
- growth in the value (capital appreciation) of Shares.

There are also risks associated with Share ownership. Woolworths is a limited liability company and persons holding Shares are not obliged to contribute more Share capital in the event of losses. However, it is possible that, if there are losses or profits fall, holders of Shares may not receive dividends or dividends may be reduced and the value of their Shares may fall.

Every investment involves an element of risk. Shares should be considered a long-term rather than a short-term investment. The price of Shares as quoted on ASX is volatile and moves up and down with market sentiment as well as with factors which are specific to the Company.

The price at which the Shares trade on ASX may be higher or lower than historical prices. If investors decide to sell their Shares, the amount which may be received on the sale may be higher or lower than their present market price. The 2005 Half-Yearly Report for Woolworths contains Woolworths' results for the 27 weeks to 2 January 2005 as well as factors that have impacted upon its financial performance. That document should be referred to for details of those matters (see Section 6 of this Prospectus for further details). The 2005 Half-Yearly Report was lodged with ASX on 28 February 2005.

Many factors will affect the price of Shares. At any point in time these factors may include:

Company Factors

- the profit outlook for Woolworths;
- the profitability of Woolworths;
- the dividend policy of Woolworths;
- the level of franking of Woolworths' dividends;
- the credit ratings and strength of the balance sheet of Woolworths; and
- the performance and success of Woolworths' staff, management and Board and its policies and strategies.

External Factors

- movements in the general level of Share prices on local and international Share markets;
- the success of marketing and other strategies adopted by Woolworths, relative to its competitors' strategies;
- developments in the retail and other industries generally;
- the economic outlook in Australia and internationally;
- changes in government fiscal, monetary and regulatory policies;
- turnover and volatility of financial markets in Australia and overseas; and
- changes in interest rates, inflation rates, exchange rates and commodity prices.

Please also refer to section 4.3 below for discussion of the risks impacting on the Company's performance.

Neither Woolworths Limited nor any related body corporate of Woolworths Limited nor any of their officers guarantees the success or performance of the Shares, the repayment of capital or the payment of a particular return on the Shares.

4.3 RISKS TO THE COMPANY'S FINANCIAL PERFORMANCE

Risk Factors

Continued superior performance cannot be assumed. There are many risks in the markets in which Woolworths operates. Performance can be influenced by a range of factors, many of which are not within Woolworths' control.

Set out below are specific risks associated with Woolworths Group. Such risks may be relevant to a decision to apply for Options to the extent that they affect the ability of Woolworths to maintain the performance necessary to continue to generate share price increases.

Dependence on general economic conditions

Woolworths' business may be affected by general economic conditions, interest rates and inflation. Changes in economic conditions in the markets in which Woolworths operates may result in customers changing spending patterns or their level of general consumption, which may have a material adverse effect on the Company's operating and financial performance.

Increased or new competition

Woolworths occupies a leading position in the Australian food retail market and considers that there are a number of factors that will enable it to maintain and defend this position in the face of increased activity from existing and potential competitors, both local and foreign based.

The break up of the Franklins' chain has resulted in increased competitive activity through Pick n' Pay, Action and Metcash Trading as well as the expansion of the Aldi chain. Coles Myer Group have also increased competitive activities in all of their food and non-food areas. Metcash Trading has made an off-market takeover off to acquire all of the issued shares of Foodland Australia Limited. This offer would, if successful, result in Metcash Trading having a market share of the Australian retail food, liquor and grocery market of approximately 20%.

System and Computer Network Interruptions

The ongoing performance of Woolworths' operations is dependent, in part, on the reliability and availability of its systems and computer networks. Systems and computer network interruptions due to fire, power loss, telecommunication failure and other events beyond the Woolworths' control may result in temporary unavailability of key operating processes. In some circumstances this may result in a decline in revenues, due to supply disruptions, consumer dissatisfaction, or an increase in certain costs. Woolworths carries business interruption insurance, which may offset the financial effect of such an event and off-site recovery contingency plans exist.

Reliance on key management

The responsibility of overseeing day-to-day operations and strategic management of Woolworths is concentrated amongst a number of key employees. There can be no assurance that there will be no detrimental impact on Woolworths if one or a number of these key employees were to cease employment with Woolworths.

Woolworths' success and growth strategy will also depend on its ability to attract and retain key management and operating personnel. An inability to attract the requisite key personnel by the Company could have a material adverse effect on the Company's business, operating results and financial condition.

Management of growth opportunities

The Company is pursuing new growth through continued cost control, operational efficiencies and new store growth. The number of services it provides, the number of customers it serves and the operating complexities it faces may increase. Woolworths expects that growth and increased operating complexity may place additional demands on its operating systems and personnel. If the development of Woolworths' operating systems is unable to keep pace with these demands, the Company's future business and financial performance may be adversely affected.

The significant benefits to be achieved through Project Refresh Level II strategic initiatives assisted by IT enablers will also commit the Company to a significant cost and will impose upon management a critical need to drive the benefits of this investment.

Retail Globalisation

There is an international trend in breaking down national barriers in retailing. This is generally known as Retail Globalisation. Australia is not necessarily isolated from this trend which can affect such things as sourcing, competition, ownership and management.

Unions

The Company has enterprise agreements in place for most of its non-salaried employees. These agreements deal with all aspects of the conditions of employment including dispute resolution procedures. It is not considered that there is any material risk of disruption to the main business activities of the Company.

Changes in accounting standards

For reporting periods beginning on or after 1 January 2005, Woolworths must comply with the Australian equivalents to the International Financial Reporting Standards and the related pronouncements ("A-IFRS") as issued by the Australian Accounting Standards Board.

The Company's 2005 Half-Yearly Report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for the reporting period ending on 2 January 2005.

The Group will report for the first time in compliance with A-IFRS when the results for the half year ending 1 January 2006 are released. A-IFRS requires that entities complying with A-IFRS for the first time restate their comparative financial statements using all A-IFRS with the exception of certain requirements of AASB132 Financial Instruments: Disclosure and Presentation and AASB139 Financial Instruments: Recognition and Measurement. This means that the Group's opening A-IFRS balance sheet will be a restated comparative balance sheet dated 28 June 2004. Most adjustments required on transition to A-IFRS will be made retrospectively against opening retained earnings on 28 June 2004 in accordance with A-IFRS; however transitional adjustments relating to those standards above where comparatives are not required will only be made with effect from 27 June 2005 (ie the commencement of the 2006 financial year).

The differences between Australian GAAP and A-IFRS identified to date as potentially having a significant effect on the Group's financial performance and financial position are summarised in the table below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and A-IFRS, as the Group is still assessing the impact of A-IFRS. No attempt has been made to identify all disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented.

In August 2003, the Board established a formal project to monitor and plan for the adoption of A-IFRS. An A-IFRS implementation team was established which involves representatives from the finance team, other departments and third party advisers. The team is liaising directly with each of the business units and reports to the Chief Financial Officer. The 2004 Annual Report set out details of the three stages of the Group's A-IFRS project.

The first stage, being the assessment and planning phase, was considered complete as at 27 June 2004.

The second stage, being the design phase, aims to formulate the changes required to existing accounting policies and procedures and systems and processes in order to transition to A-IFRS. The components of the design phase are set out in the 2004 Annual Report. As at the date of the 2005 Half-Yearly Report, the design phase is nearing completion and will be completed during this financial year.

The final stage is the implementation phase and includes implementation of identified changes to accounting and business procedures, processes and systems and operational training for staff. It will enable the company to generate the disclosures to comply with the requirements of AASB 1 ("First time adoption of Australian Equivalents to International Financial Reporting Standards" (AASB 1"). This stage has also been commenced and it is expected that this phase will be substantially complete by 26th June 2005.

As stages two and three are not yet complete, the Woolworths Group is unable to completely and accurately present the expected quantified financial impact from the adoption of A-IFRS. There can be no assurances that the consolidated financial performance and financial position as disclosed in the 2005 Half-Yearly Report would not be significantly different if determined in accordance with A-IFRS.

Potential Impact of Conversion to A-IFRS

The following areas have been identified as being potentially significant to the Company:

Area of Impact	Impact
Impairment of assets Currently, assets are written down to recoverable amount when the asset's carrying amount exceeds recoverable amount. In determining recoverable amount, expected future cash flows are currently not discounted to their present value.	Under A-IFRS, both current and non-current assets are tested for impairment. In addition, A-IFRS has a more prescriptive impairment test, and requires discounted cash flows to be used where value in use is used to assess recoverable amount. Impairments of assets will be determined by comparing the carrying value of the group of assets identified as relating to each respective cash generating unit ("CGU") to the recoverable amount of the CGU. Impairment will be assessed on a discounted cash flow basis based on the relevant CGU. Goodwill and liquor licences are allocated to individual CGU's and tested for impairment. To the extent that any impairment is determined, this will be recognised immediately in the statement of financial performance. The Company is currently assessing the impact, if any, at transition. It is not practicable to determine the impact of the change in accounting policy for future financial reports, as any impairment or reversal thereof will be affected by future conditions.
Valuation of property, plant and equipment A-IFRS provides an option to value each class of property, plant and equipment at either cost or fair value. At the transition date, an election is available under the A-IFRS transition rules to use cost, fair value or deemed cost as the opening carrying value. It is the current intention of the Company to: • value property, plant and equipment on the cost basis, adjusted for any accumulated impairment balances; • to use deemed cost for freehold properties; and • value non-current development properties at depreciated cost as they are primarily owner occupied. Any development properties where there is a current demonstrable intention to sell will be valued at the lower of carrying value and fair value.	Adjustments to carrying values, if any, of certain previously revalued assets may arise if the restatement to cost transition election is adopted. This will be recognised against opening retained earnings or past revaluation reserves. No ongoing revaluations are proposed and no significant future earnings impacts are expected.
Goodwill Goodwill is currently amortised over a 20-year period except for GreenGrocer.com.au which is amortised over five years.	Under A-IFRS, goodwill will not require amortisation. It will be subject to impairment testing at least annually. Refer impairment of assets above. There will be an increase in earnings and net assets as a result of the cessation of goodwill amortisation in future periods.
Liquor Licences Liquor licences are valued at cost and are not amortised as they are considered to have an indefinite useful life.	Under A-IFRS, liquor licences will be assessed as having indefinite useful lives and will be tested annually for impairment. Refer to "Impairment of assets" above. No transition date impact is expected.

Area of Impact	Impact
Post Employment Benefits The Woolworths Group does not currently recognise an asset or a liability for the net position of the defined benefit plan that it sponsors. Contributions to the defined benefit plan are expensed in the statement of financial performance when due and payable.	On transition to A-IFRS, the Company will recognise in the financial statements any surplus or deficit in the defined benefit plan arising between the market value of plan assets and the present value of any defined benefit obligations. The initial adjustment will be made retrospectively against opening retained earnings and will be based on actuarial calculations at 28 June 2004. After the transitional adjustment, further movements in the net position of the plan as a result of actuarial gains or losses can be either recognised in the statement of financial performance each period as the arise, together with a corresponding asset or liability recognised directly into equity or not recognised if the surplus or deficit is within a certain "corridor or threshold".
Share based payments Share-based compensation forms part of the remuneration of employees of the Company (including executives) as disclosed in the notes to the financial statements in the 2005 Half-Yearly Report. The Company does not currently recognise an expense for any share-based compensation granted. The Group operates an Employee Share Plan whereby it provides interest free loans to selected employees to purchase shares in the Company. The shares are held in trust by a related entity. The loans are non recourse and if the employee elects not to repay the loan, the underlying shares are sold to recover the remaining loan balance. Under A-IFRS, these share loans are considered options to purchase shares. Accordingly the fair value of the option at grant date will be recognised as an expense over the vesting period.	Under A-IFRS, the Company will be required to recognise an expense for such share-based compensation. Share-based compensation is measured at the fair value of the share options determined at grant date and recognised over the expected vesting period of the options. A reversal of the expense will be permitted to the extent non-market based vesting conditions (e.g. service conditions) are not met. The Company will not retrospectively recognise share-based payments vested before 1 January 2005 as permitted under A-IFRS first time adoption. The recognition of the expense will decrease the consolidated entity's opening retained earnings on initial adoption of A-IFRS and increase share capital by the same amount for share-based payments issued after 7 November 2002 but not vested before 1 January 2005. In addition, employee share based expenses will reduce earning on an ongoing basis.
Taxation The Company currently recognises deferred taxes by accounting for the differences between accounting profits and taxable income, which give rise to 'permanent' and 'timing' differences.	Under A-IFRS, deferred taxes are measured by reference to the 'temporary differences' determined as the difference between the carrying amount and the tax base of assets and liabilities recognised in the balance sheet. Consequently, new tax assets and liabilities could be recognised at transition (against opening retained earnings) and on an ongoing basis (against income tax expense). Tax assets and liabilities may potentially arise from the following: Licences, Non depreciable leasehold improvements, Asset revaluations, Defined benefit plan, Hedging asset and Hedging liability. The net impact (directional or value) at transition and in the future is not capable of being determined until all A-IFRS adjustments are finalised.

Area of Impact	Impact
Hedge Accounting The Company enters into forward exchange contracts, cross currency swaps and interest rate swaps in order to hedge its exposure to fluctuations in exchange rates and interest rates. The Company currently applies hedge accounting under Australian GAAP in relation to these derivatives.	Under A-IFRS, hedges are designated as fair value hedges, cash flow hedges or hedges of a net investment in a foreign entity, and the accounting differs depending on the designation. Where a hedge is designated as a fair value hedge, changes in the fair value of the hedge item to the extent of the risk hedged are recognised in profit or loss. Changes in the fair value of hedging instruments classified as cash flow hedges or hedges of a net investment in a foreign entity are recognised in equity to the extent they are effective hedges, and are recycled to the income statement when the hedged transaction affects the profit or loss. Any movement in fair value of the hedge instrument that is not effective is recognised immediately in profit and loss. The designation, documentation and effectiveness requirements under A-IFRS are quite specific. Hedges that do not meet these requirements will no longer qualify for hedge accounting. It is not possible to determine the impact of the change in hedging requirements until the future financial period ending 26 June 2005 when a full analysis of the impact of the standard can be conducted.
Financial assets and financial liabilities Under current Australian GAAP, financial assets and financial liabilities are recognised at cost, at fair value, or at net market value.	On adoption of A-IFRS, the consolidated entity will be required to classify these financial instruments into various specified categories (being either of trading assets, held to maturity investments, loans and receivables or available for sale financial assets). The classification of the instrument determines the instrument's subsequent measurement. A-IFRS also introduces stricter rules relating to the assessment of the transfer of risks and rewards which may impact the de-recognition of financial assets, such as securitisation of employee share loans. This may result in certain past arrangements being re-recognised on balance sheet. At transition, certain securitised employee share loans and related liabilities may also be reclassified on the statement of financial position. Proceeds received at inception may be categorised as a loan liability with a corresponding asset initially recognised equal to any loan provided, subject to impairment testing.
Leases The Company currently distinguishes between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits, using the existing quantitative guidelines under A-GAAP.	A-IFRS introduces qualitative indicators to assist in determining whether a lease transfers substantially all the risks and rewards of ownership to the lessee. There is also new guidance on how the minimum lease payments are allocated between land and leasehold improvement components. The current view is that there is no apparent substantial change in accounting requirements for existing leases but the analysis is yet to be completed.

Area of Impact	Impact
Acquisition of controlled entities A-IFRS introduces new requirements to acquisition accounting including: • Changes in the basis of consideration • Increased guidance as to the separately identifiable intangible assets to be recognised. • Recognition of contingent liabilities in the fair value of acquired net assets • Stricter rules as to when a restructuring provision may be recognised relating to an acquisition (the acquiree must have been committed to the restructuring prior to the acquisition taking place)	This may result in different accounting under A-IFRS for the Company's acquisition, together with Bruandwo Pty Limited and others, of Australian Leisure and Hospitality Group Limited ("the ALH/ Bruandwo transaction"). Under the transition elections available under A-IFRS the Woolworths Group does not intend to restate any past transactions. The ALH/Bruandwo transaction will be restated in the 2005 comparative results and may result in changes to balances reported under Australian GAAP including adjustments to reported goodwill balances and elimination of some restructuring provisions.

5. TAXATION

The following brief summary is a general guide only of the Australian income tax consequences to Australian executives and may not apply to all executives. It assumes that you are and continue to be a resident of Australia for tax purposes. **Eligible Executives who are not resident in Australia for tax purposes should obtain their own independent tax advice.**

The summary also assumes that you hold your Options and any Shares acquired as a result of exercising your Options on capital account for tax purposes. This summary does not apply to shares or options acquired by an Eligible Executive under any other employee share or option plan in the 2004/2005 tax year or earlier tax years.

The tax consequences of participating in the Option Plan may be different for different people. Consequently, you should seek independent tax advice which takes into account your personal circumstances.

The information given in this section is in relation to the law prevailing, together with known administrative practice, at the date of this prospectus. Eligible Executives should note that these laws, the interpretation of them by the Courts and administrative practice can change at any time.

IMPORTANT

You may choose to be assessed *either*:

- at the time that the Options are granted (ie to be taxed upfront), by making an election; or
- under tax deferral, at a later date called the "Cessation Time".

The amount of tax payable will depend, in part, on when you are assessed.

To be taxed at the time the Options are granted to you under the Option Plan, you must make a written election in a form approved by the Commissioner of Taxation ("**Tax Election**"). The Tax Election should be made before you lodge your income tax return for the year of income ending 30 June 2005. The Tax Election should **NOT** be sent to the Australian Taxation Office, but should be kept with your other tax records. A suggested format for the Tax Election will be forwarded to you at the time that the grant of Options is confirmed by the Board. **You should not make the Tax Election if you wish to obtain the tax deferral.**

Any Tax Election you make for the 2004/2005 tax year, including in relation to other employee share or option plans in which you participate, applies to ALL shares and rights you acquire under ANY employee share or option plan in that tax year.

It is particularly important that you seek professional tax advice in deciding whether to make the Tax Election, and that the advice you seek takes account of different shares and rights you may have been granted in the same tax year under employee share and option plans.

5.1 IF YOU ARE TAXED UPFRONT (i.e. make a Tax Election

	Tax Treatment
Grant of Options	You will be taxed on the discount given in relation to the Options granted to you at the time you acquire those Options. This discount is the tax "market value" of the Options when they are granted to you. This market value is calculated using a complex formula in the tax rules which takes into account the difference between the exercise price and the market value of the shares at the time that the Options are acquired by you and the length of time from when the Options are granted to you until the last day on which the Options may be exercised. For example, if the exercise price for each of the Options covered by this invitation is \$11.54, the Options are granted to you on 31 March 2005, they expire on 31 December 2009 and we assume that the market value of a share (determined under the tax rules) at the time of grant of each Option is \$14.80, then the market value of each Option is deemed by the tax rules to be \$3.62. If you pay tax at the top marginal rate, tax of \$1.76 per Option will be due at the time that your tax is payable for the 2004/2005 tax year. As a practical matter, no tax should be payable prior to 21 November 2005. The tax "market value" of the Options will be advised to you at the time that the grant of the Options is confirmed by the Board.

IF YOU ARE TAXED UPFRONT (cont.)

	Tax Treatment
Termination of Employment	This is not a taxable event for you. In addition, you should refer to "Lapse of Option" below.
Exercise of Option	This is not a taxable event for you.
Disposal of option (before exercise)*	You may be subject to capital gains tax if you sell your Options. The capital gain will generally be the excess of the proceeds of sale over the "cost base" of the Options. If the sale proceeds are less than the reduced cost base of the Options, you will generally make a capital loss, which may be offset against capital gains you make in the same year or in future years. The cost base of your Options will be the amount on which you were assessed at the time of grant (ie the tax "market value" of the Option). Acquisition and/or disposal costs may be added to the cost base. You will generally only be assessed on 50% of any capital gain made on the disposal of your Options (after taking into account any capital losses that you may have) if you hold the Options for at least 12 months after grant. If the Options are disposed of within this 12 month period (or disposed of under an agreement made within this 12 month period), you will be assessed on the full amount of the capital gain (after taking into account any capital losses that you may have). In either case, you will not be entitled to the benefit of indexation of the cost base of the Options.

	Tax Treatment
Sale of Shares acquired by exercising Option	You may be subject to capital gains tax on the disposal of shares acquired on the exercise of your Options. The capital gain will generally be the excess of the proceeds of the sale over the "cost base" of the shares (see further below). If the sale proceeds are less than the reduced cost base of the shares, you will generally make a capital loss, which may be offset against capital gains you make in the same year or in future years. The cost base of your shares will be the amount on which you were assessed at the time of grant (ie the tax "market value" of the Option), plus the exercise price of the Option. If you incur any other costs associated with the acquisition and/or disposal of your shares, these may be added to the cost base of the shares. You will generally only be assessed on 50% of any capital gain made on the disposal of the shares (after taking into account any capital losses that you may have) if you hold the shares for at least 12 months after exercising the Option to acquire the shares. If the shares are sold within 12 months of exercise (or are sold under an agreement made within 12 months of exercise), you will be assessed on the full amount of the capital gain (after taking into account any capital losses that you may have). In either case, you will not be entitled to the benefit of indexation of the cost base of the shares.
Lapse of Option	Generally, if an Option lapses without having been exercised by you, you should not be assessed on the Option. If you have been assessed on the Options then you may seek a refund of any tax paid.
Dividends	Dividends on the shares acquired on the exercise of your Options will be taxable in the normal way. You should generally be entitled to the benefit of any franking credits attaching to the dividends.

* Under the Plan, you are only allowed to dispose of your Options if approval is given by the Board or if disposal occurs by force of law.

5.2 IF YOU SEEK TAX DEFERRAL (i.e. no Tax Election is made

	Tax Treatment
Grant of Options	This is not a taxable event for you.
Cessation Time	You will be assessed on the Options at the "Cessation Time", being the <u>earliest</u> of: • when you dispose of your Options** (assuming you are permitted to do so); • when you are no longer employed by any member of the Woolworths Group or by your employer at the time of grant of the Options ("**Termination of Employment**"); or • when you exercise your Options.
Assessable amount at Cessation Time	The amount on which you will be assessed at the Cessation Time is the discount given in relation to the Options granted to you. The calculation of this discount, as detailed below, will depend, in part, on how many Options you are able to exercise, when you are assessed on your Options (i.e. when the Cessation Time occurs) and, under the "30-Day Rule", whether you sell your Options or any shares acquired on the exercise of the Options in an arm's length transaction at or within 30 days of the Cessation Time (see below). **DISPOSAL OF OPTION** • If you are assessed when you dispose of your Options, the discount will generally be the full sale proceeds. **TERMINATION OF EMPLOYMENT (Options or shares acquired on exercise of Options not disposed of within 30 days of exercise)** • If you are assessed at the time of Termination of Employment and the "30-Day Rule" does not apply, the discount will generally be the tax "market value" of the Options at the Cessation Time. This market value is calculated using a complex formula in the tax rules which generally takes into account the difference between the exercise price and the market value of the shares at the Cessation Time, and the length of time until the last day on which the Option may be exercised. **EXERCISE OF OPTIONS** **(Shares acquired on exercise of Options not disposed of within 30 days of exercise)** • If you are assessed at the time you exercise your Options and the "30-Day Rule" does not apply, the discount will generally be the full excess (if any) of the tax "market value" of the shares you receive at the Cessation Time over the exercise price. Generally, the tax "market value" of the shares will be the weighted average price at which the shares in Woolworths are traded in the one week period up to and including the date of exercise. In each case, the assessable amount (i.e. the discount) is treated as ordinary income to you rather than as a capital gain and, accordingly, it is not eligible for the 50% capital gains tax concession.

** Under the Plan, you are only allowed to dispose of your Options if approval is given by the Board or if disposal occurs by force of law.

IF YOU SEEK TAX DEFERRAL (cont.)

	Tax Treatment
Disposal within 30 days of Cessation Time - "30-Day Rule"	If you dispose of your Options at or within 30 days of the Cessation Time the discount will be the full sale proceeds. If you exercise your Options and dispose of the shares you receive as a result in an arm's length transaction at or within 30 days of the Cessation Time (eg exercise or Termination of Employment), the discount will be the full excess of the sale proceeds over the exercise price. The capital gains tax rules will not apply to the disposal of your Options or any shares acquired on exercise of the Options under the 30-Day Rule and, accordingly, any gain is not eligible for the 50% capital gains tax concession.
Disposal of Option (before exercise)**	In some circumstances, you may be subject to capital gains tax if the Cessation Time is Termination of Employment and you subsequently sell your Options *after* 30 days from the Cessation Time.
Sale of shares acquired on exercise of Option *after* 30 days from the Cessation Time	Disposals of shares *after* 30 days from the Cessation Time will be subject to the capital gains tax rules. The capital gain will generally equal the excess of the proceeds from the sale of the share over the "cost base" of the share (see further below). If the sale proceeds are less than the reduced cost base of the share, you will generally make a capital loss, which may be offset against capital gains you make in the same year or in future years. The cost base of a share will equal the amount on which you were assessed at the Cessation Time, plus the exercise price. If you incur any other costs associated with the acquisition and/or disposal of your shares, these may be added to the cost base of the shares. You will generally only be assessed on 50% of any capital gain made on the disposal of the shares (after taking into account any capital losses that you may have) if you hold the shares for at least 12 months after the exercise of the Option. If the shares are sold within 12 months of exercise (or are sold under an agreement made within 12 months of exercise), you will be assessed on the full amount of the capital gain (after taking into account any capital losses that you may have). In either case, you will not be entitled to the benefit of indexation of the cost base of the shares.
Lapse of Option	Generally, if an Option lapses without having been exercised by you, you should not be assessed on that Option. If you have been assessed on the Options (ie on Termination of Employment), then you may seek a refund of any tax paid.
Dividends	Dividends on the shares acquired on the exercise of your Options will be taxed in the normal way. You should generally be entitled to the benefit of any franking credits attaching to the dividends.

5.3 IF YOU HAVE BEEN GRANTED OTHER SHARES OR RIGHTS UNDER AN EMPLOYEE SHARE PLAN IN THE 2004/2005 TAX YEAR

The decision you make as to whether you elect to be assessed upfront or seek the tax deferral in relation to your Options granted under the Option Plan applies equally to any other shares or rights you acquire under an employee share or option plan in the 2004/2005 tax year. If you want to make the Tax Election in respect of any of those **other** shares or rights, that will mean that you are assessed upfront on Options granted under the Option Plan.

If you have been granted other shares or rights under an employee share or option plan in the 2004/2005 tax year, then it is particularly important that you discuss with your tax adviser your decision as to whether or not to make the Tax Election.

6. DESCRIPTION OF WOOLWORTHS LIMITED

6.1 CONTRIBUTED EQUITY

At 2 January 2005 Woolworths' contributed equity was as follows:

	Number
Fully paid Shares	1,043,981,792
Options	23,283,457

If all Eligible Executives accept the Offer and exercise all their Options, up to 8,401,000 new Shares would be issued or about 0.80% of existing issued Shares.

Woolworths' contributed equity has a balance of $718,608,334 as at 2 January 2005. If all Options offered to Eligible Executives pursuant to this Prospectus are granted and if all Options are exercised for Shares, the Woolworths' capital account would have a balance of $815,555,874.

This figure does not take into account any other changes to issued capital including placements, bonus issues, rights issues and reconstructions of capital. Furthermore, Options vest in five tranches over 5 years from the effective date (being 1 July 2004). It is not expected that all Participants will remain in the employ of the Woolworths Group for such period of time and there is no guarantee performance hurdles will be met, thereby causing some or all Options to lapse.

Any change in Woolworths' issued capital and Options are reported to ASX.

6.2 FINANCIAL INFORMATION

Woolworths financial position at 2 January 2005 and financial results for the 27 week period ended 2 January 2005 and commentary on performance are contained in the 2005 Half-Yearly Report. The 2004 Annual Report was lodged with ASX on 27 September 2004. Further financial information concerning Woolworths is generally available as described in Section 7.

No funds will be raised by Woolworths by the grant of Options under the Option Plan.

Woolworths' annual Basic Earnings Per Share (Basic EPS) adjusted for bonus issues for the last five years have been:

Financial year	2000	2001	2002	2003	2004
Total Basic EPS(c)	26.27	40.16	50.24	58.09	67.40

The Basic Earnings Per Share for the 27 weeks to 2 January 2005 was 42.49 cents.

6.3 RIGHTS ATTACHING TO ORDINARY SHARES

The Shares carry the following rights, privileges and restrictions. Full details of the rights attaching to the Shares are set out in the Constitution of Woolworths.

General Meetings and Voting

Each holder of Shares is entitled to receive notice of, and to attend and vote at, general meetings of Woolworths and to receive all notices, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may attend in person or by proxy and vote on issues requiring a shareholders' resolution at general meetings. Such issues include the election of Directors and any changes to the Constitution of the Company. Notice is given to shareholders when those meetings are to be held and of the items of business to be considered. At a general meeting every holder of Shares present in person or by proxy or attorney has one vote on a show of hands and, on a poll, one vote per fully paid Share (and a proportion of a vote for Shares partly paid, equal to the proportion the amount paid on the Share bears to its total issue price).

Dividends

Shareholders have the right to participate in the profits of the Company through the receipt of dividends. Dividends are a share of the profits of the company. The size of any dividend will depend, among other things, upon the Company's profitability during the relevant financial year. It is the Company's present policy to pay dividends twice yearly. (In 2003, 2001 and 2000, a third and special dividend was paid to shareholders participating in an off market share buy-back). Subject to the rights of holders of shares issued with any special or restricted rights, that portion of the profits of Woolworths which the Directors may from time to time determine to distribute by way of a dividend, must be declared and paid on all of the Shares of a particular class in respect of which the dividend is paid.

Annual Report

Shareholders have the opportunity to receive each year a copy of the Company's Annual Report which provides a comprehensive review of Woolworths' performance as a whole during the previous financial year.

Winding Up

In the event that the Company were ever wound up, depositors, other creditors and holders of WINS would be paid out in priority to shareholders. Any surplus available would be distributed among shareholders in accordance with the Corporations Act.

Transfer

Subject to the Constitution of the Company, the Corporations Act, any other laws and the Listing Rules, Shares acquired upon exercise of Options are transferable. Note though that an Option granted to an Eligible Executive is not transferable, except with the Board's approval. See sections 1.3 and 2.2 of this Prospectus for further details.

Variation of Rights

The rights attaching to Shares of any class may be altered with the approval of a special resolution passed at a separate general meeting of the holders of shares of that class or with the written consent of the holders of at least three-quarters of the issued shares of that class.

Share Buy-Backs

Woolworths is entitled to purchase Shares in itself in accordance with the requirements of the Corporations Act.

Proportional Takeovers

The Constitution of Woolworths provides that shareholder approval will be required in relation to proportional takeover schemes.

6.4 HISTORY OF DIVIDENDS PAID

Date of dividend*	Type	Cents per Share	Franking rate
29/4/94	Interim	6 cents	39%
30/11/94	Final	6 cents	39%+33%
28/4/95	Interim	6 cents	33%
17/11/95	Final	8 cents	39%+33%
26/4/96	Interim	7 cents	33%
12/11/96	Final	8 cents	36%
24/4/97	Interim	7 cents	36%
15/10/97	Final	9 cents	36%
24/4/98	Interim	8 cents	36%
9/10/98	Final	9 cents	36%
30/4/99	Interim	8 cents	36%
5/10/99	Final	10 cents	36%
28/4/00	Interim	10 cents	36%
5/10/00	Final	13 cents	34%
27/4/01	Interim	12 cents	34%
5/10/01	Final	15 cents	30%
30/4/02	Interim	15 cents	30%
8/10/02	Final	18 cents	30%
30/4/03	Interim	18 cents	30%
3/10/03	Final	21 cents	30%
20/4/04	Interim	21 cents	30%
8/10/04	Final	24 cents	30%
29/04/05	Interim	24 cents	30%

* On 7/4/00 a special dividend of $2.47 was paid to members participating in Woolworths' buy-back.
On 22/6/01 a special dividend of $5.82 was paid to members participating in Woolworths' buy-back.
On 14/4/03, a special dividend of $8.52 was paid to members participating in Woolworths' buy-back.

7. ADDITIONAL INFORMATION

7.1 NATURE OF PROSPECTUS AND AVAILABILITY OF INFORMATION

This Prospectus is intended to be read in conjunction with the publicly available information that is widely available in relation to the Company. Eligible Executives and their advisers should therefore also have regard to that publicly available information in relation to the Company before making a decision whether or not to accept the Offer of Options under this Prospectus.

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.

The most recent report is the 2005 Half-Yearly Report which contains Woolworths' consolidated financial report for the 27 weeks to 2 January 2005 and commentary on Woolworths performance and developments during that year. Woolworths has lodged with ASX a Media Release associated with the Half-Yearly Report for the 27 weeks ended 2 January 2005 in relation to Woolworths which summarises the performance and prospects of the Company. The 2004 Annual Report was lodged with ASX on 27 September 2004.

Woolworths is required to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the stock market conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions), to notify ASX immediately of any information of which it is or becomes aware concerning the Company, which a reasonable person would expect to have a material effect on the price or value of Shares.

Copies of the 2004 Annual Report for Woolworths, the 2005 Half-Yearly Report and any notice given by Woolworths to ASX after the lodgment of the 2004 Annual Report and before the lodgment of this Prospectus will be provided free of charge to each participating executive by calling Share Registry and Shareholder Relations on (02) 9323 1538 and (02) 9323 1563. In addition, copies of documents lodged with ASIC in relation to Woolworths may be obtained from, or inspected at, any office of ASIC.

If Participants wish to obtain further information on Woolworths they can do so by contacting their financial advisers or by reviewing the public documents available at ASX.

None of the information referred to above is incorporated by reference in this Prospectus or is issued with this Prospectus.

7.2 DOCUMENTS AVAILABLE FOR INSPECTION

The following Woolworths documents are available for inspection during normal business hours at the principal office of Woolworths at 5th floor, 540 George Street, Sydney NSW 2000, care of the Company Secretary:

- Constitution
- Last five Annual Reports and the 2005 Half-Yearly Report
- Rules of the Woolworths Limited Executive Option Plan
- Woolworths Staff Trading Rules

The 2005 Half-Year Report was lodged with ASX on 28 February 2005.

7.3 STATEMENTS

Participants will receive a statement setting out (among other details) the number of Options granted, the Exercise Price, the grant date, the prescribed exercise dates and the Option period.

Each of the Directors of the Company has consented to the lodgment of this Prospectus with the Australian Securities and Investments Commission.

GLOSSARY OF TERMS

ASIC	Australian Securities and Investments Commission.
ASX	Australian Stock Exchange Limited.
Board	The Board of Directors of the Company or a committee appointed by the Board of Directors.
CHESS	Clearing House Electronic Subregister System.
Company	Woolworths Limited (ABN 88 000 014 675).
Constitution	The Constitution of Woolworths.
Corporations Act	Corporations Act 2001 (Cwlth).
Director	A director of the Company.
Eligible Executive	An employee (including a director of the Woolworths Group employed in an executive capacity) who is declared by the Board to be an Eligible Executive for the purposes of the Plan.
EPS	Earnings Per Share.
Exercise Price	In relation to an Option, the amount payable on exercise of that Option, as specified in this Prospectus.
Listing Rules	The ASX Listing Rules.
Offer	The offer to Eligible Executives of Woolworths of Options pursuant to this Prospectus.
Option	A right to acquire a Share.
Option Application Form	The pre-printed personalised application form in respect of Options the subject of the Offer accompanying this Prospectus.
Plan	The Woolworths Executive Option Plan, and Option Plan has the same meaning.
Prescribed Exercise Date	In relation to an Option, the first date on which that Option is exercisable.
Prospectus	This prospectus under which Eligible Executives can apply to be issued Options under the Plan.
SCH	Securities Clearing House.
Share(s)	Fully paid ordinary Share(s) in the capital of Woolworths.
Trading Day	A trading day for ASX under the ASX Listing Rules.
Tranche	A number of Options which have the same Prescribed Exercise Date.
TSR	Total Shareholder Return.
WINS	The Woolworths Income Notes are perpetual and have no maturity date, and will not be repaid other than on a winding up of the Company, or at Woolworths option in certain defined circumstances. The holders of WINS are entitled to a distribution calculated and paid quarterly in arrears, at a margin of 2.00% over the 90 day bank bill swap rate at the beginning of the relevant quarter.
Woolworths	Woolworths Limited (ABN 88 000 014 674).
Woolworths Group	Woolworths or any of its subsidiaries.

OPTION APPLICATION INSTRUCTIONS

The Option Application Form has been personalised with your name, employee number and the number of Options for which you may apply.

Eligible Executives wishing to participate in the Offer should:

- Complete all remaining details on the Option Application Form, in BLOCK LETTERS, sign the Option Application Form; and

- Deliver their completed Option Application Form to the Executives Remuneration and Benefits Officer, Judy McCabe, at Level 9, 540 George Street, Sydney 2000, so as to be received no later than 5.00 pm on 8 April 2005.

You must use the Option Application Form accompanying this Prospectus. Photocopied Option Application Forms will not be accepted. If you lose your Option Application Form, or otherwise require a new Option Application Form, contact Executives Remuneration and Benefits Officer, Judy McCabe, on (02) 9323 1993.

Woolworths complies with the provisions of the Privacy Act 1988 (Cth). The uses and disclosures which Woolworths puts to the information collected in the Option Application Form is in accordance with the privacy statement in the Option Application Form.

LATE APPLICATIONS MAY NOT BE ACCEPTED.