WOOLWORTHS LIMITED

A.B.N 88 000 014 675

14 July 2005

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

Dear Sir,

EXECUTIVE OPTION ISSUE ANNOUNCEMENT

Woolworths introduced an Executive Option Plan ("Plan") in 1999 which was approved by Shareholders.

The allocation of Options under the Executive Option Plan for 2004 has been approved for the grant of 7,752,750 Options to 1,354 Executives and Senior Management. These Options are exercisable from the 5th anniversary of their date of grant (ie. 1 July 2009), subject to the achievement of specific performance hurdles as approved in the Plan.

In determining these performance hurdles, the Board's objective was to link Executive remuneration to superior and consistent growth in both earnings per share (EPS) and total shareholder return(TSR) as key measures of increase in shareholder value. These performance hurdles must be achieved over the 5 year period from the grant of Options. Details of these hurdles are set out in the Company's 2004 Annual Report.

The Options do not carry any dividend rights and there is no financial assistance given by the company for Executives exercising Options.

Yours faithfully,

R K S JEFFS
Company Secretary
WOOLWORTHS LIMITED