SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 10 - Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 25, 1997

Commission file no. 1-10299

WOOLWORTH CORPORATION

(Exact name of registrant as specified in its charter)

New York	13-3513936
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

233 Broadway, New York, New York	10279-0003
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number: (212) 553-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES x NO

Number of shares of Common Stock outstanding at December 1, 1997: 134,934,574

WOOLWORTH CORPORATION

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PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

WOOLWORTH CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

	October 25, 1997 (Unaudited)	October 26, 1996 (Unaudited)	January 25, 1997 (Audited)
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 49	$ 27	$ 328
Merchandise inventories	1,377	1,373	1,066
Net assets of discontinued operations	--	359	236
Other current assets	174	233	202
	1,600	1,992	1,832
Property and equipment, net	954	993	983
Deferred charges and other assets	746	589	524
	3,300	$3,574	$3,339
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term debt	$ 26	$ 115	$ --
Accounts payable	351	369	286
Accrued liabilities	424	425	427
Net liabilities of discontinued operations	49	--	--
Current portion of long-term debt and obligations under capital leases	15	15	15
	865	924	728
Long-term debt and obligations under capital leases	571	591	575
Deferred taxes and other liabilities	710	776	702
Shareholders' Equity:			
Preferred stock	--	--	--
Common stock and paid-in capital	315	296	299
Retained earnings	925	960	1,050
Foreign currency translation adjustment	(49)	63	22
Minimum pension liability adjustment	(37)	(36)	(37)
Total shareholders' equity	1,154	1,283	1,334
Commitments			
	$3,300	$3,574	$3,339

See accompanying notes to Condensed Consolidated Financial Statements.

WOOLWORTH CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in millions, except per share amounts)

	Thirteen weeks ended		Thirty-nine weeks ended	
	Oct. 25, 1997	Oct. 26, 1996	Oct. 25, 1997	Oct. 26, 1996
Sales	$ 1,583	$ 1,790	$ 4,622	$ 4,967
Cost and Expenses:				
Cost of sales	1,090	1,199	3,201	3,413
Selling, general and administrative expenses	367	423	1,125	1,254
Depreciation and amortization	41	46	125	135
Interest expense	10	13	32	45
Other income	(11)	(20)	(17)	(27)
	1,497	1,661	4,466	4,820
Income from continuing operations before income taxes	86	129	156	147
Income tax expense	31	52	58	59
Income from continuing operations	55	77	98	88
Loss from discontinued operations, net of income taxes of $6, $19 and $13, respectively	--	(8)	(28)	(19)
Loss on disposal of discontinued operations, net of income taxes of $115	--	--	(195)	--
Net income (loss)	$ 55	$ 69	$ (125)	$ 69
Per common share:				
Income from continuing operations	$ 0.41	$ 0.58	$ 0.73	$ 0.66
Loss from discontinued operations	--	(0.06)	(1.66)	(0.14)
Net income (loss)	$ 0.41	$ 0.52	$ (0.93)	$ 0.52
Weighted-average common shares outstanding	134.9	133.6	134.5	133.3

See accompanying notes to Condensed Consolidated Financial Statements.

WOOLWORTH CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(Unaudited)
(in millions)

	Thirty-nine weeks ended Oct. 25, 1997	Oct. 26, 1996
Retained earnings at beginning of year	$ 1,050	$ 891
Net income (loss)	(125)	69
Cash dividends declared:		
Preferred stock (1996 - $1.10 per share)	--	--
Retained earnings at end of interim period	$ 925	$ 960

See accompanying notes to Condensed Consolidated Financial Statements.

WOOLWORTH CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in millions)

	Thirty-nine weeks ended Oct. 25, 1997	Thirty-nine weeks ended Oct. 26, 1996
From Operating Activities:		
Net income (loss)	$(125)	$ 69
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Non-cash charge for discontinued operations, net of tax	91	--
Depreciation and amortization	125	135
Net gain on sales of real estate	(11)	(31)
Deferred income taxes	(19)	(6)
Change in assets and liabilities, net of acquisition:		
Merchandise inventories	(306)	(200)
Accounts payable and accrued expenses	(69)	189
Net assets of discontinued operations	288	(155)
Other, net	(24)	(9)
Net cash used in operating activities	(50)	(8)
From Investing Activities:		
Proceeds from sales of real estate	22	22
Capital expenditures	(127)	(63)
Payments for businesses acquired, net of cash acquired	(148)	--
Proceeds from sales of assets and investments	--	25
Net cash used in investing activities	(253)	(16)
From Financing Activities:		
Increase in short-term debt	26	46
Reduction in long-term debt and capital lease obligations	(3)	(10)
Issuance of common stock	16	6
Redemption of preferred stock	--	(1)
Dividends paid	--	--
Net cash provided by financing activities	39	41
Effect of exchange rate fluctuations on Cash and Cash Equivalents	(15)	(4)
Net change in Cash and Cash Equivalents	(279)	13
Cash and Cash Equivalents at beginning of year	328	14
Cash and Cash Equivalents at end of interim period	$ 49	$ 27
Cash paid during the period:		
Interest	$ 24	$ 35
Income taxes	$ 58	$ 14

See accompanying notes to Condensed Consolidated Financial Statements.

WOOLWORTH CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in the 1996 Annual Report to Shareholders of Woolworth Corporation (the "Registrant"), portions of which Annual Report are incorporated by reference in the Registrant's Annual Report on Form 10-K for the year ended January 25, 1997, as filed with the Securities and Exchange Commission (the "SEC"). Certain items included in these statements are based on management's estimates. In the opinion of management, all material adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results for the interim period have been included. The results for the thirty-nine weeks ended October 25, 1997 are not necessarily indicative of the results expected for the year.

Discontinued Operations

On July 17, 1997, the Registrant announced that it was exiting its 400 store domestic Woolworth general merchandise business. The Registrant expects to convert approximately 130 of the prime locations to Foot Locker, Champs Sports, and other athletic or specialty formats. The Registrant expects to convert approximately 40 of the stores to Athletic Group formats by January 1998. The remaining domestic Woolworth general merchandise stores as well as the division's distribution center in Denver, Pennsylvania were closed in November 1997.

The results of operations for all periods presented for the domestic Woolworth general merchandise business have been classified as discontinued operations in the Condensed Consolidated Statements of Operations. Sales from discontinued operations for the period ended July 17, 1997 (date of close) were $427 million. Sales for the thirty-nine week period ended October 26, 1996 were $757 million.

The Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Cash Flows have been restated for discontinued operations. The following is a summary of the net assets of discontinued operations:

	Oct. 25, 1997	Oct. 26, 1996	Jan. 25, 1997
Assets	$ 100	$ 496	$ 373
Liabilities	149	137	137
Net assets (liabilities) of discontinued operations	$ (49)	$ 359	$ 236

The assets consist primarily of inventory and fixed assets. Liabilities consist primarily of amounts due to vendors. During the period from July 17, 1997 through October 25, 1997, proceeds from disposals related to the discontinued operations were $257 million which were primarily from the sale of merchandise inventories.

In July, 1997, the Registrant recorded a charge to earnings of $310 million before-tax or $195 million after-tax, for the loss on disposal of discontinued operations. Disposition activity related to the discontinued operations reserve for the period ended October 25, 1997 was a reduction of approximately $104 million and the remaining reserve balance at October 25, 1997 was $206 million.

On December 8, 1997, the Registrant announced the sale of its general merchandise business in Mexico. The impact of this sale is not significant and is included in the reserve for discontinued operations.

Reclassifications

Certain balances in prior periods have been reclassified to conform with the presentation adopted in the current period.

Legal Proceedings

Between March 30, 1994 and April 18, 1994, the Registrant and certain of its present and former directors and officers were named as defendants in lawsuits brought by certain shareholders claiming to represent classes of shareholders that purchased shares of the Registrant's common stock during different periods between January 1992 and March 1994.

These class action complaints purport to present claims under the federal securities and other laws and seek unspecified damages based on alleged misleading disclosures during the class periods.

On April 29, 1994, United States Senior District Judge Richard Owen entered an order consolidating 25 actions, purportedly brought as class actions, commenced against the Registrant and certain officers and directors of the Registrant in the United States District Court for the Southern District of New York, under the caption In re Woolworth Corporation Securities Class Action Litigation. Plaintiffs served an Amended and Consolidated Class Action Complaint, to which the defendants responded. On February 17, 1995, Judge Owen entered an order for certification of the action as a class action on behalf of all persons who purchased the Registrant's common stock or options on the Registrant's common stock from May 12, 1993 to March 29, 1994 inclusive, pursuant to a stipulation among the parties. On March 13, 1997, the parties' representatives engaged in a mediation proceeding with a view toward settling the issues in dispute. On June 23, 1997, a proposed settlement of the class action was reached by the parties that provides for the payment to the class of $20 million. On October 6, 1997, the court entered final judgment approving the settlement of the class action and dismissing the class action with prejudice. The amount of the settlement, net of amounts to be paid by insurance carriers under relevant insurance policies, had been reserved by the Registrant. In the opinion of management, the settlement will not have a material adverse effect on the financial position or results of operations of the Registrant.

There is one federal derivative action pending in the United States District Court for the Southern District of New York under the caption Rosenbaum v. Sells et al. On December 2, 1997, the parties submitted to the court a proposed Stipulation and Order of Dismissal which, if approved by the court will dismiss the action with prejudice.

During 1994, the staff of the SEC initiated an inquiry relating to the matters that were reviewed by the Special Committee of the Board of Directors as well as in connection with trading in the Registrant's securities by certain directors and officers of the Registrant. The SEC staff has advised that its inquiry should not be construed as an indication by the SEC or its staff that any violations of law have occurred. In the opinion of management, the result of the inquiry will not have a material adverse effect on the financial position or results of operations of the Registrant.

The information in this section on Legal Proceedings is current as of December 8, 1997.

Recent Accounting Pronouncements

In February 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 128, "Earnings per Share", which is effective for financial statements issued for periods ending after December 15, 1997 and therefore, effective for the Registrant for the fiscal year ending January 31, 1998. SFAS No. 128 simplifies the standards for computing earnings per share previously found in Accounting Principles Board Opinion No. 15 and establishes new standards for computing and presenting earnings per share. Application of SFAS No. 128 is not expected to have a significant impact on the Registrant's earnings per share.

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income", which is effective for financial statements issued for fiscal years beginning after December 15, 1997 and therefore, effective for the Registrant for the fiscal year beginning February 1, 1998. SFAS No. 130 establishes standards for reporting and display of comprehensive income and its components in the financial statements. A revised presentation of information on the income statement is required for comparative purposes.

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", which is effective for financial statements issued for fiscal years beginning after December 15, 1997 and therefore, effective for the Registrant for the fiscal year beginning February 1, 1998. SFAS No. 131 supersedes previously established standards for reporting operating segments in the financial statements and requires disclosures regarding selected information about operating segments in interim financial reports.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

As discussed in the Notes to Condensed Consolidated Financial Statements, the Registrant announced that it was exiting its domestic Woolworth general merchandise business. Accordingly, the results of operations for all periods presented for this business have been classified as discontinued operations and all financial statements have been restated.

Total sales for the 1997 third quarter decreased 11.6 percent to $1,583 million as compared with $1,790 million for the 1996 third quarter reflecting, in part, 270 fewer stores. Excluding the effect of foreign currency fluctuations and sales from disposed operations, sales decreased 5.5 percent for the quarter. Comparable-store sales decreased 7.6 percent. Total Specialty segment sales decreased 4.1 percent in the third quarter and comparable-store sales decreased 7.8 percent. International General Merchandise segment sales decreased 23.3 percent for the third quarter of 1997 as compared with the third quarter of 1996. Comparable-store sales in the International General Merchandise segment decreased 7.1 percent during the period. Excluding the impact of foreign currency fluctuations, International General Merchandise sales decreased by 12.0 percent, as compared with the third quarter of 1996.

Year-to-date 1997 sales decreased 6.9 percent to $4,622 million as compared with $4,967 million for 1996. Excluding the effect of foreign currency fluctuations and sales from disposed operations, sales remained level in comparison with the prior year period. Comparable-store sales decreased 3.6 percent as compared with the corresponding year-earlier period.

Third quarter operating profit from continuing operations (before corporate expense, interest expense and income taxes) declined to $104 million as compared with $152 million in the third quarter of 1996. This decline is primarily a result of lower sales and an increase in markdowns, partially offset by a decrease in selling, general and administrative expenses ("SG&A"). SG&A expenses decreased $56 million and $129 million for the thirteen and thirty-nine weeks ended October 25, 1997, respectively, as compared with the corresponding prior year periods. This improvement reflects management's continuing effort to implement cost reduction initiatives. Prior year SG&A expenses included a charge for early retirement and severance programs in Germany of $21 million and $31 million for the thirteen and thirty-nine weeks ended October 26, 1996, respectively.

The net gain on the divestiture of non-strategic real estate in the third quarter periods ended October 25, 1997 and October 26, 1996 totaled $7 million and $18 million, respectively. These gains primarily related to the sale of real estate located in Germany.

The Registrant reported income from continuing operations for the thirteen weeks ended October 25, 1997 of $55 million, or $0.41 per share, compared with $77 million, or $0.58 per share, in the restated year-earlier period. For the thirty-nine weeks ended October 25, 1997 income from continuing operations was $98 million, an increase of $10 million from the restated prior year period. For the year-to-date period ended October 25, 1997 the Registrant reported a net loss of $125 million, or $0.93 per share, which includes an after-tax charge of $223 million, or $1.66 per share for discontinued operations. This compares with net income of $69 million, or $0.52 per share for the corresponding prior year period.

As of October 25, 1997, the Registrant operated a total of 7,169 stores consisting of 6,611 Specialty stores and 558 International General Merchandise stores. This compares with 7,439 stores, excluding discontinued operations, consisting of 6,863 Specialty stores and 576 International General Merchandise stores operated at October 26, 1996.

SALES

The following table summarizes sales for continuing operations by segment and geographic area:

	Thirteen weeks ended		Thirty-nine weeks ended	
(in millions)	Oct. 25, 1997	Oct. 26, 1996	Oct. 25, 1997	Oct. 26, 1996
By segment:				
Specialty:				
Athletic Group	$ 907	$ 951	$2,670	$2,624
Northern Group	110	110	270	255
Specialty Footwear	139	149	389	403
Other Specialty	87	86	248	254
Specialty total	1,243	1,296	3,577	3,536
International General Merchandise:				
Germany	301	399	932	1,138
Other	39	44	108	125
International General Merchandise total	340	443	1,040	1,263
Disposed operations	--	51	5	168
	$1,583	$1,790	$4,622	$4,967
By geographic area:				
Domestic	$1,002	$1,039	$2,930	$2,874
International	581	700	1,687	1,925
Disposed operations	--	51	5	168
	$1,583	$1,790	$4,622	$4,967

Specialty

Athletic Group third quarter sales decreased 4.6 percent as compared with the third quarter of 1996, while decreasing 9.9 percent on a comparable-store basis. Year-to-date Athletic Group sales increased by 1.8 percent, primarily due to sales from new stores, and decreased 3.9 percent on a comparable-store basis, as compared with the corresponding prior year period. The reduction in the 1997 third quarter Athletic Group sales was due to soft athletic shoe sales, particularly in the cross-training and basketball categories, as compared with the corresponding prior year period which had strong cross-training and basketball shoe sales and licensed product sales associated with the Olympics. Northern Group sales remained level for the third quarter and increased 5.9 percent for the year-to-date period. Comparable-store sales decreased by 2.7 percent for the third quarter and increased by 1.8 percent for the year-to-date period. Sales from new store openings in the Northern Group contributed to the sales increase.

Specialty Footwear's third quarter sales decreased 6.7 percent, and by 2.3 percent on a comparable-store basis, as compared with the corresponding prior year period. The decrease is primarily due to a sales decline from Kinney shoes, particularly in Canada. Specialty Footwear's 3.5 percent decline for the year-to-date period resulted from 305 fewer stores, while comparable-store sales for the same period remained relatively level with the corresponding prior year period. Other Specialty third quarter sales and comparable-store sales, adjusted for 1996 dispositions, remained level as compared to the corresponding prior year period. Year-to-date sales declined 2.4 percent, 0.9 percent on a comparable-store basis, as compared to the prior period. The year-to-date decline in Other Specialty sales was mainly due to the closure of 98 under-performing stores related to ongoing formats.

International General Merchandise

German general merchandise sales decreased 24.6 percent and 18.1 percent for the third quarter and year-to-date periods, respectively. Excluding the impact of foreign currency fluctuations, sales decreased 12.2 percent and 4.7 percent for the third quarter and year-to-date periods, respectively. Comparable-store sales decreased 7.3 percent and 5.5 percent for the third quarter and year-to-date periods, respectively.

OPERATING RESULTS

Operating results from continuing operations (before corporate expense, interest expense, and income taxes) are as follows:

(in millions)	Thirteen weeks ended		Thirty-nine weeks ended	
	Oct. 25, 1997	Oct. 26, 1996	Oct. 25, 1997	Oct. 26, 1996
By Segment:				
Specialty	$ 93	$ 153	$ 234	$ 289
International General Merchandise	5	(15)	(7)	(45)
Net gain on sales of real estate	7	18	11	23
Disposed operations	(1)	(4)	(3)	(35)
	$ 104	$ 152	$ 235	$ 232
By geographic area:				
Domestic	$ 76	$ 129	$ 217	$ 261
International	22	9	10	(17)
Net gain on sales of real estate	7	18	11	23
Disposed operations	(1)	(4)	(3)	(35)
	$ 104	$ 152	$ 235	$ 232

Specialty

The Specialty segment's operating profit decreased by $60 million, or 39.2 percent as compared with the 1996 third quarter. The decrease was primarily a result of lower sales and gross margins due to increased markdowns within the Athletic Group. A shift in consumer preferences has contributed to the decisions to take those markdowns and to reposition the Registrant's merchandise assortment for the fourth quarter. Year-to-date operating profits decreased $55 million or 19.0 percent as compared with the corresponding period of 1996, which is primarily due to the decline in sales and gross margins.

The Specialty Footwear segment improved operating results through continuing expense reduction initiatives. The Northern Group operating results remained level for the year-to-date period.

International General Merchandise

Operating results in the International General Merchandise segment improved by $20 million and $38 million for the quarter and year-to-date periods as compared with the third quarter and year-to-date periods of 1996, respectively. The improvement in the International General Merchandise operating profit compared with the prior year is attributable to expense reductions and a $21 million charge for early retirement and severance programs recorded in the corresponding prior year period.

Income Taxes

The estimated annual effective income tax rate applied in fiscal year 1997 is expected to be 37%, compared with the 40% rate for the prior year period. This improvement primarily reflects a reduction of state and local income tax valuation allowances.

SEASONALITY

The Registrant's businesses are highly seasonal in nature. Historically, the greatest proportion of sales and net income is generated in the fourth quarter and the lowest proportion of sales and net income is generated in the first quarter, reflecting seasonal buying patterns.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $50 million for the thirty-nine weeks ended October 25, 1997, as compared with $8 million in the comparable prior-year period. The increase was primarily to fund inventory purchases related to the development of new larger-size athletic formats, the recent acquisition of 25 Koenig Sporting Goods stores and anticipated new store openings. Inventories remained flat at $1,377 million as of October 25, 1997, compared with a restated $1,373 million as of October 26, 1996. Common to the retail industry are cyclical build-ups of inventory immediately prior to peak selling periods, such as the upcoming holiday selling season. As such, in line with this cyclical build-up, inventories increased $311 million at October 25, 1997 as compared with January 25, 1997.

Net cash used in investing activities increased $237 million to $253 million for the thirty-nine weeks ended October 25, 1997, as compared with $16 million used during the corresponding period in 1996. The increase in cash used for investing was primarily due to the acquisitions of Eastbay and 25 Koenig Sporting Goods stores, which totaled approximately $148 million in the aggregate. Capital expenditures increased by $64 million as compared with the prior year as a result of new store development spending for existing formats. Approximately $300 million of capital expenditures are planned for the 1997 fiscal year as compared with $134 million in 1996.

Accounts payable at October 25, 1997 decreased by $18 million as compared with October 26, 1996 and increased by $65 million to $351 million as compared with the year-end level. The increase from January 25, 1997 is the direct result of the seasonal increase in inventory.

Short-term debt at October 25, 1997 decreased $89 million as compared with October 26, 1996 due to repayment of debt using cash generated from operations. Short-term debt increased by $26 million from the year-end level attributable to the financing of seasonal working capital needs.

Interest expense for the thirteen weeks ended October 25, 1997, decreased $3 million over the comparable 1996 period. Interest expense for the year-to-date period decreased $13 million. These declines were attributable to the reduction in total debt levels of $109 million as well as lower financing costs resulting from renegotiation of the Registrant's credit agreement.

Shareholders' equity at October 25, 1997 decreased $180 million from the level at January 25, 1997. This decrease was primarily attributable to the after-tax charge for discontinued operations of $223 million and changes in foreign currency exchange rates.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

This information is incorporated by reference to the Legal Proceedings section of the Notes to Condensed Consolidated Financial Statements on page 8 of Part I, Item 1.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

An index of the exhibits that are required by this item, and which are furnished in accordance with Item 601 of Regulation S-K, appears on pages 15 through 17. The exhibits which are in this report immediately follow the index.

(b) Reports on Form 8-K

The Registrant filed a report on Form 8-K dated August 13, 1997 (date of earliest event reported) reporting the election of Reid Johnson as Senior Vice President and Chief Financial Officer effective September 8, 1997.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WOOLWORTH CORPORATION
(Registrant)

Date: December 8, 1997

/s/ Reid Johnson
REID JOHNSON
Senior Vice President
and Chief Financial Officer

WOOLWORTH CORPORATION
INDEX OF EXHIBITS REQUIRED BY ITEM 6(a) OF FORM 10-Q
AND FURNISHED IN ACCORDANCE WITH ITEM 601 OF REGULATION S-K

Exhibit No. in Item 601 of Regulation S-K	Description
1	*
2	*
3(i)(a)	Certificate of Incorporation of the Registrant, as filed by the Department of State of the State of New York on April 7, 1989 (incorporated herein by reference to Exhibit 3(i)(a) to the Quarterly Report on Form 10-Q for the quarterly period ended July 26, 1997, filed by the Registrant with the SEC on September 4, 1997 (the "July 26, 1997 Form 10-Q").
3(i)(b)	Certificates of Amendment of the Certificate of Incorporation of the Registrant, as filed by the Department of State of the State of New York on (a) July 20, 1989 (b) July 24, 1990 and (c) July 9, 1997 (incorporated herein by reference to Exhibit 3(i)(b) of the July 26, 1997 Form 10-Q).
3(ii)	By-laws of the Registrant, as amended (incorporated herein by reference to Exhibit 3(ii) of the July 26, 1997 Form 10-Q).
4(a)	The rights of holders of the Registrant's equity securities are defined in the Registrant's Certificate of Incorporation, as amended (incorporated herein by reference to: (a) Exhibits 3(i)(a) and 3(i)(b) to the July 26, 1997 Form 10-Q).
4(b)	Rights Agreement dated as of April 4, 1988, as amended January 11, 1989, between F.W. Woolworth Co. ("FWW") and Morgan Shareholder Services Trust Company (now, First Chicago Trust Company of New York), as Rights Agent (incorporated herein by reference to (a) Exhibit 1 to the Registration Statement on Form 8-A filed by FWW with the Securities and Exchange Commission ("SEC") on April 12, 1988 (Registration No. 1-238) and (b) the Form 8 Amendment to such Form 8-A filed by FWW with the SEC on January 13, 1989). The rights and obligations of FWW under said Rights Agreement were assumed by the Registrant pursuant to an Agreement and Plan of Share Exchange dated as of May 4, 1989, by and between FWW and the Registrant (incorporated herein by reference to Exhibit 2 to the Registration Statement on Form S-4 filed by the Registrant with the SEC on May 9, 1989 (Registration No. 33-28469)).

4(c)	Indenture dated as of October 10, 1991 (incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form S-3 (Registration No. 33-43334) previously filed with the SEC).
4(d)	Forms of Medium-Term Notes (Fixed Rate and Floating Rate). (incorporated herein by reference to Exhibits 4.4 and 4.5 to the Registration Statement on Form S-3 (Registration No. 33-43334) previously filed with the SEC).
4(e)	Form of 8-1/2% Debentures due 2022 (incorporated herein by reference to Exhibit 4 to Registrant's Form 8-K dated January 16, 1992).
4(f)	Purchase Agreement dated June 1, 1995 and Form of 7% Notes due 2000 (incorporated herein by reference to Exhibits 1 and 4, respectively, to Registrant's Form 8-K dated June 7, 1995).
4(g)	Distribution Agreement dated July 13, 1995 and Forms of Fixed Rate and Floating Rate Notes (incorporated herein by reference to Exhibits 1, 4.1 and 4.2, respectively, to Registrant's Form 8-K dated July 13, 1995).
5	*
8	*
9	*
10	Agreement with Reid Johnson dated September 8, 1997.
11	Computation of Net Income (Loss) Per Common Share.
12	Computation of Ratio of Earnings to Fixed Charges.
13	*
15	Letter re: Unaudited Interim Financial Statements.
16	*
17	*
18	*
19	*
20	*
21	*
22	*
23	*
24	*
25	*
26	*

27	Financial Data Schedule, which is submitted electronically to the SEC for information only and not filed.
99	Independent Accountants' Review Report.

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* Not applicable

Exhibits filed with this Form 10-Q:

Exhibit No.	Description
10	Agreement with Reid Johnson dated September 8, 1997.
11	Computation of Net Income (Loss) Per Common Share.
12	Computation of Ratio of Earnings to Fixed Charges.
15	Letter re: Unaudited Interim Financial Statements.
27	Financial Data Schedule.
99	Independent Accountants' Review Report.

EXHIBIT 10

AGREEMENT

THIS AGREEMENT made as of September 8, 1997, by and between WOOLWORTH CORPORATION, a New York corporation with its principal office at 233 Broadway, New York, New York 10279 (the "Company") and Reid Johnson, residing at 9166 Brechenridge Lane, Eden Prarie, Minnesota 55347 (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company believes that the establishment and maintenance of a sound and vital management of the Company is essential to the protection and enhancement of the interests of the Company and its shareholders; and

WHEREAS, the Company wishes to offer a form of protection to the Executive, as one of a select group of officers and key employees of the Company and its Affiliates, in the event the Executive's employment with the Control Group terminates; and

WHEREAS, the Company also recognizes that the possibility of a Change in Control of the Company, with the attendant uncertainties and risks, might result in the departure or distraction of the Executive to the detriment of the Company; and

WHEREAS, the Company wishes to induce the Executive to remain with the Control Group, and to reinforce and encourage the Executive's continued attention and dedication, when faced with the possibility of a Change in Control of the Company; and

WHEREAS, this Agreement amends and supersedes any employment agreement, severance plan, policy and/or practice of the Company in effect for the Executive.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Definitions. The following terms shall have the meanings set forth in this section as follows:

(a) "Affiliate" shall mean the Company and any entity affiliated with the Company within the meaning of Code Section 414(b) with respect to a controlled group of corporations, Code Section 414(c) with respect to trades or businesses under common control with the Company, Code Section 414(m) with respect to affiliated service groups and any other entity required to be aggregated with the Company under Section 414(o) of the Code. No entity shall be treated as an Affiliate for any period during which it is not part of the controlled group, under common control or otherwise required to be aggregated under Code Section 414.

(b) "Beneficiary" shall mean the individual designated by the Executive, on a form acceptable by the Committee, to receive benefits payable under this Agreement in the event of the Executive's death. If no Beneficiary is designated, the Executive's Beneficiary shall be his or her spouse, or if the Executive is not survived by a spouse, the Executive's estate.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Bonus" shall mean an amount equal to the target bonus expected to be earned by the Executive under the Company's Annual Incentive Compensation Plan or such other annual bonus plan or program that may then be applicable to the Executive in a fiscal year, if the applicable target performance goal is satisfied.

(e) "Cause" shall mean (with regard to the Executive's termination of employment with the Control Group): (i) the refusal or willful failure by the Executive to substantially perform his or her duties, (ii) with regard to the Control Group or any of their assets or businesses, the Executive's dishonesty, willful misconduct, misappropriation, breach of fiduciary duty or fraud, or (iii) the Executive's conviction of a felony (other than a traffic violation) or any other crime involving, in the sole discretion of the Committee, moral turpitude.

(f) "Change in Control" shall have the meaning set forth in Appendix A attached hereto.

(g) "Code" shall mean the Internal Revenue Code of 1986, as amended and as hereafter amended from time to time.

(h) "Committee" shall mean the Compensation Committee of the Board or an administrative committee appointed by the Compensation Committee.

(i) "Competition" shall mean the (i) participating, directly or indirectly, as an individual proprietor, stockholder, officer, employee, director, joint venturer, investor, lender, or in any capacity whatsoever (within the United States of America, or in any country where any of the Executive's former employing members of the Control Group does business) in a business in competition with any business conducted by any member of the Control Group for which the Executive worked at any time, provided, however, that such participation shall not include (A) the mere ownership of not more than 1 percent of the total outstanding stock of a publicly held company; (B) the performance of services for any enterprise to the extent such services are not performed, directly or indirectly, for a business in which any of the Employee's employing members of the Control Group is engaged; or (C) any activity engaged in with the prior written approval of the Board or the Committee; or (ii) intentional recruiting, soliciting or inducing, of any employee or employees of the Control Group to terminate their employment with, or otherwise cease their relationship with the former employing members of the Control Group where such employee or employees do in fact so terminate their employment.

(j) "Control Group" shall mean the Company and its Affiliates.

(k) "Good Reason" shall mean (with respect to an Executive's termination of employment with the Control Group): (i) any material demotion of the Executive or any material reduction in the Executive's authority or responsibility, except in each case in connection with the termination of the Executive's employment for Cause or disability or as a result of the Executive's death, or temporarily as a result of the Executive's illness or other absence; (ii) a 20 percent or greater reduction in a 12 month period in the Executive's rate of base salary as payable from time to time; (iii) a reduction in the Executive's annual bonus classification level other than in connection with a redesign of the applicable bonus plan that affects all employees at the Executive's bonus level; (iv) a failure of the Company to continue in effect the benefits applicable to, or the Company's reduction of the benefits applicable to, the Executive under any benefit plan or arrangement (including without limitation, any pension, life insurance, health or disability plan) in which the Executive participates as of the date of the Change in Control without implementation of a substitute plan(s) providing materially similar benefits in the aggregate to those discontinued or reduced, except for a discontinuance of, or reduction under, any such plan or arrangement that is legally required and/or generally applies to all executives of the Company of a similar level, provided that in either such event the Company provides similar benefits (or the economic effect thereof) to the Executive in any manner determined by the Company; or (v) failure of any successor to the Company to assume in writing the obligations hereunder.

(l) "Salary" shall mean an Executive's base monthly cash compensation rate for services paid to the Executive by the Company or an Affiliate at the time of his or her termination of employment from the Control Group. Salary shall not include commissions, bonuses, overtime pay, incentive compensation, benefits paid under any qualified plan, any group medical, dental or other welfare benefit plan, noncash compensation or any other additional compensation but shall include amounts reduced pursuant to an Executive's salary reduction agreement under Sections 125 or 401(k) of the Code (if any) or a nonqualified elective deferred compensation arrangement to the extent that in each such case the reduction is to base salary.

(m) "Severance Benefit" shall mean (i) in the case of the Executive's termination of employment that does not occur within the 12 month period following a Change in Control, two weeks' Salary plus prorated Bonus multiplied by the Executive's Years of Service, with a minimum of 26 weeks; or (ii) in the case of an Executive's termination of employment within the 12 month period following a Change in Control, two weeks' Salary plus prorated Bonus multiplied by the Executive's Years of Service, with a minimum of 78 weeks. The Executive's prorated Bonus for one week shall equal the Executive's Bonus divided by 52.

(n) "Severance Period" shall mean (i) in the case of the Executive's termination of employment that does not occur within the 12 month period following a Change in Control, two weeks multiplied by the Executive's Years of Service, with a minimum of 26 weeks; or (ii) in the case of an Executive's termination of employment within the 12 month period following a Change in Control, two weeks multiplied by the Executive's Years of Service, with a minimum of 78 weeks.

(o) "Year of Service" shall mean each 12 consecutive month period commencing on the Executive's date of hire by the Company or an Affiliate and each anniversary thereof in which the Executive is paid by the Company or an Affiliate for the performance of full-time services as an Executive. For purposes of this section, full-time services shall mean that the Employee is employed for at least 30 hours per week. A Year of Service shall include any period during which an Employee is not working due to disability, leave of absence or layoff so long as he or she is being paid by the Employer (other than through any employee benefit plan). A Year of Service also shall include service in any branch of the armed forces of the United States by any person who is an Executive on the date such service commenced, but only to the extent required by applicable law.

2. Term. The initial term of this Agreement shall end on December 31 of the year following the year in which this Agreement is entered into. On December 31 of each year, the term shall be automatically renewed for an additional one year so that the term shall then be for two years, unless the Committee notifies the Executive prior to any December 31 that the term shall not be renewed. Notwithstanding anything in this Agreement to the contrary, if the Company becomes obligated to make any payment to the Executive pursuant to the terms hereof at or prior to the expiration of this Agreement, then this Agreement shall remain in effect until all of the Company's obligations hereunder are fulfilled.

3. Benefits Upon Termination. In the event the Executive's employment with the Control Group is terminated without Cause or the Executive terminates employment with the Control Group within 60 days after the occurrence of a Good Reason event with regard to the Executive, the Executive shall be entitled to a Severance Benefit as set forth below.

(a) The Executive shall receive 50 percent of his or her Severance Benefit in the form of a lump sum cash payment as soon as administratively feasible following his or her termination of employment with the Control Group, provided, however, that interest shall be payable beginning on the tenth day following such termination of employment at the prime rate of interest as stated in the Wall Street Journal.

(b) The Executive shall receive the remaining 50 percent of his or her Severance Benefit in the form of a lump sum cash payment as soon as administratively feasible following the one year anniversary of the Executive's termination of employment with the Control Group, subject to (c) below, provided, however, that interest shall be payable beginning on the tenth day following such termination of employment at the prime rate of interest as stated in the Wall Street Journal .

(c) The Executive shall only be entitled to the portion of his or her Severance Benefit described in (b) above if the Executive does not engage in Competition during the one year period following his or her termination of employment with the Control Group and if the Executive has not materially violated the provisions of Section 14 hereof. If the Executive does engage in Competition or violates the provisions of Section 14 during such one year period, the portion of the Executive's Severance Benefit described in (b) above shall be forfeited. If the restriction set forth in this subsection is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) The Executive shall continue, to the extent permitted under legal and underwriting requirements (if any), to participate during his or her Severance Period in any group medical, dental or life insurance plan he or she participated in prior to his or her termination of employment, under substantially similar terms and conditions as an active Employee; provided participation in such group medical, dental and life insurance benefits shall correspondingly cease at such time as the Executive becomes eligible for a future employer's medical, dental and/or life insurance coverage (or would become eligible if the Executive did not waive coverage). Notwithstanding the foregoing, the Executive may not continue to participate in such plans on a pre-tax or tax-favored basis. Notwithstanding anything else herein, the Executive shall not be entitled to any benefits during the Severance Period other than the benefits provided in Section 3 herein and, without limiting the generality of the foregoing, the Executive specifically shall not be entitled to continue to participate in any group disability or voluntary accidental death or dismemberment insurance plan he or she participated in prior to his or her termination of employment. Without limiting the generality of the foregoing, the Executive shall not accrue additional benefits under any pension plan of the Employer (whether or not qualified under Section 401(a) of the Code) during the Severance Period, provided, however, that payment of any Severance Benefit shall be included in the Executive's earnings for purposes of calculating the Executive's benefit under The Woolworth Retirement Plan, Woolworth Corporation 401(k) Plan, and Woolworth Corporation Excess Cash Balance Plan.

(e) In the event of the Executive's death after becoming eligible for the portion of the Severance Benefit described in (a) above and prior to payment of such amount, such portion of the Severance Benefit shall be paid to the Executive's Beneficiary. In addition to the foregoing, in the event of the Executive's death prior to payment of the portion of the Severance Benefit described in (b) above, such amount shall be paid to the Executive's Beneficiary, but only to the extent that the Executive satisfied the provisions set forth in (c) above for the period following the Executive's termination of employment with the Control Group and prior to his or her death.

(f) Notwithstanding anything else herein, to the extent the Executive would be subject to the excise tax under Section 4999 of the Code on the amounts in (a) or (b) above and such other amounts or benefits he or she received from the Company and its Affiliates required to be included in the calculation of parachute payments for purposes of Sections 280G and 4999 of the Code, the amounts provided under this Agreement shall be automatically reduced to an amount one dollar less than that, when combined with such other amounts and benefits required to be so included, would subject the Executive to the excise tax under Section 4999 of the Code, if, and only if, the reduced amount received by the Executive, would be greater than the unreduced amount to be received by the Executive minus the excise tax payable under Section 4999 of the Code on such amount and the other amounts and benefits received by the Executive and required to be included in the calculation of a parachute payment for purposes of Sections 280G and 4999 of the Code.

4. No Duty to Mitigate/Set-off. The Company agrees that if the Executive's employment with the Company is terminated during the term of this Agreement, the Executive shall not be required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to this Agreement. Further, except to the extent provided for in Section 3(c), the amount of the Severance Benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive or benefit provided to the Executive as the result of employment by another employer or otherwise. Except as otherwise provided herein, the Company's obligations to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive. The Executive shall retain any and all rights under all pension plans, welfare plans, equity plans and other plans, including other severance plans, under which the Executive would otherwise be entitled to benefits.

5. Funding. Severance Benefits shall be funded out of the general assets of the Company as and when they are payable under this Agreement. The Executive shall be solely a general creditor of the Company. If the Company decides to establish any advance accrued reserve on its books against the future expense of benefits payable hereunder, or if the Company is required to fund a trust under this Agreement, such reserve or trust shall not under any circumstances be deemed to be an asset of this Agreement.

6. Administration. This Agreement shall be administered by the Committee. The Committee (or its delegate) shall have the exclusive right, power, and authority, in its sole and absolute discretion, to administer, apply and interpret the Agreement and to decide all matters arising in connection with the operation or administration of the Agreement. Without limiting the generality of the foregoing, the Committee shall have the sole and absolute discretionary authority: (a) to take all actions and make all decisions with respect to the eligibility for, and the amount of, benefits payable under the Agreement; (b) to formulate, interpret and apply rules, regulations and policies necessary to administer the Agreement in accordance with its terms; (c) to decide questions, including legal or factual questions, relating to the calculation and payment of benefits under the Agreement; (d) to resolve and/or clarify any ambiguities, inconsistencies and omissions arising under the Agreement; (e) to decide for purposes of paying benefits hereunder, whether, based on the terms of this Agreement, a termination of employment is for Good Reason or for Cause; and (f) except as specifically provided to the contrary herein, to process and approve or deny benefit claims and rule on any benefit exclusions. All determinations made by the Committee (or any delegate) with respect to any matter arising under the Agreement shall be final, binding and conclusive on all parties.

Decisions of the Committee shall be made by a majority of its members attending a meeting at which a quorum is present (which meeting may be held telephonically), or by written action in accordance with applicable law. All decisions of the Committee on any question concerning the interpretation and administration of the Agreement shall be final, conclusive and binding upon all parties.

No member of the Committee and no officer, director or employee of the Company or any other Affiliate shall be liable for any action or inaction with respect to his or her functions under this Agreement unless such action or inaction is adjudged to be due to gross negligence, willful misconduct or fraud. Further, no such person shall be personally liable merely by virtue of any instrument executed by him or her or on his or her behalf in connection with this Agreement.

The Company shall indemnify, to the full extent permitted by law and its Certificate of Incorporation and By-laws (but only to the extent not covered by insurance) its officers and directors (and any employee involved in carrying out the functions of the Company under the Agreement) and each member of the Committee against any expenses, including amounts paid in settlement of a liability, which are reasonably incurred in connection with any legal action to which such person is a party by reason of his or her duties or responsibilities with respect to the Agreement, except with regard to matters as to which he or she shall be adjudged in such action to be liable for gross negligence, willful misconduct or fraud in the performance of his or her duties.

7. Claims Procedures. Any claim by the Executive or Beneficiary ("Claimant") with respect to participation, contributions, benefits or other aspects of the operation of the Agreement shall be made in writing to the Secretary of the Company or such other person designated by the Committee from time to time for such purpose. If the designated person receiving a claim believes, following consultation with the Chairman of the Committee, that the claim should be denied, he or she shall notify the Claimant in writing of the denial of the claim within 90 days after his or her receipt thereof (this period may be extended an additional 90 days in special circumstances and, in such event, the Claimant shall be notified in writing of the extension). Such notice shall (a) set forth the specific reason or reasons for the denial making reference to the pertinent provisions of the Agreement on which the denial is based, (b) describe any additional material or information necessary to perfect the claim, and explain why such material or information, if any, is necessary, and (c) inform the Claimant of his or her right pursuant to this section to request review of the decision.

A Claimant may appeal the denial of a claim by submitting a written request for review to the Committee, within 60 days after the date on which such denial is received. Such period may be extended by the Committee for good cause shown. The claim will then be reviewed by the Committee. A Claimant or his or her duly authorized representative may discuss any issues relevant to the claim, may review pertinent documents and may submit issues and comments in writing. If the Committee deems it appropriate, it may hold a hearing as to a claim. If a hearing is held, the Claimant shall be entitled to be represented by counsel. The Committee shall decide whether or not to grant the claim within 60 days after receipt of the request for review, but this period may be extended by the Committee for up to an additional 60 days in special circumstances. Written notice of any such special circumstances shall be sent to the Claimant. Any claim not decided upon in the required time period shall be deemed denied. All interpretations, determi nations and decisions of the Committee with respect to any claim shall be made in its sole discretion based on the Agreement and other relevant documents and shall be final, conclusive and binding on all persons.

8. Incompetency; Payments to Minors. In the event that the Committee finds that a Participant is unable to care for his or her affairs because of illness or accident, then benefits payable hereunder, unless claim has been made therefor by a duly appointed guardian, committee, or other legal representative, may be paid in such manner as the Committee shall determine, and the application thereof shall be a complete discharge of all liability for any payments or benefits to which such Participant was or would have been otherwise entitled under this Agreement. Any payments to a minor pursuant to this Agreement may be paid by the Committee in its sole and absolute discretion (a) directly to such minor; (b) to the legal or natural guardian of such minor; or (c) to any other person, whether or not appointed guardian of the minor, who shall have the care and custody of such minor. The receipt by such individual shall be a complete discharge of all liability under the Agreement therefor.

9. Withholding. The Company shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have to withhold federal, state or local income or other taxes incurred by reason of payments pursuant to this Agreement. In lieu thereof, the Employer shall have the right to withhold the amount of such taxes from any other sums due or

to become due from the Employer to the Executive upon such terms and conditions as the Committee may prescribe.

10. Assignment and Alienation. Except as provided herein, the benefits payable under this Agreement shall not be subject to alienation, transfer, assignment, garnishment, execution or levy of any kind, and any attempt to cause any benefits to be so subjected shall not be recognized.

11. Successors; Binding Agreement. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree in writing to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's Beneficiary, or the executors, personal representatives or administrators of the Executive's estate.

12. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. All references to sections of the Code or any other law shall be deemed also to refer to any successor provisions to such sections and laws.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. Confidentiality. The Executive shall not at any time during the term of this Agreement, or thereafter, communicate or disclose to any unauthorized person, or use for the Executive's own account, without the prior written consent of the Board, any proprietary processes, or other confidential information of the Company or any subsidiary concerning their business or affairs, accounts or customers, it being understood, however, that the obligations of this section shall not apply to the extent that the aforesaid matters (a) are disclosed in circumstances in which the Executive is legally required to do so, or (b) become generally known to and available for use by the public other than by the Executive's wrongful act or omission.

15. Special Provisions. Notwithstanding any other provision of this agreement to the contrary, the Severance Benefit payable hereunder shall be no less than one year's Salary and Bonus.

16. Severability. If any provisions of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

17. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators in New York, New York, or in such other city in which the Executive is then located, in accordance with the rules of the American Arbitration Association then in effect. The determination of the arbitrators, which shall be based upon a de novo interpretation of this Agreement, shall be final and binding and judgment may be entered on the arbitrators' award in any court having jurisdiction. The Company shall pay all costs of the American Arbitration Association and the arbitrator.

18. Non-Exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company or any of its subsidiary companies and for which the Executive may qualify.

19. Governing Law. This Agreement shall be construed, interpreted, and governed by the Employee Retirement Income Security Act of 1974, as amended. To the extent not so governed, it shall be governed by the laws of the State of New York (without reference to rules relating to conflicts of law).

20. Top-hat Plan. This Agreement is intended to be a "top-hat" welfare plan within the meaning of Department of Labor Regulation Section 2520.104-24.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed and the Executive's hand has hereunto been set as of the date first set forth above.

WOOLWORTH CORPORATION

By:/s/ Dale W. Hilpert

/s/ Reid Johnson

Reid Johnson

APPENDIX A

Change in Control

A Change in Control shall mean any of the following: (i) (A) the making of a tender or exchange offer by any person or entity or group of associated persons or entities (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (a "Person") (other than the Company or its Affiliates) for shares of common stock of the Company pursuant to which purchases are made of securities representing at least twenty percent (20%) of the total combined voting power of the Company's then issued and outstanding voting securities; (B) the merger or consolidation of the Company with, or the sale or disposition of all or substantially all of the assets of the Company to, any Person other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934), of securities representing more than the amounts set forth in (C) below; (C) the acquisition of direct or indirect beneficial ownership (as determined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934), in the aggregate, of securities of the Company representing twenty percent (20%) or more of the total combined voting power of the Company's then issued and outstanding voting securities by any Person acting in concert as of the date of this Agreement; provided, however, that the Board may at any time and from time to time and in the sole discretion of the Board, as the case may be, increase the voting security ownership percentage threshold of this item (C) to an amount not exceeding forty percent (40%); or (D) the approval by the shareholders of the Company of any plan or proposal for the complete liquidation or dissolution of the Company or for the sale of all or substantially all of the assets of the Company; or (ii) during any period of not more than two (2) consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into agreement with the Company to effect a transaction described in clause (i)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

EXHIBIT 11

WOOLWORTH CORPORATION

COMPUTATION OF NET INCOME (LOSS) PER COMMON SHARE
(Unaudited)
(in millions, except per share amounts)

	Thirteen weeks ended		Thirty-nine weeks ended	
	Oct. 25, 1997	Oct. 26, 1996	Oct. 25, 1997	Oct. 26, 1996
FINANCIAL STATEMENT PRESENTATION				
Weighted-average number of common shares outstanding	134.9	133.6	134.5	133.3
Income (loss) from continuing operations	55	77	98	88
Less: Preferred dividends	--	--	--	--
Income from continuing operations applicable to common shares	55	77	98	88
Loss from discontinued operations	--	(8)	(223)	(19)
Net income (loss)	$ 55	$ 69	$ (125)	$ 69
Per Common Share:				
Income from continuing operations	$ 0.41	$ 0.58	$ 0.73	$ 0.66
Loss from discontinued operations	--	(0.06)	(1.66)	(0.14)
Net income (loss) per share of common stock	$ 0.41	$ 0.52	$ (0.93)	$ 0.52
PRIMARY(1)				
Weighted-average number of common shares outstanding and common share equivalents	136.3	134.6	134.5	134.0
Income from continuing operations applicable to common shares	55	77	98	88
Loss from discontinued operations	--	(8)	(223)	(19)
Net income (loss)	$ 55	$ 69	$ (125)	$ 69
Primary:				
Income from continuing operations	$ 0.40	$ 0.57	$ 0.73	$ 0.66
Loss from discontinued operations	--	(0.06)	(1.66)	(0.14)
Net income (loss) per share of common stock	$ 0.40	$ 0.51	$ (0.93)	$ 0.52
FULLY DILUTED (1) (2)				
Weighted-average number of common shares outstanding and fully diluted common share equivalents	136.3	135.1	136.0	134.7
Assumed conversion of preferred stock	--	--	--	--
Adjusted weighted-average number of common shares and common share equivalents	136.3	135.1	136.0	134.7
Income from continuing operations applicable to common shares	55	77	98	88
Loss from discontinued operations	--	(8)	(223)	(19)
Net income (loss)	$ 55	$ 69	$ (125)	$ 69
Fully Diluted:				
Income from continuing operations	$ 0.40	$ 0.57	$ 0.72	$ 0.65
Loss from discontinued operations	--	(0.06)	(1.64)	(0.14)
Net income (loss) per share of common stock	$ 0.40	$ 0.51	$ (0.92)	$ 0.51

(1) This calculation is submitted in accordance with Securities Exchange Act of 1934 Release No. 9083 although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because it results in dilution of less than 3%.

(2) This calculation is submitted for the 1997 loss in accordance with Regulation S-K, Item 601(b)(11) although it is contrary to paragraph 40 of APB Opinion No. 15 because it produces an anti-dilutive result.

EXHIBIT 12

WOOLWORTH CORPORATION

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Unaudited)
(dollars in millions)

	Fiscal 39 weeks ended Oct. 25, 1997	Fiscal Year ended Jan. 25, 1997	Fiscal Year ended Jan. 27, 1996	Fiscal Year ended Jan. 28, 1995	Fiscal Year ended Jan. 29, 1994	Fiscal Year ended Jan. 30, 1993
NET EARNINGS						
Net income (loss)	$(125)	$ 169	$(164)	$ 47	$(495)	$280
Income tax expense (benefit)	(76)	111	(69)	49	(303)	157
Interest expense, excluding capitalized interest	34	77	124	110	86	94
Portion of rents deemed representative of the interest factor (1/3)	54	230	224	211	210	199
	$(113)	$ 587	$ 115	$ 417	$(502)	$730
FIXED CHARGES						
Gross interest expense	$ 34	$ 77	$ 124	$ 111	$ 86	$ 94
Portion of rents deemed representative of the interest factor (1/3)	54	230	224	211	210	199
	$ 88	$307	$ 348	$ 322	$ 296	$293
RATIO OF EARNINGS TO FIXED CHARGES	--	1.9	0.3	1.3	--	2.5

Earnings were not adequate to cover fixed charges by $201 million, $233 million and $798 million for the period ended October 25, 1997 and for the fiscal years ended January 27, 1996 and January 29, 1994, respectively.

EXHIBIT 15

Accountants' Acknowledgment

Woolworth Corporation
New York, New York

Board of Directors:

Re: Registration Statements Numbers 33-10783, 33-91888, 33-91886, 33-97832, 333- 07215 and 333-21131 on Form S-8 and Numbers 33-43334 and 33-86300 on Form S-3

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated November 12, 1997 related to our review of interim financial information.

Pursuant to Rule 436(c) under the Securities Act of 1933, such report is not considered a part of a registration statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG Peat Marwick LLP
New York, New York
December 8, 1997

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED STATEMENTS OF INCOME FOR THE NINE MONTHS ENDED October 25, 1997 AND THE CONSOLIDATED BALANCE SHEET AS OF October 25, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

1,000,000

9-MOS
JAN-31-1998
JAN-26-1997
OCT-25-1997
49
0
0
0
1,377
1,600
0
0
3,300
865
571
0
0
0
1,154
3,300
4,622
4,622
3,201
3,201
108
0
32
156
58
98
(223)
0
0
(125)
(0.93)
(0.93)

EXHIBIT 99

Independent Accountants' Review Report

The Board of Directors and Shareholders
Woolworth Corporation:

We have reviewed the condensed consolidated balance sheets of Woolworth Corporation and subsidiaries as of October 25, 1997 and October 26, 1996, and the related condensed consolidated statements of operations, retained earnings, and cash flows for the thirteen and thirty-nine week periods ended October 25, 1997 and October 26, 1996. These condensed consolidated financial statements are the responsibility of Woolworth Corporation's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Woolworth Corporation and subsidiaries as of January 25, 1997, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 11, 1997 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 25, 1997, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Our report, referred to above, contains an explanatory paragraph that states that Woolworth Corporation, in 1995, adopted the position of the Financial Accounting Standards Board's Statement of Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of."

/s/ KPMG Peat Marwick LLP
New York, New York
November 12, 1997