



21 October 2010

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir,

**FIRST QUARTER RETAIL SALES RESULTS**

Please find attached an announcement regarding the first quarter retail sales results.

An analyst briefing will be held at 9:00 am (WST) / 12:00 pm (EDT) following the release of this announcement. This briefing will be webcast and accessible via our website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

Yours faithfully,

L J KENYON  
COMPANY SECRETARY



# Wesfarmers

## NEWS

21 October 2010

### 2011 FIRST QUARTER RETAIL SALES RESULTS

First Quarter Sales (\$m)	Financial Year 2011	Financial Year 2010	Movement (%)
Food & Liquor <sup>1,2</sup>	5,952	5,621	5.9
Convenience <sup>1,3</sup>	1,542	1,524	1.2
<b>Total Coles</b>	<b>7,494</b>	<b>7,145</b>	<b>4.9</b>
Home Improvement <sup>4,5</sup>	1,594	1,534	3.9
Office Supplies <sup>4</sup>	360	330	9.1
<b>Total Home Improvement &amp; Office Supplies</b>	<b>1,954</b>	<b>1,864</b>	<b>4.8</b>
<b>Target<sup>6</sup></b>	<b>847</b>	<b>859</b>	<b>(1.4)</b>
<b>Kmart<sup>1</sup></b>	<b>926</b>	<b>893</b>	<b>3.7</b>

Refer to appendix two for footnotes.

Wesfarmers Limited today announced its retail sales results for the first quarter of the 2011 financial year.

Managing Director Richard Goyder said he was generally pleased with the results, headlined by Coles' food and liquor comparable store sales growth of 6.2 per cent, in what was a mixed trading environment for the Group's retail businesses affected by wet and cool weather conditions across most of the east coast of Australia and price deflation.

"Strong sales growth was reported by the Group's turnaround businesses of Coles, Kmart and Officeworks," Mr Goyder said. "Transaction growth within each of these businesses was a highlight and reflects the continuing hard work of the teams in these businesses to execute their strategic plans and enhance the customer offer.

"Bunnings sales result was pleasing, particularly in the context of the strong growth achieved in the previous corresponding period, and was supported by the further strengthening of its store networks and customer offer.

"Target experienced a challenging period, with continuing price deflation and an extended period of cooler weather in many of its key trading markets impacting new season apparel sales.

"The Group remains pleased with the momentum achieved across its overall retail portfolio, evidenced by an increase in transaction numbers across all divisions, as our businesses respond to a value focused and purposeful customer," Mr Goyder said.

"We remain cautious of any negative impact to household budgets or consumer confidence, particularly leading into the Christmas trading period."

# COLES

## Food and Liquor

Coles recorded comparable food and liquor store sales growth of 6.2 per cent in the first quarter of the 2011 financial year<sup>1</sup>.

Headline food and liquor sales for the first quarter<sup>1</sup> were \$6.0 billion, up 5.9 per cent on the previous corresponding period which included the transfer of 22 stores to Foodworks that will impact headline sales growth until the third quarter of the financial year.

Coles experienced food price deflation of 0.3 per cent despite the impact of higher excise on tobacco prices during the quarter.

Coles Managing Director Ian McLeod said customers continued to respond to Coles' ongoing commitment to delivering quality, service and value in-store.

"We are now seeing good momentum in Coles as the hard work of the last two years begins to pay dividends," Mr McLeod said.

"There has been no silver bullet in our sales delivery; it has been through a combination of improved operating standards, better quality fresh food, improved availability, investment in better value and a stronger focus on customer service."

Mr McLeod said the rollout of key business initiatives was maintained during the quarter, with 468 stores now operating on the easy ordering platform.

Coles opened four renewal format supermarkets during the quarter. Coles now has a total of 61 renewal stores out of a national fleet of 743 stores.

Ten new liquor stores were opened during the period taking the total number of liquor stores to 771.

## Convenience

Total Coles Express sales, including fuel, for the quarter<sup>1</sup> were \$1.5 billion, an increase of 1.2 per cent on the previous corresponding period.

Convenience store sales, excluding fuel sales, grew by 2.5 per cent for the quarter, with comparable store sales growth of 1.8 per cent. Comparable fuel volumes declined by 0.4 per cent during the quarter.

Coles Express opened two new sites and closed one during the quarter, bringing the total store network to 620 sites.

Refer to appendix two for footnotes.

## HOME IMPROVEMENT AND OFFICE SUPPLIES

### Home Improvement

Total sales for the quarter<sup>4</sup> of \$1.6 billion were up 3.9 per cent on the previous corresponding period. Total store sales for the quarter<sup>4</sup> grew 3.3 per cent, while store-on-store growth was 0.3 per cent.

Sales growth was solid from both consumer and commercial customers, building on a very strong performance in the prior corresponding period where sales grew 15.6 per cent. Growth for the quarter should be viewed from the perspective of wetter and cooler weather conditions in many trading regions (relative to the first quarter of 2009/10) as well as the deflationary impacts of 'value focus' work that is in progress.

John Gillam, Managing Director of Home Improvement and Office Supplies, said the business remains focused on enhancing the customer experience, network expansion and business improvement.

"Good progress on our strategic agenda has Bunnings well positioned to achieve continued sales growth," Mr Gillam said.

During the first quarter, four Bunnings Warehouses and one smaller format store were opened.

### Office Supplies

Total sales for the quarter<sup>4</sup> were \$360 million, up 9.1 per cent on the previous corresponding period. Retail sales across the Officeworks store network grew by 9.9 per cent which was underpinned by a continuation of strong transaction growth.

Mr Gillam said there was good momentum being generated from the drive within Officeworks to enhance the customer offer.

During the first quarter, one Officeworks store was opened.

Refer to appendix two for footnotes.

## TARGET

Total sales of \$847 million for the quarter<sup>6</sup> were 1.4 per cent below the previous corresponding period, with comparable<sup>7</sup> store sales declining 2.2 per cent.

Target Managing Director Launa Inman said the quarter was difficult for Target, with generally subdued trading aggravated by an extended period of colder weather which had affected sales of new season's apparel.

"Customer numbers and sales volumes were up on the same time last year, however the result reflects the impact of price deflation across the market," Ms Inman said.

Target refurbished 18 stores during the quarter, while two new stores were opened and two stores were closed.

## KMART

Total sales of \$926 million for the quarter<sup>1</sup> were up 3.7 per cent over the previous corresponding period, with comparable<sup>7</sup> store sales increasing 5.0 per cent.

Kmart Managing Director Guy Russo said growth is being delivered through offering the lowest price on everyday items for families.

"At this early stage of repositioning the Kmart offer, we are pleased with the strong transaction growth achieved and favourable customer response to the improving in-store proposition. We continue to focus on refining the customer offer and reducing costs across the business in order to strengthen our everyday low price position," Mr Russo said.

During the quarter, Kmart maintained its commitment to refreshing stores, with floors and fitting rooms upgraded in a further 24 stores and the completion of two store refurbishments.

Refer to appendix two for footnotes.

### For further information:

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## APPENDIX ONE

### WESFARMERS RETAIL OPERATIONS - STORE NETWORK FIRST QUARTER OF THE FINANCIAL YEAR 2011

	Open at 1 Jul 2010	Opened	Closed	Open at 30 Sep 2010
<b>COLES</b>				
<b>Supermarkets</b>				
Coles	691	4	3	692
Bi-Lo	51	-	-	51
<b>Total Supermarkets</b>	<b>742</b>	<b>4</b>	<b>3</b>	<b>743</b>
<b>Liquor</b>				
1st Choice	73	2	-	75
Vintage Cellars	78	3	1	80
Liquorland	615	5	4	616
Hotels	96	1	1	96
<b>Total Liquor</b>	<b>862</b>	<b>11</b>	<b>6</b>	<b>867</b>
<b>Convenience</b>	619	2	1	620
<b>Selling Area (m<sup>2</sup>)</b>				
Supermarkets	1,586,494	n/a	n/a	1,592,264
Liquor (excluding hotels)	181,011	n/a	n/a	183,548
<b>HOME IMPROVEMENT</b>				
Bunnings Warehouse	184	4	1	187
Bunnings smaller formats	58	1	1	58
Bunnings Trade Centres	29	-	-	29
<b>OFFICE SUPPLIES</b>				
Officeworks	128	1	1	128
Harris Technology	5	-	-	5
<b>TARGET</b>				
Target	171	-	-	171
Target Country	119	2	2	119
<b>KMART</b>				
Kmart	186	-	-	186
Kmart Tyre & Auto	251	-	-	251

## APPENDIX TWO

### FOOTNOTES

1. Financial Year 2011 for the 13 week period 28 June 2010 to 26 September 2010 and Financial Year 2010 for the 13 week period 29 June 2009 to 27 September 2009
2. Includes hotels, excludes gaming revenue and property income
3. Includes fuel sales
4. Financial Year 2011 and Financial Year 2010 for the three month period 1 July to 30 September
5. Includes cash and trade sales, excludes property income
6. Financial Year 2011 for the 13 week period 27 June 2010 to 25 September 2010 and Financial Year 2010 for the 13 week period 28 June 2009 to 26 September 2009
7. Comparable store sales include lay by sales. Lay by sales are excluded from total sales under Australian Accounting Standards