



The Manager
Company Announcements Office
Australian Securities Exchange

28 July 2011

Dear Sir,

2011 FOURTH QUARTER AND FULL-YEAR RETAIL SALES RESULTS

Please find attached an announcement regarding the 2011 fourth quarter and full-year retail sales results.

An analyst briefing will be held at 9:00 am (WST) / 11:00 am (EST) following the release of this announcement. This briefing will be webcast and accessible via our website at www.wesfarmers.com.au.

Yours faithfully,

A handwritten signature in black ink, appearing to be "L J Kenyon".

L J KENYON
COMPANY SECRETARY



Wesfarmers

NEWS

28 July 2011

2011 FOURTH QUARTER AND FULL-YEAR RETAIL SALES RESULTS

Full-Year Sales (\$m)	Financial Year 2011	Financial Year 2010	Movement (%)
Food & Liquor ^{1,2}	25,025	23,551	6.3
Convenience ^{1,3}	6,743	6,215	8.5
Total Coles	31,768	29,766	6.7
Home Improvement ^{4,5}	6,773	6,410	5.7
Office Supplies ⁴	1,471	1,409	4.4
Total Home Improvement & Office Supplies	8,244	7,819	5.4
Target⁶	3,771	3,816	(1.2)
Kmart¹	4,020	4,004	0.4

Refer to appendix two for footnotes.

Fourth Quarter Sales (\$m)	Financial Year 2011	Financial Year 2010	Movement (%)
Food & Liquor ^{8,2}	6,180	5,867	5.3
Convenience ^{8,3}	1,802	1,581	14.0
Total Coles	7,982	7,448	7.2
Home Improvement ^{9,5}	1,555	1,465	6.1
Office Supplies ⁹	360	356	1.1
Total Home Improvement & Office Supplies	1,915	1,821	5.2
Target¹⁰	897	872	2.9
Kmart⁸	907	914	(0.8)

Refer to appendix two for footnotes.

Wesfarmers Limited today announced its retail sales results for the fourth quarter and the 2011 full-financial year.

Managing Director, Richard Goyder, said that the retail division's sales performance for the year was solid, especially given the backdrop of declining consumer confidence, significant price deflation and adverse weather conditions experienced during the period.

"A highlight of the result was the continuation of the strong sales momentum in Coles and Bunnings, building on strong results from the previous year.

"As households have experienced higher costs of living and an increased propensity to save, all of the Group's retail businesses have worked hard to provide genuinely better value and an improved customer offer.

"Coles' food and liquor comparable store sales growth of 6.3 per cent for the year, following 5.0 per cent growth last year, reflects the pleasing customer response to changes made throughout the business to build trust in Coles' value, quality and service.

"Bunnings' total sales for the year were up 5.7 per cent, building on 10.4 per cent growth last year, and takes into account the deflationary impacts of the range re-set work. The result reflects the re-investment of productivity gains in lower prices, category expansion and the continued focus on growing the store network to position the business for future growth.

"Officeworks achieved 4.4 per cent growth in total sales for the year underpinned by strong transaction growth despite challenging and volatile trading conditions in both retail and business customer segments.

"Target experienced difficult trading conditions throughout the year, with total sales declining by 1.2 per cent, as price deflation across the store constrained sales despite solid underlying transaction growth.

"Kmart's total sales were broadly flat for the year, as investment in everyday low prices offset significantly increased volumes, particularly in Apparel and Home categories."

COLES

Food and Liquor

Coles recorded comparable food and liquor store sales growth of 6.3 per cent for the financial year¹ (FY2010: up 5.0 per cent), with comparable food and liquor stores sales growth of 5.2 per cent in the fourth quarter⁸ (Q4FY2010: up 4.2 per cent).

Headline food and liquor sales for the financial year¹ were \$25.0 billion, up 6.3 per cent on the previous corresponding period and for the fourth quarter⁸ were up 5.3 per cent to \$6.2 billion.

Coles recorded food and liquor price deflation of 0.3 per cent in the financial year¹ despite the impact of higher excise on tobacco products and the impact of recent floods on fresh food prices. Excluding the impact of higher tobacco excise, Coles recorded food and liquor price deflation for the year of 1.6 per cent.

In the fourth quarter⁸, food and liquor price deflation including the impact of higher excise on tobacco prices was 0.8 per cent and excluding the impact of the tobacco excise, food and liquor deflation was 1.6 per cent.

Coles Managing Director, Ian McLeod, said he was encouraged by the underlying comparable sales growth achieved through increased supermarket transactions and bigger basket spend.

"Coles has developed a series of efficiency programs across the business, lowering our cost of doing business and creating a savings pool which we have used to re-invest in the form of lower prices, improved quality and better stores and service," he said.

“Our customers have responded positively to our ‘Down Down’ campaign to reduce shelf prices on the products they buy most against a backdrop of rising costs of living that has adversely affected consumer sentiment and industry sales.

“Coles has worked hard to reduce the total cost of the weekly shopping basket by cutting prices of staple grocery items, such as milk and bread, to offset the impact of floods on prices of fresh produce, including bananas and field tomatoes.

“Our supermarket renewal program continues at pace, with 38 supermarkets refurbished during the quarter, including our Emerald and Fairfield stores which had been closed since January as a result of the Queensland floods.

Coles opened two new format supermarkets in the quarter, taking the total to 144 renewal stores out of a national fleet of 741 stores.

Mr McLeod said the liquor market remained challenging in the fourth quarter given weaker discretionary spending.

“Despite the tough market conditions we experienced encouraging growth in our 1st Choice stores and intend to continue our investment in these larger formats as customer purchasing patterns change,” he said.

Coles opened 13 new liquor stores and closed 11 liquor stores in the quarter, for a total of 785 liquor stores at the end of the 2011 financial year.

Convenience

Coles Express sales, including fuel, for the financial year¹ were \$6.7 billion, an increase of 8.5 per cent on the previous corresponding period largely due to higher global fuel prices. Total sales for the fourth quarter⁸ increased by 14.0 per cent to \$1.8 billion.

Comparable fuel volumes increased by 2.3 per cent during the financial year¹ (FY2010: up 0.7 per cent) and by 2.4 per cent during the fourth quarter⁸ (Q4FY2010: up 0.5 per cent) reflecting a more competitive offer and share growth in a flat market.

Convenience store sales, excluding fuel sales, for the financial year¹ were up 2.0 per cent and 0.9 per cent on a comparable store basis (FY2010: up 3.3 per cent). Convenience store sales grew by 1.2 per cent in the fourth quarter⁸, with a comparable store sales decline of 0.7 per cent (Q4FY2010: up 1.8 per cent) as rising living costs dampened demand for impulse products in store.

Coles Express opened one new site and closed two sites 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 financial year⁴ of \$6.8 billion were up 5.7 per cent on the previous corresponding period. Total store sales for the financial year⁴ grew 5.6 per cent, while store-on-store growth was 3.0 per cent (FY2010: up 6.9 per cent). This takes into account 2.2 per cent sales deflation incurred during the year as a result of range re-set work and price re-investment. This work is the catalyst for significant longer term value creation in terms of increased customer value, simpler customer choices, optimisation of selling space, and stronger supplier relationships.

For the fourth quarter⁹, total sales were up 6.1 per cent to \$1.6 billion. Total store sales grew 6.3 per cent for the fourth quarter⁹, while store-on-store growth was 3.5 per cent (Q4FY2010: up 2.9 per cent).

Managing Director of Home Improvement and Office Supplies, John Gillam, said the focus in the business continues to be on positively evolving the customer experience, category expansion and enhanced merchandising, growing the commercial offer, and investing productivity gains in lower prices to drive volume.

“The business is positioned for further sales growth, supported by a well embedded strategic agenda aimed at delivering customers the best offer,” Mr Gillam said.

During the fourth quarter four trading locations were opened; two Bunnings warehouses and two trade centres, with continued significant investment in the property pipeline and existing stores.

Office Supplies

Total sales for the financial year⁴ were \$1.5 billion, up 4.4 per cent on the previous corresponding period. Retail sales across the Officeworks store network grew by 5.2 per cent which was underpinned by a continuation of strong transaction growth.

During the fourth quarter⁹, total sales of \$360 million were up 1.1 per cent. Retail sales across the Officeworks store network increased by 1.6 per cent over the same period.

Consistent with the third quarter, trading conditions throughout the fourth quarter remained challenging given the uncertainty and volatility in both retail customer sentiment and business confidence.

Mr Gillam said that despite the difficult conditions the business continued to work hard on improving the customer offer whilst expanding and renewing the store network.

During the fourth quarter, one new Officeworks store was opened.

Refer to appendix two for footnotes.

TARGET

Total sales of \$3.8 billion for the financial year⁶ were down 1.2 per cent on the previous corresponding period, with comparable⁷ store sales also declining 1.2 per cent (FY2010: down 0.9 per cent).

For the fourth quarter¹⁰ total sales increased 2.9 per cent to \$897 million, with comparable⁷ store sales increasing 2.7 per cent (Q4FY2010: down 6.2 per cent).

Target Managing Director, Launa Inman, said difficult and erratic trading conditions continued in the fourth quarter.

“While sales have improved from the third quarter, trading remained inconsistent during the period with a noticeable weakening in sales in June, and conditions are expected to continue to be difficult into the first half of the next financial year,” Ms Inman said.

“Within this environment the customer response to the launch of our on-line store at the end of February has been pleasing. At this stage the on-line offer is focused on childrens apparel, baby and nursery items and selected bathroom ranges with additional categories to be added over the coming months.”

Target refurbished 17 stores during the fourth quarter, taking total store refurbishments completed in the financial year to 65. No new Target stores were opened or closed during the quarter.

Refer to appendix two for footnotes.

KMART

Total sales for the financial year¹ of \$4.0 billion remained in line with last year, with comparable⁷ store sales growing 0.3 per cent (FY2010: down 0.1 per cent).

For the fourth quarter⁸, total sales declined 0.8 per cent to \$907 million, while comparable⁷ store sales declined 0.1 per cent (Q4FY2010: up 0.1 per cent).

Kmart Managing Director, Guy Russo, said sales in Apparel and Home departments performed in line with expectations, whereas sales in categories previously driven by promotional activity were subdued in comparison.

“Despite a difficult retail trading environment delivering flat sales growth, our customer transactions and volumes continued to grow on last year, with customers recognising the value in Kmart’s everyday low price offer. We remain committed to bringing great everyday value to families so they can buy what they want, when they want it at our lowest possible price,” Mr Russo said.

During the fourth quarter, Kmart continued to invest in the store network, with floors and fitting rooms upgraded in a further two stores.

Kmart Tyre and Auto opened two new stores during the quarter.

Refer to appendix two for footnotes.

For further information:

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APPENDIX ONE

WESFARMERS RETAIL OPERATIONS - STORE NETWORK
FINANCIAL YEAR 2011

	Open at 1 Jul 2010	Opened	Closed	Re- branded	Open at 30 Jun 2011
COLES					
Supermarkets					
Coles*	691	11	12	6	696
Bi-Lo [#]	51	-	-	(6)	45
Total Supermarkets	742	11	12	-	741
Liquor					
1st Choice*	73	4	1		76
Vintage Cellars	78	10	3	(2)	83
Liquorland*	615	26	18	3	626
Hotels	96	1	3	(1)	93
Total Liquor	862	41	25	-	878
Convenience	619	8	7	-	620
* Four supermarkets and three liquor stores were closed in January 2011 due to flooding in Queensland. Only two supermarkets have reopened and the remaining are reported as closed stores above.					
[#] Three Bi-Lo stores previously shown as closed were rebranded to Coles stores and have been restated.					
Selling Area (m²)					
Supermarkets	1,586,494	n/a	n/a	n/a	1,599,271
Liquor (excluding hotels)	181,011	n/a	n/a	n/a	184,442
HOME IMPROVEMENT					
Bunnings Warehouse	184	11	1	-	194
Bunnings smaller formats	58	8	7	-	59
Bunnings Trade Centres	29	8	1	-	36
OFFICE SUPPLIES					
Officeworks	128	10	3	-	135
Harris Technology	5	-	1	-	4
TARGET					
Target	171	1	-	-	172
Target Country	119	2	2	-	119
KMART					
Kmart	186	1	-	-	187
Kmart Tyre & Auto	251	6	6	-	251

APPENDIX TWO

FOOTNOTES

1. Financial Year 2011 for the 52 week period 28 June 2010 to 26 June 2011 and Financial Year 2010 for the 52 week period 29 June 2009 to 27 June 2010
2. Includes hotels, excludes gaming revenue and property income
3. Includes fuel sales
4. Financial Year 2011 and Financial Year 2010 for the 12 month period 1 July to 30 June
5. Includes cash and trade sales, excludes property income
6. Financial Year 2011 for the 52 week period 27 June 2010 to 25 June 2011 and Financial Year 2010 for the 52 week period 28 June 2009 to 26 June 2010
7. Comparable store sales include lay by sales. Lay by sales are excluded from total sales under Australian Accounting Standards
8. Financial Year 2011 for the 13 week period 28 March 2011 to 26 June 2011 and Financial Year 2010 for the 13 week period 29 March 2010 to 27 June 2010
9. Financial Year 2011 and Financial Year 2010 for the three month period 1 April to 30 June
10. Financial Year 2011 for the 13 week period 27 March 2011 to 25 June 2011 and Financial Year 2010 for the 13 week period 28 March 2010 to 26 June 2010