

26 July 2010

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir,

**2010 FOURTH QUARTER AND FULL YEAR RETAIL SALES RESULTS**

Please find attached an announcement regarding the 2010 fourth quarter and full year retail sales results.

An analyst briefing will be held at 11:00 am (AEST) 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

# NEWS

26 July 2010

## 2010 FOURTH QUARTER AND FULL YEAR RETAIL SALES RESULTS

Financial Year Sales (\$m)	2010	2009	Movement (%)
Food & Liquor <sup>1,2</sup>	23,551	22,305	5.6
Convenience <sup>1,3</sup>	6,215	6,240	(0.4)
<b>Total Coles</b>	<b>29,766</b>	<b>28,545</b>	<b>4.3</b>
Home Improvement <sup>4,5</sup>	6,410	5,808	10.4
Office Supplies <sup>4,6</sup>	1,409	1,305	8.0
<b>Total Home Improvement &amp; Office Supplies</b>	<b>7,819</b>	<b>7,113</b>	<b>9.9</b>
<b>Target<sup>7</sup></b>	<b>3,816</b>	<b>3,782</b>	<b>0.9</b>
<b>Kmart<sup>1</sup></b>	<b>4,004</b>	<b>3,990</b>	<b>0.4</b>

1. 2010 for the 52 week period 29 June 2009 to 27 June 2010 and 2009 for the 52 week period 30 June 2008 to 28 June 2009
2. Includes hotels, excludes gaming revenue and property income
3. Includes fuel sales
4. 2009 and 2010 for the 12 month period 1 July to 30 June
5. Includes cash and trade sales, excludes property income
6. Includes net concession sales
7. 2010 for the 52 week period 28 June 2009 to 26 June 2010 and 2009 for the 52 week period 29 June 2008 to 27 June 2009

Fourth Quarter Sales (\$m)	2010	2009	Movement (%)
Food & Liquor <sup>1,2</sup>	5,867	5,631	4.2
Convenience <sup>1,3</sup>	1,581	1,428	10.7
<b>Total Coles</b>	<b>7,448</b>	<b>7,059</b>	<b>5.5</b>
Home Improvement <sup>4,5</sup>	1,465	1,370	6.9
Office Supplies <sup>4,6</sup>	356	340	4.7
<b>Total Home Improvement &amp; Office Supplies</b>	<b>1,821</b>	<b>1,710</b>	<b>6.5</b>
<b>Target<sup>7</sup></b>	<b>872</b>	<b>912</b>	<b>(4.4)</b>
<b>Kmart<sup>1</sup></b>	<b>914</b>	<b>904</b>	<b>1.1</b>

1. 2010 for the 13 week period 29 March 2010 to 27 June 2010 and 2009 for the 13 week period 30 March 2009 to 28 June 2009
2. Includes hotels, excludes gaming revenue and property income
3. Includes fuel sales
4. 2009 and 2010 for the three month period 1 April to 30 June
5. Includes cash and trade sales, excludes property income
6. Includes net concession sales
7. 2010 for the 13 week period 28 March 2010 to 26 June 2010 and 2009 for the 13 week period 29 March 2009 to 27 June 2009

Wesfarmers Limited today announced its retail sales results for the fourth quarter and 2010 financial year.

Managing Director, Richard Goyder said the retail divisions' sales performance for the year was solid overall, especially given the positive impact of the Australian Government stimulus payments on sales in the prior corresponding period.

“Good progress continues to be made on growth strategies across the Group’s retail businesses, with customers responding well to improvements in product range, value and service. Over the last 12 months, our retail businesses have established or reinforced sound business platforms and have strategies in place to further improve the customer experience. This leaves the Group well placed for the 2011 financial year,” Mr Goyder said.

The Coles division reported solid sales for the year, underpinned by strong customer growth, as it completed the first phase of its turnaround program. Deflation continued in the second half of the year, driven by fresh produce deflation and continued investment in lowering everyday prices. Fourth quarter food and liquor price deflation was 1.4 per cent, despite the increase in tobacco excise during this period.

Bunnings’ sales growth was strong for the year, as the business continued to invest in its retail and trade network. Officeworks reported pleasing sales growth for the year, as customers responded positively to a revitalised offer.

Target and Kmart both reported marginally positive sales growth for the year, achieved in what was a difficult trading period in the second half, primarily due to cycling the Australian Government stimulus package, and a competitive retail environment that put downward pressure on prices. Pleasingly, both businesses saw positive customer growth in the second half, in particular in Kmart where it continued to significantly restructure its customer offer.

## **COLES**

### **Food and Liquor**

Total Coles’ food and liquor sales for the financial year<sup>1</sup> were \$23.6 billion, up 5.6 per cent on the prior corresponding period, with comparable food and liquor store sales growth of 5.0 per cent.

Total Coles’ food and liquor sales for the fourth quarter<sup>2</sup> were \$5.9 billion, up 4.2 per cent, with comparable food and liquor store sales growth of 4.2 per cent.

Coles Managing Director, Ian McLeod, said a positive customer response to Coles’ focus on quality, service and value had driven continued growth in food and liquor sales.

“As we enter the second phase of our turnaround strategy, this is a pleasing sales result for Coles,” Mr McLeod said.

“It reflects another quarter of solid performance despite the negative impact on retail spending of higher interest rates and rising electricity, gas and water bills.”

Mr McLeod said Coles has continued to invest in store standards, customer service and the supply chain to provide a platform for future growth.

“During the fourth quarter, Coles opened one new supermarket and six new liquor stores,” he said. “By the end of the 2010 financial year, Coles had opened or refurbished 50 stores as part of its store renewal program.”

## **Convenience**

Total Coles Express sales, including fuel, for the financial year<sup>1</sup> were \$6.2 billion, a decline of 0.4 per cent on the prior corresponding period, supported by a 0.7 per cent increase in comparable fuel volumes during the year.

Total Coles Express sales, including fuel, in the fourth quarter<sup>2</sup> were \$1.6 billion, an increase of 10.7 per cent, with comparable fuel volume growth of 0.5 per cent during the period.

Convenience shop sales, excluding fuel, for the financial year<sup>1</sup>, were up 5.5 per cent on the prior corresponding period, with comparable shop sales growth of 3.3 per cent. For the fourth quarter<sup>2</sup>, convenience shop sales, excluding fuel, have grown 5.1 per cent and comparable shop sales were up 1.8 per cent.

Coles Express continued to refurbish its store network to improve the customer shopping experience. There were a total of 619 Coles Express stores at the end of the 2010 financial year.

Coles footnotes:

1. For the 52 week period 29 June 2009 to 27 June 2010
2. For the 13 week period 29 March 2010 to 27 June 2010

## **HOME IMPROVEMENT AND OFFICE SUPPLIES**

### **Home Improvement**

Total sales for the financial year<sup>1</sup> of \$6.4 billion were up 10.4 per cent on the prior corresponding period. Total cash sales for the financial year<sup>1</sup> have grown 10.3 per cent, while store-on-store cash sales growth was 7.3 per cent.

For the fourth quarter<sup>2</sup>, total sales increased 6.9 per cent on the prior corresponding period to \$1.5 billion. Total cash sales growth for the fourth quarter<sup>2</sup> was 5.1 per cent, while store-on-store cash sales growth was 2.3 per cent. Sales growth for the quarter was solid, taking into account the strong performance in the prior corresponding period, in part assisted by the Australian Government consumer stimulus at that time. The business remains focused on enhancing the customer experience, network expansion and business improvement.

Trade sales for the financial year<sup>1</sup> increased by 10.8 per cent and by 16.8 per cent for the fourth quarter<sup>2</sup>, benefiting from the current strategic focus and increased housing construction.

During the fourth quarter, one Bunnings Warehouse and two trade centres were opened. For the financial year, 22 trading locations (13 stores and nine trade centres) were opened.

## **Office Supplies**

Total sales for the financial year<sup>1</sup> were \$1.4 billion, up 8.0 per cent on the prior corresponding period. Retail sales across the Officeworks store network grew by 9.0 per cent.

Total sales for the fourth quarter<sup>2</sup> increased 4.7 per cent on the prior corresponding period to \$356 million. Retail sales across the network grew 4.9 per cent for the fourth quarter<sup>2</sup> which was underpinned by a continuation of strong transaction growth.

During the fourth quarter, five Officeworks store refurbishments were completed.

John Gillam, Managing Director of Home Improvement and Office Supplies said both Bunnings and Officeworks are well positioned for continued sales growth, with strong momentum from the strategic agendas in both businesses.

Home Improvement and Office Supplies footnotes:

1. For the period 1 July 2009 to 30 June 2010
2. For the period 1 April 2010 to 30 June 2010

## **TARGET**

Total sales of \$3.8 billion for the financial year<sup>1</sup> were up 0.9 per cent on the prior corresponding period, with comparable store sales declining by 0.9 per cent. For the fourth quarter<sup>2</sup>, total sales declined by 4.4 per cent to \$872 million, while comparable store sales fell by 6.2 per cent.

The quarter to June 2010 proved a difficult trading period for Target said Managing Director, Launa Inman.

“Non-apparel merchandise sales in particular were down. Toys and Leisure and Electrical departments were major contributors to the downturn compared to the prior corresponding period when they benefitted from the Australian Government stimulus payments.”

“Notwithstanding sales in apparel categories were also down on our expectations, inventories finished in line with our planned position,” said Ms Inman.

Eight stores were refurbished in the fourth quarter, one store was closed and one store was opened.

Target footnotes:

1. For the 52 week period 28 June 2009 to 26 June 2010
2. For the 13 week period 28 March 2010 to 26 June 2010

## KMART

Total sales of \$4.0 billion for the financial year<sup>1</sup> were up by 0.4 per cent over the prior corresponding period, with comparable store sales declining by 0.1 per cent. For the fourth quarter<sup>2</sup>, total sales were up by 1.1 per cent to \$914 million, with comparable store sales growth of 0.1 per cent.

During the fourth quarter, focus continued on overhauling the customer offer including improving customer service, providing clean and tidy stores and fast and friendly checkouts. Additional investment was made in upgrading floors and fitting rooms, with a further 16 stores completed in the period.

Kmart Managing Director, Guy Russo, said sales performance for the quarter was relatively pleasing, considering the steps we have taken in exiting unprofitable product ranges and moving away from an excessive deep discounting model to everyday prices.

“The Kmart business is being reset to achieve long term success,” said Mr Russo. “Customer engagement remains our first priority and we remain confident that a continued focus on providing low prices on everyday items for families will help Kmart achieve a successful growth platform for the future.”

Kmart footnotes:

1. For the 52 week period 29 June 2009 to 27 June 2010
2. For the 13 week period 29 March 2010 to 27 June 2010

*For further information:           Media: Alan Carpenter (+61) 8 9327 4267 / 0438 903 674*  
*Investors: Alex Willcocks (+61) 8 9327 4323 / 0409 883 448*

## APPENDIX ONE

### WESFARMERS RETAIL OPERATIONS - STORE NETWORK FINANCIAL YEAR ENDED 30 JUNE 2010

	Open at 1 July 2009	Opened	Closed	Open at 30 June 2010
<b>COLES</b>				
<b>Supermarkets</b>				
Coles	705	10	24 <sup>1</sup>	691
Bi-Lo	58	-	7	51
<b>Total Supermarkets</b>	<b>763</b>	<b>10</b>	<b>31</b>	<b>742</b>
<b>Liquor</b>				
1st Choice	64	11	2	73
Vintage Cellars	80	-	2	78
Liquorland	631	15	31 <sup>2</sup>	615
Hotels	95	2	1	96
<b>Total Liquor</b>	<b>870</b>	<b>28</b>	<b>36</b>	<b>862</b>
<b>Convenience</b>	<b>625</b>	<b>3</b>	<b>9</b>	<b>619</b>
<b>Selling Area (m<sup>2</sup>)</b>				
Supermarkets	1,600,578	n/a	n/a	1,586,494
Liquor (excluding hotels)	173,886	n/a	n/a	181,011
<b>HOME IMPROVEMENT</b>				
Bunnings Warehouse	175	11 <sup>3</sup>	2	184
Bunnings smaller formats	56	2	-	58
Bunnings Trade Centres	22	9	2	29
<b>OFFICE SUPPLIES</b>				
Officeworks	123	5	-	128
Harris Technology	5	-	-	5
<b>TARGET</b>				
Target	170	3	2	171
Target Country	116	4	1	119
<b>KMART</b>				
Kmart	184	2	-	186
Kmart Tyre & Auto	255	-	4	251

<sup>1</sup> 22 stores transferred to FoodWorks during the period

<sup>2</sup> 13 Liquorland stores, attached to Coles owned hotels, previously disclosed as separate locations have been reclassified within hotels during the fourth quarter 2010

<sup>3</sup> One Bunnings small format store was converted to a Bunnings Warehouse during the fourth quarter 2010