



20 April 2011

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

THIRD QUARTER RETAIL SALES RESULTS

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

An analyst briefing will be held at 9:00 am (WST) / 11:00 pm (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", written over a horizontal line.

L J KENYON
COMPANY SECRETARY

att



Wesfarmers

NEWS

20 April 2011

2011 THIRD QUARTER RETAIL SALES RESULTS

Third Quarter Sales (\$m)	Financial Year 2011	Financial Year 2010	Movement (%)
Food & Liquor ^{1,2}	5,852	5,465	7.1
Convenience ^{1,3}	1,626	1,450	12.1
Total Coles	7,478	6,915	8.1
Home Improvement ^{4,5}	1,669	1,544	8.1
Office Supplies ⁴	405	391	3.6
Total Home Improvement & Office Supplies	2,074	1,935	7.2
Target⁶	724	725	(0.1)
Kmart¹	803	824	(2.5)

Refer to appendix two for footnotes.

Year to Date (YTD) Sales (\$m)	Financial Year 2011	Financial Year 2010	Movement (%)
Food & Liquor ^{8,2}	18,845	17,684	6.6
Convenience ^{8,3}	4,941	4,635	6.6
Total Coles	23,786	22,319	6.6
Home Improvement ^{9,5}	5,218	4,944	5.5
Office Supplies ⁹	1,111	1,053	5.5
Total Home Improvement & Office Supplies	6,329	5,997	5.5
Target¹⁰	2,874	2,944	(2.4)
Kmart⁸	3,113	3,090	0.7

Refer to appendix two for footnotes.

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

Managing Director, Richard Goyder, said that the third quarter sales results were generally pleasing, particularly the continuing strong sales momentum in Coles and Bunnings.

“Trading conditions continued to be affected by significant price deflation, especially in non-food retailing, as a result of further strengthening of the Australian dollar and strong competition as retailers undertook clearance activity on summer seasonal stocks.

“Coles’ food and liquor comparable store sales growth of 7.2 per cent reflects the encouraging customer response to improvements made throughout the business over the past three years. Coles continues to focus on overhauling the shopping experience, underpinned by genuinely better value and quality fresh food.

“Bunnings total sales for the quarter were up 8.1 per cent on the previous corresponding period, building on 7.9 per cent growth achieved at the same time last year. The result reflects the good response to enhancements made to the customer offer and solid contribution from new store openings.

“Officeworks achieved 3.6 per cent growth in total sales during the quarter, underpinned by solid retail sales growth, whilst challenging operating conditions continued to affect sales to small business customers.

“Target reported flat total sales for the period with strong transaction growth in apparel and homewares offset by lower volumes in electrical categories and continuing general price deflation, in part due to measures taken to clear seasonal stock.

“Kmart’s total sales declined by 2.5 per cent in the quarter as the business continued to invest in lowering prices on everyday items. Despite strong overall volume growth, sales in the period were partly suppressed by seasonal clearance activity, as well as lower sales in categories that were previously highly promotionally driven as the business refined its everyday low price offer.”

Mr Goyder said that the Group was pleased with the progress made by all divisions on improving operating standards, delivering better value to customers and enhancing the customer experience. All retail divisions continue to invest in their store networks to ensure that they are well positioned for future growth.

COLES

Food and Liquor

Coles recorded comparable food and liquor store sales growth of 7.2 per cent in the third quarter¹ of the 2011 financial year, taking comparable food and liquor stores sales for the financial year to date⁸ to 6.7 per cent.

Headline food and liquor sales for the third quarter¹ were \$5.9 billion, up 7.1 per cent on the previous corresponding period and for the financial year to date⁸ were up 6.6 per cent to \$18.8 billion.

Coles recorded flat food and liquor price inflation in the third quarter¹ despite the impact of higher excise on tobacco prices and the impact of recent floods on fresh food prices. Excluding the impact of higher tobacco excise, Coles recorded food and liquor price deflation of 1.4 per cent.

In the financial year to date⁸, food and liquor price deflation including the impact of higher excise on tobacco prices was 0.1 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 the third quarter result represented continued progress in the five year turnaround strategy to create a supermarket that Australians can trust to deliver quality fresh food, genuine value and a better shopping experience.

“Coles has worked hard with our suppliers to produce better quality products as well as responding to customer concerns about animal welfare and ethical sourcing. Coles has responded by removing added hormones in our beef, moving to phase out caged eggs by 2013 and moving to phase out sow stall pork by 2014. Higher levels of trust in quality and sourcing programs have been rewarded with higher levels of fresh food sales as a result,” Mr McLeod said.

“In terms of value, customers have been looking for help in managing their weekly budget as higher costs and taxes squeeze disposable incomes. Coles is responding through our ‘Down Down’ campaign by lowering prices on over 5,000 products in the last year.

“Coles has also been building a better shopping experience by improving operations and raising standards in existing stores, installing more self scan check outs and improving efficiency in the supply chain in addition to expanding our fleet of new format renewal stores.”

Coles completed 13 supermarkets in the renewal format during the third quarter, including one new store opening, and now has a total of 104 renewal stores out of a national fleet of 738 stores. The business remains on track to have about 150 renewal stores by the end of the 2011 financial year. In addition, three new liquor stores were opened and seven liquor stores were closed during the period taking the total number of liquor stores to 878.

Convenience

Total Coles Express sales, including fuel, for the third quarter¹ were \$1.6 billion, an increase of 12.1 per cent on the previous corresponding period on the back of higher global fuel prices. Total sales for the financial year to date⁸ increased by 6.6 per cent to \$4.9 billion.

Comparable fuel volumes increased by 2.7 per cent during the third quarter¹ and by 2.3 per cent for the financial year to date⁸, reflecting a more competitive offer and share growth in a flat market.

Convenience store sales, excluding fuel sales, grew by 2.9 per cent for the third quarter¹, with comparable store sales growth of 1.0 per cent. Convenience store sales for the financial year to date⁸ were up 2.2 per cent and 1.4 per cent on a comparable store basis.

Coles Express opened one new site and closed four sites during the quarter, bringing the total store network to 621 sites.

Refer to appendix two for footnotes.

HOME IMPROVEMENT AND OFFICE SUPPLIES

Home Improvement

Total sales for the third quarter⁴ of \$1.7 billion were up 8.1 per cent on the previous corresponding period. Total store sales for the third quarter⁴ grew 8.3 per cent, while store-on-store growth was 5.5 per cent.

For the financial year to date⁹, total sales were up 5.5 per cent to \$5.2 billion. Total store sales grew 5.4 per cent for the financial year to date⁹, while store-on-store growth was 2.9 per cent.

Across the second and third quarters underlying sales growth has pleasingly been broadly consistent, although that consistency has been masked by differing comparative rates from the previous corresponding periods (11.1 per cent growth in the second quarter and 7.9 per cent growth in the third quarter of the 2010 financial year). The result takes into account the deflationary impacts of ongoing 'value focus' work, and also adverse weather conditions in January, in Queensland in particular.

Managing Director of Home Improvement and Office Supplies, John Gillam, said the focus in the business continues to be on enhancing the customer experience, network expansion and business improvement.

"The business is positioned for further sales growth, leveraging significant work undertaken over the last 18 months to strengthen our three strategic pillars of price, range and service," Mr Gillam said.

During the third quarter seven trading locations were opened; one Bunnings warehouse, three smaller format stores and three trade centres.

Office Supplies

Total sales for the third quarter⁴ were \$405 million, up 3.6 per cent on the previous corresponding period. Retail sales across the Officeworks store network grew by 4.7 per cent which was underpinned by a continuation of strong transaction growth.

During the financial year to date⁹, total sales of \$1,111 million, were up 5.5 per cent. Retail sales across the Officeworks store network increased by 6.4 per cent over the same period.

Trading through the key back-to-school period was somewhat subdued and operating conditions for smaller business customers remains challenging.

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

During the third quarter, two Officeworks stores were opened.

Refer to appendix two for footnotes.

TARGET

Total sales of \$724 million for the third quarter⁶ were in line with the previous corresponding period, with comparable⁷ store sales growing 0.5 per cent.

For the financial year to date¹⁰ total sales declined 2.4 per cent to \$2.9 billion, with comparable⁷ store sales declining 2.4 per cent.

Target Managing Director, Launa Inman, said we continued to see a difficult trading environment for Target throughout the third quarter; however sales have improved since Christmas.

“We remain customer focused and while customer numbers and sales volumes were up on the same time last year, trading continues to reflect the impact of price deflation across the market along with end of season measures taken to clear stock,” Ms Inman said.

Target refurbished nine stores during the third quarter, taking total store refurbishment completed in the last nine months to 48. One new store was opened and no stores were closed during the quarter.

Refer to appendix two for footnotes.

KMART

Total sales for the third quarter¹ of \$803 million declined 2.5 per cent on the previous corresponding period, with comparable⁷ store sales declining 3.3 per cent. For the financial year to date⁸ total sales were up by 0.7 per cent to \$3.1 billion, with comparable⁷ store sales growth of 0.4 per cent.

Kmart Managing Director, Guy Russo, said sales volumes of basic everyday items continued to be strong, while sales volumes in categories previously driven by promotional activity have been subdued in comparison.

“The Kmart business of today is very different to that of the past. During the quarter a number of initiatives were trialed with varying degrees of success and limited history to guide us. We will continue to be bold in our approach to position Kmart for sustainable future growth,” Mr Russo said.

“The customer remains front and centre in every decision we make to grow the business, and we remain focused on delivering everyday items for families at the lowest price.”

During the third quarter, Kmart maintained its commitment to investing in the store network, with floors and fitting rooms upgraded in a further four stores and the completion of one new store. Kmart Tyre and Auto opened four new stores and closed five stores during the quarter, of which two were replacement stores.

Refer to appendix two for footnotes.

For further information:

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APPENDIX ONE

WESFARMERS RETAIL OPERATIONS - STORE NETWORK FINANCIAL YEAR 2011, YEAR TO DATE

	Open at 1 Jul 2010	Opened	Closed	Re- branded	Open at 31 Mar 2011
COLES					
Supermarkets					
Coles*	691	9	10	-	690
Bi-Lo	51	-	3	-	48
Total Supermarkets	742	9	13	-	738
Liquor					
1st Choice*	73	4	1	-	76
Vintage Cellars	78	6	1	(2)	81
Liquorland*	615	17	9	3	626
Hotels	96	1	1	(1)	95
Total Liquor	862	28	12	-	878
Convenience	619	7	5	-	621
* Four supermarkets and three liquor stores closed in January due to flooding in Queensland. As they have not yet reopened they are reported as closed stores above.					
Selling Area (m²)					
Supermarkets	1,586,494	n/a	n/a	n/a	1,589,636
Liquor (excluding hotels)	181,011	n/a	n/a	n/a	184,344
HOME IMPROVEMENT					
Bunnings Warehouse	184	9	1	-	192
Bunnings smaller formats	58	8	7	-	59
Bunnings Trade Centres	29	6	-	-	35
OFFICE SUPPLIES					
Officeworks	128	9	2	-	135
Harris Technology	5	-	-	-	5
TARGET					
Target	171	1	-	-	172
Target Country	119	2	2	-	119
KMART					
Kmart	186	1	-	-	187
Kmart Tyre & Auto	251	4	6	-	249

APPENDIX TWO

FOOTNOTES

1. Financial Year 2011 for the 12 week period 3 January 2011 to 27 March 2011 and Financial Year 2010 for the 12 week period 4 January 2010 to 28 March 2010
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 January to 31 March
5. Includes cash and trade sales, excludes property income
6. Financial Year 2011 for the 12 week period 2 January 2011 to 26 March 2011 and Financial Year 2010 for the 12 week period 3 January 2010 to 27 March 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 39 week period 28 June 2010 to 27 March 2011 and Financial Year 2010 for the 39 week period 29 June 2009 to 28 March 2010
9. Financial Year 2011 and Financial Year 2010 for the nine month period 1 July to 31 March
10. Financial Year 2011 for the 39 week period 27 June 2010 to 26 March 2011 and Financial Year 2010 for the 39 week period 28 June 2009 to 27 March 2010