



25 October 2012

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

2013 FIRST QUARTER RETAIL SALES RESULTS

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

An analyst briefing will be held at 8:00 am (AWST) / 11:00 am (AEDST) 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

Att.



NEWS

25 October 2012

2013 FIRST QUARTER RETAIL SALES RESULTS

| First Quarter Sales (\$m) | Financial Year 2013 | Financial Year 2012 | Movement (%) |
|---|---------------------|---------------------|--------------|
| Food & Liquor ^{1,2} | 6,588 | 6,281 | 4.9 |
| Convenience ^{1,3} | 1,850 | 1,815 | 1.9 |
| Total Coles | 8,438 | 8,096 | 4.2 |
| Home Improvement ^{4,5} | 1,812 | 1,730 | 4.7 |
| Office Supplies ⁴ | 362 | 361 | 0.3 |
| Total Home Improvement & Office Supplies | 2,174 | 2,091 | 4.0 |
| Target⁶ | 853 | 835 | 2.2 |
| Kmart¹ | 956 | 927 | 3.1 |

Refer to appendix two for footnotes.

Wesfarmers Limited today announced its retail sales results for the first quarter of the 2013 financial year.

Managing Director Richard Goyder said he was pleased with the sales results and the continuing positive customer response to improvements made by each of the Group's retail divisions, with transaction growth exceeding sales growth in each of the businesses.

"Coles' comparable food and liquor sales growth increased to 3.7 per cent for the quarter, building on the strong growth achieved in the prior corresponding period. Pleasing transaction and volume growth was achieved in the period, ahead of sales growth, as Coles continued its focus on improving product quality, service and value," Mr Goyder said.

"Bunnings' total store sales increased 5.1 per cent for the quarter, with comparable store sales growing 2.5 per cent. Sales growth was recorded in both consumer and commercial segments despite subdued housing market conditions. This growth was evidence of the sound execution of Bunnings' strategic agenda which includes ongoing improvements in merchandising and investments in service, price and the store network.

"Officeworks recorded good growth in online sales, offsetting challenging conditions associated with a subdued trading environment for many of its small to medium sized business customers and high levels of deflation in technology related categories.

“Kmart’s total sales increased 3.1 per cent for the quarter, ahead of comparable sales growth of 2.2 per cent, reflecting an increased sales contribution from new stores. This is the eleventh period in succession of solid comparable growth in transactions and units for Kmart, as customers respond positively to its market leading pricing strategy and improved merchandise offer.

“Target’s comparable sales performance in the period was below last year due to the earlier timing of the mid-year Toy Sale in June, instead of its previous July timing. Excluding the effect of the Toy Sale, Target’s underlying sales trend continued to show improvement, providing confidence in the division’s transformation plan. Customer numbers increased as Target focused on improving its in-store offer, promotional effectiveness and communication of the quality and value of its product range.”

Mr Goyder said all of the retail divisions are making strong progress in implementing their strategic plans with all businesses well positioned ahead of the important Christmas trading period.

COLES

Food and Liquor

Headline food and liquor sales for the first quarter of the 2013 financial year¹ were \$6.6 billion, up 4.9 per cent on the previous corresponding period.

Coles recorded comparable food and liquor store sales growth of 3.7 per cent in the first quarter.

Coles experienced food and liquor price deflation of 3.2 per cent during the quarter as a result of investment in lower prices and ongoing fresh produce deflation. Coles has now had food and liquor price deflation for 12 of the last 13 quarters. However, with rising fresh produce prices this is expected to moderate through the course of the year.

Coles Managing Director Ian McLeod said investment in lower prices remained a key focus during the quarter, including the ongoing 'Down Down' campaign, resulting in further strong volume growth.

"Our customers are as focused on value now as they have ever been with consumer sentiment still slow to recover to levels seen last year. As a result, customers have rewarded our efforts to maintain lower prices with more than three million extra transactions every week compared to just four years ago.

"Our focus on delivering stunning quality fresh food also stepped up during the first part of the year including the launch of our new "Helping Australia Grow" campaign. Volume growth of fruit and vegetables remains strong and we've employed 100 more bakers in our stores over the last year in support of baking more fresh bread every day.

"Whilst Liquor remained a drag on our reported sales growth, we remain encouraged by more recent underlying performance, particularly growth in wine sales, which has supported a rebalance in the sales mix."

Mr McLeod said the rollout of key business initiatives continued during the quarter, with a new state-of-the-art distribution centre in Truganina now servicing stores in Victoria. During the quarter Coles opened one new supermarket and closed three supermarkets, resulting in a total of 747 supermarkets. Eleven stores were also refurbished during the period, with 264 stores now in renewal format at the end of the quarter. Refurbishment and new store activity is planned to increase in the lead up to Christmas.

Six new liquor stores were opened and 10 stores were closed during the period as Coles continued to improve its liquor store network, resulting in a total of 788 liquor stores at the end of the quarter.

Convenience

Total Coles Express sales, including fuel, for the quarter¹ were \$1.9 billion, an increase of 1.9 per cent on the previous corresponding period.

Comparable fuel volumes increased 0.4 per cent during the quarter, following record fuel volume growth in the prior comparable period. This volume growth reflected continued strength in the Coles Express quality fuel offer. Headline fuel volumes increased 1.8 per cent during the quarter.

Convenience store sales, excluding fuel sales, declined by 0.1 per cent for the quarter, while comparable store sales declined 2.9 per cent.

Coles Express opened five new sites and closed two during the quarter, bringing the total store network to 630 sites.

Refer to appendix two for footnotes.

HOME IMPROVEMENT AND OFFICE SUPPLIES

Home Improvement

Total sales for the quarter⁴ of \$1.8 billion were 4.7 per cent above the previous corresponding period. Total store sales for the quarter⁴ grew 5.1 per cent, while store-on-store growth was 2.5 per cent.

Sales growth was achieved in both consumer and commercial areas across most key trading regions. This was pleasing given the business was cycling the strongest growth period of the prior financial year and experienced deflation from ongoing investment in price.

John Gillam, Managing Director of Home Improvement and Office Supplies, said store transaction growth remained robust, reflecting a positive customer response to the ongoing evolution of the Bunnings offer.

“Good progress continues to be made on key strategic initiatives, particularly in service, merchandising and our supply chain”, Mr Gillam said.

During the quarter three Bunnings Warehouses and three smaller format stores were opened. A further 11 sites were under construction at the end of September, with a strong pipeline of store openings scheduled for the next 24 months.

Office Supplies

Total sales for the quarter⁴ of \$362 million were 0.3 per cent above the previous corresponding period. In line with Officeworks' "every channel" strategy, online sales recorded strong, double digit growth for the quarter, while store sales declined by 0.2 per cent.

Mr Gillam said the business was working hard to improve its "every channel" offer to customers in order to offset challenging trading conditions. Expanding and renewing the store network while continuing to invest in the online offer remained key areas of focus. The business also continues to make good progress in expanding its presence in the B2B segment of the market.

During the quarter five Officeworks stores were opened.

Refer to appendix two for footnotes.

TARGET

Total sales of \$853 million for the quarter⁶ were 2.2 per cent above the previous corresponding period, with comparable⁷ store sales declining 4.1 per cent.

Target Managing Director Dene Rogers said the underlying sales trend continued to improve, particularly in the homewares, footwear and intimate apparel categories. Comparable store sales declined as a result of bringing forward the timing of the mid-year Toy Sale into June and also the strategy to improve promotional effectiveness which affected sales.

"Customer numbers were higher during the quarter as our mid-tier position was strengthened through better marketing, improved service levels, further expansion of the Target essentials range and growth in the online offer.

"We will continue to seek to improve the profitability of promotions and identify new ways to offer value to our customers," Mr Rogers said.

During the quarter Target opened three new stores.

Refer to appendix two for footnotes.

KMART

Total sales of \$956 million for the quarter¹ were 3.1 per cent above the previous corresponding period, with comparable⁷ store sales increasing 2.2 per cent.

Kmart Managing Director Guy Russo said sales growth for the quarter was achieved through improved product availability, better ranging and a positive customer response to ongoing investment in lowering prices on everyday items.

“The Kmart team is fully committed to providing the lowest possible prices for Australian and New Zealand families,” Mr Russo said.

“Customers continued to respond positively to the wide range of everyday items at low prices, and this has been reflected in the eleventh consecutive quarter of growth in transactions and units sold.

“Growth in the womenswear, footwear and homewares categories has been particularly pleasing.”

During the quarter, Kmart opened two new stores and completed three store refurbishments.

Kmart Tyre and Auto opened four new stores and closed one store.

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 2013

| | Open at 1 Jul 2012 | Opened | Closed | Re- branded | Open at 30 Sep 2012 |
|-------------------------------------|-----------------------|----------|-------------|----------------|------------------------|
| COLES | | | | | |
| Supermarkets | | | | | |
| Coles | 710 | 1 | (3) | - | 708 |
| Bi-Lo | 39 | | - | - | 39 |
| Total Supermarkets | 749 | 1 | (3) | - | 747 |
| Liquor | | | | | |
| 1st Choice | 84 | 2 | (2) | - | 84 |
| Vintage Cellars | 80 | 2 | - | - | 82 |
| Liquorland | 628 | 2 | (8) | - | 622 |
| Hotels | 92 | - | (1) | - | 91 |
| Total Liquor | 884 | 6 | (11) | - | 879 |
| Convenience | 627 | 5 | (2) | - | 630 |
| Selling Area (m²) | | | | | |
| Supermarkets | 1,630,168 | n.a. | n.a. | n.a. | 1,632,107 |
| Liquor (excluding hotels) | 190,247 | n.a. | n.a. | n.a. | 190,782 |
| HOME IMPROVEMENT | | | | | |
| Bunnings Warehouse | 206 | 3 | (1) | - | 208 |
| Bunnings smaller formats | 58 | 3 | - | - | 61 |
| Bunnings Trade Centres | 36 | - | - | - | 36 |
| OFFICE SUPPLIES | | | | | |
| Officeworks | 139 | 5 | - | - | 144 |
| Harris Technology | 2 | - | (1) | - | 1 |
| TARGET | | | | | |
| Target | 179 | 1 | - | - | 180 |
| Target Country | 122 | 2 | - | - | 124 |
| KMART | | | | | |
| Kmart | 185 | 2 | - | - | 187 |
| Kmart Tyre & Auto | 260 | 4 | (1) | - | 263 |

APPENDIX TWO

FOOTNOTES

1. Financial Year 2013 for the 13 week period 25 June 2012 to 23 September 2012 and Financial Year 2012 for the 13 week period 27 June 2011 to 25 September 2011
2. Includes hotels, excludes gaming revenue and property income
3. Includes fuel sales
4. Financial Year 2013 and Financial Year 2012 for the three month period 1 July to 30 September
5. Includes consumer and commercial sales, excludes property income
6. Financial Year 2013 for the 13 week period 24 June 2012 to 22 September 2012 and Financial Year 2012 for the 13 week period 26 June 2011 to 24 September 2011
7. Comparable store sales include lay by sales. Lay by sales are excluded from total sales under Australian Accounting Standards