



18 April 2013

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

2013 THIRD QUARTER RETAIL SALES RESULTS

Please find attached an announcement regarding the 2013 third quarter retail sales results.

An analyst briefing will be held at 9:00 am (AWST) / 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.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Marnie Kronja".

MARNIE KRONJA
ASSISTANT COMPANY SECRETARY

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Wesfarmers

NEWS

18 April 2013

FINANCIAL YEAR 2013 THIRD QUARTER RETAIL SALES RESULTS

Third Quarter Sales (\$m)	Financial Year 2013	Financial Year 2012	Movement (%)
Food & Liquor ^{1,2}	6,491	6,090	6.6
Convenience ^{1,3}	1,860	1,755	6.0
Total Coles	8,351	7,845	6.4
Home Improvement ^{4,5}	1,858	1,741	6.7
Office Supplies ⁴	417	415	0.5
Total Home Improvement & Office Supplies	2,275	2,156	5.5
Target⁶	699	692	1.0
Kmart¹	842	813	3.6

Refer to appendix two for footnotes.

Year to Date Sales (\$m)	Financial Year 2013	Financial Year 2012	Movement (%)
Food & Liquor ^{8,2}	20,793	19,715	5.5
Convenience ^{8,3}	5,892	5,632	4.6
Total Coles	26,685	25,347	5.3
Home Improvement ^{9,5}	5,868	5,533	6.1
Office Supplies ⁹	1,129	1,125	0.4
Total Home Improvement & Office Supplies	6,997	6,658	5.1
Target¹⁰	2,821	2,789	1.1
Kmart⁸	3,203	3,093	3.6

Refer to appendix two for footnotes.

Wesfarmers Limited today released its third quarter retail sales results for the period ending 31 March 2013.

Managing Director Richard Goyder said that the retail sales performance was pleasing, with the Coles and Bunnings results a highlight.

“Coles’ comparable food and liquor sales growth of 5.3 per cent for the quarter was strong, driven by good volume growth following further investments in price, particularly in grocery, and continued growth in fresh produce sales. Coles achieved its sixteenth consecutive quarter of growth in comparable sales and sales density.

“Bunnings’ store sales increased 6.9 per cent for the quarter, with solid comparable store sales growth of 4.0 per cent. The Bunnings business continued to execute its strategic agenda, achieving good growth in all major trading regions and key product categories.

“Despite continued challenging conditions for its small to medium sized business customers, Officeworks achieved positive store and on-line sales growth in the quarter, reflective of Officeworks’ multi-channel strategy.

While both department stores delivered sales growth, the quarter was assisted by the Federal Government’s ‘Schoolkids Bonus’ payments in January, a warm summer across Australia and the earlier timing of Easter. These factors had a positive impact on Target’s sales performance in particular.

“Target recorded total sales growth of 1.0 per cent during the quarter with comparable sales 1.9 per cent above last year. Following strong sales growth in January, trading at Target progressively softened during the balance of the quarter. Stronger apparel and toy sales offset continued difficult conditions in electrical and entertainment categories.

“Kmart’s total sales increased 3.6 per cent for the quarter, with comparable sales growing 3.0 per cent. Kmart’s continued investment in lowering prices on everyday family items, together with a strong focus on availability and in store execution, continued to drive strong transaction and volume growth.”

COLES

Food and Liquor

Headline food and liquor sales for the third quarter¹ were \$6.5 billion, up 6.6 per cent on the previous corresponding period. Food and liquor sales were up 5.5 per cent to \$20.8 billion for the financial year to date⁸.

Comparable food and liquor store sales increased 5.3 per cent in the third quarter¹ and 4.3 per cent for the year to date⁸.

Coles Managing Director Ian McLeod said good comparative sales growth was driven by strong volume growth. Coles recorded overall food and liquor price deflation of 1.3 per cent in the third quarter¹, with price deflation of 1.7 per cent recorded for the financial year to date⁸.

“Our customers have benefited from our focus on quality fresh food and a better shopping experience, as well as our unwavering commitment to lowering prices despite external cost pressures,” Mr McLeod said.

“The reinvigoration and extension of our ‘Down Down’ campaign during the quarter began in January with the lowering of prices on hundreds of grocery lines that our customers buy most. The vast majority of these lower prices have been funded by Coles, and this investment has been welcomed by our customers and has resulted in good grocery volume growth. Customers also responded positively in the period to our re-launched flybuys program and the targeted offers we are providing, which complement our broader, existing offers.

“Our commitment to locally grown and sourced produce continues to be well received by our customers with fruit and vegetable sales experiencing double digit comparative growth in the period. Coles’ growth in locally grown produce is driven by collaboration with Australian farmers, benefiting suppliers with greater volumes and security of sale, and customers through continued improvements in product quality and value.

“We continued to make progress in our Liquor business during the quarter, however, it remained a drag on overall food and liquor sales growth. Although much work remains to be done, significant steps were taken in the period to improve product ranges and customer value.”

Coles opened four new supermarkets and closed three supermarkets during the quarter, taking the total number of supermarkets to 754. Coles also completed a further eight refurbishments, bringing the total number of supermarkets in the renewal format to 313. Coles opened six new liquor stores and closed seven liquor stores during the third quarter, taking the total number of liquor stores to 802.

Convenience

Total Coles Express sales, including fuel, for the third quarter¹ were \$1.9 billion, up 6.0 per cent on the previous corresponding period. Total sales for the financial year to date⁸ increased 4.6 per cent to \$5.9 billion.

Comparative fuel volume increased 3.1 per cent in the third quarter¹ and increased 2.3 per cent in the year to date⁸. Convenience store sales, excluding fuel sales, increased 2.5 per cent for the quarter¹ and 0.9 per cent in the year to date⁸. Comparable store sales increased 0.5 per cent in the third quarter¹ and decreased 1.4 per cent in the year to date⁸.

Mr McLeod said the Coles Express result demonstrated continued consumer demand for quality fuel at competitive prices, improvements in the convenience store offer and the continued growth in supermarket customer numbers.

“The customer response to the extension in the quarter of the ‘Down Down’ campaign to milk and bread in Coles Express stores was particularly pleasing. This further reinforced our understanding that Australian consumers are looking for great value across all channels and products.”

Coles Express opened one new site during the third quarter¹, bringing the total store network to 635 sites.

Refer to appendix two for footnotes.

HOME IMPROVEMENT AND OFFICE SUPPLIES

Home Improvement

Total sales for the quarter⁴ of \$1.9 billion were 6.7 per cent above the previous corresponding period. Total store sales for the quarter⁴ grew 6.9 per cent, while store-on-store growth was 4.0 per cent.

For the financial year to date⁹ total sales increased 6.1 per cent to \$5.9 billion. Total store sales grew 6.3 per cent in the year to date⁹, while store-on-store growth was 3.6 per cent.

Sales growth for the quarter was achieved across all major trading regions and key product categories.

John Gillam, Managing Director of Home Improvement and Office Supplies, said the quarter's sales performance was pleasing, building on the positive momentum in the business.

"This is a reflection of the continuing focus on providing better service, improving our offer, investing in the store network, and lowering our cost of doing business," Mr Gillam said.

During the quarter four smaller format stores were opened. A further 16 sites were under construction at the end of March.

Office Supplies

Total sales for the quarter⁴ of \$417 million were 0.5 per cent above the previous corresponding period. Store sales for the quarter increased 0.8 per cent.

For the 2013 financial year to date⁹, total sales increased 0.4 per cent to \$1.1 billion, while store sales increased 0.8 per cent.

In line with the ongoing development of Officeworks' "every channel" offer, strong online sales growth continued during the third quarter.

"This result is a reflection of the continued growth in transactions in this channel as customers responded favourably to the ongoing investment in our online platforms," Mr Gillam said.

Refer to appendix two for footnotes.

TARGET

Total sales of \$699 million for the quarter⁶ were 1.0 per cent above the previous corresponding period, with comparable⁷ store sales increasing 1.9 per cent.

Stronger sales performances in January were achieved in summer season apparel categories and toys. Later in the quarter, higher levels of heavily discounted clearance activity and the earlier timing of Easter contributed to the growth in sales. Sales declines in electrical and entertainment categories continued over the period, with sales of DVDs, interactive toys and CDs, in particular, affected by ongoing deflation.

Despite late clearance activity in the quarter, seasonal inventory levels at the end of the quarter remain higher than planned, with further clearance activity expected to affect trading results in the final quarter.

For the 2013 financial year to date¹⁰, total sales increased 1.1 per cent to \$2.8 billion, while comparable⁷ store sales decreased by 0.9 per cent.

During the quarter Target closed three stores with a further three stores expected to be opened in the fourth quarter.

Stuart Machin, former Store Development and Operations Director for Coles, was appointed Managing Director of Target on 15 April 2013.

Refer to appendix two for footnotes.

KMART

Total sales of \$842 million for the quarter¹ were 3.6 per cent above the previous corresponding period, with comparable⁷ store sales increasing 3.0 per cent. This represented the thirteenth consecutive quarter of growth in transactions and units sold.

For the 2013 financial year to date⁸ total sales increased 3.6 per cent to \$3.2 billion with comparable⁷ store sales increasing 3.0 per cent.

Kmart Managing Director Guy Russo said sales performance in the quarter was pleasing, with growth driven by continued improvements in everyday core ranges and inventory availability.

“Low prices have continued to drive volume, with in-store execution and greater product availability also contributing to sales growth in the quarter. Sales growth was achieved across all key categories, except entertainment which continues to decline.

“We aim to be a great volume retailer, ensuring that our customers find our products desirable and that they are constantly delighted by the price, quality and range of the Kmart offer,” Mr Russo said.

During the quarter, Kmart temporarily closed the Bundaberg, Queensland store due to significant flood damage.

Kmart Tyre and Auto opened one new store during the quarter.

Refer to appendix two for footnotes.

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APPENDIX ONE

WESFARMERS RETAIL OPERATIONS - STORE NETWORK FINANCIAL YEAR 2013, YEAR TO DATE

	Open at 1 Jul 2012	Opened	Closed	Re- branded	Open at 31 Mar 2013
COLES					
Supermarkets					
Coles	710	15	(8)	2	719
Bi-Lo	39	-	(2)	(2)	35
Total Supermarkets	749	15	(10)	-	754
Liquor					
1st Choice	84	6	(2)	-	88
Vintage Cellars	80	4	(4)	-	80
Liquorland	628	22	(16)	-	634
Hotels	92	1	(1)	-	92
Total Liquor	884	33	(23)	-	894
Convenience	627	11	(3)	-	635
Selling Area (m²)					
Supermarkets	1,630,168	n/a	n/a	n/a	1,648,225
Liquor (excluding hotels)	190,247	n/a	n/a	n/a	196,374
HOME IMPROVEMENT					
Bunnings Warehouse	206	7	(3)	-	210
Bunnings smaller formats	58	9	(1)	-	66
Bunnings Trade Centres	36	3	(2)	-	37
OFFICE SUPPLIES					
Officeworks	139	9	(2)	-	146
Harris Technology	2	-	(1)	-	1
TARGET					
Target	179	5	(4)	-	180
Target Country	122	4	(1)	-	125
KMART					
Kmart	185	6	(1)	-	190
Kmart Tyre & Auto	260	5	(1)	-	264

APPENDIX TWO

FOOTNOTES

1. Financial Year 2013 for the 12 week period 31 December 2012 to 24 March 2013 and Financial Year 2012 for the 12 week period 2 January 2012 to 25 March 2012
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 January to 31 March
5. Includes consumer and commercial sales, excludes property income
6. Financial Year 2013 for the 12 week period 29 December 2012 to 23 March 2013 and Financial Year 2012 for the 12 week period 1 January to 24 March 2012
7. Comparable store sales include lay by sales. Lay by sales are excluded from total sales under Australian Accounting Standards
8. Financial Year 2013 for the 39 week period 25 June 2012 to 24 March 2013 and Financial Year 2012 for the 39 week period 27 June 2011 to 25 March 2012
9. Financial Year 2013 and Financial Year 2012 for the nine month period 1 July to 31 March
10. Financial Year 2013 for the 39 week period 24 June 2012 to 23 March 2013 and Financial Year 2012 for the 39 week period 26 June 2011 to 24 March 2012