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30 January 2013

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

2013 SECOND QUARTER RETAIL SALES RESULTS

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

An analyst briefing will be held at 8:00 am (AWST) / 11:00 am (AEDT) following the release of this announcement. This briefing will be webcast and accessible via our website at www.wesfarmers.com.au.

Yours faithfully,

L J KENYON
COMPANY SECRETARY

Att.

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Wesfarmers

NEWS

30 January 2013

FINANCIAL YEAR 2013 SECOND QUARTER RETAIL SALES RESULTS

Second Quarter Sales ($m)	Financial Year 2013	Financial Year 2012	Movement (%)
Food & Liquor[1,2]	7,714	7,344	5.0
Convenience[1,3]	2,182	2,062	5.8
Total Coles	**9,896**	**9,406**	**5.2**
Home Improvement[4,5]	2,198	2,062	6.6
Office Supplies[4]	350	349	0.3
Total Home Improvement & Office Supplies	**2,548**	**2,411**	**5.7**
Target[6]	**1,269**	**1,262**	**0.6**
Kmart[1]	**1,405**	**1,354**	**3.8**

Refer to appendix two for footnotes.

Half Year Sales ($m)	Financial Year 2013	Financial Year 2012	Movement (%)
Food & Liquor[8,2]	14,301	13,625	5.0
Convenience[8,3]	4,032	3,877	4.0
Total Coles	**18,333**	**17,502**	**4.7**
Home Improvement[9,5]	4,010	3,792	5.7
Office Supplies[9]	712	710	0.3
Total Home Improvement & Office Supplies	**4,722**	**4,502**	**4.9**
Target[10]	**2,122**	**2,097**	**1.2**
Kmart[8]	**2,361**	**2,281**	**3.5**

Refer to appendix two for footnotes.

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Wesfarmers Limited today released its second quarter retail sales results for the period ending 31 December 2012.

Managing Director Richard Goyder said that he was generally pleased with the sales results, in particular the solid performance of Coles, Bunnings and Kmart.

"The retail businesses continue to improve their customer offers, with record numbers of shoppers visiting our stores during the Christmas period," Mr Goyder said.

"Coles' comparable food and liquor sales growth of 3.8 per cent for the half was reflective of the ongoing improvement in the quality, service and value of the customer offer. The December quarter represented the fifteenth consecutive quarter of growth in comparable sales and sales density.

"Bunnings' store sales increased 6.0 per cent for the half, with comparable store sales growing 3.4 per cent. Good transaction growth in consumer and commercial areas, despite generally soft housing market conditions, is reflective of the strength of the Bunnings business.

"Officeworks continued to see solid growth in online sales, however, sales overall were flat due to ongoing deflation in technology related categories and continued challenging conditions for its small to medium sized business customers.

"Kmart's total sales increased 3.5 per cent for the half, with comparable sales growing 3.0 per cent. This improving sales trend, supported by strong growth in transactions and units, reflects Kmart's investment in low prices on everyday items.

"Target recorded total sales growth of 1.2 per cent during the half, while comparable sales were 1.8 per cent below last year. Target's organisational capability was improved during the half with encouraging sales results recorded in a number of categories. Sales in electrical and entertainment categories remained challenging."

COLES

Food and Liquor

Headline food and liquor sales for the second quarter[1] of the 2013 financial year were $7.7 billion, up 5.0 per cent on the previous corresponding period. Headline sales in the first half[8] of the 2013 financial year increased by 5.0 per cent to $14.3 billion.

Comparable food and liquor store sales increased by 3.9 per cent in the second quarter[1] and 3.8 per cent in the first half[8]. Food and liquor price deflation moderated to 0.9 per cent for the second quarter reflecting lower fresh produce deflation. Coles continued to invest in lower prices throughout the quarter, driving volume growth ahead of sales growth. Food and liquor price deflation in the first half was two per cent.

Coles Managing Director Ian McLeod said the turnaround commitment to improve quality, service and value has attracted more customers into Coles stores and continues to benefit suppliers through increased volumes.

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"The response to our initiatives has been encouraging, with a record number of customers and almost $1 billion of sales achieved in the week leading up to Christmas. In particular, our customers are increasingly recognising the quality of our fresh food offer, with growing customer participation in our fresh food categories which has been reinforced by Coles' Helping Australia Grow campaign.

"The underlying performance of liquor improved in the first half as a result of encouraging wine category performance and more effective promotions in the run up to Christmas.

"We remain committed to improving the experience for our customers throughout Australia. This has been demonstrated by a strong number of new store openings during the quarter, which included three new superstores, and also trials of new store formats."

Coles opened 10 new supermarkets and closed four stores during the quarter[1], taking the total number of stores to 753. Coles also refurbished a further 26 stores in the renewal format during the quarter[1], taking the total number of renewal stores to 301. Coles opened 20 new liquor stores and one hotel and closed five liquor stores during the quarter[1], taking the total number of liquor stores and hotels to 895.

Convenience

Total Coles Express sales, including fuel, for the second quarter[1] were $2.2 billion, up 5.8 per cent on the previous corresponding period. Total sales for the first half[8] increased 4.0 per cent to $4.0 billion.

Fuel volumes increased 4.4 per cent for the quarter[1] and 3.2 per cent in the first half[8]. Comparable fuel volumes increased 3.4 per cent in the second quarter[1] and 2.0 per cent in the first half[8], reflecting increasing supermarket customer numbers and a strong customer response to fuel promotional campaigns in the half.

Convenience store sales, excluding fuel sales, increased 0.3 per cent for the quarter[1] and 0.1 per cent in the first half[8]. Comparable store sales declined 1.7 per cent in the second quarter[1] and 2.2 per cent in the first half[8].

Coles Express opened five new sites and closed one site during the second quarter[1], bringing the total store network to 634 sites.

Refer to appendix two for footnotes.

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HOME IMPROVEMENT AND OFFICE SUPPLIES

Home Improvement

Total sales for the quarter[4] of $2.2 billion were 6.6 per cent above the previous corresponding period. Total store sales for the quarter[4] grew 6.8 per cent, while store-on-store growth was 4.2 per cent.

For the first half[9] of the 2013 financial year total sales increased 5.7 per cent to $4.0 billion. Total store sales grew 6.0 per cent in the first half[9], while store-on-store growth was 3.4 per cent. The sales performance reflects continued strong levels of customer participation.

John Gillam, Managing Director of Home Improvement and Office Supplies, said that increased sales for the quarter were achieved by Bunnings in both consumer and commercial areas across all key trading regions, which built on the growth achieved in prior corresponding periods.

Highlights over the Christmas period for the Bunnings team were the positive feedback from customers on service as well as setting a new sales record for a single trading day.

"We continue to make good progress on our key strategic priorities – delivering better service, improving our consumer and commercial offers, expanding the store network, optimising the supply chain and reducing our cost of doing business. Collectively this is positioning the business well for the longer term," Mr Gillam said.

During the quarter, nine trading locations were opened, including four Bunnings Warehouses, two smaller format Bunnings stores and three trade centres. A further 11 sites were under construction at the end of December.

Office Supplies

Total sales for the quarter[4] were $350 million, up 0.3 per cent on the previous corresponding period. Good growth in transactions resulted in strong online sales growth for the quarter while store sales were 0.1 per cent above the previous corresponding period.

For the first half[9] of the 2013 financial year, total sales increased 0.3 per cent to $712 million. Transaction growth for the half was strong and growth in online sales exceeded 10 per cent. Total store sales for the half were 0.1 per cent below the previous corresponding period.

Mr Gillam said Officeworks was progressing well with the development of its "every channel" offer to customers. "Providing a broad range of customers with a compelling in-store offer while continuing to invest in the online channel remain key priorities for the team", Mr Gillam said. Officeworks continues to expand its presence in the business market.

During the quarter, four new Officeworks stores were opened.

Refer to appendix two for footnotes.

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KMART

Total sales of $1.4 billion for the quarter[1] were 3.8 per cent above the previous corresponding period, with comparable[7] store sales increasing 3.7 per cent. This represented the twelfth consecutive quarter of growth in transactions and units sold.

For the first half[8] of the 2013 financial year total sales increased 3.5 per cent to $2.4 billion, with comparable[7] store sales increasing 3.0 per cent.

Kmart Managing Director Guy Russo said the business was particularly pleased with the continued growth in transactions and units sold.

"This confirms that our vision, where families come first for the lowest prices on everyday items, continues to resonate well with Australian and New Zealand families.

"The focus on driving volume and improving our operational execution resulted in good performance in stores across Australia and New Zealand. Growth in the quarter was also well supported by the pleasing performance of our seasonal and everyday core ranges.

"The business continued to benefit from better sourcing and improved inventory quality and is well positioned for the balance of the financial year," Mr Russo said.

During the second quarter, Kmart opened four new stores, resulting in six new store openings during the first half. Three store refurbishments were completed during the quarter.

Refer to appendix two for footnotes.

TARGET

Total sales of $1.3 billion for the quarter[6] were 0.6 per cent above the previous corresponding period, with comparable[7] store sales 0.2 per cent below last year.

For the first half[10] ,total sales increased 1.2 per cent to $2.1 billion, with comparable[7] store sales declining 1.8 per cent. The sales performance of electrical and entertainment categories continued to be challenging. Reported comparable store sales growth was also significantly affected by the decision to bring forward the timing of the mid-year Toy sale into June 2012 and the continued focus on promotional effectiveness.

Target Managing Director, Dene Rogers, said he was satisfied with progress made during the half, with significant investment made in building organisational capability to implement the strategic programs to improve the customer experience and strengthen Target's mid-tier positioning.

"We are encouraged by the customer response to initiatives already implemented, particularly in our footwear, intimates and childrenswear categories," Mr Rogers said.

"Our online store's performance was encouraging and we have significantly increased the number of items now available for purchase. We continue to look at opportunities to communicate Target's value in unique ways through integrated communication channels."

During the quarter, Target opened four new stores and two replacement stores.

Refer to appendix two for footnotes.

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APPENDIX ONE

WESFARMERS RETAIL OPERATIONS - STORE NETWORK

FINANCIAL HALF YEAR ENDED 31 DECEMBER 2012

	Open at 1 Jul 2012	Opened	Closed	Re-branded	Open at 31 Dec 2012
COLES					
Supermarkets					
Coles	710	11	(6)	1	716
Bi-Lo	39	-	(1)	(1)	37
Total Supermarkets	**749**	**11**	**(7)**	**0**	**753**
Liquor					
1st Choice	84	6	(2)	-	88
Vintage Cellars	80	3	(1)	-	82
Liquorland	628	17	(12)	-	633
Hotels	92	1	(1)	-	92
Total Liquor	**884**	**27**	**(16)**	**-**	**895**
Convenience	**627**	**10**	**(3)**	**-**	**634**
Selling Area (m^2)					
Supermarkets	1,630,168	n/a	n/a	n/a	1,640,402
Liquor (excluding hotels)	190,247	n/a	n/a	n/a	196,888
HOME IMPROVEMENT					
Bunnings Warehouse	206	7	(2)		211
Bunnings smaller formats	58	5	(1)		62
Bunnings Trade Centres	36	3	(2)		37
OFFICE SUPPLIES					
Officeworks	139	9	(2)		146
Harris Technology	2	-	(1)		1
TARGET					
Target	179	5	(1)		183
Target Country	122	4	(1)		125
KMART					
Kmart	185	6	(1)		190
Kmart Tyre & Auto	260	4	(1)		263

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APPENDIX TWO

FOOTNOTES

1. Financial Year 2013 for the 14 week period 24 September 2012 to 30 December 2012 and Financial Year 2012 for the 14 week period 26 September 2011 to 1 January 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 October to 31 December
5. Includes consumer and commercial sales, excludes property income
6. Financial Year 2013 for the 14 week period 23 September 2012 to 29 December 2012 and Financial Year 2012 for the 14 week period 25 September 2011 to 31 December 2011
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 27 week period 25 June 2012 to 30 December 2012 and Financial Year 2012 for the 27 week period 27 June 2011 to 1 January 2012
9. Financial Year 2013 and Financial Year 2012 for the six month period 1 July to 31 December
10. Financial Year 2013 for the 27 week period 24 June 2012 to 29 December 2012 and Financial Year 2012 for the 27 week period 26 June 2011 to 31 December 2011