



# NEWS

29 June 2009

## **Coles transfers 45 stores to FoodWorks**

Please find attached a copy of a Coles media release relating to the transfer of 45 supermarkets and eight liquor stores to the independent Australian-owned food and grocery retail group, FoodWorks.

For further information:

**Media:** Mark Triffitt  
Executive General Manager, Corporate Affairs  
Wesfarmers Limited  
0413 876 810

**Investors/Analysts:** Tanya Rybarczyk  
Manager Investor Relations & Planning  
Wesfarmers Limited  
(08) 9327 4323 or 0439 932 925

29 June 2009

## Coles transfers 45 stores to FoodWorks

Coles today announced the transfer of 45 supermarkets and eight associated Liquorland stores to the independent Australian-owned food and grocery retail group, FoodWorks.

The transfer is part of Coles' broader plan to improve its overall network of over 700 supermarkets and over 600 Liquorland stores and is an important step in the Coles turnaround.

Coles Managing Director Ian McLeod said the store transfer is a win-win outcome that will ensure continued service to customers and ongoing jobs for team members.

"We think this is a great outcome for team members and customers of both Coles and FoodWorks," Mr McLeod said. "FoodWorks view these Coles supermarkets as valuable additions to their existing portfolio of over 700 member stores.

"In undertaking this store transfer a key priority has been to ensure continuity of employment for the affected store teams. I'm very pleased to advise that all store team members will be offered roles with FoodWorks and that they will retain all their existing employment entitlements."

Total payment for the stores is approximately \$35 million, including payment for stock, cash and the transfer of employee entitlements. The transaction is subject to ACCC approval and the approval of FoodWorks' shareholders.

Coles and FoodWorks will work together to ensure a smooth ownership transition for both store teams and customers. Stores will be handed over to FoodWorks progressively over a nine month period in line with an agreed transition plan.

Coles is supporting the store transfer arrangement through a secure vendor finance facility.

Mr McLeod said Coles remained committed to growing its customer franchise.

"We'll continue to focus on landing the right store formats in the right locations across Australia for our customers," he said. "The renewal store program will see our supermarket store network continue to grow.

"Coles already employs over 100,000 Australians, and our turnaround strategy, including the store renewal plan, will see Coles deliver a net increase in jobs over the next twelve months."

### Further information:

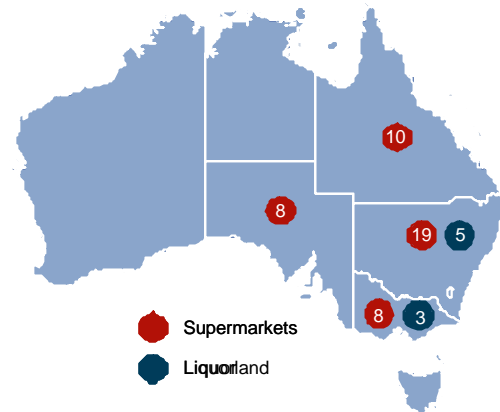
**Jim Cooper**

**Ph (03) 9829 4354**

**Mob 0438 588 619**

## Fact Sheet

- Transferred to FoodWorks
- 45 stores (with 8 associated Liquorland stores) across 4 states
- Transfer of leasehold, fixtures & fittings, stock
- Revenue of approximately \$450 million
- Good fit with FoodWorks growth plans and store footprint
- Transition over a 9 month period
- Ongoing employment offered to all employees and entitlements preserved, business as usual for customers
- Transaction subject to ACCC, landlord and FoodWorks shareholder approval
- Vendor financing provided



## Store breakdown

	Stores							
	Total		Metro		Regional		Coles	Bi-Lo
Pre sale	763	631	475	395	288	236	705	58
NSW	19	5	12	3	7	2	14	5
QLD	10	-	5	-	5	-	7	3
SA	8	-	6	-	2	-	8	-
VIC	8	3	2	1	6	2	8	-
Total	45	8	25	4	20	4	37	8
Post sale	718	623	450	391	268	232	668	50

## Store names

NSW		QLD	VIC	SA
Seven Hills	Pavilion Express	Bundaberg*	Keysborough (Corrigan Rd)	Windsor Gardens
Telopea	Castlecrag	Charters Towers*	Wonthaggi	Hackham
Hallidays Point	Riverwood Plaza	Ingham	Morwell (Mid Valley Rd)	Morphett Vale
Belmont*	Parramatta	Redcliffe	Wallan	Daw Park
Maitland*	Warilla Grove*	Maryborough	Sunbury (80 Evans St)	Brighton
Gulgong	Moruya*	St Lucia	Dallas	Aldgate
Harrington Park	Tahmoor*	Townsville CBD	Colac	Stirling
Hillsdale	Gunnedah	Redbank Plains*	Ararat	Glenelg (Anzac Hwy)
Guilford	Coonabarabran	Eagleby		
Minto		Indooroopilly		

\* BiLo

## Impact on Coles

- Major milestone in turnaround plan
- Increase in average store size (average transferred store size 1,400 m2 compared to average network size of 2,150 m2)
- Reduction in cost of doing business
- Simplified business and reduction in store overlap
- Focused investment in existing and new stores
- Frees up funds for investment in store network