



# NEWS

8 November 2007

## SENIOR MANAGEMENT APPOINTMENTS

Wesfarmers today announced a number of senior executive appointments for the Coles Group businesses to be acquired following yesterday's shareholder vote in favour of the Scheme of Arrangement.

The appointments are effective immediately following transfer of ownership, scheduled for 23 November, subject to obtaining necessary orders in relation to the Scheme from the Supreme Court of Victoria tomorrow.

### **Food, Liquor and Convenience**

The supermarkets, liquor outlets and fuel and convenience operations will be grouped in a new Wesfarmers division to be known as Food, Liquor and Convenience (FLC). Mick McMahon, currently Chief Operating Officer (COO) of Coles Retail, will continue in this role.

"Mick McMahon has acquitted himself well in his relatively short time overseeing the operations of these businesses and I am very pleased he will be part of the Wesfarmers team," said Mr Goyder.

"He will work closely with me and our key adviser, Archie Norman, as soon as we take control, in developing plans for the supermarkets. Mick will report to me until a new Managing Director takes over the FLC division. I expect he will continue in a senior role after that time."

Mr Goyder said he would be in a position to announce the new head of FLC in the near future.

A senior Wesfarmers executive, Terry Bowen, will become Finance Director of the FLC division. Mr Bowen is currently Managing Director of the Wesfarmers Industrial and Safety division.

"Terry Bowen has done a great job in significantly improving the performance of Industrial and Safety since joining that division two years ago from his position as chief financial officer of Jetstar Airways," said Mr Goyder.

“He has the financial skills and the business leadership experience which will enable him to make a great contribution to improving the performance of these very important businesses.”

Mr Bowen will also report to Mr Goyder until the new Managing Director is in place at the FLC division.

Mr Bowen’s replacement as head of Wesfarmers Industrial and Safety, on an acting basis, will be Mr Olivier Chretien, currently General Manager, Commercial in that division, while a process is undertaken to choose a permanent replacement.

### **Target**

Launa Inman will continue in her role as Managing Director of Target, reporting to Mr Goyder.

“Launa Inman is an outstanding retailer who has led Target with great success and I am delighted she will be part of the new Wesfarmers team,” said Mr Goyder.

### **Officeworks**

As announced on 16 August 2007, Officeworks will be brought together with the Home Improvement division under the leadership of the Managing Director of Bunnings, John Gillam.

The Managing Director of Officeworks within the re-titled Home Improvement and Office Supplies division will be Mark Ward, currently General Manager of Bunnings’ Australian store operations. He will report to Mr Gillam.

Mr Goyder said that Mark Ward’s 29-year career in retailing had given him the specialist expertise and operational experience which would be of great benefit to Officeworks.

“He will help strengthen the focus in Officeworks on developing growth opportunities across both the retail and business-to-business sectors.

“I want to thank the current Managing Director of Officeworks, Joe Barberis, for his leadership of that business. I will be having discussions with Mr Barberis about the possibility of another role for him within the Group.”

### **Kmart**

The Kmart general merchandise business will be a stand-alone entity under Wesfarmers’ ownership.

As announced on 16 August, a strategic review is to be conducted of Kmart. The Wesfarmers preferred option remains to retain and strengthen its operations. That review will begin immediately Wesfarmers takes control.

The current Managing Director of Kmart, Larry Davis, will continue in his position, reporting to Richard Goyder.

Mr Goyder said there were encouraging recent trends which showed Kmart's performance was improving.

"Larry Davis is a very experienced Coles Group retailer and I look forward to the contribution he will make to the future of the Kmart business."

### **Business Integration Process**

Mr Goyder said the appointments announced today were an important step forward in ensuring the smooth integration of the Wesfarmers and Coles Group businesses.

"Under the leadership of the Business Integration Director, Keith Gordon, we are well advanced in the preparation of short and medium-range plans as a result of working team contacts between our companies over several weeks.

"While change of control won't occur until later this month, Keith Gordon and other Wesfarmers people will move into the Coles headquarters at Tooronga from Monday 12 November to help further develop these plans."

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Media Note:                      Richard Goyder will be available to answer questions on this announcement at 2:00 pm (EST) at Coles' Tooronga office.