

Buy Back 2006

On 10 July 2006 Coles Myer announced the successful completion of its off market Share Buy-Back.

- Off-market buy-back discount of 13%
- Off-market Buy-Back Price \$10.23 based on a Market Price of \$11.7574 ¹
- 81.8 million Shares bought back for a total of \$837.0 million
- Fully franked Dividend for tax purposes of \$7.23
- Deemed Sale Consideration for capital gains tax purposes of \$4.19 ²
- On-market buy-back of up to \$163.0 million to complete the \$1 billion capital management program

All Shares tendered in the off-market Buy-Back as a Final Price Tender ³, or at a Tender Discount greater than or equal to a 13% discount to the Market Price were bought back.

Shares tendered into the off-market Buy-Back at a Tender Discount smaller than 13% were not bought back. These Shares are now available for shareholders to deal with at their discretion.

Buy-back proceeds will be despatched to successful shareholders' nominated bank accounts or otherwise sent by mail on Friday 14 July 2006.

The Australian Tax Office class ruling (CR 2006/76), in relation to the Buy-Back, is now available on the ATO website.

For more information on the results of the Buy-Back, click [here](#) (pdf) to view the news release.

Coles Myer Shareholder Information Line

Contact the Coles Myer Shareholder Information Line on 1300 130 278 between 8.30am and 5.30pm, AEST, Monday to Friday. If you are calling from outside Australia, please phone +61 2 8280 7768

Important Notice

Nothing contained in this website or the off-market Buy-Back Documents constitutes financial product advice or a securities recommendation. This information has been prepared without considering your personal individual investment objectives, financial situation or needs.

Coles Group Limited (formerly Coles Myer Ltd) is not liable for any loss incurred from accessing or relying on this website including, but not limited to, data corruption on the download of the off-market Buy-Back Documents.

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1. Market price is the volume weighted average price of Coles Myer Shares traded on ASX over the five trading days up to and including the Closing Date (Friday, 7 July 2006)
 2. The tax implications of having Shares bought back are explained further in the Buy-Back booklet. In accordance with Tax Determination TD2004/22, Coles Myer has calculated the Deemed Market Value for the purposes of the off-market Buy-Back to be \$11.42 per Share. This amount is expected to be confirmed by the ATO in the Class Ruling due to be issued on or about 9 August 2006. If that amount is confirmed, shareholders will be deemed to have disposed of their Shares for \$4.19, being the Deemed Market Value of \$11.42 less the fully franked Dividend component of \$7.23.
 3. Final Price Tender means a Tender where the shareholder elected to receive the Buy-Back Price, as determined by Coles Myer.



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News Release

10 July 2006

Share Buy-Back Results

- **Off-market buy-back discount of 13%**
- **Off-market buy-back price \$10.23 per share based on a market price of \$11.7574¹**
- **81.8 million shares bought back for \$837.0 million**
- **Fully franked dividend for tax purposes of \$7.23 per share**
- **On-market buy-back of up to \$163.0 million**

Coles Myer Ltd today announced the successful completion of its off-market share buy-back.

A total of 81.8 million shares were purchased for \$837.0 million – approximately 6.4% of shares on issue. The buy-back discount was determined to be a 13% discount to the market price of \$11.7574. Shareholders will be paid \$10.23 for each share bought back.

The balance of the \$1 billion capital management program will be conducted by an on-market buy-back.

“The first phase of Coles Myer’s \$1 billion program has been completed. The off-market buy-back has been highly successful and has delivered on Coles Myer’s commitment to returning surplus capital to shareholders,” Coles Myer CEO, John Fletcher, said.

“The combination of an off-market buy-back at a 13% discount, with the balance to be completed on-market, allows Coles Myer to optimise the effect of the capital management program for the benefit of Coles Myer and its shareholders.

“The buy-backs are expected to enhance earnings per share and return on equity for Coles Myer shareholders.”

\$7.23 of the buy-back price is treated for Australian tax purposes as a fully franked dividend. For capital gains tax purposes, Australian residents and complying superannuation funds whose shares are bought back will be deemed to have disposed of each share for \$4.19.²

All shares tendered in the off-market buy-back as a final price tender, or at a tender discount greater than or equal to a 13% discount to the market price, were bought back.

Shares tendered into the off-market buy-back at a tender discount smaller than 13% were not bought back. These shares are now available for shareholders to deal with at their discretion.

¹ Market price is the volume weighted average price of Coles Myer shares traded on ASX over the five trading days up to and including the closing date (Friday, 7 July 2006) The tax implications of having shares bought back are explained further in the buy-back booklet. In accordance with Tax Determination TD2004/22, Coles Myer has calculated the deemed market value for the purposes of the buy-back to be \$11.42 per share. This amount is expected to be confirmed by the ATO in the Class Ruling due to be issued on or about 9 August 2006. If that amount is confirmed, shareholders will be deemed to have disposed of their shares for \$4.19, being the deemed market value of \$11.42 less the fully franked deemed dividend component of \$7.23.

Buy-back proceeds will be despatched to successful shareholders' nominated bank accounts or otherwise sent by mail on Friday 14 July 2006.

Shareholders may view updated details of their holding online at www.colesmyer.com/buyback. Shareholders who have any queries in relation to their off-market buy-back tender may contact the Coles Myer shareholder information line on 1300 130 278 or +61 3 8280 7768 if calling from outside Australia.

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