



News Release

Wednesday, December 13, 2006

PREMIER COURT ACTION UNFOUNDED

Coles Group Limited said it will strenuously defend proceedings instituted today by Premier Investments seeking access to confidential company documents relating to the KKR proposals.

The company said that it will contend that:

- there is no foundation for the proceedings, and
- access to documents is not being sought for a proper purpose as required by the Corporations Act 2001.

The company further said that in its view:

- Premier's stated concerns had been satisfactorily addressed by Coles Group's responses to its correspondence;
- the proceedings seemed to be at odds with reported comments from Premier's Chairman Sir Ron Brierley that "the Coles Board had done the right thing by not putting the \$15.25 a share KKR proposal before the shareholders", and
- the Company had provided clear and consistent information to the market, and it would not be in the interests of shareholders to provide further confidential and commercially sensitive information on a selective basis.

Coles noted that Premier's major shareholder is controlled by former Coles Myer Director, Solomon Lew, who has been a critic of the company since his failure to be re-elected to the Board four years ago.

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