

From:

Sent: Friday, 29 October 2010 11:07 AM

To:

Cc:

Subject: RE: Retail profitability and online purchases for overseas ~~[SEC-IN-CONFIDENCE]~~

A couple of attachments that might help. The best official measure is in the excel file, where you will find the business gross operating profits series for retail trade (seasonally adjusted preferred) – these are nominal profits, they picked up in the June quarter after three weaker quarters. The coverage of this survey is pretty wide, including for example vehicle sales.

The other attachments are from the NAB. They imply that margins are currently low in retail. But retailers do at least expect margins to improve in the quarterly survey. It is discussed on page 6 of the quarterly survey details (1009 – Survey Details – Sep10.pdf) and again on page 7 of the quarterly survey press release (1009 – Press Release – Sep 10.pdf). It is also raised in the monthly survey, on page 7 of the monthly summary and statistics (Summary & Statistics Sep 10.pdf). The quarterly survey is more prominent than the monthly one.

<p>Section 22 Not Relevant</p>

Happy to discuss.

Cheers

Paul