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16 January 2008  
To All Kmart Suppliers

Attention: The National Account Manager for Kmart

Dear Sir/Madam

### **Supplier Update— January 2008**

Following are details relating to stores opening and closing during 2008.

Please ensure these important changes are communicated to all areas within your business, for example Sales, Customer Service, Accounts, Distribution, etc.

Information that has changed since the last update is highlighted in yellow.

#### ***New stores opening and closing during 2008***

##### **Store 1191 South Morang, (Plenty Valley S/C) Vic **New store****

<b>Opening date</b>	The proposed opening date is end of May 2008.
<b>Store trading address</b>	The proposed store trading address is: Kmart South Morang, Store 1191 Plenty Valley Shopping Centre 401 McDonalds Drive Mill Park, Victoria, 3082
<b>Opening orders date</b>	Opening orders for the store will be place during February.
<b>Operational handover date</b>	Operational handover for the store will be Monday 21 April 2008.
<b>Direct to store deliveries</b>	Suppliers will be required to deliver to a temporary delivery address up to the operational hand over date of Friday 18 April 2008.  Deliveries direct to the store may commence from Monday 21 April 2008. after operational hand over from the developer.
<b>Temporary delivery address</b>	The temporary delivery address for direct to store suppliers will be advised when available.
<b>Store phone number</b>	The temporary store phone number until the store opening date will be advised.  The store phone number for trade & business after the store opens will be advised.
<b>RPO and Vendor Managed Suppliers</b>	Please deliver per the following guidelines to allow Merchandisers to stock display units which will be delivered with the store's fittings.  RPO Cross Dock suppliers deliver stock into respective Cross Docks 5 weeks prior to the new store opening date.  Direct to store suppliers, deliver to the store 3 weeks prior to the opening date.  Vendor Managed suppliers, deliver per the delivery window displayed on the Purchase order.

<b>Further information</b>	Should you require further information concerning deliveries to South Morang please contact either of the following Kmart Inventory team members: <ul style="list-style-type: none"> <li>• Soft Lines contact—Angela Genacaro <ul style="list-style-type: none"> <li>• phone (03) 9829 6798</li> <li>• e-mail <a href="mailto:Angela.Genacaro@kmart.com.au">Angela.Genacaro@kmart.com.au</a></li> </ul> </li> <li>• Hard Lines contact—Lisa Fraser <ul style="list-style-type: none"> <li>• phone (03) 9829 6345</li> <li>• e-mail <a href="mailto:Lisa.Fraser@kmart.com.au">Lisa.Fraser@kmart.com.au</a></li> </ul> </li> </ul>
<b>Additional updates</b>	We will advise further details relating to the new store as details become available.

### ***Stores closing during 2008***

#### **Store 1083 Cairns, Qld**

**Closing date** This store has now closed and ceased trading.

#### **Store 1070 Taree, NSW**

**Closing date** This store will cease trading on 2 March 2008.

**Placing of orders** Advertising orders will continue to be placed for adverts up to 14 February 2008.

Vendor refill orders will cease from the above last advert date.

General Merchandise and Apparel replenishment orders will slow down after the post Christmas sales.

### ***Price tag orders for Apparel and Footwear***

**Re appointment of Cash's** Kmart has re appointed Cash's as its overseas price tag printer.

Part of Kmart's new agreement with Cash's includes a requirement to allow price tags to be printed in Shanghai. Suppliers will be able to nominate the Shanghai printing facility when releasing tags orders from February 2008.

The Shanghai facility will allow price tags to be delivered within:

- 1 day for local orders
- 2 to 3 days for surrounding provinces.

**Releasing orders** To maintain the data integrity of the price tag, always release tags orders for printing by selecting the Kmart order from the drop down list after you have logged on to Cash's web site using the Cash's ID provided upon registration of your account.

Do not manually data enter a price tag order unless the item is ordered via Kmart's replenishment order system.

**Contacting Cash's** If you are unable to view the order number on the B2B system after receiving the order from Kmart, please contact either of the following Cash's Customer Service offices for assistance:

- Melbourne office – Tel 3 9285 2000
- Hong Kong office – Tel 852 2959 3057
- Shanghai office – Tel 86 21 6405 0310 (effective from February when price tag production commences).

Contact the Cash's Customer Service number prior to calling the Kmart Buying team.

**Price tag format** Early last year Kmart changed the format of its Standard price tags to include the bar code of the 13 digit APN. The 8 digit keycode will continue to be shown on the price tag for reference only. This change is automatic from data supplied to Cash's by Kmart and requires no additional input from suppliers.

Price tag orders approved by Kmart for manual data entry into the Cash's B2B order system will require the selection of the applicable APN format tag and manual entry of both the 13 digit APN and 8 digit keycode. The system will produce a barcode of the APN.

### ***Apparel Accessory orders for swing tags and labels***

**Appointment of Cash's** In addition to renewing Cash's agreement to print price tags, Kmart has also appointed Cash's as its preferred supplier of Apparel accessories.

**Transfer date** The transfer date to Cash's is still to be confirmed but is expected to be after Chinese New Year during late February or early March.

**Ordering process changes/improvements** The appointment of Cash's will see the following changes / improvements to the accessory ordering process:

- reduced prices
- Ordering from Cash's will be via the Cash's B2B web site
- a choice of production facilities, ie Hong Kong, Guangdong or Shanghai (the Shanghai facility will be available from March onward)
- a choice of standard or premium delivery method is available
- freight will be charged separately on each invoice
- order tracking.

**Further details** We will advise further details relating to transfer date to Cash's and set up of the new range on Cash's web site as the details become available.

### ***Service provider payment terms***

**Adhering to Service Provider terms** Kmart's Service providers for Hangers, Price tags and accessories have reported an increase in the number of suppliers not paying their invoices within the Service Provider's terms.

To avoid delays in delivery of accessories for Kmart orders, please ensure service provider invoices are paid within the set payment terms.

Where the accessories are ordered and paid for by your nominated factories please ensure the factories also adhere to the payment terms.

**Failure to pay within agreed terms** Failure to pay Service Provider invoices within the agreed payment terms may result in delivery being delayed until payment for all current and outstanding invoices has been made.

Thank you  
Regards

***Peter English***

Kmart Merchandise Support.