Coles Myer Ltd.

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Chief Financial Officer

28th February 2006

Mr Jonathan G. Katz, Secretary
Securities and Exchange Commission
100 F Street, NE Washington DC
20549-9393 US
File No S7-12-05

Subject: Proposed Changes to de-Registration Rules for Foreign Private Issuers

Dear Mr Katz:

We are submitting this letter in response to the Commission's invitation in Securities Exchange Act Release No 34-53020 (the "Release"), for comments on its proposal to amend the rules related to allowing a Foreign Private Issuer to terminate its registration of a class of securities under Section 12(g) of the Securities Exchange Act of 1934 (the "Exchange Act") or terminate its reporting obligations under Section 15(d) of the Exchange Act.

Overall Comment

We believe the Release represents a good balance of the opposing interests and concerns in this area, and that the proposed rules are generally fair and reasonable. Our major concern is that there is no timeline provided for the issuance of the final rules, and no temporary relief in relation to s404 certifications while these rules are being settled and implemented. While we appreciate that the proposed rules are not specifically about s404, one catalyst for the changes has been the high costs of compliance with s404. There will be many companies like ours who will, under the rules as proposed, be able to deregister, but will have to continue spending millions of dollars over the next several months before we get certainty over not having to comply with s404 this year. As our balance date is July 30, we may well be the first FPI to have to comply with s404, and thus will likely have spent the majority of our year-one costs before being able ultimately to deregister. However, every company that can deregister would rather know sooner than later, that they do not have to continue with their s404 work programs.

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We respectfully submit that we would therefore like to see the prompt finalisation of these rules, with an immediate application date when the final rules are issued.

Rule 12h-6

We fully support this new rule. The current suspension provides no certainty to the deregistered corporation, and they continue to incur monitoring and compliance costs just in case they become liable for reporting again, as a result of decisions by U.S. investors that they cannot control. The permanent deregistration should apply to both 12(g) and 15(d) reporting obligations. We do not believe a company should be required to resume reporting if it reaches a certain percentage of US resident shareholders, as they would have to continually monitor US resident shareholders, which is both costly and difficult to achieve, as acknowledged by the SEC.

We would strongly disagree with any mandatory requirement to offer share buy-back or sale facilities for US residents, due to the cost and also due to the conflict this may have with home country securities laws, which generally require such offers to be made to all shareholders. In relation to the costs, using a 1.5% brokerage rate, it would cost us approx $2m in brokerage to acquire 1% of our shareholding. Therefore, acquisitions of even relatively small numbers of shares from US residents could be more expensive than remaining SEC registered, albeit a once-off cost.

Public Float and Trading Benchmarks

We support the concept and two thresholds proposed for WKSI's, although we would prefer the US shareholding limit be set at 15% rather than 10%. In our case, we have never conducted a public equity offer in the US, yet we have approximately 7% of our shares held by US residents, (including through an ADR program that involves about 1.5% of total shares). It is easy to see how companies may not meet the 10% limit, despite no recent marketing activity in the US, or aimed at US investors. Your assumption that WKSI's have larger percentages of US resident shareholders due to the involvement of index-based funds, the biggest of which are largely US based, is true in our experience. These funds acquired their stock in the Australian markets and, for the most part, appear to manage their positions through their Australian or Asian offices, rather than offices located in the US.

We would also suggest that you consider adding a third option, which would be just the number of US shareholders as in the existing rule, but at a level that is a bit more realistic. Our suggestion would be at least 1000 U.S. shareholders. If you were to make this change, then it would not appear necessary to differentiate between WKSI's and others, simplifying the rule.

Proposed Amendment Regarding Rule 12g3-2(b)

We support the proposal that the issuer be granted the Rule 12g3-2(b) exemption immediately upon the effective termination of reporting.

We appreciate the opportunity to comment on the proposals contained in the Release. We are available to discuss any of our comments further with the Commission. Please direct any enquiries to me on +61 3 9829 3431 or Fraser.Mackenzie@colesmyer.com.au.

Yours sincerely

Fraser MacKenzie
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