2009 Half Year Results Teleconference

16 February 2009

Wesfarmers

Presentation Outline

Group Performance Highlights	Richard Goyder
Home Improvement & Office Supplies	John Gillam
Coles	Ian McLeod
Target	Launa Inman
Kmart	Guy Russo
Resources	Stewart Butel
Insurance	Rob Scott
Industrial & Safety, Chemicals & Fertilisers, Energy	Keith Gordon
Capital Management	Gene Tilbrook
Outlook	Richard Goyder

Group Performance Highlights

Richard Goyder

Managing Director, Wesfarmers Limited

Group Performance Highlights

- Significant increases in revenue and earnings
  - Inclusion of full period of Coles, Target, Kmart and Officeworks
- Operating revenue of $26.4 billion
- Group profit after tax of $879 million, up 46.3%
  - After inclusion of $125 million of writedowns and provisions
- Operating cash flow of $1.8 billion, up 42.6%
- Earnings per share of 106.4 cents, down 16.4%
  - reflecting increased shares on issue
- Interim dividend of 50 cents per share (fully franked)

Group Performance Summary

Half Year ended 31 December ($m)	2008	2007*	↕ %
Operating revenue	**26,363**	9,808	*168.8*
EBITDA	**2,236**	1,266	*76.6*
EBIT	**1,759**	1,046	*68.2*
Net profit after tax	**879**	601	*46.3*
Operating cash flow	**1,770**	1,241	*42.6*
Earnings per share (excl. employee res. shares)	**106.4**	127.3	*(16.4)*
Earnings per share (incl. employee res. shares)	**105.8**	125.7	*(15.8)*
Cash flow per share (incl. employee res. shares)	**219.7**	274.9	*(20.1)*
Dividends per share	**50**	65	*(23.1)*

*Coles, Officeworks, Target, Kmart included for period of 23 Nov to 31 Dec 2007

Divisional EBIT

Half Year ended 31 December ($m)	2008	2007*	↕ %
Home Improvement & Office Supplies	**395**	332	*19.0*
Coles	**431**	130	*n.m.*
Target	**215**	118	*n.m.*
Kmart	**75**	101	*n.m.*
Resources	**686**	112	*512.5*
Insurance	**67**	64	*4.7*
Industrial & Safety	**68**	61	*11.5*
Chemicals & Fertilisers	**4**	48	*(91.7)*
Energy	**30**	48	*(37.5)*
Other^	**(138)**	72	*(291.7)*
Divisional EBIT	**1,833**	1,086	*68.8*
Corporate overheads	**(74)**	(40)	*(85.0)*
Group EBIT	**1,759**	1,046	*68.2*

* Coles, Officeworks, Target, Kmart included for period of 23 Nov to 31 Dec 2007
^Includes $148m (pre tax) of provisions and write-downs in investments in 2008
n.m. = not meaningful given acquisition date of 23 November 2007

Provisions and write-downs

Period ended 31 December ($m)	2008	Comment
Coles	(65)	Coles Property writedown
Kmart	(14)	DC Closure and restructure costs
Non-trading items	**(79)**	
Self Insurance	(48)	Increase in provisions
Investments	(21)	Mark-to-market of investments
One-off trading items	**(69)**	
Total Significant Items (pre-tax)	**(148)**	$125m post tax

Note: these provisions and investment write-downs are non-cash

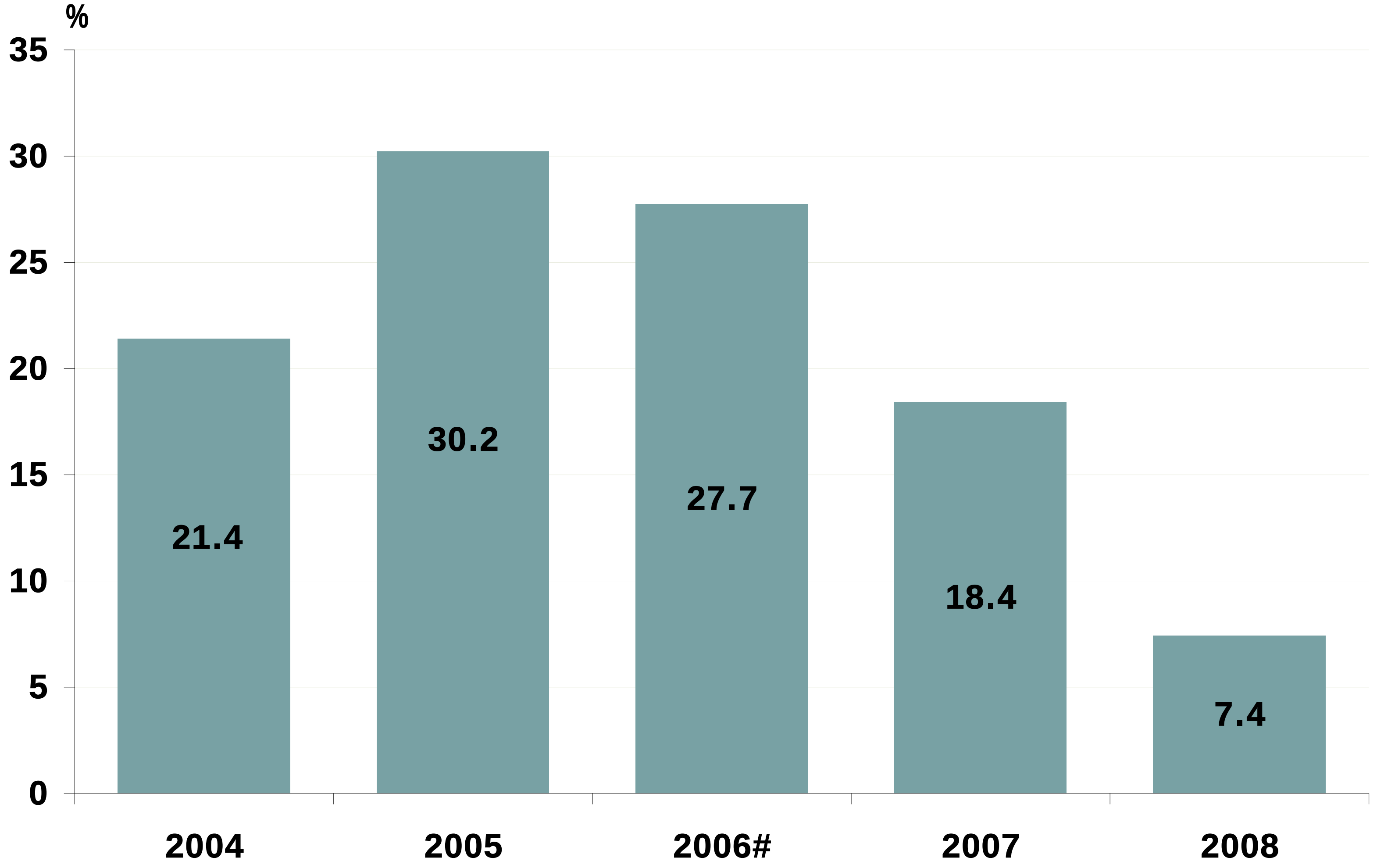
Divisional Performance

Period ended 31 December	2008 EBIT $m	2008 R12 ROC %	2007 R12 ROC %
Home Improvement & Office Supplies	395	21.0	31.4^
Coles	431	5.1	n.m.
Target	215	9.3	n.m.
Kmart	75	8.3	n.m.
Resources	686	95.1	30.3
Insurance	67	10.8	11.2
Industrial & Safety	68	17.1	16.9
Chemicals & Fertilisers	4	7.3	16.2
Energy	30	9.1	12.0

^Excludes Office Supplies given acquisition date of 23 November 2007
n.m. = not meaningful given acquisition date of 23 November 2007

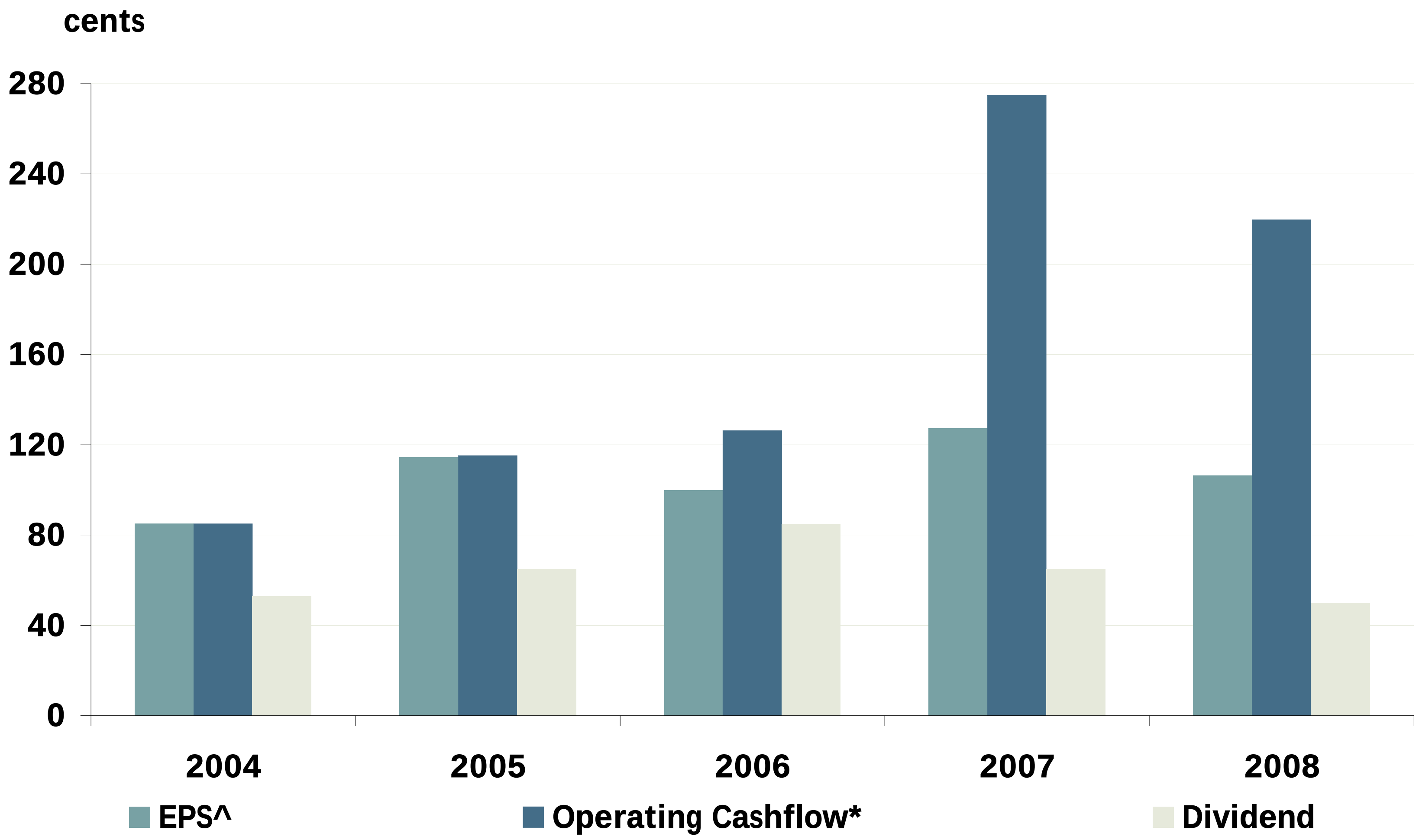
Return on Shareholders' Funds

(rolling 12 months to 31 December)



Excludes sale of ARG (2006)

Cash Flow & Dividend (Half Year to 31 Dec)
(per share)



*WANOS includes employee reserved shares
^AIFRS excl. employee reserved shares. 2008 and 2007 adjusted for rights issues.

Home Improvement & Office Supplies

John Gillam

Managing Director

Home Improvement & Office Supplies Performance Summary

Half Year ended 31 December ($m)		2008	2007	↕ %
Revenue	Home Improvement	3,009	2,795	7.7
	Office Supplies	602	115*	n.m.
		3,611	2,910	n.m.
EBIT	Home Improvement	370	325	13.8
	Office Supplies	25	7*	n.m.
		395	332	n.m.

*Officeworks ownership period of 23 November to 31 December 2007

Home Improvement

Home Improvement Performance Summary

Half Year ended 31 December ($m)	2008	2007	↕ %
Revenue	**3,009**	2,795	*7.7*
EBIT	**370**	325	*13.8*
ROC (R12 %)	**31.1**	31.4	*(0.3)pt*
Safety (R12 LTIFR)	**13.3**	14.5	
Trading Revenue*	**3,007**	2,760	*8.9*
Net property contribution	**7**	12	*(41.7)*
Trading EBIT*	**363**	318	*14.0*
Trading EBIT / Trading Revenue (%)	**12.1**	11.3	*0.8pt*

*Excludes property, Houseworks and non-trading items

Home Improvement Highlights

- 10.3% cash sales growth
  - Store-on-store growth of 7.7%
- 1.6% lift in trade sales
  - Ongoing re-alignment of trade business from a customer perspective
- Opened 6 warehouses, 2 smaller formats & 6 trade centres
- Continued investment in the existing network
- Ongoing strategic commitment;
  - on strengthening the customer offer, and
  - operational effectiveness & efficiency

Home Improvement Outlook

- Cash sales growth
  - Possible lower rate given volatile economic conditions
- Trade sales sensitive to any further slowing in housing construction
- Strong customer and business improvement focus.

Office Supplies

Officeworks

Wesfarmers

Office Supplies - Performance Summary

Half Year ended 31 December ($m)	2008	2007*
Revenue	602	115
EBIT	25	7
Trading Revenue	602	115
Trading EBIT	25	7
Trading EBIT/Trading revenue (%)	4.1	6.1

*Ownership period of 23 November to 31 December

Office Supplies Highlights

- Officeworks retail store sales growth 3.9%
  - Underpinned by strong transaction growth
  - Transitioning to EDLP
  - Pressures on margin
- Range authority being re-established
- Customer-facing channel conflict eliminated
- Adverse sales trends for OW Business and HT
- Small business sector exposed to economic adversity
- Substantial work to address strategic impediments

Office Supplies Outlook

- Focused on gaining traction with reset strategic agenda
- Difficult trading conditions for remainder of year
  - Pressure on sales and margin, particularly in small business sector
  - Moderate sales growth expected

Coles

Ian McLeod

Managing Director

Coles Performance Summary

Half Year ended 31 December ($m)		2008	2007*
Revenue		**14,626**	2,919
EBITDA		**628**	175
Depreciation & Amortisation		**(197)**	(45)
EBIT [1]		**431**	130
Food & Liquor	Revenue [3]	**11,191**	2,271
	Total store sales growth %	**3.9**	3.4
	Comp store sales growth %	**2.6**	2.0
	Trading EBIT [1,3]	**382**	118
Convenience	Revenue [3]	**3,425**	648
	Total store sales growth % [2]	**8.9**	9.6
	Comp store sales growth % [2]	**5.3**	6.2
	Trading EBIT [3]	**36**	12

*Ownership period 23 November to 31 December
1. Excludes $65m non-trading item re property valuation writedowns
2. Excl. fuel 3. Excl. Property

Coles Transformation

- Intensive period of change led by new management team
- Change programme will be transformational
  - Retail disciplines
  - Fresh offer
  - Service
  - Store format
  - Culture

- Encouraging signs in early phase of recovery programme
- Meaningful and sustainable change will take time

Coles Highlights

- Food & Liquor Sales
  - Q2 comparative stores sales growth of 3.8%
  - Improving growth trend driven by rising customer numbers
  - Positive results from promotional programme overhaul
  - Strong Christmas trading, particularly in Fresh
  - Seasonal sell through well managed

Coles Highlights

- Food
  - Improving Fresh with largest trading uplifts in Produce and Bakery
  - Markedly better on-shelf availability
  - Begun transforming store service standards
  - Store ‘spring clean’ programme completed
  - “Renewal” store pilots encouraging
  - Distribution network transformation nearing completion
  - Further efficiencies achieved in non-store central costs
  - Long term overstocks further reduced

Coles Highlights

- Liquor
  - Liquor ‘renewal’ intensified
  - Strong Christmas trading period
  - Value significantly strengthened in all Brands
  - Improving ranges to meet local demand

- Convenience
  - New store format and value on key staples driving results
  - Lower petrol prices in Q2
  - Q2 comparative shop sales growth strong at 5.9%

Coles Outlook

- Tougher economic conditions and lower consumer confidence
- Growing customer focus on value
- Strategic programmes being driven at pace
- Store Renewal development expected in new financial year
- Scale of change significant but confidence in its delivery over time

Target

Launa Inman

Managing Director

Target. 100% happy

Wesfarmers

Target
Performance Summary

Half Year ended 31 December ($m)	2008	2007*
Revenue	2,094	605
EBITDA	245	123
Depreciation & Amortisation	(30)	(5)
EBIT	215	118
Total revenue growth (%)	8.0	6.4
Comp. store sales growth (%)	4.0	3.1
EBIT margin (%)	10.3	19.5
Store numbers	283	274

*Ownership period 23 November to 31 December

Target Highlights

- EBIT margin strength maintained at 10.3%
  - Overall margins maintained
- Comp Store sales growth for the half 4.0% (Q2 growth 4.8%)
  - All departments increased sales over last year
  - Women's Youth Apparel, Electrical and Toys all had excellent growth
- Outstanding Christmas trading reinforced market share gain
- Costs well controlled in a difficult environment
- Inventory fresh and below last year even with new stores
- Eleven new store openings taking the total number of stores to 283
  - 19 refurbishments in 1H09

Target Outlook

- Five new stores in next six months; 15 refurbishments
- Well positioned for slow down in retail spending
  - Close attention to costs and inventory in difficult trading conditions
- Well positioned to benefit from stimulus package
- Margins on direct imports supported by hedging in the near term
  - Significant cost increases for imported product will require price management
- Electrical will continue to drive traffic and sales

Kmart

Guy Russo

Managing Director

Kmart
Performance Summary

Half Year ended 31 December ($m)	2008	2007*
Revenue	**2,249**	692
EBITDA	**100**	106
Depreciation & Amortisation	**(25)**	(5)
EBIT^	**75**	101
Total revenue growth (%)	**0.8**	4.6
Comp. store sales growth (%)	**0.4**	5.0
EBIT margin (%)	**3.3**	14.6
Store numbers (incl. Kmart Tyre & Auto)	**446**	450

*Ownership period 23 November to 31 December

^2008 excludes $14m of non-trading items relating to DC closure provision and restructuring

Kmart Highlights

- Average trading performance
  - Christmas trading helped deliver 2Q09 comp growth of 1.0%
  - Apparel and toys were the strongest performers
  - In-store execution and offer requires improvement
- Inventory levels significantly below last year
  - Reduce complexity in operations
- Senior management changes complete
- New store opened in Toormina (NSW) and 11 refits completed
- Good performance from Kmart Tyre & Auto

Kmart Outlook

- Anticipate trading performance to remain soft in 2H09
- The renewal of Kmart
  - Fix the customer experience
  - Significantly reduce cost base
  - Rebuild customer trust
  - Make every site a success
  - Right people and accountability
- Two new stores to open in 2H09 and complete 3 refits

Resources

Stewart Butel
Managing Director

Wesfarmers

Resources
Performance summary

Half Year ended 31 December ($m)	2008	2007	↕ %
Revenue	**1,427**	530	*169.2*
EBITDA	**791**	179	*341.9*
Depreciation & Amortisation*	**(105)**	(67)	*56.7*
EBIT#	**686**	112	*512.5*
ROC (R12 %)	**95.1**	30.3	*64.8pt*
Coal Production ('000 tonnes)	**7,938**	6,963	*14.0*
Safety (R12 LTIFR)^	**5.0**	4.4	

*Includes Stanwell rebate amortisation of $55m in 2008 (2007: $33m)

#2008 includes Royalties of $116m (2007: $29m), non-cash increase in mine rehabilitation provision of $16m and $8m Char Plant write-down

^ Curragh and Premier only

Resources Highlights

- Record half year production and sales levels
  - Curragh achieving consistent production
  - Reduced impact of rail and port constraints
  - Strong coal shipping in 1H09
- Record prices for metallurgical and steaming coal
- Significant increase in earnings
- Blackwater Creek Diversion underway

Resources Outlook

- Global steel production uncertain
- 2009/10 price negotiation underway
- Signs mining input cost pressures are easing
- Forecast Curragh metallurgical sales of 6.5 – 6.9mt in 2008/09
- Timing of expansion projects subject to market conditions
- Significant increase in Stanwell rebate in 2H09
  - Estimated $130 -150m for 2H09 assuming AUD:USD of $0.65 (subject to shipment volumes/timing, FX and price outcomes)
- Near-term impact of foreign exchange contract close-out costs
- Dragline 302 planned to return to work ~June 2009
  - repair cost $20m; higher operating cost of replacement equipment - $20m

Insurance

Rob Scott

Managing Director

Insurance Performance Summary

Half Year ended 31 December ($m)	**2008**	2007	↕ %
Gross Written Premium Underwritten	**679**	618	*9.9*
EBITA Underwriting	44	38	*15.8*
EBITA Broking*	27	28	*(3.6)*
EBITA Other	4	5	*(20.0)*
EBITA Insurance Division	75	71	*5.6*
EBIT Insurance Division	67	64	*4.7*
Net Earned Loss Ratio (%)	68.9	67.4	*(1.5) pt*
Combined Operating Ratio (%)	99.4	98.1	*(1.3) pt*
EBITA Margin (Broking) (%)	25.9	27.4	*(1.5) pt*

*Timing difference on recognition of $5m of earnings in 2H09 compared with 1H08

Insurance Highlights

- Turnaround of Lumley New Zealand
- Rate increases achieved in motor portfolios
- Higher than expected crop claims in WFI (worst since 1992)
- Underwriting losses in Lumley Australia marine and retail agencies
- Consolidation of Australian underwriting licenses on track
  - One-off benefit from Liability Adequacy Test (“LAT”) grouping
- Adverse discount rate effect on premium liabilities (offset one-off LAT benefit)
- Increased investment earnings
- Improved revenues and underlying earnings (on like-for-like basis) in broking
  - Timing difference on recognition of $5m of earnings in 2H09 compared with 1H08
- Credit rating of S&P A- (stable) and Actual Capital Ratio (“ACR”) of 1.84

Insurance Outlook

- Rate increases being achieved in most classes
- Lower investment returns resulting from lower interest rates
- Retained losses from Victorian bushfires estimated at $13 million
- Conditions support underwriting margin improvement
- Strengthening of management across Lumley Aust & New Zealand
- Stronger contribution from broking in 2H09
- New business growth constrained by economic environment
- Further bolt-on broking acquisitions anticipated

Industrial Businesses

Keith Gordon

Director Industrial Divisions

Wesfarmers

Industrial & Safety Performance Summary

Half Year ended 31 December ($m)	2008	2007	↕ %
Revenue	**687**	642	*7.0*
EBITDA	**75**	66	*13.6*
Depreciation & Amortisation of PPE	**(7)**	(5)	*(40.0)*
EBIT	**68**	61	*11.5*
EBIT margin (%)	**9.9**	9.5	*0.4pt*
ROC (R12 %)	**17.1**	16.9	*0.2pt*
Safety (R12 LTIFR)	**4.4**	5.2	

Industrial & Safety Highlights and Outlook

Highlights

- Continued focus on safety resulting in reduction in lost days and severity of injuries
- Customer service and delivery performance initiatives delivering benefits
- Further improved competitiveness of businesses
- Successful growth initiatives

Outlook

- Market conditions are expected to be more challenging in the second half
- Pressure on margins expected due to input cost inflation, exchange rate impacts and competitive pressures
- However, impact will be mitigated through
  - Strong competitive foundations
  - Tight expense and capital management
  - Proactive margin management through sourcing, pricing and contract management disciplines
- Focus on increasing share of customer spend

Chemicals & Fertilisers Performance Summary

Half Year ended 31 December ($m)		2009	2008	↕ %
Revenue	Chemicals	**291**	218	*33.5*
	Fertilisers	**167**	173	*(0.3)*
		458	391	*17.1*
EBITDA		**34**	69	*(50.7)*
Depreciation & Amortisation of PPE		**(30)**	(21)	*(42.9)*
EBIT		**4**	48	*(91.7)*
Sales Volume ('000t):	Chemicals	**334.4**	281.4	*18.8*
	Fertilisers	**225.7**	386.6	*(41.6)*
ROC (R12 %)		**7.3**	16.2	*(8.9)pt*
Safety (R12 LTIFR)		**2.2**	2.9	

Chemicals & Fertilisers Highlights & Outlook

Highlights

- Six months successful operation of AN Expansion
- Debottlenecking of QNP complete. Commissioning underway (+30,000 tpa)
- Improved plant performance from Australian Vinyls following major overhaul in second half of FY08

Issues

- Varanus Island gas incident - estimated lost EBIT for the 6 months ~ $50m
- Fertiliser volumes down due to global price volatility, late harvest and uncertainty around customer's terms of trade
- 1H09 inventory write-down of $14m due to collapsing commodity prices

Outlook

- Demand for mining chemicals remains strong, although growth softening
- Advised of return to full contracted gas supply by 1 June 2009
- Commission $15 million sodium cyanide expansion in H2 FY09
- Seasonal break critical for fertilisers

Energy Performance Summary

Half Year ended 31 December ($m)	2008	2007	↕ %
Revenue	**322**	281	*14.6*
EBITDA	**52**	66	*(21.2)*
Depreciation & Amortisation	**(22)**	(18)	*(22.2)*
EBIT	**30**	48	*(37.5)*
ROC (R12 %)	**9.1**	12.0	*(2.9pts)*
WLPG production (kt)	**84.4**	82.3	*2.6*
Safety (R12 LTIFR)	**5.9**	3.0	

Energy Highlights & Outlook

Highlights

- Western Australian LNG project operational
- Growth in industrial gas sales
- Maintained LPG supply through Varanus Island gas disruption

Issues

- Varanus Island gas disruption; ~$15m 1H09 EBIT impact
- Lower world energy prices from Q2
- $9m inventory write-downs in 1H09

Outlook

- LPG earnings dependant on international LPG prices and content
- Economic slow down – sales growth and projects
- Volume growth in LNG sales

Capital Management

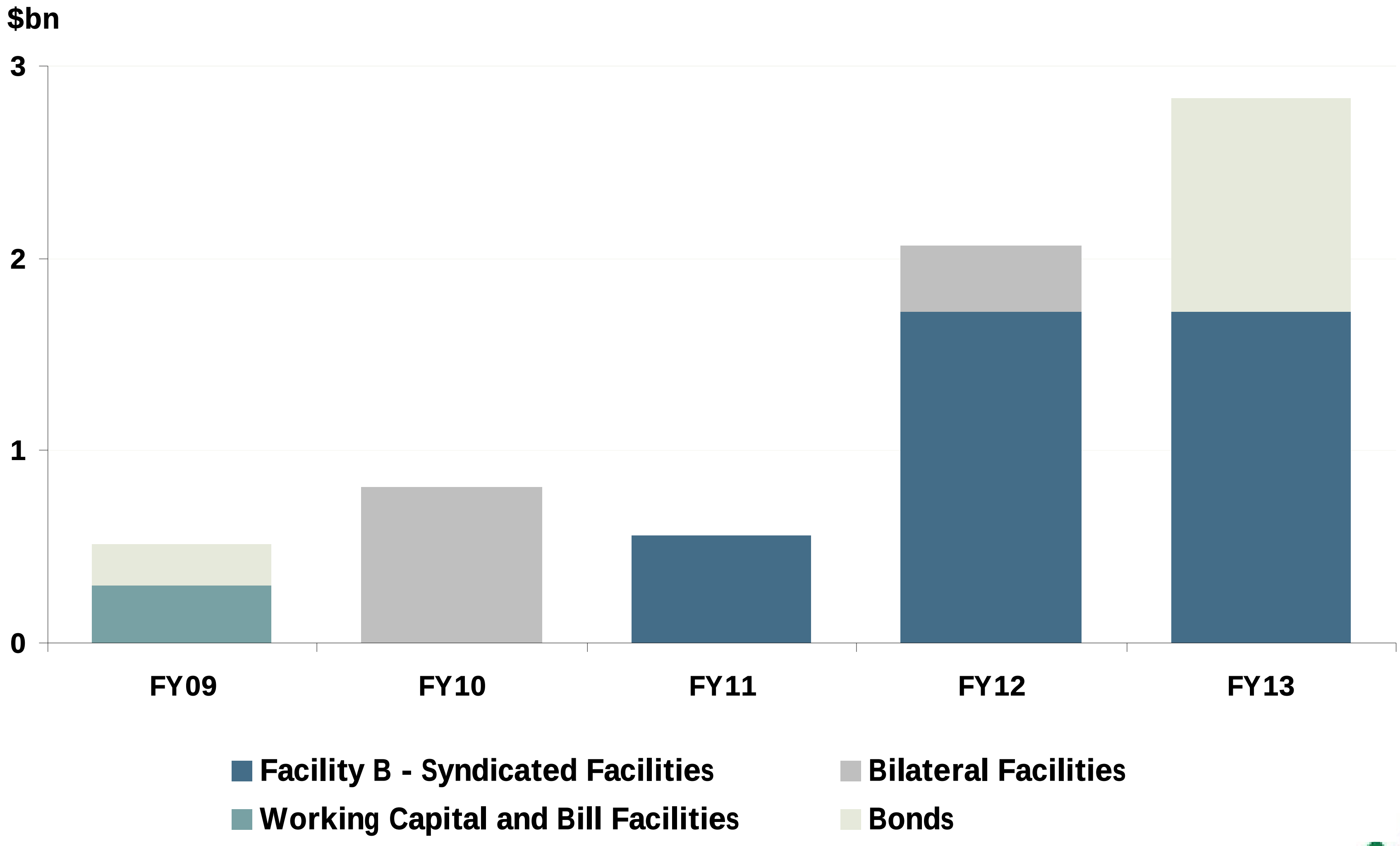
Gene Tilbrook
Finance Director, Wesfarmers Limited

Wesfarmers

Equity Raising

- 3 for 7 entitlement offer plus $900m placement
- Institutional Entitlement raised $2.0bn
- Retail Entitlement closes 23 February 2009
- Strengthens balance sheet and provides increased flexibility
- Extension and refinancing of maturing debt facilities
  - Proforma 31 Dec debt down from $9.7 billion to $6.8 billion

Maturity Profile Analysis



Note: based on $2.9bn equity raised to date not including Retail Entitlement Offer closing 23 February 2009

Capital Management

- Net Debt to Equity of 49% at 31 December 2008 (29% on a pro-forma basis*)
- Cash Interest Cover Ratio of 5.2 times (rolling 12 months basis)
- Well within all debt covenants at 31 December 2008 (pre equity raising)
- S&P rating BBB+ (stable), Moody's Baa1 (stable)
- Weighted average cost of debt including hedges 8 - 8.5% for next three years
- Retain dividend investment plan with no underwrite expected for FY09 dividends

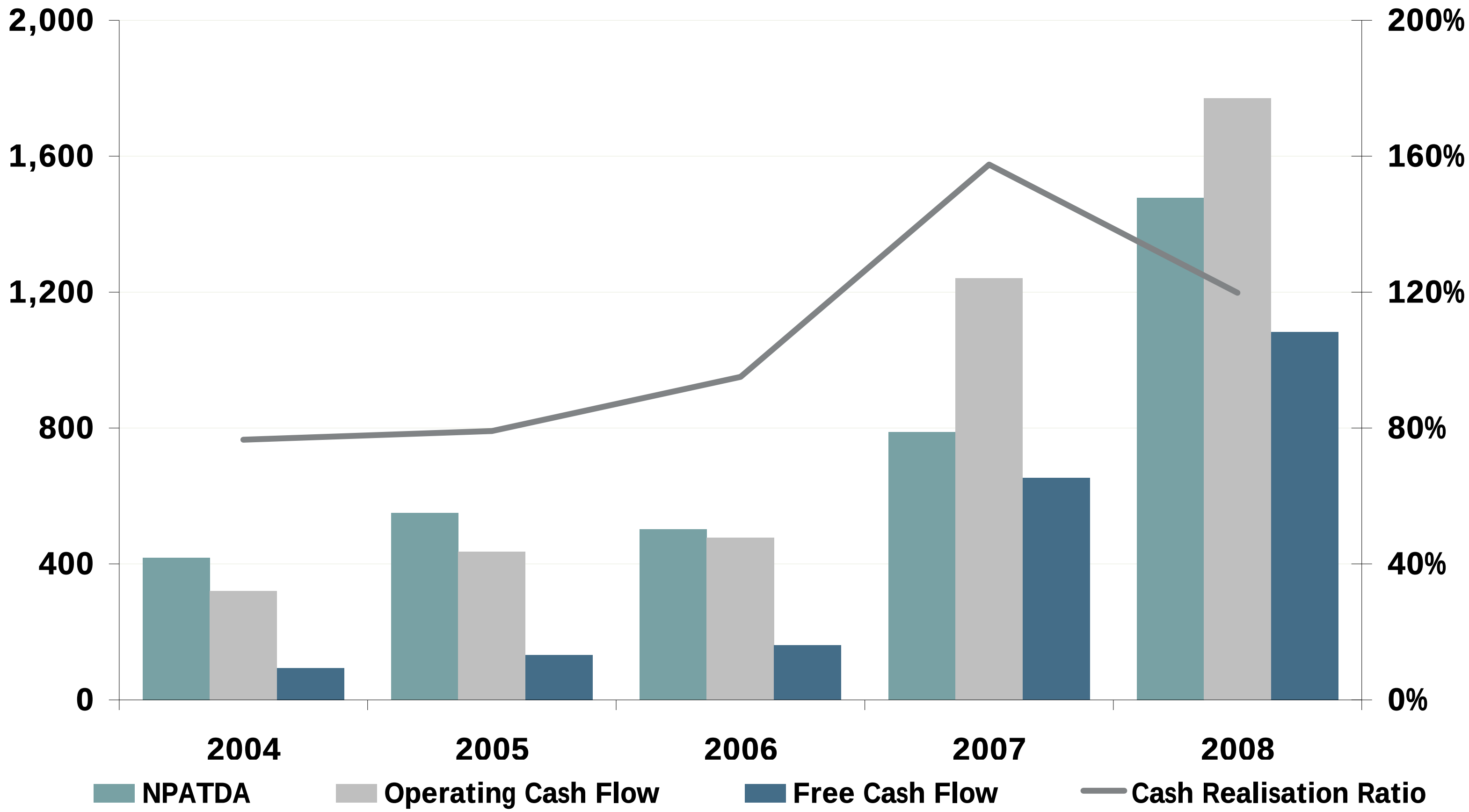
*based on $2.9bn equity raised to date not including Retail Entitlement Offer closing 23 February 2009

Hedging Profile

- At 31 Dec 08, ~50% of debt hedged for 5 years at average 7.2% (excluding margins)
- Rebalancing of hedge positions underway
- Post rebalancing, expect debt to be ~50% hedged for 5 years at average 7.2% (excluding margins)
- Expect to realise ~$150m of hedge losses as a result of reducing overall hedge position
  - ~$60m to be recognised in 2H09 with balance to be amortised over next 4 years (weighted towards FY10 and FY11)
  - Includes ~$40m in relation to ineffective hedges in 2H09

Cashflow
(Half Year to 31 Dec)

- Focus on working capital management
- Strong free cash flows



*adjusted for Stanwell and significant non-cash asset writedowns and provisions

Capital Expenditure

- Continued focus on prudent capital expenditure
- Coles capital expenditure weighted towards 2H09
- Completion of Ammonia Nitrate expansion and LNG Plant in FY08
- Forecast capital expenditure for FY09 <$1.8bn

Half Year ended 31 December (A$m)	**2008**	2007
Home Improvement & Office Supplies	**214**	173
Coles	**204**	93
Target	**51**	-
Kmart	**41**	-
Resources	**109**	95
Insurance	**6**	6
Industrial & Safety	**10**	14
Chemicals & Fertiliser	**22**	127
Energy	**21**	78
Other	**9**	3
Total	**687**	589

Outlook

Richard Goyder

Managing Director, Wesfarmers Limited

Wesfarmers

Outlook

- Challenging global economic environment
- Expect turnaround in Coles to gather pace over next 12 months
- Lower export coal prices from April 2009
- Lower borrowing costs from reduced debt levels

Questions

Wesfarmers

For all the latest news visit

www.wesfarmers.com.au