

2013 Half-Year Results
Supplementary Information
(To be read in conjunction with the
Half-Year Results Teleconference
presentation)

14 February 2013



Wesfarmers

Presentation outline

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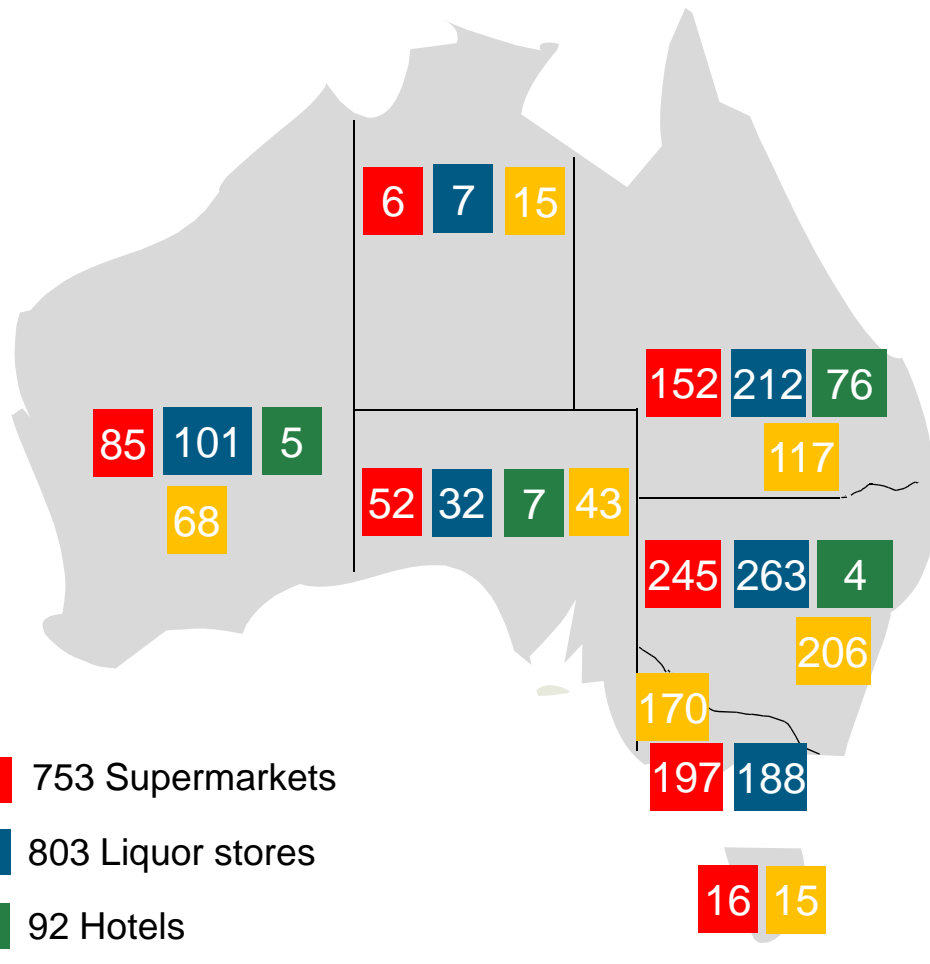
Coles
Ian McLeod
Managing Director

coles



Coles network

As at 31 December 2012



- 753 Supermarkets
- 803 Liquor stores
- 92 Hotels
- 634 Convenience

Selling Area

Supermarkets (sqm)	1,640,402
Liquor (sqm) – ex hotels	196,888



Store network movements

	Open at 30 June 2012	Opened	Closed	Re- Branded	Open at 31 Dec 2012
Supermarkets					
Coles	710	11	(6)	1	716
Bi-Lo	39	-	(1)	(1)	37
Total Supermarkets	749	11	(7)	-	753
Liquor					
1 st Choice	84	6	(2)	-	88
Vintage Cellars	80	3	(1)	-	82
Liquorland	628	17	(12)	-	633
Hotels	92	1	(1)	-	92
Total Liquor	884	27	(16)	-	895
Convenience	627	10	(3)	-	634

Revenue reconciliation

6 months ended 31 December (\$m)	2012			2011		
	Food & Liquor ¹	Convenience	Total	Food & Liquor ¹	Convenience	Total
Segment revenue (Gregorian)	14,104	3,943	18,047	13,435	3,783	17,218
<i>Less:</i>						
Other revenue	121	7	128	98	6	104
Headline sales (Gregorian)	13,983	3,936	17,919	13,337	3,777	17,114
<i>Plus:</i>						
Gregorian adjustment	318	96	414	288	100	388
Headline sales revenue (Retail²)	14,301	4,032	18,333	13,625	3,877	17,502

¹ Segment revenue for Food & Liquor includes property revenue in 2012 of \$15 million & in 2011 of \$12 million.

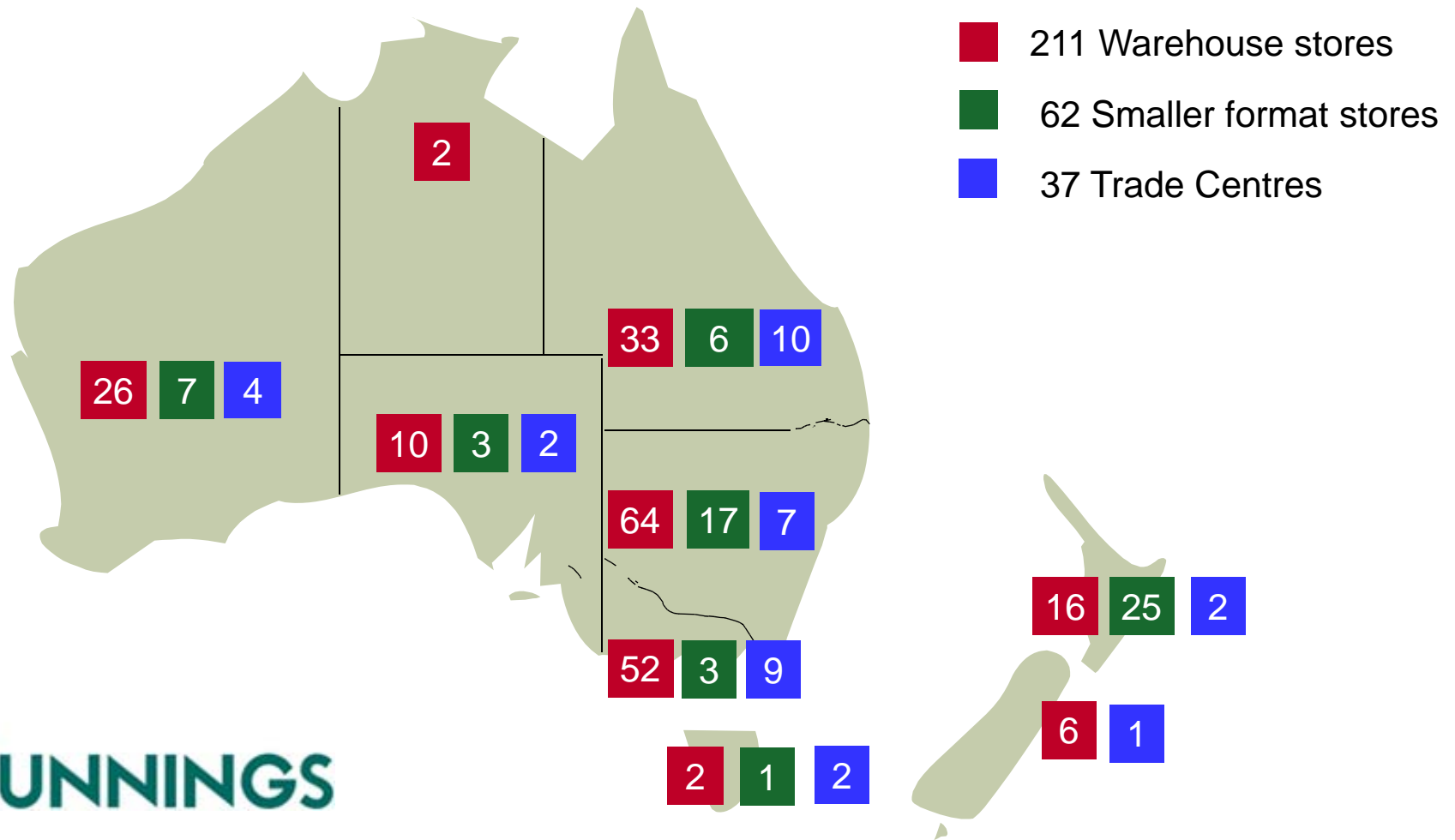
² Retail period relates to the 27 week period 25 June 2012 to 30 December 2012 for 2012 & to the 27 week period 27 June 2011 to 1 January 2012 for 2011.

Home Improvement & Office Supplies



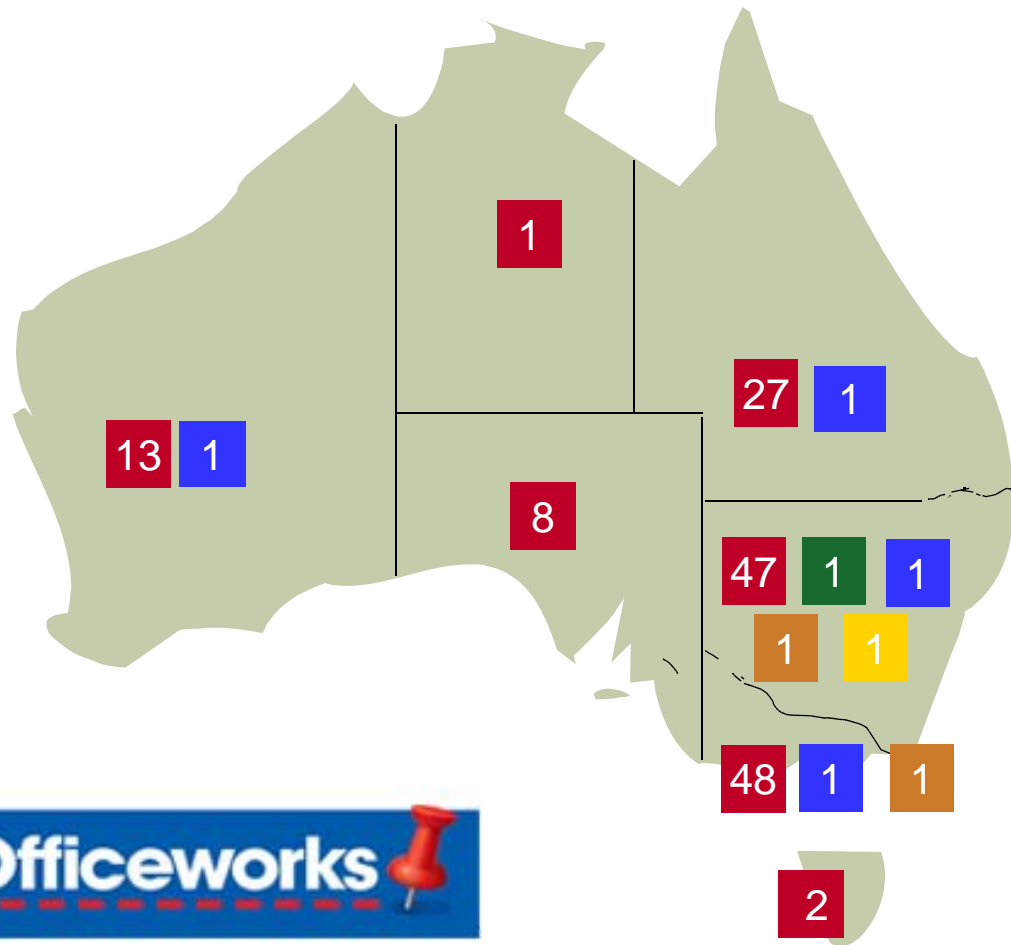
Bunnings network

As at 31 December 2012



Officeworks network

As at 31 December 2012



Retail Stores

- 146 Officeworks
- 1 Harris Technology

Business

- 4 Fulfilment Centres
- 2 Service Centres
- 1 Print Hub



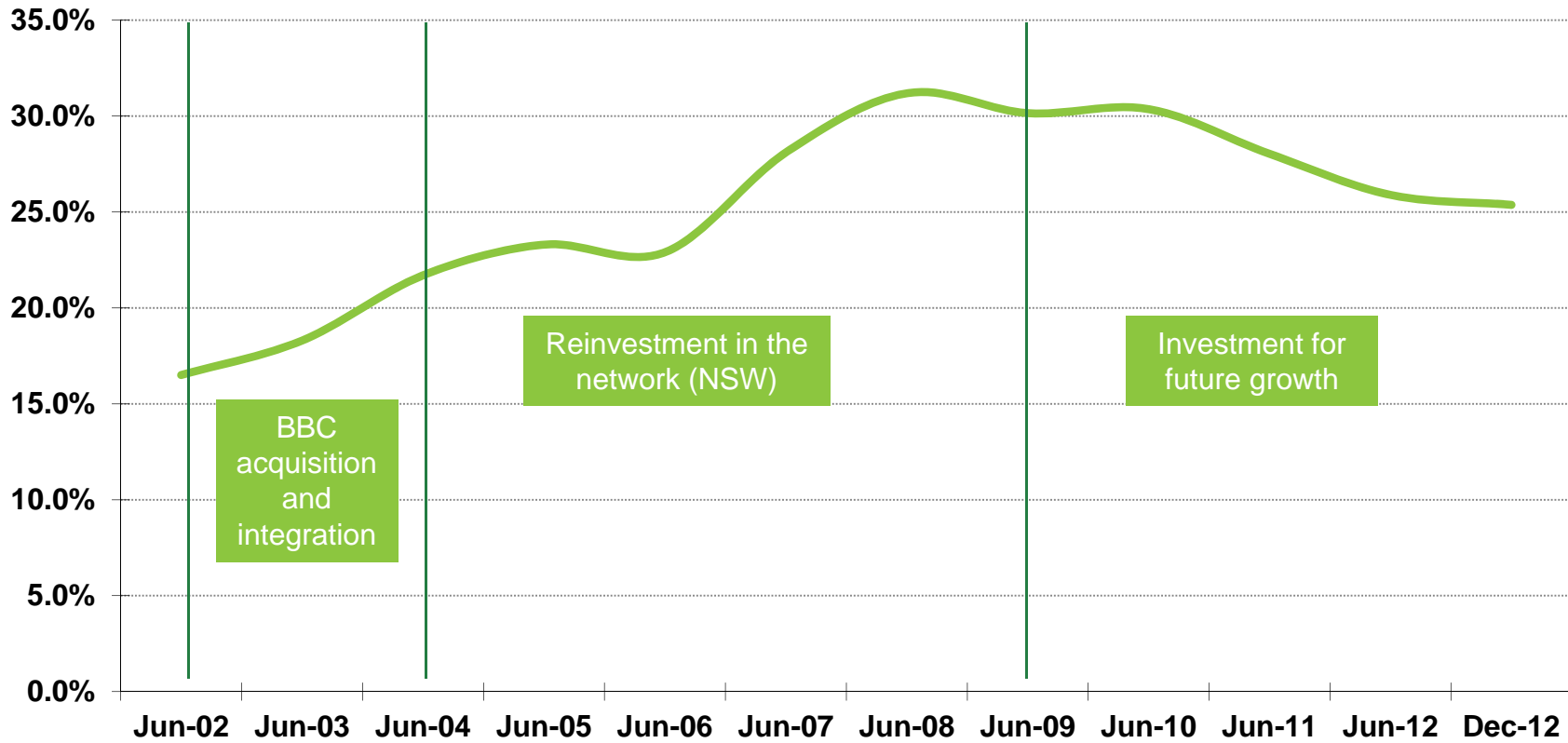
Store network movements

	Open at 1 Jul 2012	Opened	Closed	Open at 31 Dec 2012	Under construction at 31 Dec 2012
Home Improvement					
Bunnings Warehouse	206	7	(2)	211	10
Bunnings smaller formats	58	5	(1)	62	1
Bunnings Trade Centres	36	3	(2)	37	-
Office Supplies					
Officeworks	139	9 ¹	(2) ¹	146	6
Harris Technology	2	-	(1)	1	-

¹ Includes two store relocations.

Capital Management

Bunnings - Return on capital (R12)



Network



Bunnings Warehouse Stores



- large format
- cornerstone brand
- 3 core footprints + multi-levels
- retail & commercial customers
- open 10 to 14 pa longer term

Network



Bunnings Stores



- smaller format, highly flexible
- regional & metro markets
- retail & commercial customers
- open 2 to 4 pa longer term

Network

**BUNNINGS
TRADE**

Trade Centres



- specialised 'DIFOT' format
- narrow & deep ranging
- builds customer relationships
- lowest cost
- commercial 'delivered' market
- open 4 to 8 pa longer term

Target



Target network

As at 31 December 2012

Target 16



■ 308 Target stores
(incl. 125 Target Country)



Store network movements

Target 17

	Open at 1 Jul 2012	Opened	Closed	Open at 31 Dec 2012
Target	179	5	(1)	183
Target Country	122	4	(1)	125



Revenue reconciliation

Target 18

Half-Year ended 31 December (\$m)	2012	2011
Segment revenue (Gregorian)	2,070	2,060
Less:		
Non sales revenue	-	-
Headline sales (Gregorian)	2,070	2,060
Plus:		
Gregorian adjustment	52	37
Headline sales revenue (Retail¹)	2,122	2,097

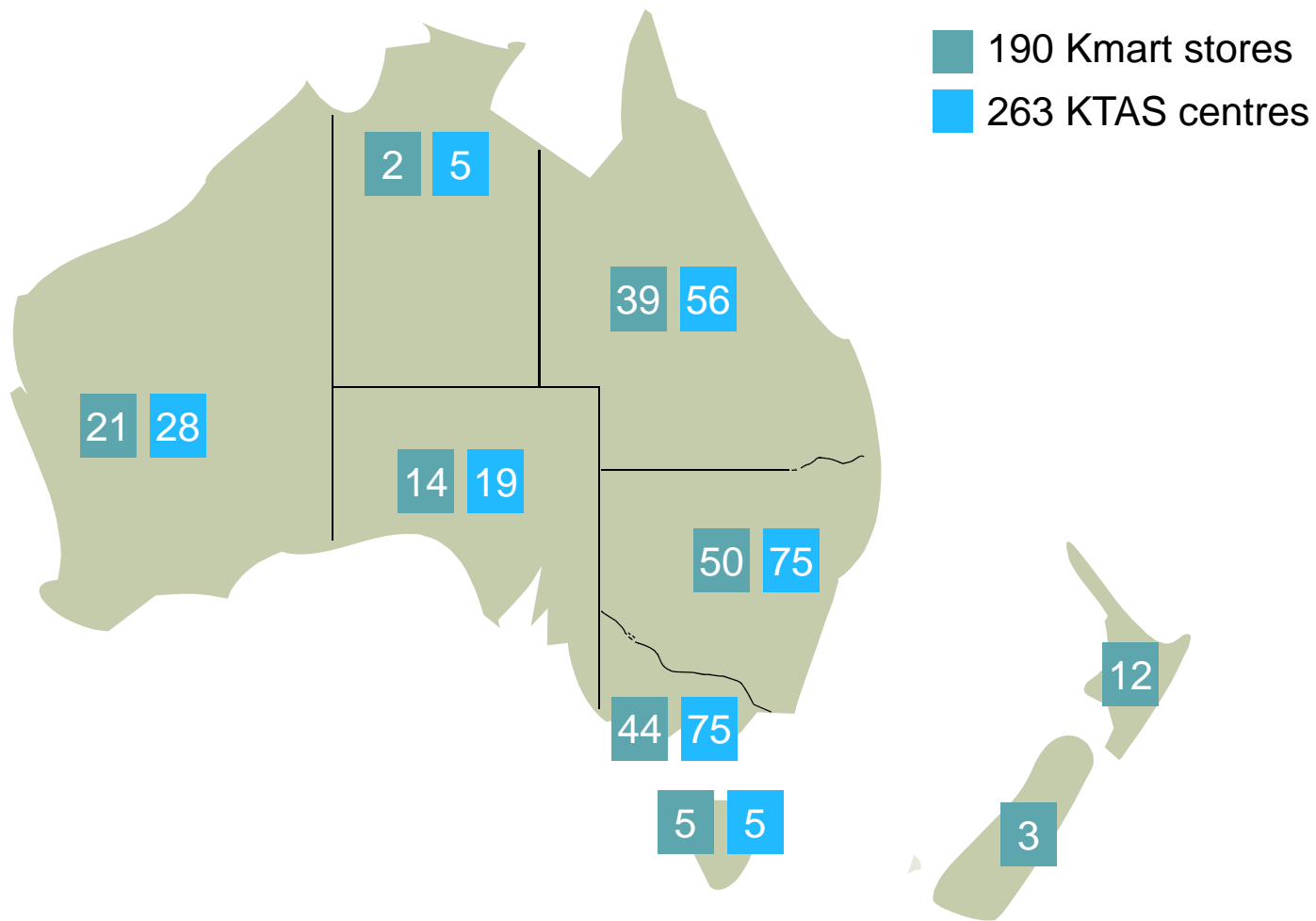
¹ Retail period relates to the 27 week period 24 June 2012 to 29 December 2012 & to the 27 week 26 June 2011 to 31 December 2011.

Kmart



Kmart network

As at 31 December 2012



Store network movements

	Open at 1 Jul 2012	Opened	Closed	Open at 31 Dec 2012
Kmart	185	6	(1)	190
Kmart Tyre & Auto	260	4	(1)	263



Revenue reconciliation

Half-Year ended 31 December (\$m)	2012	2011
Segment revenue (Gregorian)	2,299	2,236
Less:		
Non sales revenue	1	1
Headline sales (Gregorian)	2,298	2,235
Plus:		
Gregorian adjustment	63	46
Headline sales revenue (Retail¹)	2,361	2,281

¹ Retail period relates to the 27 week period 25 June 2012 to 30 December 2012 for 2012 & 27 June 2011 to 1 January 2012 for 2011.

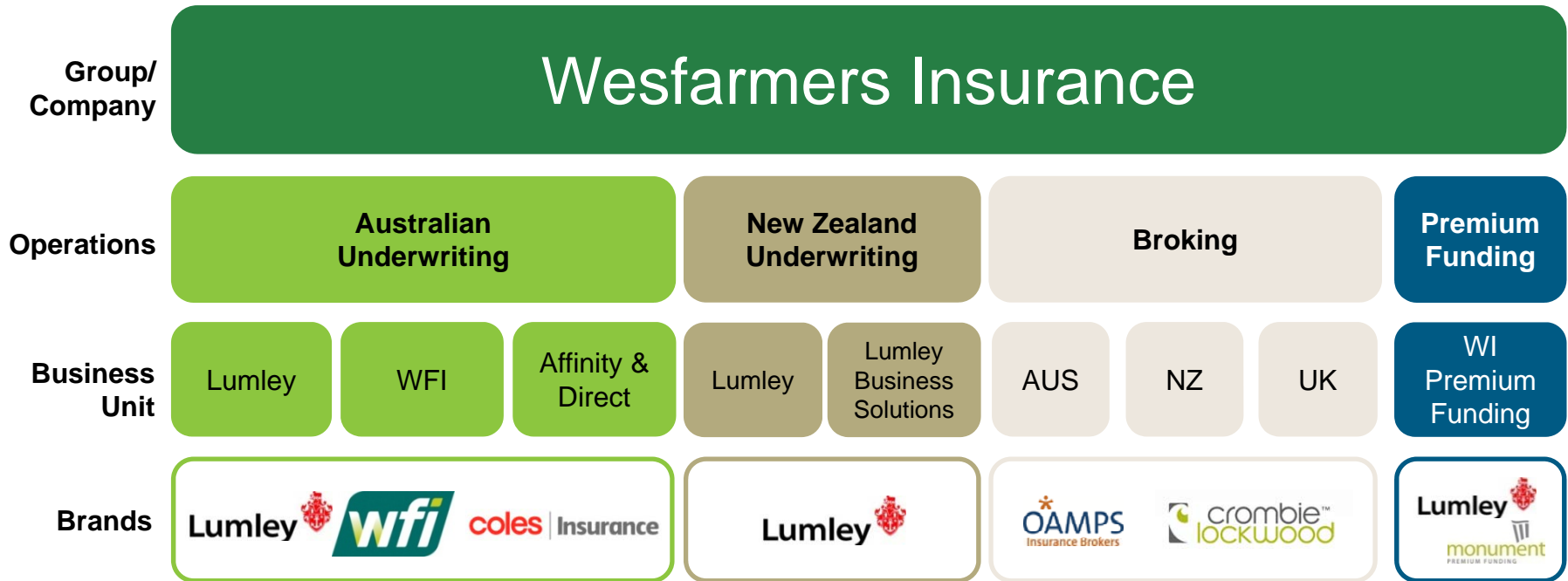
Insurance



Wesfarmers Insurance

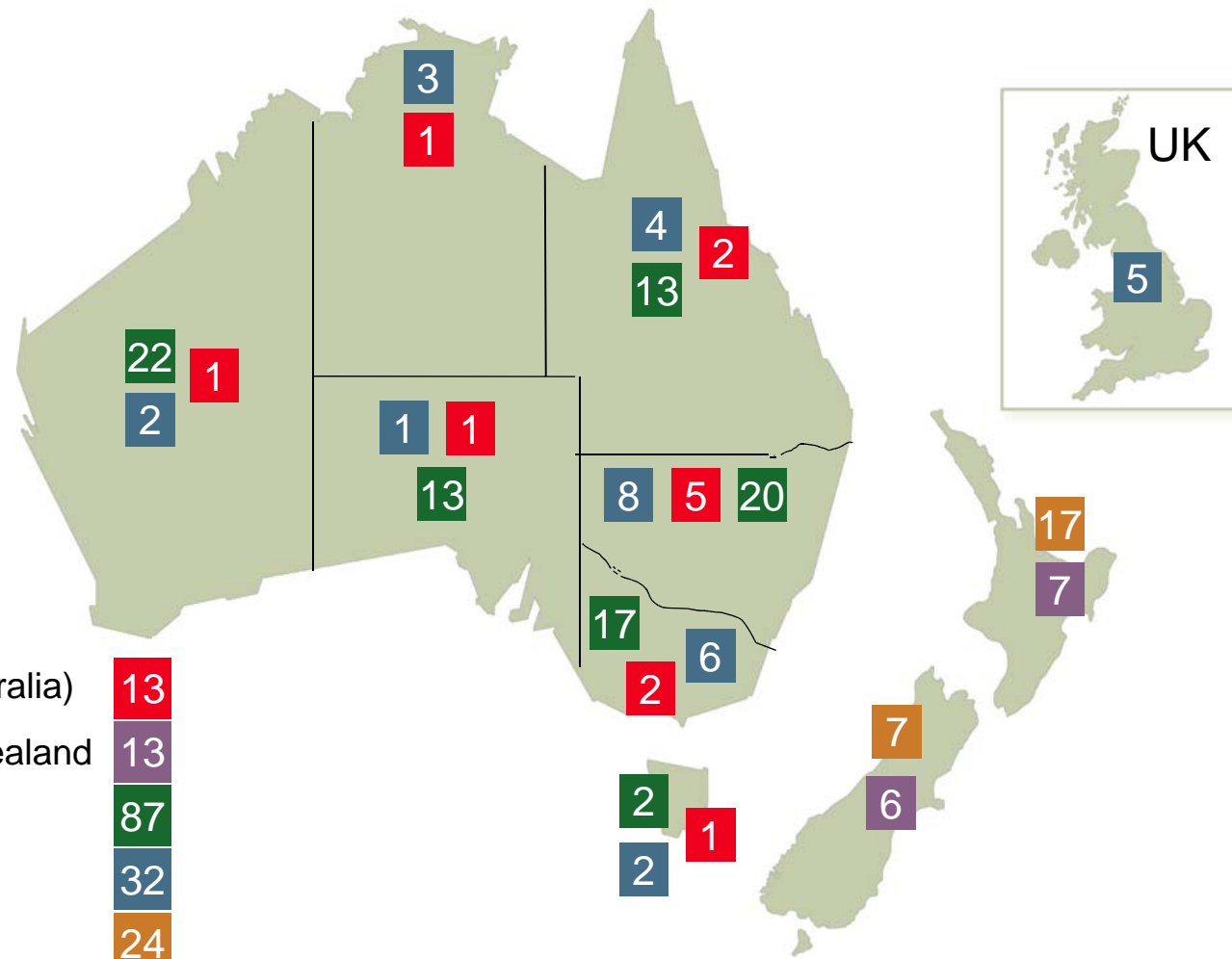


Insurance business overview



Geographical presence

As at 31 December 2012



Lumley Insurance (Australia)	13
Lumley General New Zealand	13
WFI	87
OAMPS ¹	32
Crombie Lockwood	24

¹ OAMPS New Caledonia location not shown.



Underwriting performance summary


Half-Year ended 31 December (\$m)	2012	2011	% ^{↑↓}
Gross Written Premium	796	732	8.7
Net Earned Premium	684	586	16.7
Net Claims ¹	(452)	(466)	3.0
Net Commission & Expenses ¹	(197)	(167)	(18.0)
Underwriting Result	35	(47)	<i>n.m.</i>
Insurance Margin	59	(22)	<i>n.m.</i>
EBITA	72	(10)	<i>n.m.</i>
EBIT	72	(10)	<i>n.m.</i>
Investment Income (\$m)	37	37	
Net Earned Loss Ratio (%) ¹	66.1	79.6	
Combined Operating Ratio (%)	94.9	108.0	
Insurance Margin (%)	8.6	(3.7)	

¹ 2011 has been restated for the reclassification of claims handling expenses from net commission and expenses to net claims.

Broking performance summary

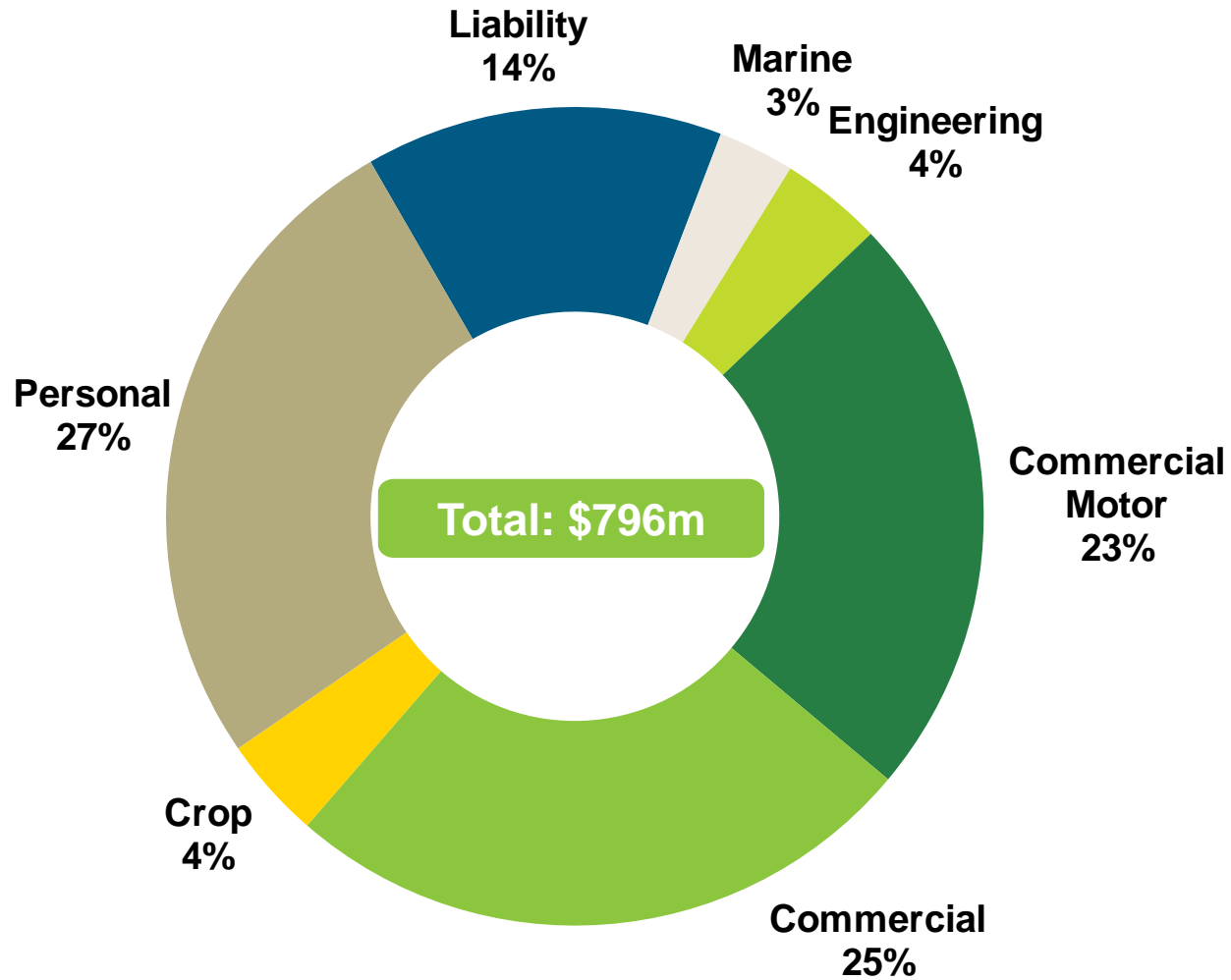
Half-Year ended 31 December (\$m)	2012	2011	% [↑]
Commission & Fee Income	124	111	11.7
Other Income	16	16	-
Total Income	140	127	10.2
Expenses	(102)	(92)	(10.9)
EBITA	38	35	8.6
EBIT	32	29	10.3
EBITA Margin (%)	27.2	27.8	

Underwriting KPIs

Half-Year ended 31 December (%)	2012	2011	% pt 
Gross Earned Loss Ratio ¹	65.9	86.4	(20.5)
Net Earned Loss Ratio ¹	66.1	79.6	(13.5)
Reinsurance Expenses (% GEP)	14.1	19.2	(5.1)
Exchange Commission (% RI excl XOL)	18.5	20.5	(2.0)
Commission Expense (% GWP)	12.1	12.4	(0.3)
Total Earned Expenses (% GEP) ¹	25.6	25.3	0.3
Combined Operating Ratio (% NEP)	94.9	108.0	(13.1)
Insurance Margin (% NEP)	8.6	(3.7)	12.3

¹ 2011 has been restated for the reclassification of claims handling expenses from net commission and expenses to net claims.

Gross written premium (underwriting)



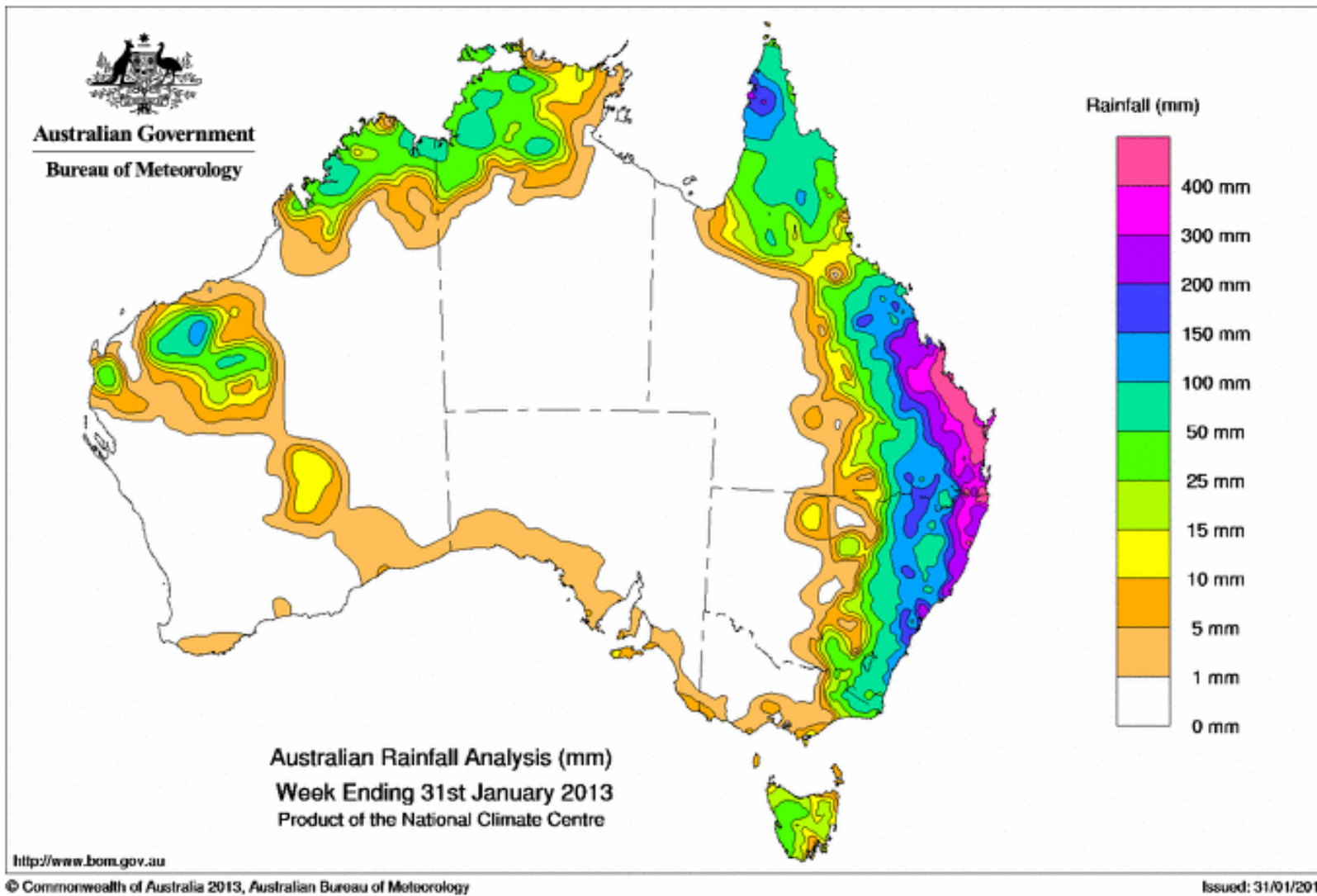
Resources



Business environment

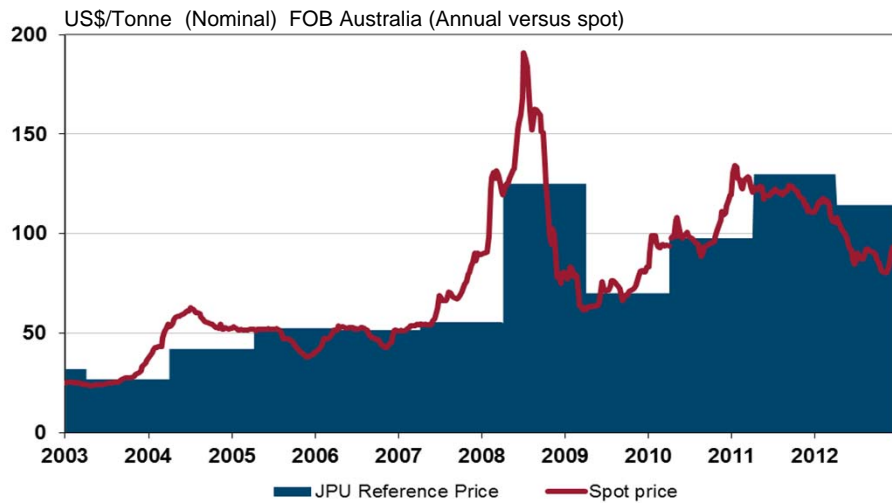
- Challenging global trading conditions for steel mills remain
- Signs of demand stabilisation in met coal export markets – but uncertain near term metallurgical coal demand outlook
 - Continuing poor economic conditions in Eurozone & uncertainty for Japan
 - Signs of demand recovery in China
- A\$/US\$ exchange rate remains high
- Producer response in place
- Long-term metallurgical coal outlook fundamentals remain sound
 - Driven by demand growth in India & China

January weather event: Cyclone Oswald

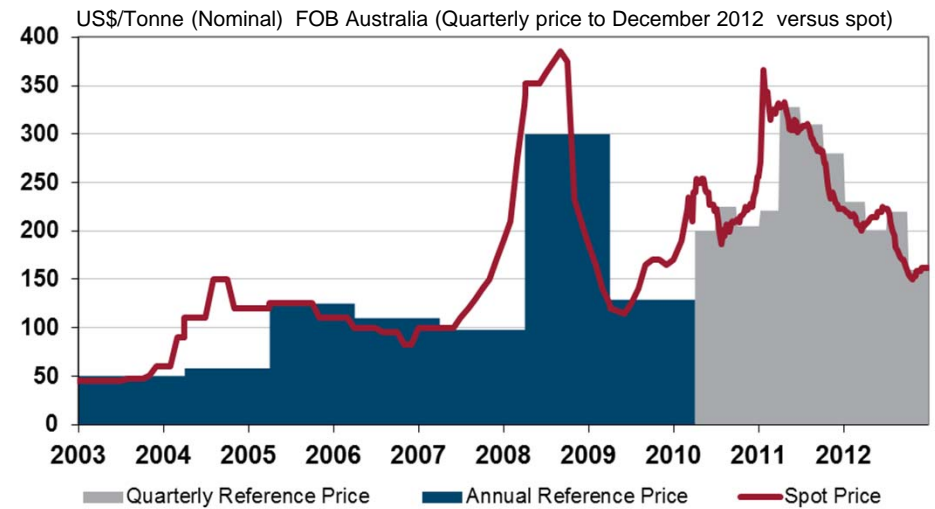


Export pricing

Australian steaming coal prices



Australian hard coking coal prices



Source: Energy Publishing, Tex Report, Macquarie Research, CRU

Resources financial summary

Half-year ended 31 December	2012	2011	Commentary
Production tonnes – ('000 tonnes)			
Curragh & Bengalla ¹	7,017	5,465	Increased export production achieved with expansion completions at both Curragh & Bengalla
Premier	-	1,620	Premier production to 31 December 2011
Revenue (\$m)			
Produced ²	816	992	
Traded	10	95	
Total	826	1,087	Lower average export prices, partially offset by higher sales volumes
Government royalties (\$m)			
Stanwell	(91)	(88)	Driven by marginally higher rolling 12 average coal price for 1H FY13; R12 timing lag
Other	(57)	(74)	Decrease in line with decreased revenue (due to lower average pricing)
Total	(148)	(162)	
Mining & other costs (\$m)			
2011 flood recovery & Curragh expansion costs	-	(55)	
Traded coal cost	(10)	(84)	
Other costs ³	(507)	(463)	
Total	(517)	(602)	Curragh unit mine cash costs for 1H FY13 c. 20% lower than 1H FY12
Depreciation & amortisation (\$m)	(68)	(73)	
EBIT	93	250	

¹ Bengalla reported at 40% share 1.5mt. ² 2011 includes Premier revenue. ³ 2011 includes Premier costs.

Curragh costs – ongoing reduction initiatives

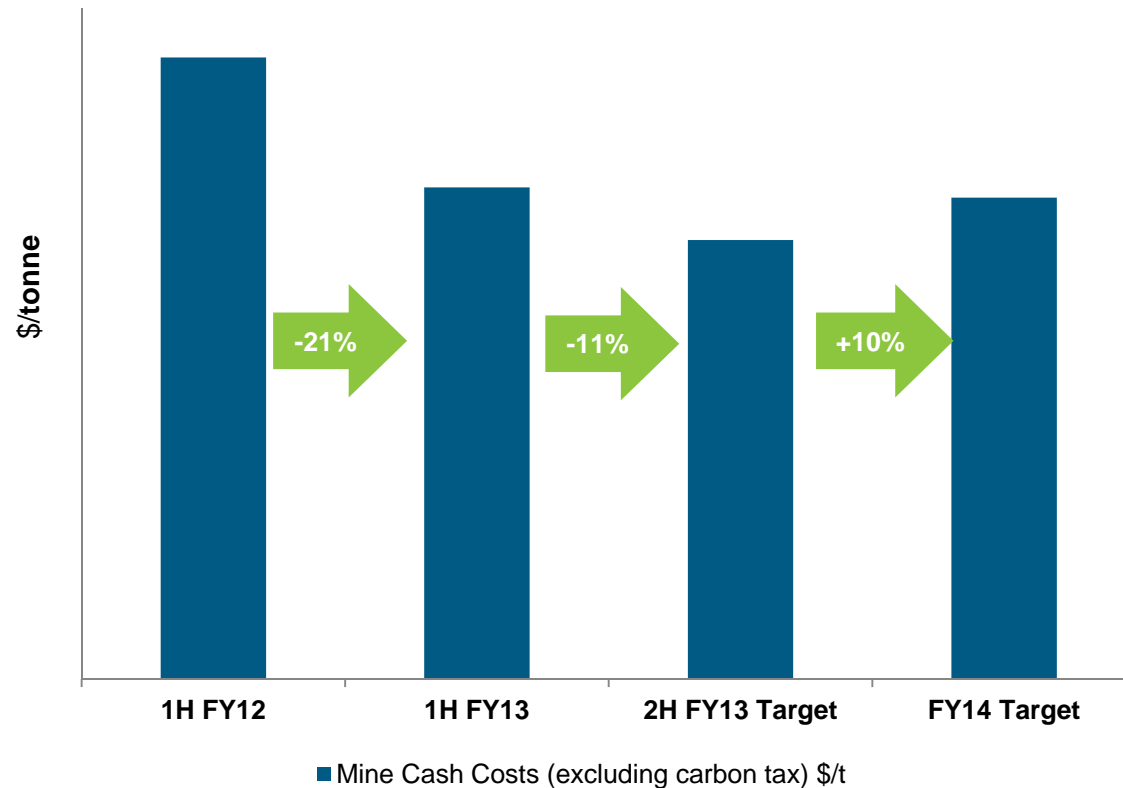
Sustainable

- Operational efficiencies/productivities
 - Overburden
 - Coal mining
 - CHPP
 - Maintenance
- Supplier & contractor rationalisation
- 'Supplier Alignment' program
- Resource optimisation – flow, yield & product
- Minimisation of work-in-advance ahead of coal exposure

Short-term focus

- FY13 operational deferral

Curragh costs (cont.) - progress update



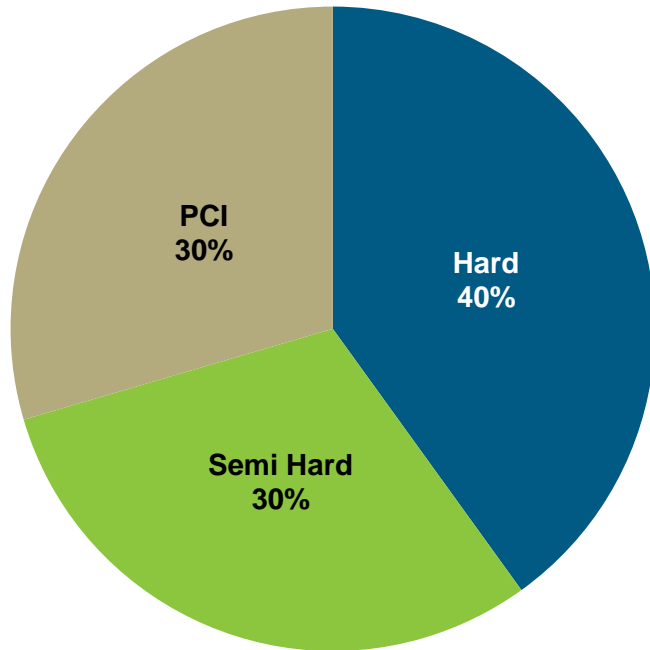
Achieved:

Approx. 20% reduction in unit mine cash costs since peak of 1H FY12

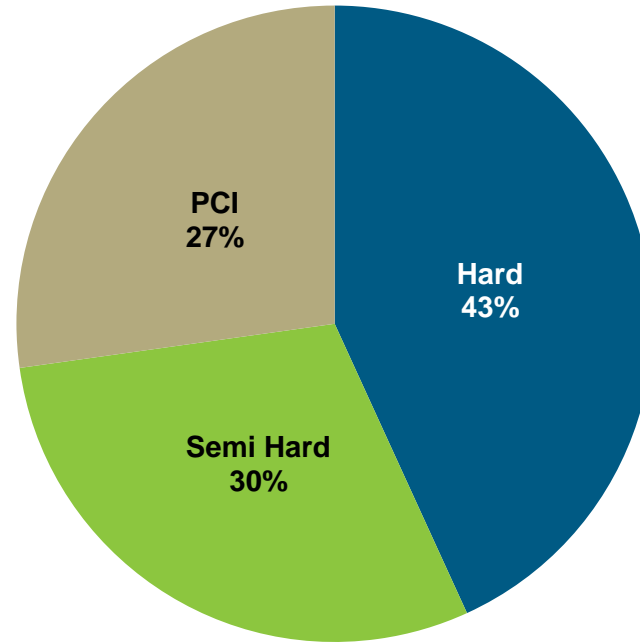
Targeted:

2H FY13: Further 11% reduction (short-term only)
 FY14: Lock-in 20% reduction from 1H FY12 peak

Curragh export metallurgical sales



1H FY13 Actual
3.8 million tonnes



FY13 Forecast
7.5 – 8.0 million tonnes



Coal production volumes

Mine	Beneficial Interest	Coal Type	Half Year Ended ('000 tonnes)	
			Dec 2012	Dec 2011
Curragh, QLD	100%	Metallurgical	3,867	3,087
		Steaming	1,662	1,365
Bengalla, NSW ¹	40%	Steaming	1,488	1,013
Total			7,017	5,465

¹ Wesfarmers attributable production.

Coal sales volumes

Mine	Beneficial Interest	Coal Type	Half Year Ended ('000 tonnes)	
			Dec 2012	Dec 2011
Curragh, QLD ¹	100%	Metallurgical	3,770	2,976
		Steaming	1,629	1,409
Bengalla, NSW ²	40%	Steaming	1,504	1,049
Total			6,903	5,434

¹ Curragh metallurgical coal sales excludes traded coal.

² Wesfarmers attributable sales.

Hedging summary

Curragh			Bengalla		
Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate	Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2013 ¹	372	0.89	2013 ¹	99	0.93
2014	505	0.87	2014	153	0.89
2015	334	0.85	2015	120	0.87
2016	192	0.90	2016	88	0.89
2017	30	0.87	2017	15	0.87

¹ Represents 6 month period ending 30 June 2013.

Chemicals, Energy & Fertilisers

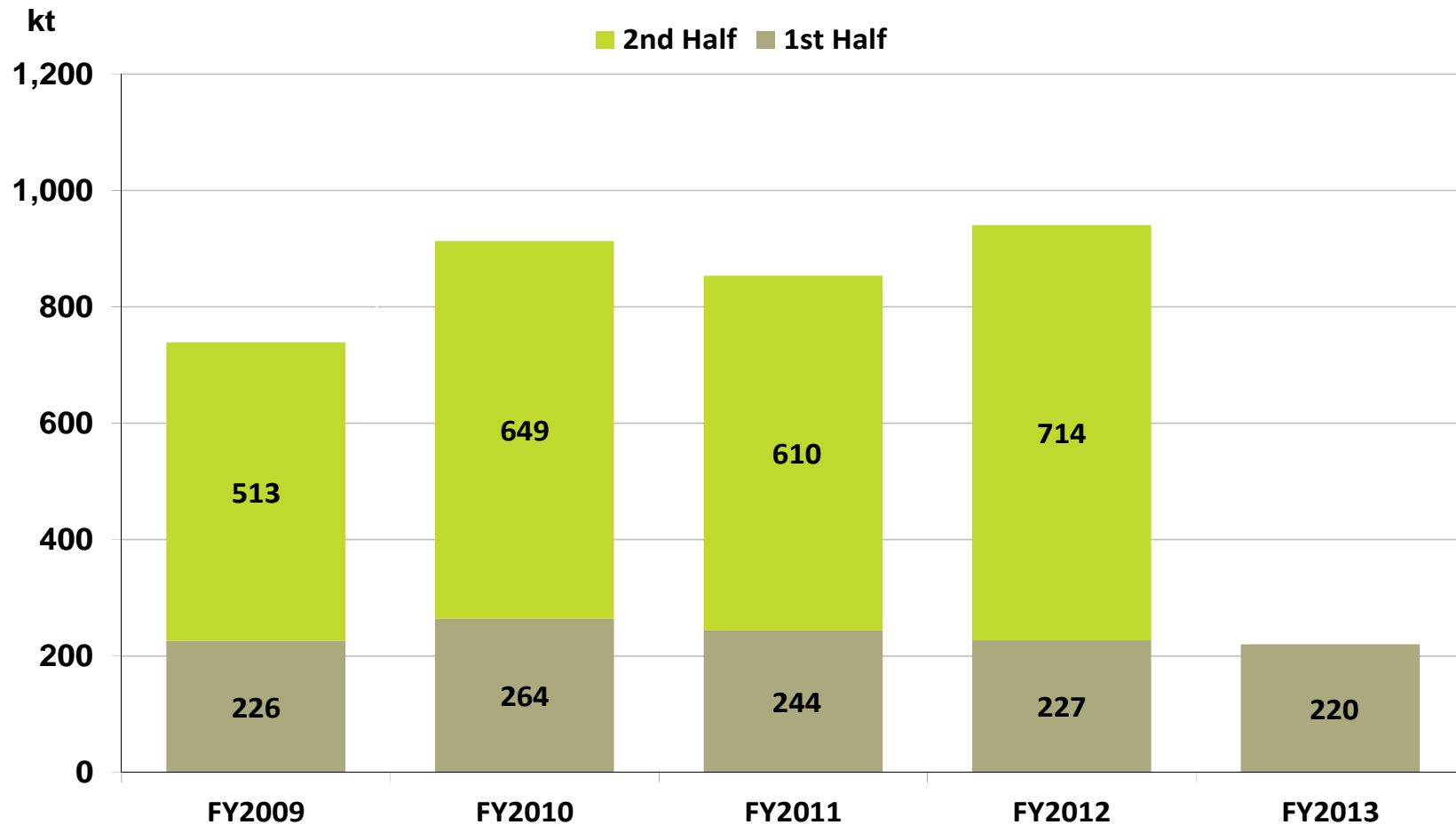


**Wesfarmers Chemicals,
Energy & Fertilisers**



Wesfarmers

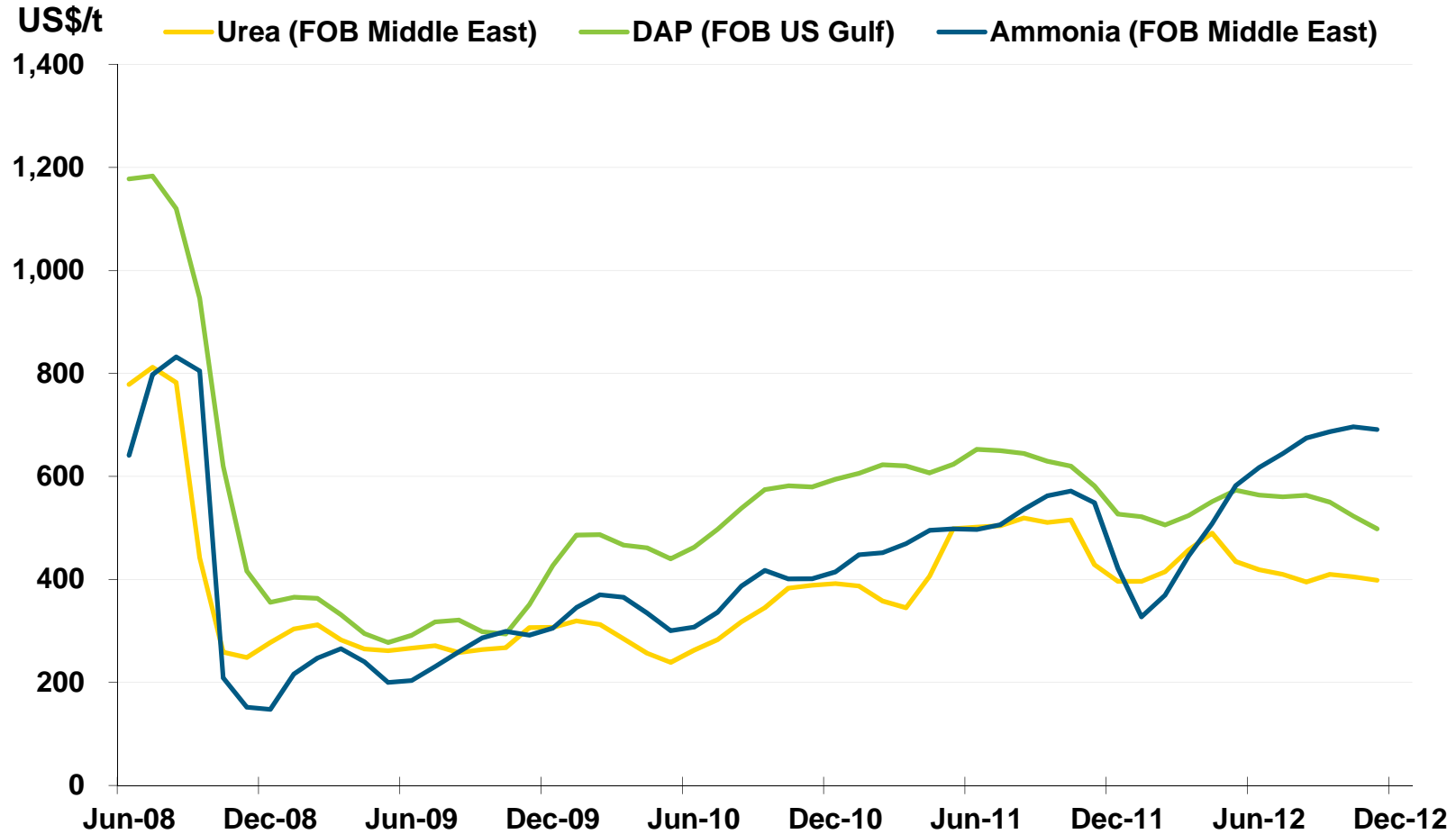
Fertiliser sales



1H13 volumes 3.1% lower than previous corresponding period



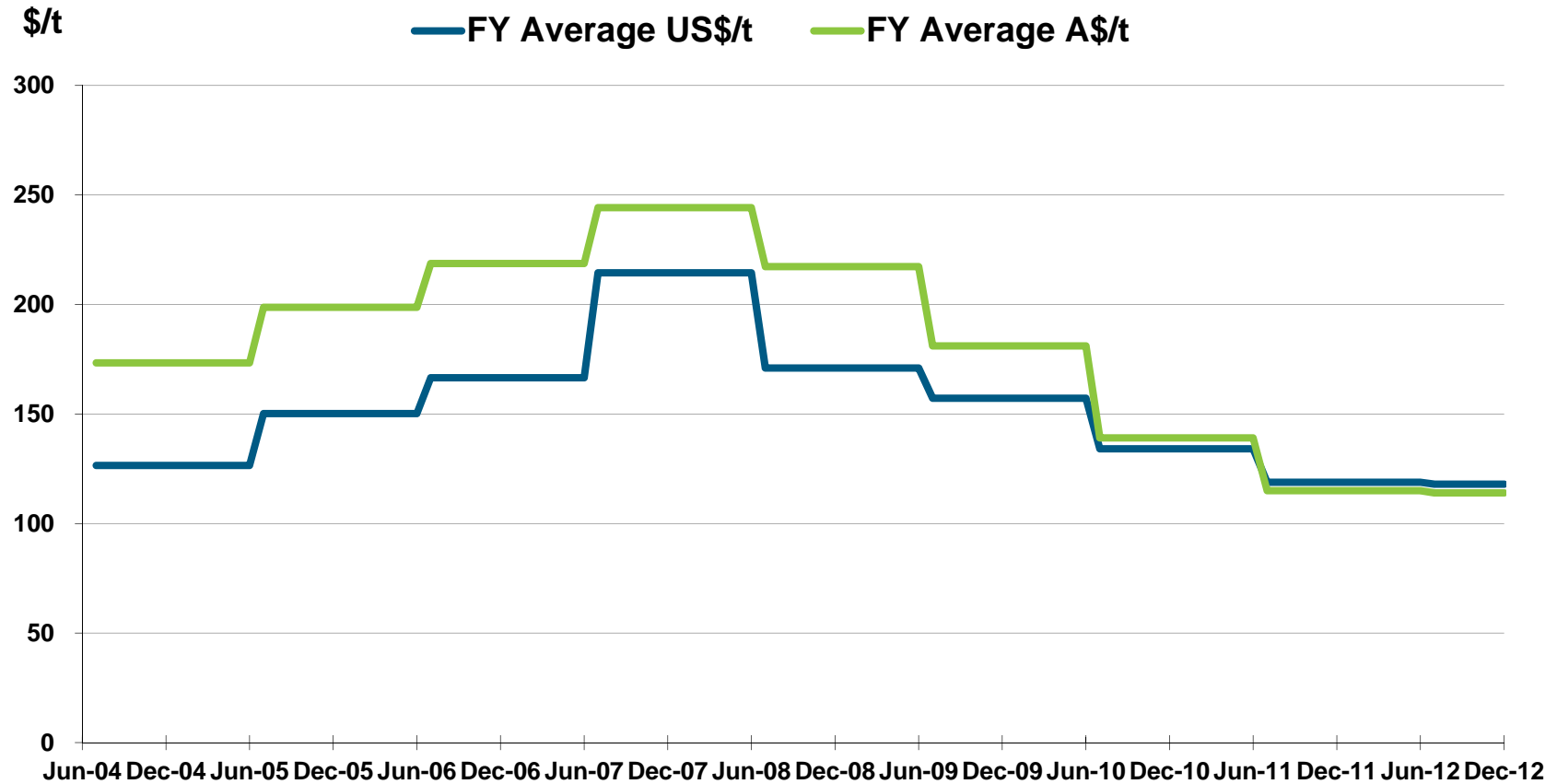
Global fertiliser & ammonia pricing



Prices have recently begun to soften

PVC-VCM Spread

The 'PVC – VCM Spread' refers to the difference between the Asian PVC selling price & VCM input cost

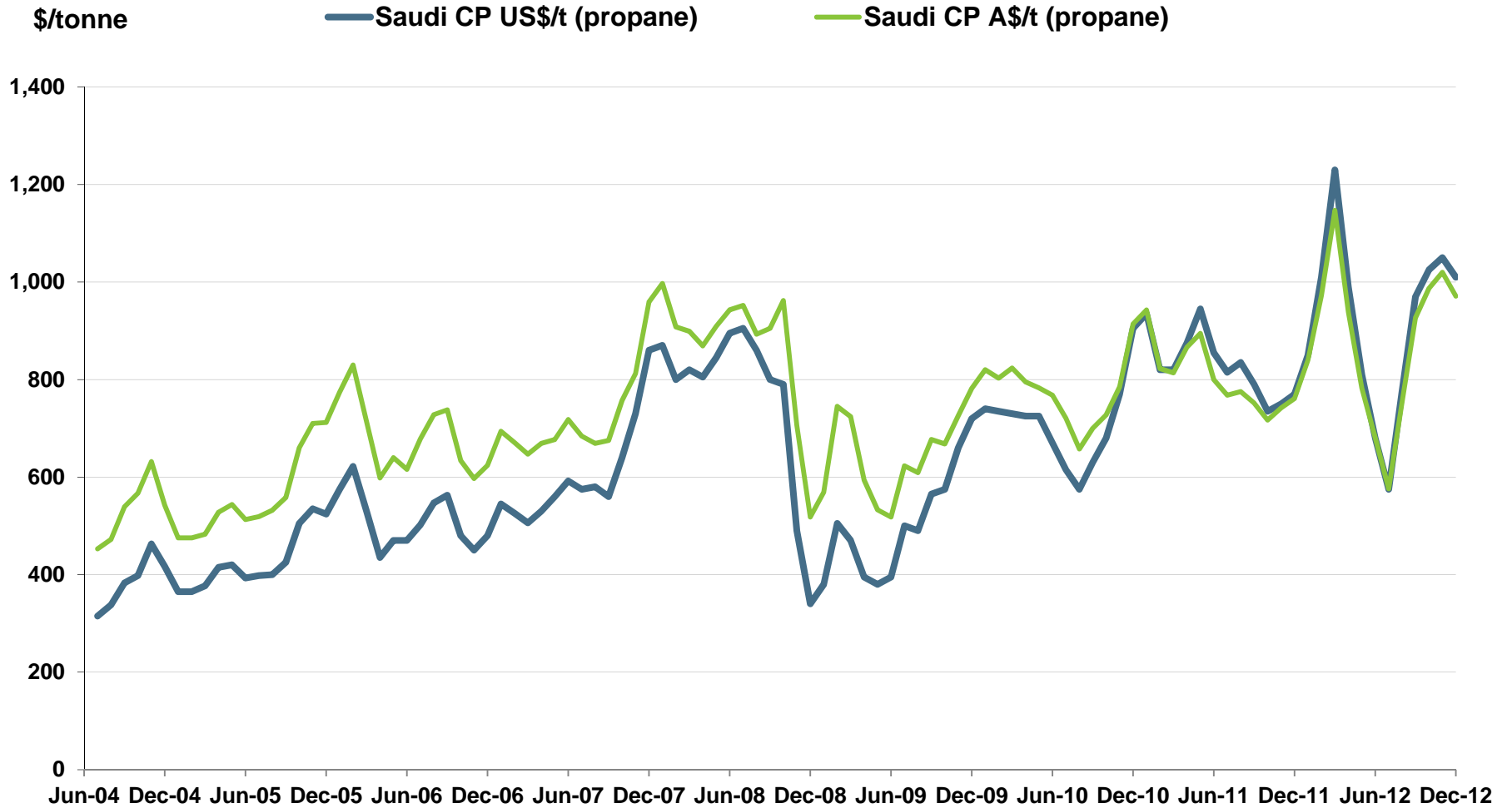


Source: Harriman Front Page Asian mid points

A\$ spread at long-term historical low



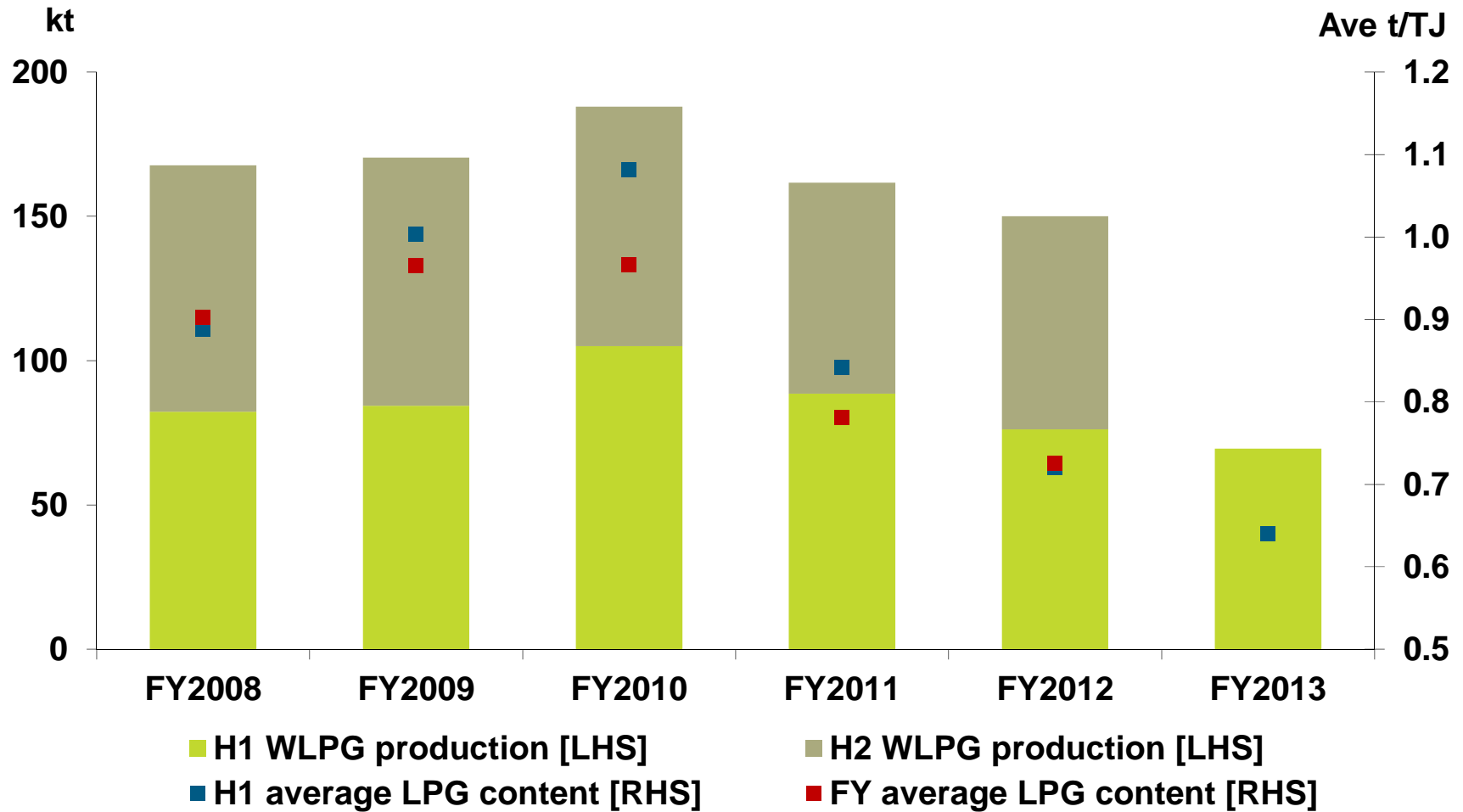
World LPG prices – Saudi CP



Saudi CP price increased during 1H13



LPG production



Production lower than previous year due to reduced content



Industrial & Safety



Three Business Streams

Generalists



Blackwoods Protector
One stop for industrial and safety

Safety specialists



Industrial specialists



Distribution network

As at 31 December 2012

223 owned branches & 132 additional gas distribution points

Generalists 99

Blackwoods 73

Blackwoods Protector 26
One stop for industrial and safety

Safety Specialists 68

Protector Alsafe 43

NZ Safety 24
Specialists in Safety & Protection

SAFETY SOURCE 1

Industrial Specialists 56

coregas 8 +132

Bullivants 26
HANDLING SAFETY

Total FASTENERS 12

Packaging House 10
Building partnerships, delivering solutions



Note: Blackwoods includes Bakers & Migomag, Coregas includes eight owned branches & 132 gas distribution points.

Other Business & Capital Management



Wesfarmers

Overview of the Group balance sheet

(\$m) ¹	1H12	FY12	1H13	Commentary
Inventories	5,359	5,006	5,517	Detailed working capital discussion provided on slide 52
Receivables & prepayments	2,404	2,564	2,337	
Trade & other payables	(5,957)	(5,445)	(6,029)	
Other	501	417	551	
Net working capital	2,307	2,542	2,376	
Property, plant & equipment	9,056	9,463	10,056	Capital expenditure of \$1,323 million in 1H FY13 partially offset by depreciation & amortisation & disposals
Intangibles	20,425	20,490	20,533	
Other assets	947	1,177	1,004	Lower assets held for sale due to property disposals & reduction in investments in associates due to Gresham Private Equity divestments
Net insurance liabilities	(178)	(322)	(255)	
Provisions & other liabilities	(2,588)	(2,724)	(2,746)	
Total capital employed	29,968	30,626	30,968	
Net financial debt ²	(4,599)	(5,018)	(5,156)	Continued diversification & lengthening of debt profile
Net tax balances	107	19	62	
Total net assets	25,476	25,627	25,874	

¹ The above balances reflect the management balance sheet, which is based on different classification & groupings than the balance sheet in the Appendix 4D.

² Net debt net of interest rate swap liabilities.

Balance sheet – working capital

(\$m)	1H12	FY12	1H13	Commentary
Inventories	5,359	5,006	5,517	<ul style="list-style-type: none"> Retail divisions seasonally higher against June Inventory increased by \$158 million (1H FY13 v 1H FY12) Target: Higher inventory reflecting investment in improved availability HIOS: Higher inventory following network expansion Kmart: Lower inventory resulting from focus on effective stock management
Receivables (including prepayments)	2,404	2,564	2,337	<ul style="list-style-type: none"> Seasonal impact minimal across the year Receivables decreased by \$67 million (1H FY13 v 1H FY12) Resources: Decline in Curragh sales reducing receivables WIS: Lower receivables associated with reduced business activity
Trade & other payables	(5,957)	(5,445)	(6,029)	<ul style="list-style-type: none"> Retail divisions seasonally higher against June Payables increased by \$72 million (1H FY13 v 1H FY12) Retail: Higher payables associated with increased purchasing activity Resources: Cost reduction initiatives lowering payables
Other	501	417	551	Higher cash on hand due to network expansion (1H FY13 v 1H FY12)
Net working capital	2,307	2,542	2,376	Net investment in working capital \$69 million (1H FY13 v 1H FY12)

Note: The above table refers to balance sheet movements only. Working capital movements as shown on slide 56 of the presentation exclude non-cash movements which are included in the table above.



Wesfarmers

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