2008 Annual Results Information Pack

21 August 2008

Wesfarmers

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Group Performance Summary

Year ended 30 June ($m)	2008	2007	↕ %
Revenue	**33,584**	9,754	*244.3*
EBITDA	**2,897**	1,650	*75.6*
EBIT	**2,243**	1,305	*71.9*
Net profit after tax (pre non-trading items)	**1,119**	786	*42.4*
Net profit after tax (post non-trading items)	**1,050**	786	*33.6*
Operating cash flow	**1,451**	1,301	*11.5*
Earnings per share (ex. employee res. shares)*	**180.6**	204.9	*(11.9)*
Earnings per share (inc. employee res. shares)*	**178.8**	201.1	*(11.1)*
Cash flow per share (inc. employee res. shares)	**247.2**	341.5	*(27.6)*
Dividends per share ^	**200**	225	*(11.1)*

^ 2007 Dividends per share includes 25 cents per share relating to franking credits from ARG sale
* 2007 Earnings per share restated for rights issue in accordance with AIFRS

Divisional EBIT

Year ended 30 June ($m)	2008	2007	↕ %
Home Improvement & Office Supplies	**625**	528	*18.4*
Coles	**474**	n/a	*n/a*
Target	**223**	n/a	*n/a*
Kmart	**114**	n/a	*n/a*
Resources	**423**	338	*25.1*
Insurance	**132**	120	*10.0*
Industrial & Safety	**130**	115	*13.0*
Chemicals & Fertilisers	**124**	101	*22.8*
Energy	**90**	75	*20.0*
Other (including non-trading items)	**(4)**	95	*n.m.*
Divisional EBIT	**2,331**	1,372	*69.9*
Corporate overheads and consolidation adj	**(88)**	(67)	*(31.3)*
Group EBIT^	**2,243**	1,305	*71.9*

^ EBIT is after amortisation of intangibles of $53m (2007: $10m)

Non-Trading Items

Year ended 30 June ($m)	2008	Comment
Coles	**(101)**	Redundancies and property impairments
Kmart	**(4)**	Property writedown
Home Improvement & Office Supplies	**(4)**	Redundancies
Energy	**8**	Sale of Unigas
Insurance	**(1)**	Sale of Koukia ($9m), Centrepoint Alliance impairment ($10m)
Total	**(102)**	

Divisional ROC & Capital Employed

Year ended 30 June	2008 EBIT $m	2008 R12 Capital Employed $m	2008 ROC %	2007 ROC %
Home Improvement & Office Supplies^	625	3,005	31.2	28.1
Coles*	474	15,128	n.m.	n/a
Target*	223	3,462	n.m.	n/a
Kmart*	114	1,117	n.m.	n/a
Resources	423	984	43.0	38.8
Insurance	132	1,146	11.5	15.8
Industrial & Safety	130	775	16.8	15.6
Chemicals & Fertilisers	124	946	13.1	16.7
Energy	90	782	11.6	17.9

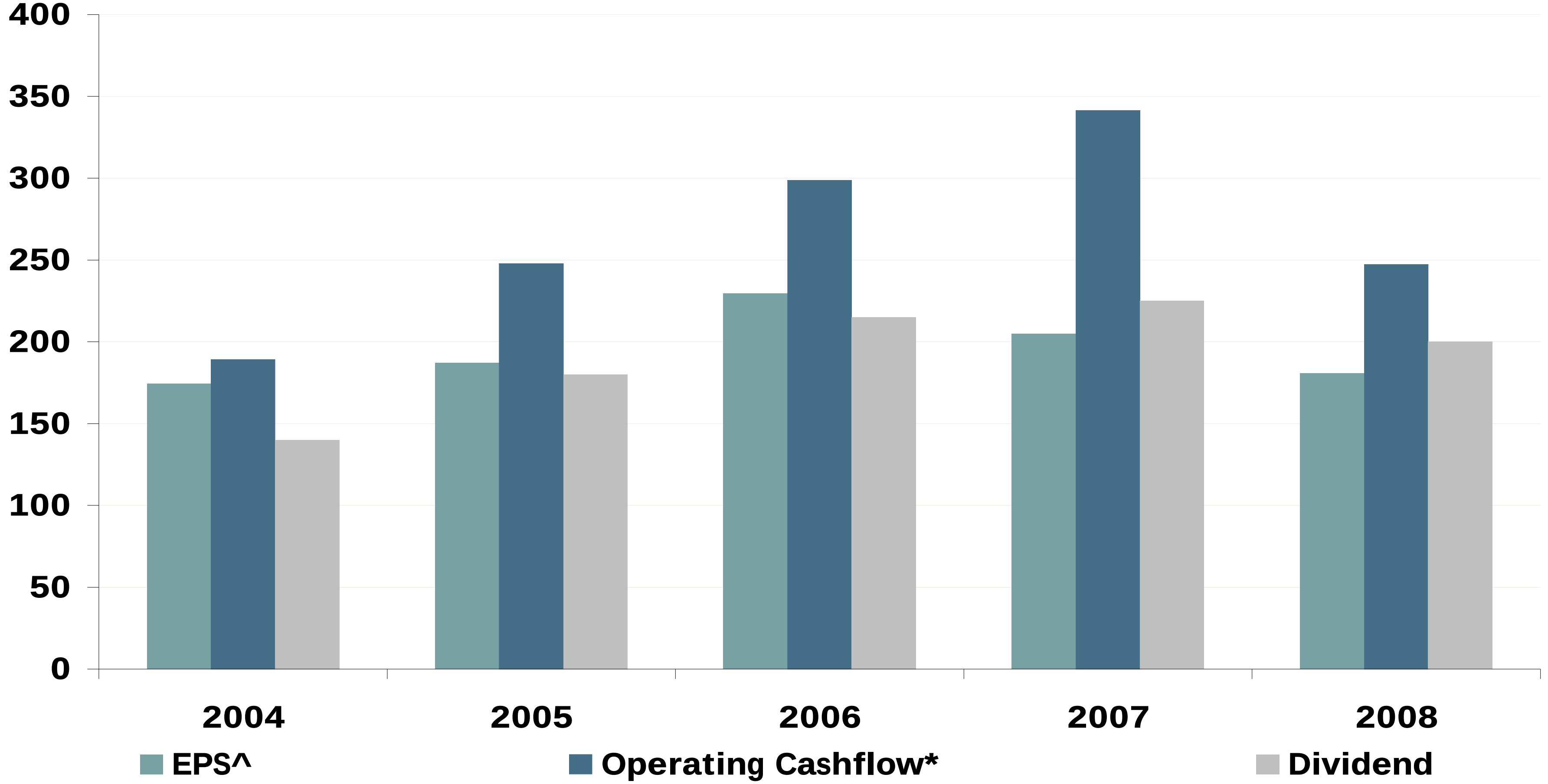
EBIT is after intangibles amortisation of $53m (2007: $10m)

^ ROC excludes Office Supplies. Provisional capital employed for Office Supplies as at 30 June 2008

* Provisional capital employed figures as at 30 June 2008

Earnings, Cash Flow & Dividend

(cents per share)

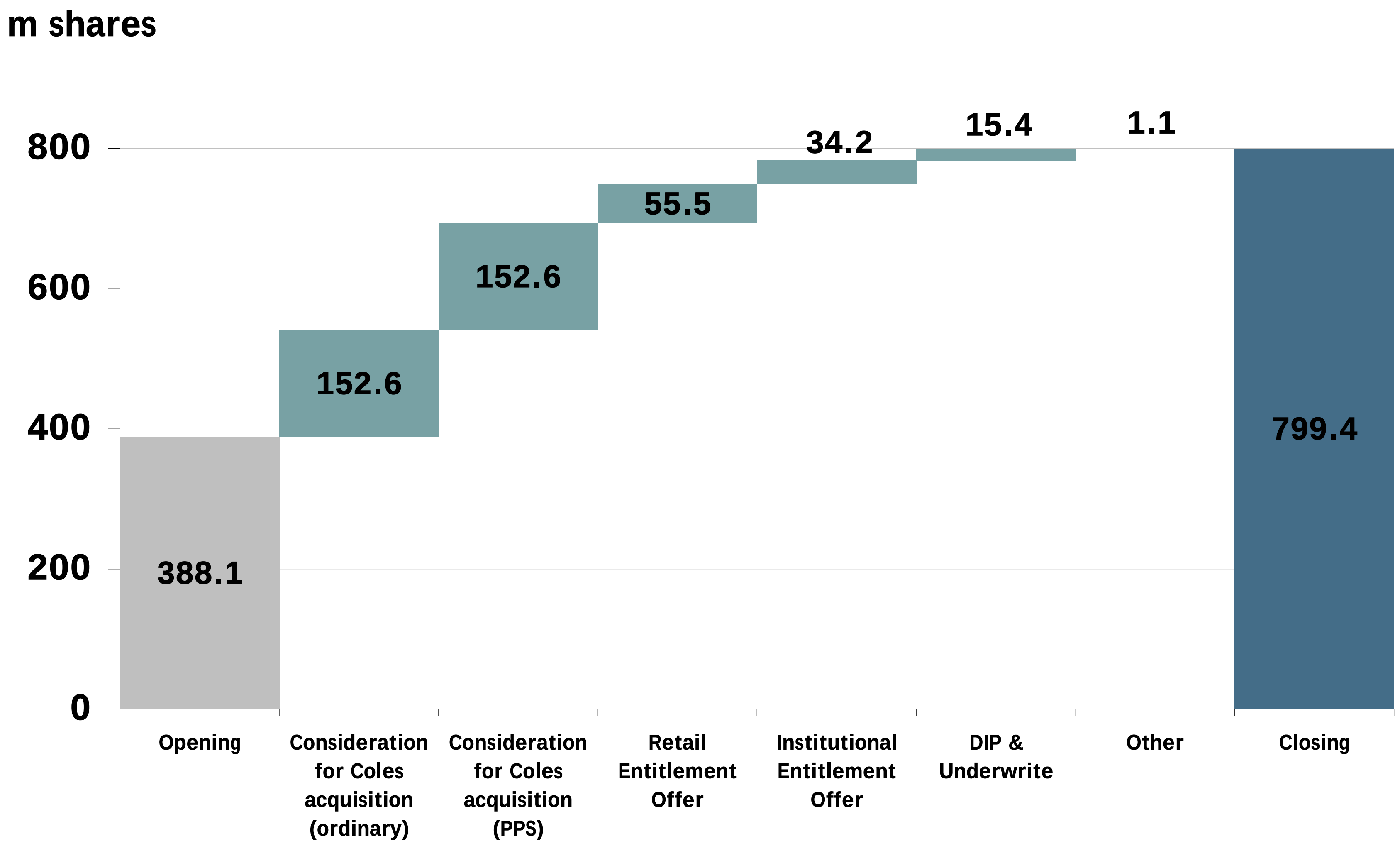


EPS and Cashflow excl. Landmark (2004) and ARG (2006)

* Based on weighted average number of shares incl. employee reserved shares

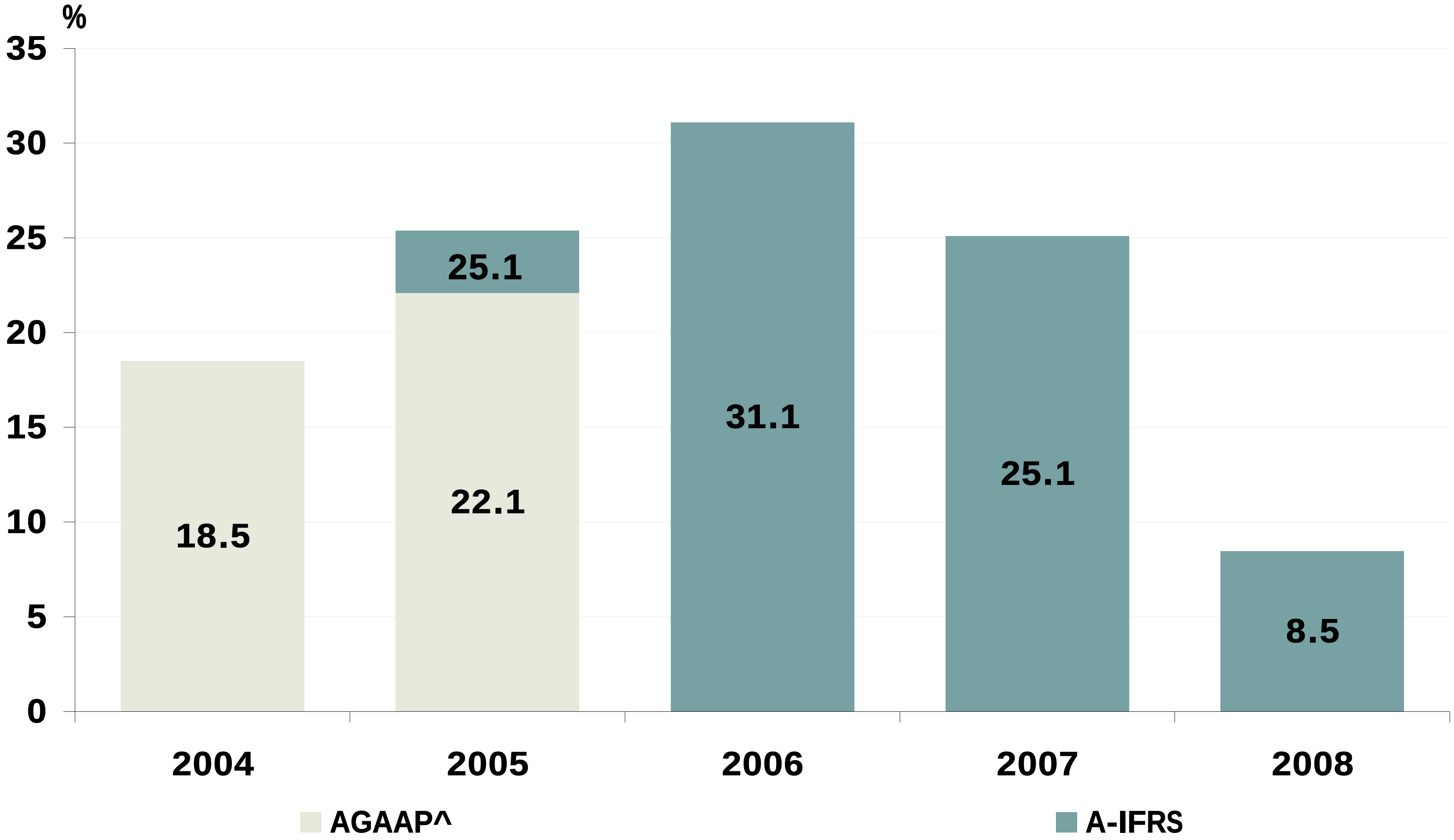
^ AGAAP excl. goodwill amortisation (2004), AIFRS excl. employee reserved shares (2005 onwards). Adjusted for rights issue (2005 onwards)

Movement in Shares on Issue



Return on Shareholders' Funds

(rolling 12 months to 30 June)



Excludes the sales of Landmark (2004) and ARG (2006)

^ Before goodwill amortisation

Capital Management

Capital Management

- Net Debt / Equity of 47.4% at 30 June 2008
- Cash Interest Cover Ratio (rolling 12 months) to 30 June 2008 of 4.9 times, 5.1 times adjusted for non-trading items
- Working capital increased by $661 million
- Budget capital expenditure for FY09 $2bn, up from $1.2bn in FY08
- Dividend Investment Plan
  - Reinstated in February 2007
  - 75% underwritten for interim dividend ($453 million raised)
  - No underwrite for final dividend, 1% discount

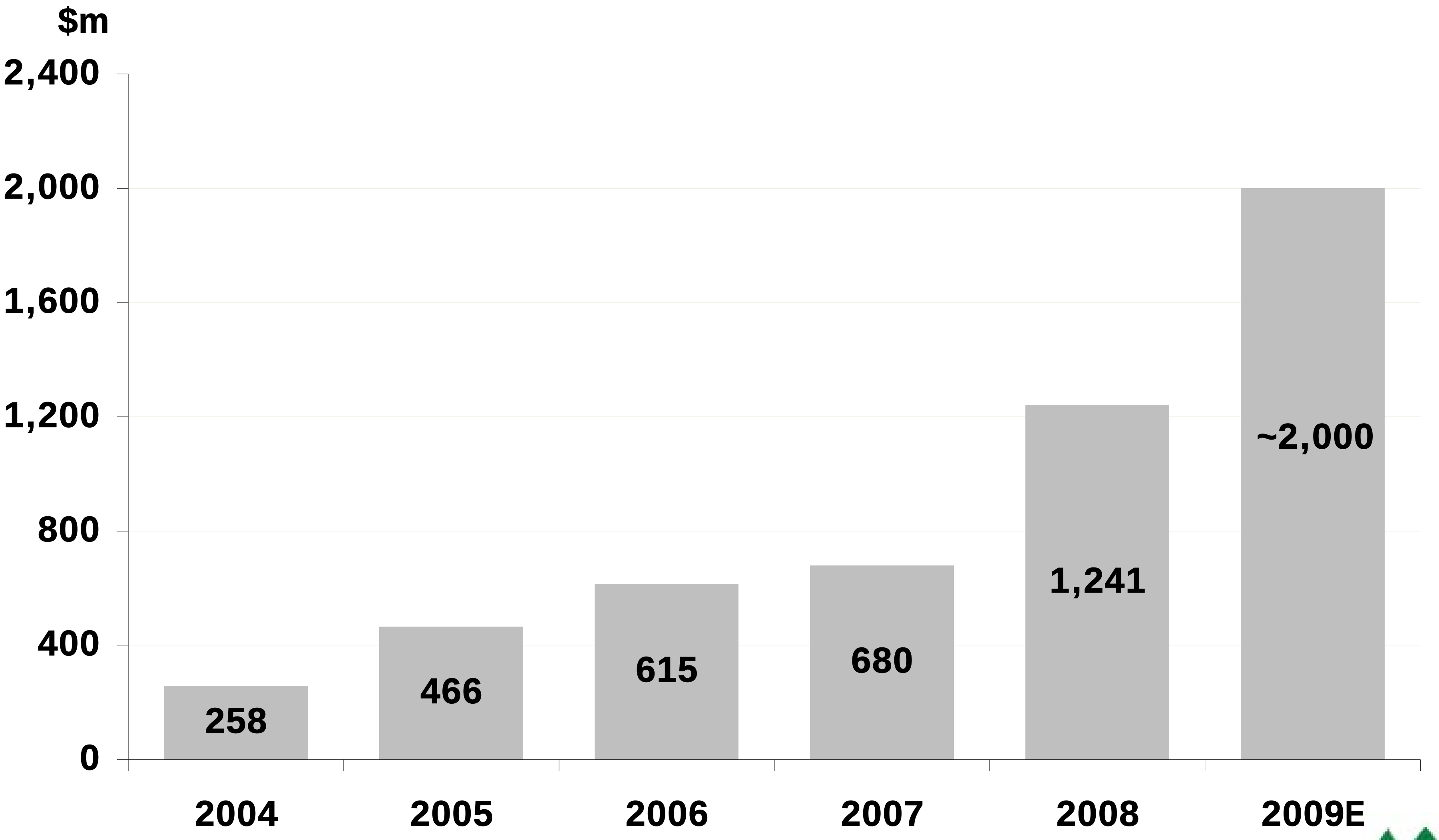
Capital Management

- Total debt averaged $9.4bn for the year
- Average level of net debt for FY09 is expected to be $9.5bn to $10.0bn
- Anticipated FY09 interest rate in the mid to high 8s%, including fees
  - ~60% of typical debt levels hedged for 3 years at average ~7.4%
- $11 million of additional borrowing costs amortised during the period due to early refinancing

Capital Expenditure (cash basis)

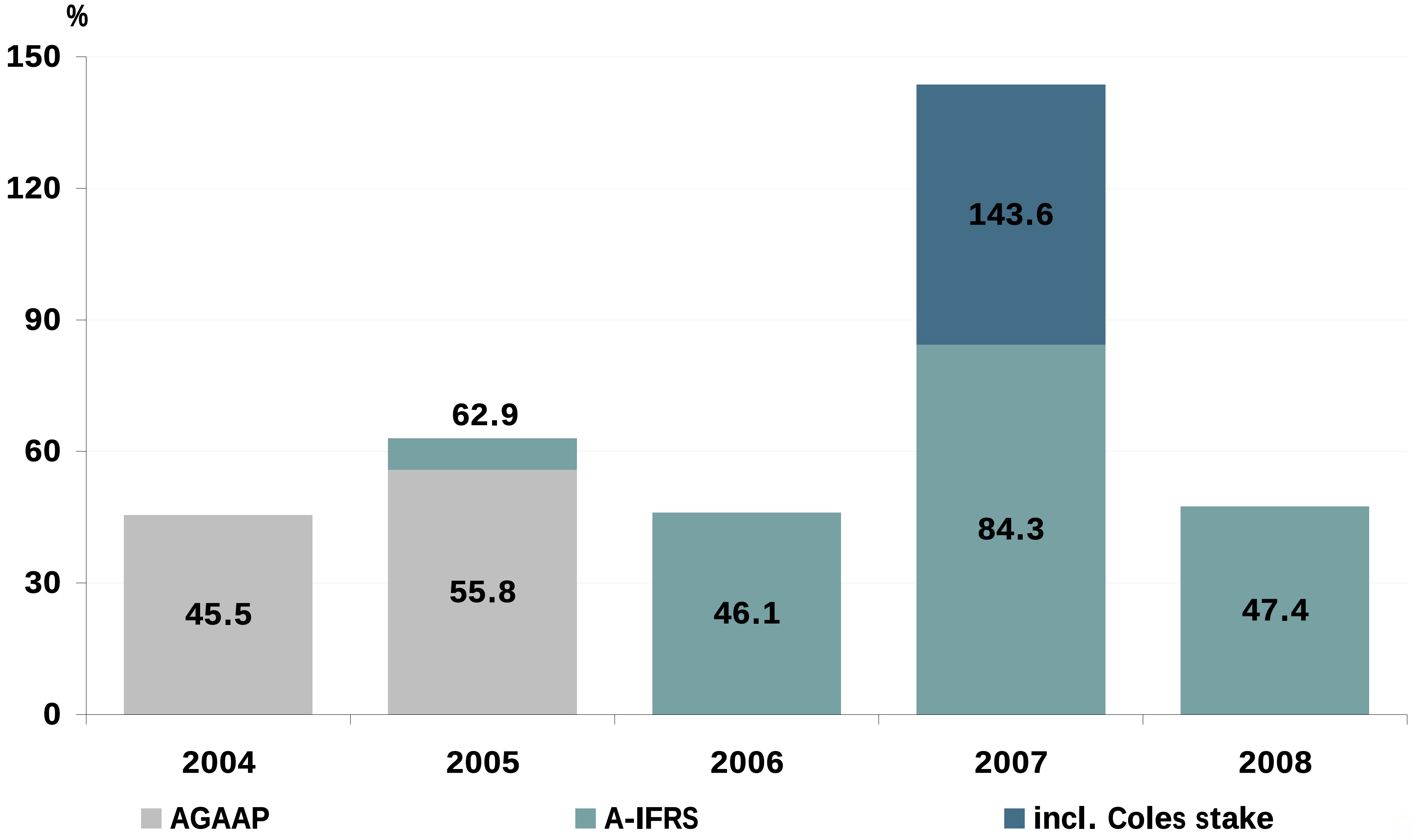
Year ended 30 June ($m)	Actual 2008	Actual 2007
Home Improvement & Office Supplies	**301**	196
Coles	**349**	n/a
Target	**47**	n/a
Kmart	**42**	n/a
Resources	**140**	164
Insurance	**17**	15
Industrial & Safety	**21**	26
Chemicals & Fertiliser	**201**	199
Energy	**118**	78
Other	**5**	2
Total	**1,241**	680

Capital Expenditure History



Net Debt/Equity

(as at 30 June)



Interest Cover Ratio (cash basis)

(as at 30 June)

Excludes the sale of Landmark (2004) and ARG (2006)

Interest Revenue & Cash

Year ended 30 June ($m)	2008	2007	Comment
Interest Revenue:			
Insurance	87	66	Included in Insurance EBIT
Other	34	6	Included in “Other” EBIT
Total per P&L	121	72	
Only “Other” interest revenue is included in Cash Interest Cover Ratio			
Cash Balances:			
Cash on hand & in transit	413	49	Non-interest bearing
Cash at bank & on deposit	241	91	Interest bearing
Insurance broking trust accounts	71	79	Ring-fenced in Insurance
Total per Balance Sheet	725	219	

Only Cash at bank & on deposit included in “Net Debt”

Home Improvement & Office Supplies

Home Improvement

Home Improvement Performance Summary

Year ended 30 June ($m)	2008	2007	↕ %
Revenue	5,359	4,939	*8.5*
EBIT	**589**	528	*11.6*
ROC (R12 %)	**31.2**	28.1	*3.1 pt*
Trading Revenue* ($m)	**5,265**	4,677	*12.6*
Net property contribution^ ($m)	**26**	54	*(51.9)*
Trading EBIT*	**569**	487	*16.8*
Trading EBIT / Trading Revenue (%)	**10.8**	10.4	*0.4 pt*
Safety (R12 LTIFR)	**13.5**	14.5	

* Excludes property, Houseworks, and other non-trading items
^ Excludes internal revenue and expenses

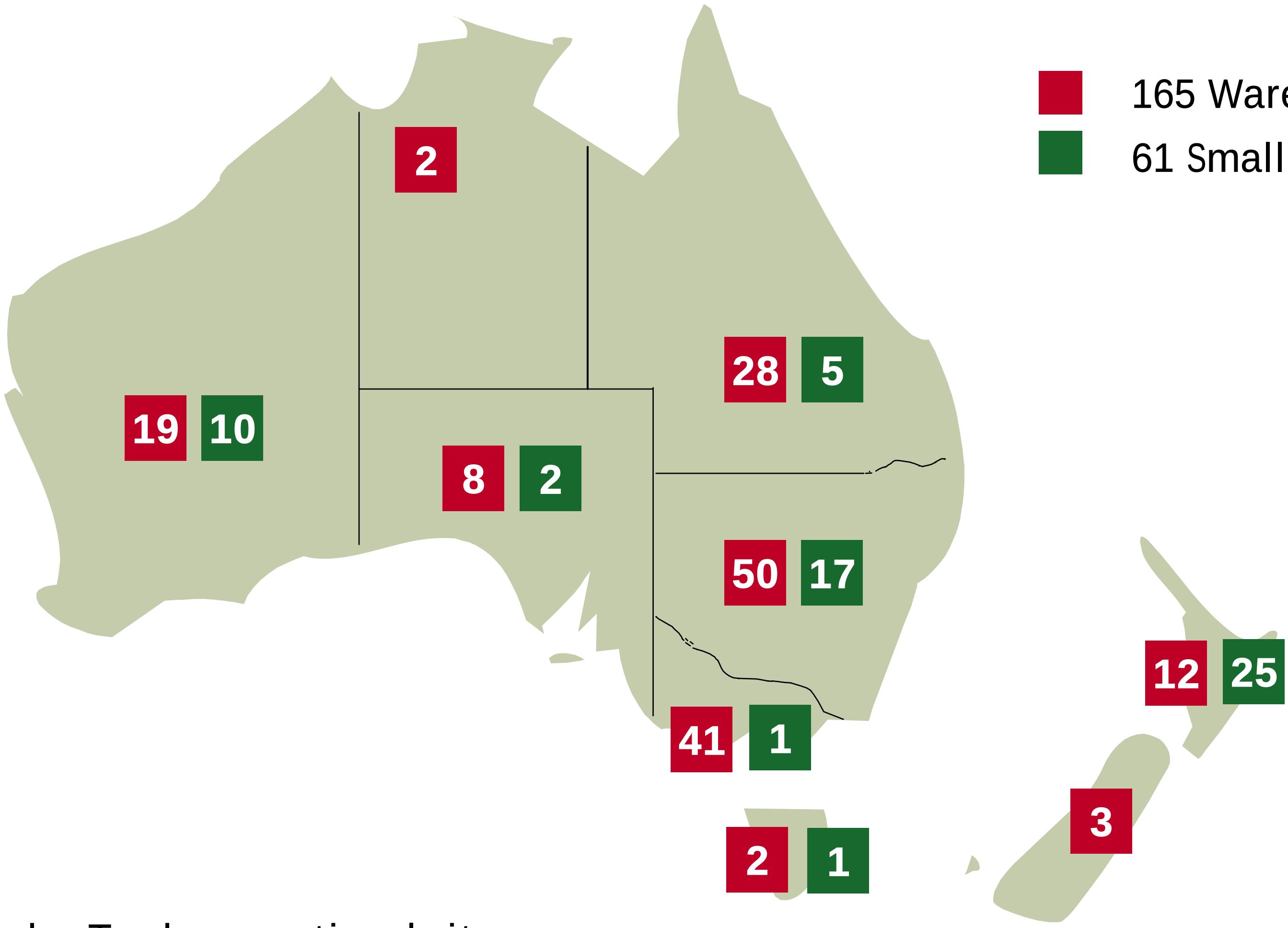
Home Improvement Highlights

- 13.9% cash sales growth*
  - FY store on store cash sales growth of 11.3%
    - 1 March to 30 June 2008 8.7% (incl. Easter)
  - driving strong growth and returns from existing network
    - better merchandising
    - improved operational disciplines, and
    - continued network reinvestment; 17% of stores upgraded in FY08
- 6.3% lift in trade sales
- Further network development
  - Continued focus on business infrastructure improvement

* Excludes Houseworks

Bunnings’ Store Network

at June 2008



165 Warehouse stores

61 Small format stores

Excludes Trade operational sites

Store Network Movements

	Open at June 2007	Opened	Closed	Open at June 2008	Under construction
Bunnings Stores					
Warehouse format	155	11	1	165	9
Smaller format	65	2	6	61	1
Bunnings trade operations					
Trade Centres	8	5	2	11	6
Trade focused stores	3	0	0	3	
HouseWorks Stores	3	0	3	0	

Home Improvement Outlook

- Continued cash sales growth
  - Improved service, merchandising initiatives and network development
  - Challenging retail conditions will impact overall growth
- Continued uplift in trade business performance
- Strong focus on the team
- Business effectiveness & efficiency heightened

Office Supplies

Office Supplies
Performance Summary

23 November to 30 June 2008 ($m)	2008
Revenue	802
EBIT	36
Total Sales Growth (%)	1.6
Trading Revenue* ($m)	802
Net property contribution ($m)	-
Trading EBIT*	36
Trading EBIT / Trading Revenue (%)	4.5%

* Excludes non-trading items

Office Supplies

Highlights

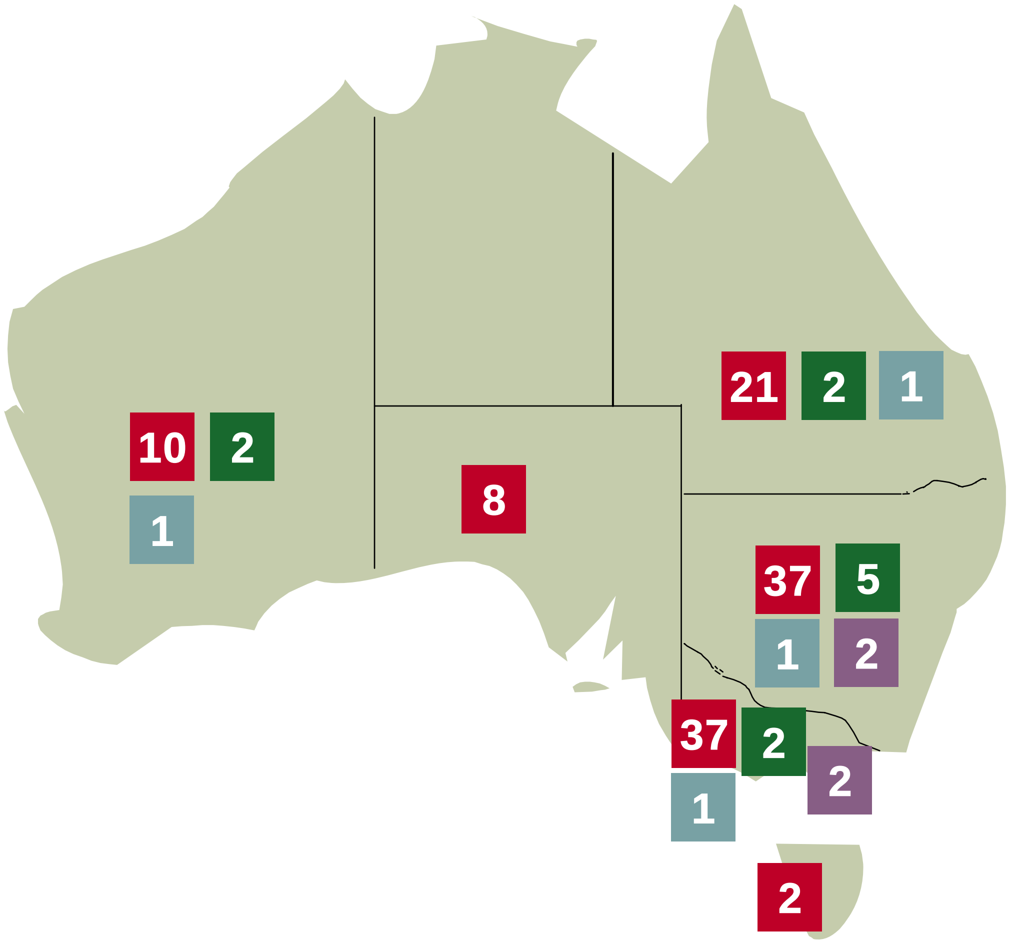
- Strategies reset, transitioning to EDLP
- New branding and in-store look being rolled out
  - New concept store developed and trading well
- Transaction growth 4 times sales growth
- Single buying team across all channels

Outlook

- Difficult trading conditions
  - Moderate sales growth expected
- Good traction from strategy expected in 2008/09

Officeworks' Store Network

at June 2008



- 115 Officeworks stores
- 11 Harris Technology stores
- 4 Centralised Fulfillment Centres
- 4 Centralised Service Centres

Store Network Movements

	Dec 2007	Opened	Closed	Jun 2008	Under construction
Officeworks	112	3	-	115	6
Harris Technology	10	1	-	11	0

Coles

Coles Performance Summary

23 November to 30 June 2008 ($m)		2008
Revenue		**16,876**
EBITDA		**714**
Depreciation & Amortisation		**(240)**
EBIT [1,2] (pre Non-Trading Items)		**474**
Food & Liquor	Revenue [4]	**12,825**
	Total store sales growth %	**4.2**
	Comparative store sales growth %	**2.8**
	Trading EBIT [1,2,4]	**422**
Convenience	Revenue [4]	**4,038**
	Total store sales growth % [3]	**8.9**
	Comparative store sales growth % [3]	**5.7**
	Trading EBIT [4]	**42**

1. Incl. $44m overhead and support costs not previously allocated to divisions
2. Incl. $77m in EBIT of Fair Value adj. **3.** Excl. fuel **4.** Excl. Property

Coles Highlights

- Food & Liquor Q4 Sales trend (13 weeks to 29 June 2008)
  - Headline Sales Growth 4.2% (Incl. Easter (17 weeks to 29 June) 4.8%)
  - Comparative Store Sales Growth 2.4% (Incl. Easter (17 weeks to 29 June) 3.2%)
  - Fresh produce deflation
- 4Q convenience sales
  - Headline Sales Growth 8.1% (ex-fuel, 13 weeks to 29 June)
  - Comparative Store Sales Growth 4.4% (ex-fuel, 13 weeks to 29 June)
- Market share stabilising

Coles Highlights (cont)

- Meaningful and sustainable improvement will take up to 5 years
  - First phase: getting the business fit for purpose and fit for the customer
- Actions so far
  - New management team recruited (in place from August 2008)
  - Beginning to stabilise the business
  - Improved operating model (over 1,000 non-store roles withdrawn)
  - Investment in lower prices
  - 266 light-capital refurbishments completed by 30 June
  - Distribution Network transition continues on track
    - Rationalisation from 33 DCs (July '07) to 26 DCs (June '08)
  - Stronger inventory control and capex management
  - Improved promotion flexibility through multi-saves

Coles Highlights (cont)

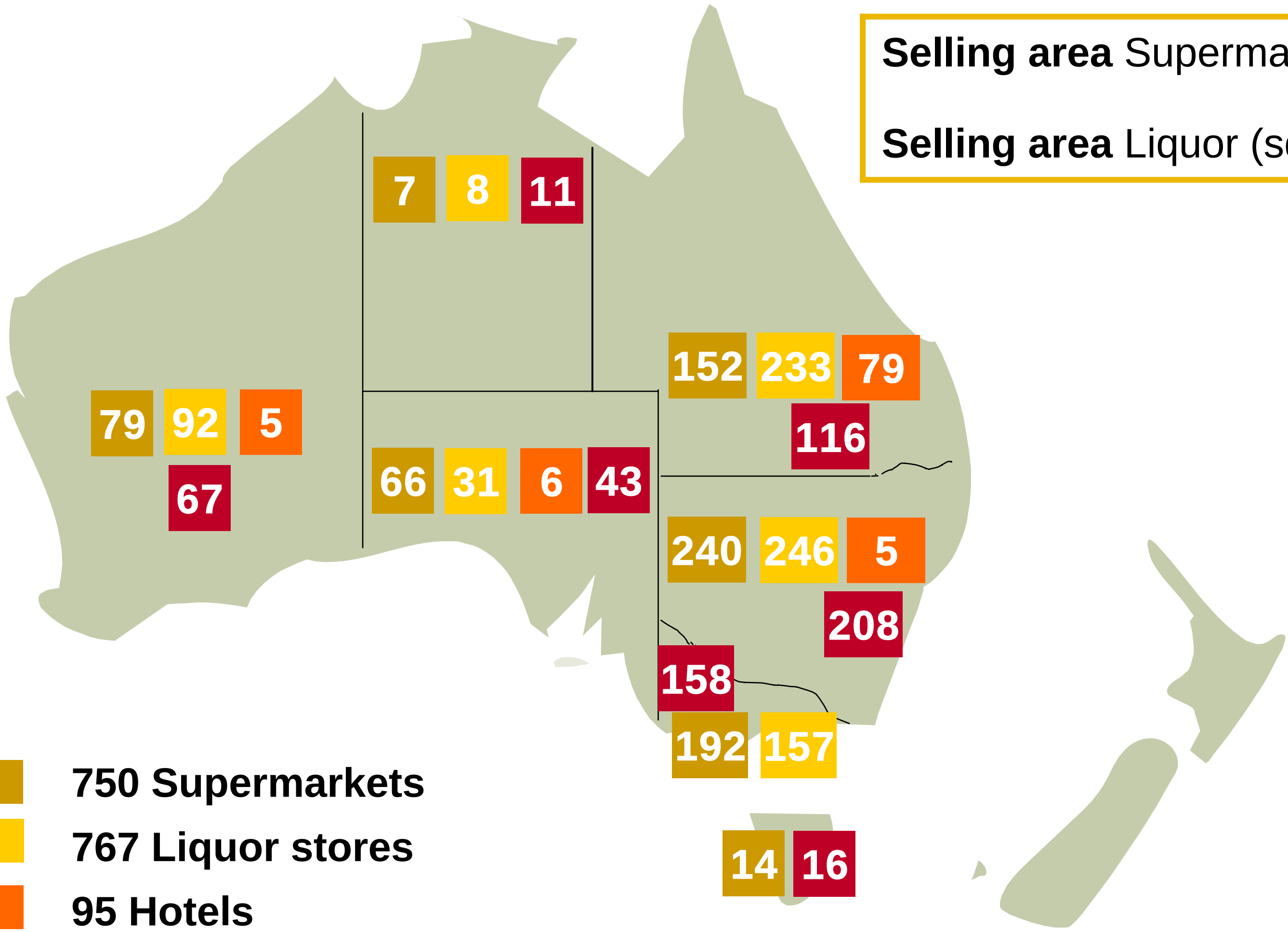
Evolution of key strategic programmes

- Supermarkets:
  - Improving value and in-store communication
  - Simplifying product range for customers
  - Improving Fresh offer
  - New store model
- Liquor: Brand strategy review
- Convenience: Further roll-out of improved store proposition

Coles Store Network

at 30 June 2008

Selling area Supermarkets (sqm)	1,551,858
Selling area Liquor (sqm)	268,898



- **750 Supermarkets**
- **767 Liquor stores**
- **95 Hotels**
- **619 Convenience**

Store Network Movements

	Acquired on 23 Nov 2007	Opened	Closed	Open at 30 June 2008
Supermarkets				
Coles	677	17	9	685
Bi-Lo	69	-	4	65
Total Supermarkets	746	17	13	750
Liquor				
1st Choice	42	10	-	52
Vintage Cellars	87	1	3	85
Liquorland	615	31	16	630
Hotels	91	4	-	95
Total Liquor	835	46	19	862
Total Convenience	616	8	5	619

Coles Outlook

- Softer retail economic conditions expected
- Pressure on household spending and greater value focus
- Fresh produce deflation to continue through first half
- Evolution of key strategic programmes
- Increased focus on product availability
- Strong focus on cost and capital management
- Store network optimisation

Target

Target. 100% happy

Wesfarmers

Target
Performance Summary

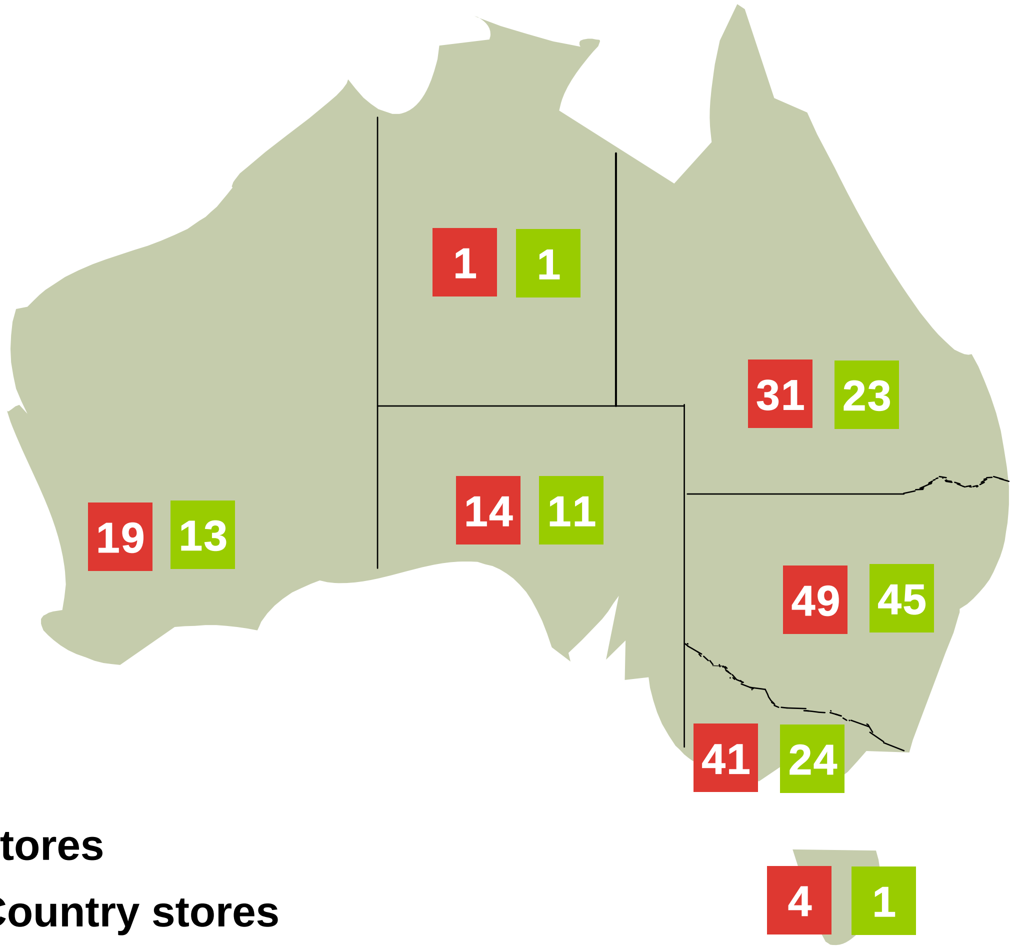
23 November to 30 June 2008 ($m)	2008
Revenue	2,198
EBITDA	256
Depreciation & Amortisation	(33)
EBIT	223
Total revenue growth (%)	7.4
Comparative store sales growth (%)	3.3
EBIT margin (%)	10.1
Store numbers	277

Target Highlights

- EBIT margin strength maintained at 10.1%
- Acquired market share over the period
- Controlled all aspects of the business to grow profit
- Inventory well placed to confront difficult trading conditions
- Three new store openings, taking total number of stores to 277
- Outstanding growth in electrical department (consumer digital products)
- 4Q comparative store sales growth 4.8% (13 weeks to 29 June, Easter adjusted)
  - 4Q result incorporates a Homewares sale that took place in Q3 in FY07

Target Store Network

at 30 June 2008



159 Target stores

118 Target Country stores

Store Network Movements

	Dec 2007	Opened	Closed	Jun 2008	Under construction
Target	156	3	-	159	9
Target Country	118	-	-	118	5

- 7 Stores will close to be replaced by the above new stores

Target Outlook

- Increased and enhanced store network
  - Plan to open ~10 Target stores over the next 12 months
  - Accelerating refurbishments in key stores – this will result in costs being brought forward
- Targeting increased market share
  - Via new and refurbished stores and outstanding offers
- Focus on the customers
  - Good quality
  - Excellent value
  - First to Market
- New “Designers for Target”
- Positioned for slow down in retail spending
  - Controlled stocks in higher risk areas
- Continued adaption to competitor repositioning
- Merchandise and expansion plans developed to grow business
- External economic challenges include inflation pressures in China and the overall affect of shrinking credit markets

Kmart

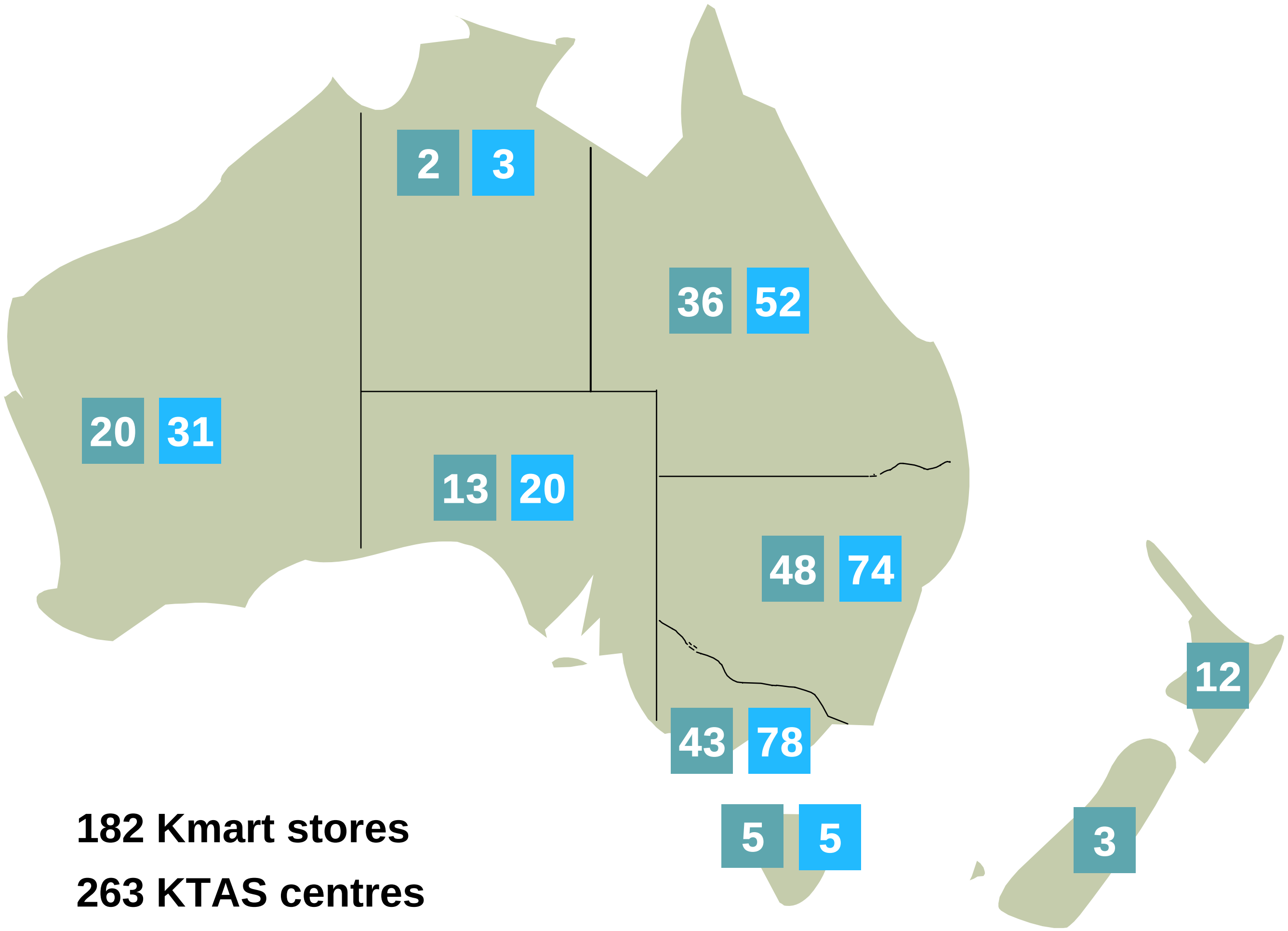
Kmart
Performance Summary

23 November to 30 June 2008 ($m)	2008
Revenue	2,454
EBITDA	145
Depreciation & Amortisation	(31)
EBIT	**114**
Total store sales growth (%)	2.4
Comparative store sales growth (%)	2.2
EBIT margin (%)	4.6
Store numbers (incl. Kmart Tyre & Auto)	445

Kmart Highlights

- Tough trading conditions in Q4, as expected
  - Q4 comparable store sales declined by 0.1% (13 weeks to 29 June, Easter adjusted)
  - Aggressive competitor activity
  - Economic environment
- Delivered growth in margin
  - Actions taken over last 2 years resulting in improved margins
- Costs well controlled
- Refurbishing stores to improve in-store experience progressing well
- Good performance from Kmart Tyre & Auto
- Became stand alone division

Kmart Store Network
at 30 June 2008



182 Kmart stores

263 KTAS centres

Store Network Movements

	Dec 2007	Opened	Closed	Jun 2008	Under construction
Kmart	183	1	2	182	5
Kmart Tyre & Auto	267	2	6	263	4

- 2 Kmart and 2 Tyre & Auto Stores will close to be replaced by the above new stores

Kmart Outlook

- Continue to improve our customer proposition by focusing on:
  - Customer
  - Product leadership
  - Store experience & expansion
  - End to end execution
- Build team capability
- Build programmes in support of environment, safety and community
- Extend network in FY09
  - ~3 new Kmart stores & over 20 refurbishments planned
- As stand alone division, focus on ROC
- Continuing tough trading conditions

Resources

Resources Performance Summary

Year ended 30 June ($m)	2008	2007	↕ %
Revenue	1,311	1,134	15.6
EBITDA	**571**	520	*9.8*
Depreciation & Amortisation*	**(148)**	(182)	*18.7*
EBIT	**423**	338	*25.1*
ROC (R12 %)	**43.0**	38.8	*4.2pt*
Coal Production (‘000 tonnes)	**14,318**	13,754	*4.1*
Safety (R12 LTIFR)^	**6.4**	3.4	

* Includes Stanwell rebate amortisation of $58m in 2008 and $120m in 2007

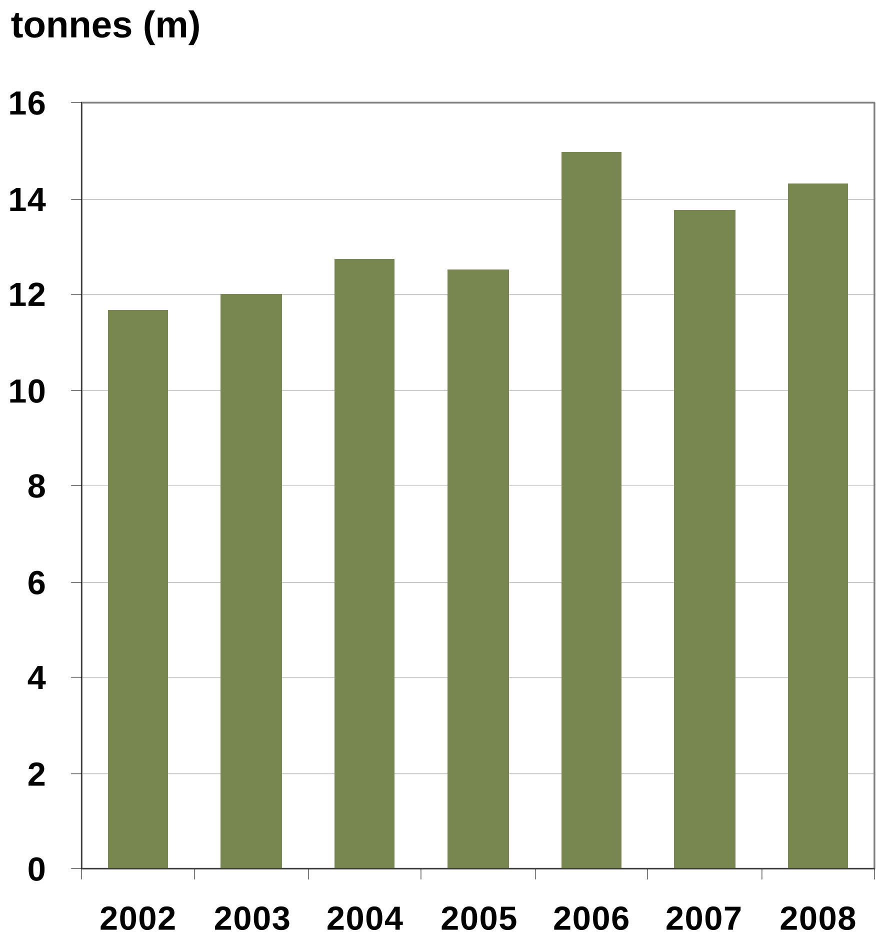
^ Curragh and Premier only

Resources Highlights

- Increased coal production for the Resources Division
- Record production and sales from Curragh
- Strong recovery following January 2008 flood events
- 25 per cent increase in divisional earnings
- Ongoing strong coal demand in constrained infrastructure environment
- Record prices for metallurgical and steaming coal in 2008/09
- Feasibility studies to expand Curragh and Bengalla mines continue

Coal Production – Resources Division

- Curragh:
  - Record coal production
  - Recovery from January flood
- Premier:
  - Reduced sales to Verve Energy
  - Varanus gas disruption
- Bengalla:
  - Continued port constraint impacting production



Coal – Production Volumes

Mine	Beneficial Interest	Coal Type	Year ended ('000 tonnes) Jun-08	Jun-07
Premier, WA	100%	Steaming	2,774	2,990
Curragh, QLD	100%	Metallurgical	6,888	6,388
		Steaming	2,484	2,202
Bengalla*, NSW	40%	Steaming	2,172	2,174
Total			**14,318**	**13,754**

* Wesfarmers attributable production

Seaborne Metallurgical Coal Market

CONSTRAINED SUPPLY

Australia rail & port constraints continue

US re-entering export market

Russia tight domestic market limiting exports

China extremely tight domestic market limiting exports

Seaborne Metallurgical Coal Market
Customer stock rebuild
Strong prices continue

STRONG DEMAND

New high growth markets
Brazil, India

High levels of steel production
Robust steel price US$900

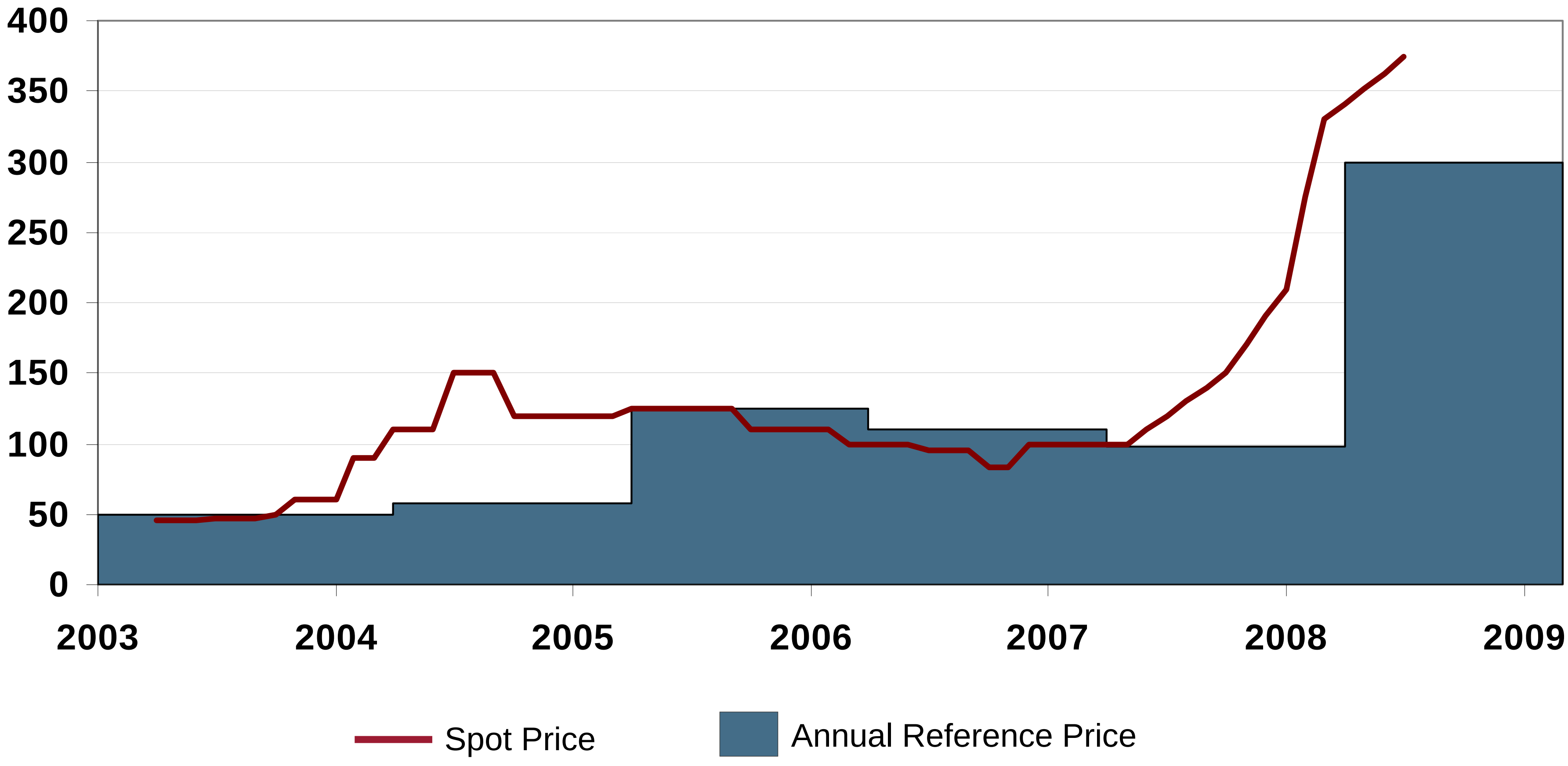
Strong coke demand
Price rise to US$700+ per tonne
Indian coke makers resume production

Price floor for metallurgical coal
Strong thermal coal prices
Hunter Valley SSCC settlement US$240 per tonne

Source: McCloskey, AME, Barlow Jonker, Tex Report, IISI

Australian Hard Coking Coal Prices

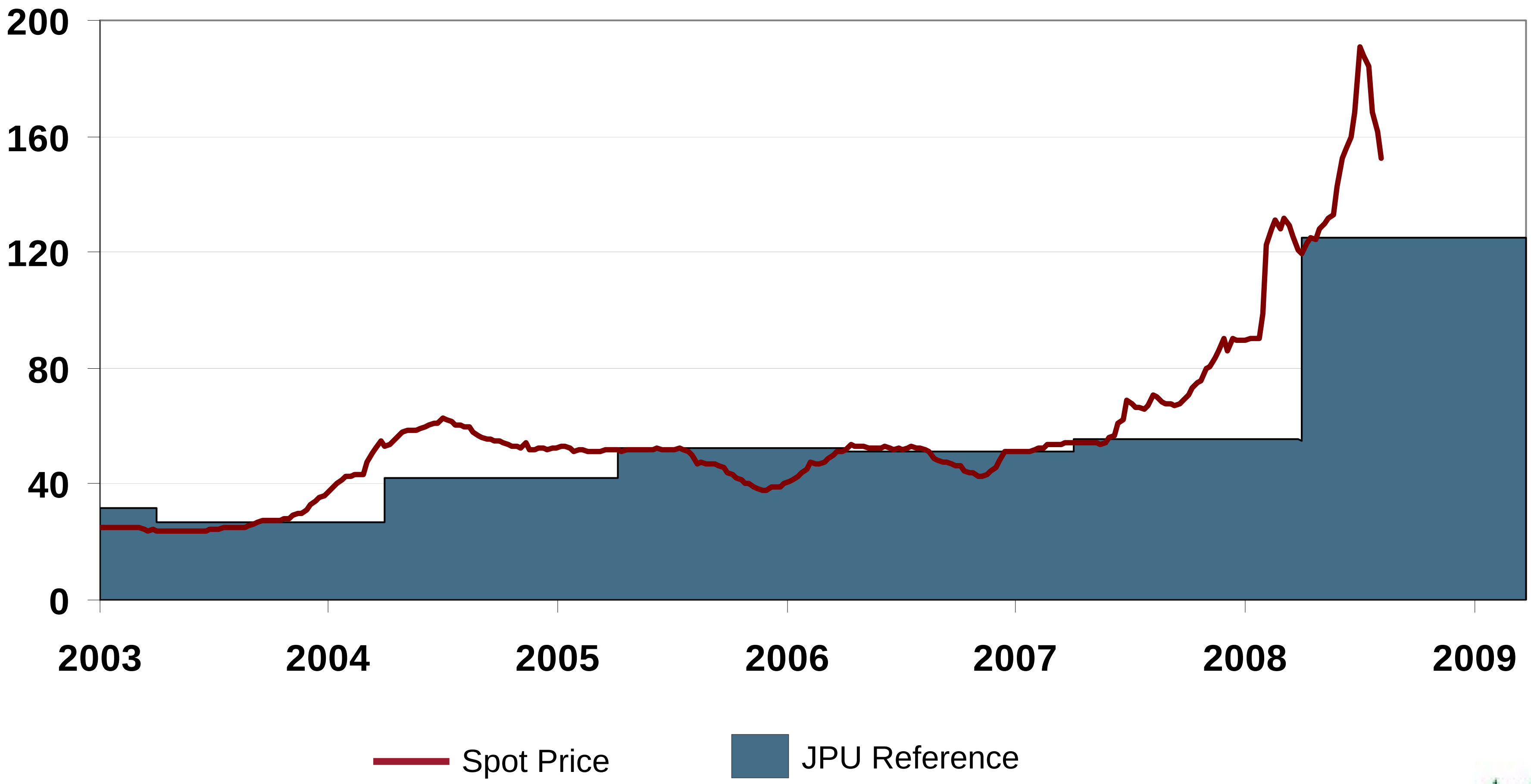
US$/Tonne (Nominal) FOB Australia (annual verse spot)



Source: Barlow Jonker, Tex Report, Macquarie Research

Australian Steaming Coal Prices

US$/Tonne (Nominal) FOB Australia (annual verse spot)



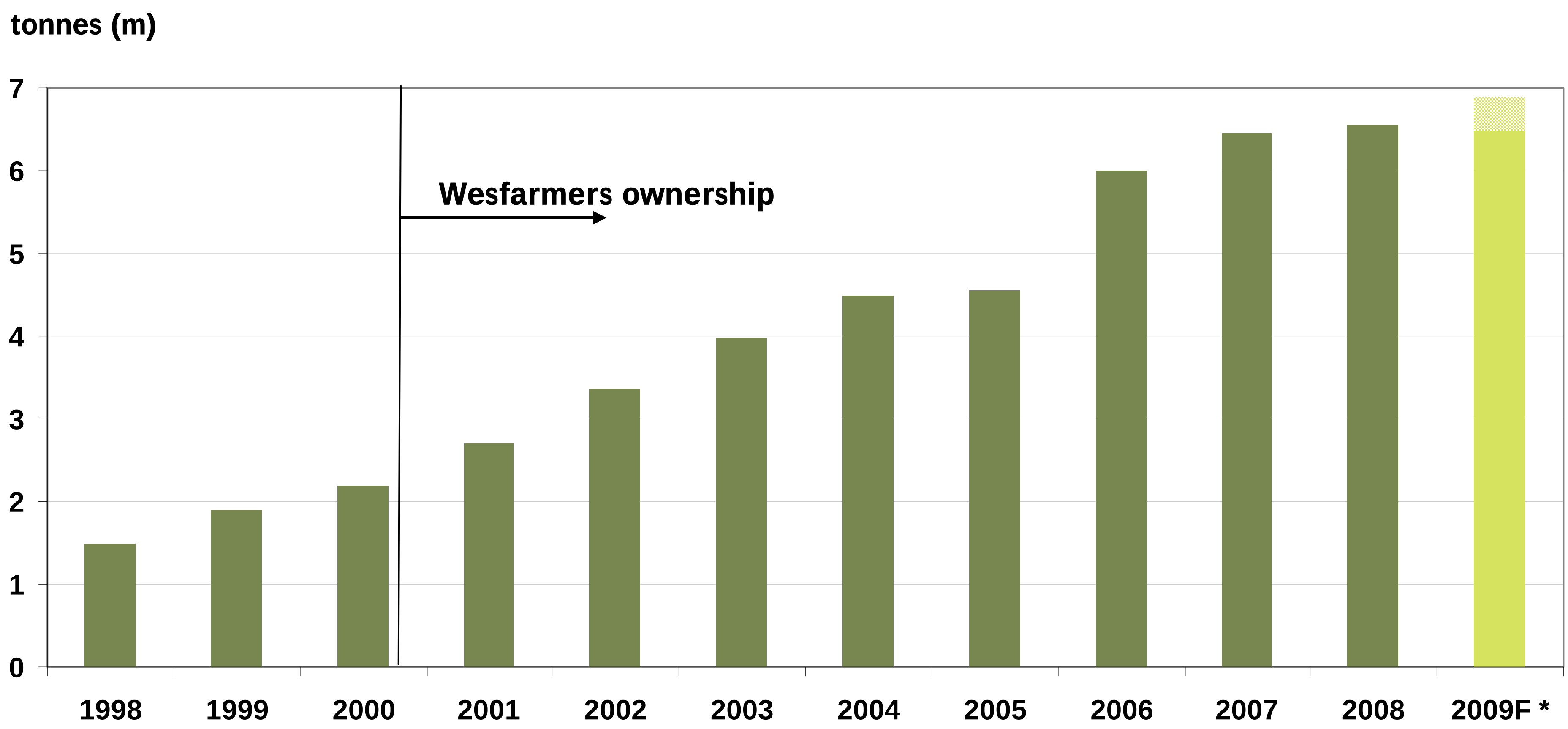
Source: Barlow Jonker

Coal – Sales Volumes

Mine	Beneficial Interest	Coal Type	Year ended ('000 tonnes) Jun-08	Jun-07
Premier, WA	100%	Steaming	2,864	2,980
Curragh, QLD	100%	Metallurgical	6,548	6,457
		Steaming	2,418	2,236
Bengalla*, NSW	40%	Steaming	2,228	2,217
Total			**14,058**	**13,890**

* Wesfarmers attributable sales

Curragh Metallurgical Sales Growth



* Sales volumes is forecast to be in the range of 6.5 to 6.9mt

Curragh Production Costs
Year ending June 2008 vs year ending June 2007

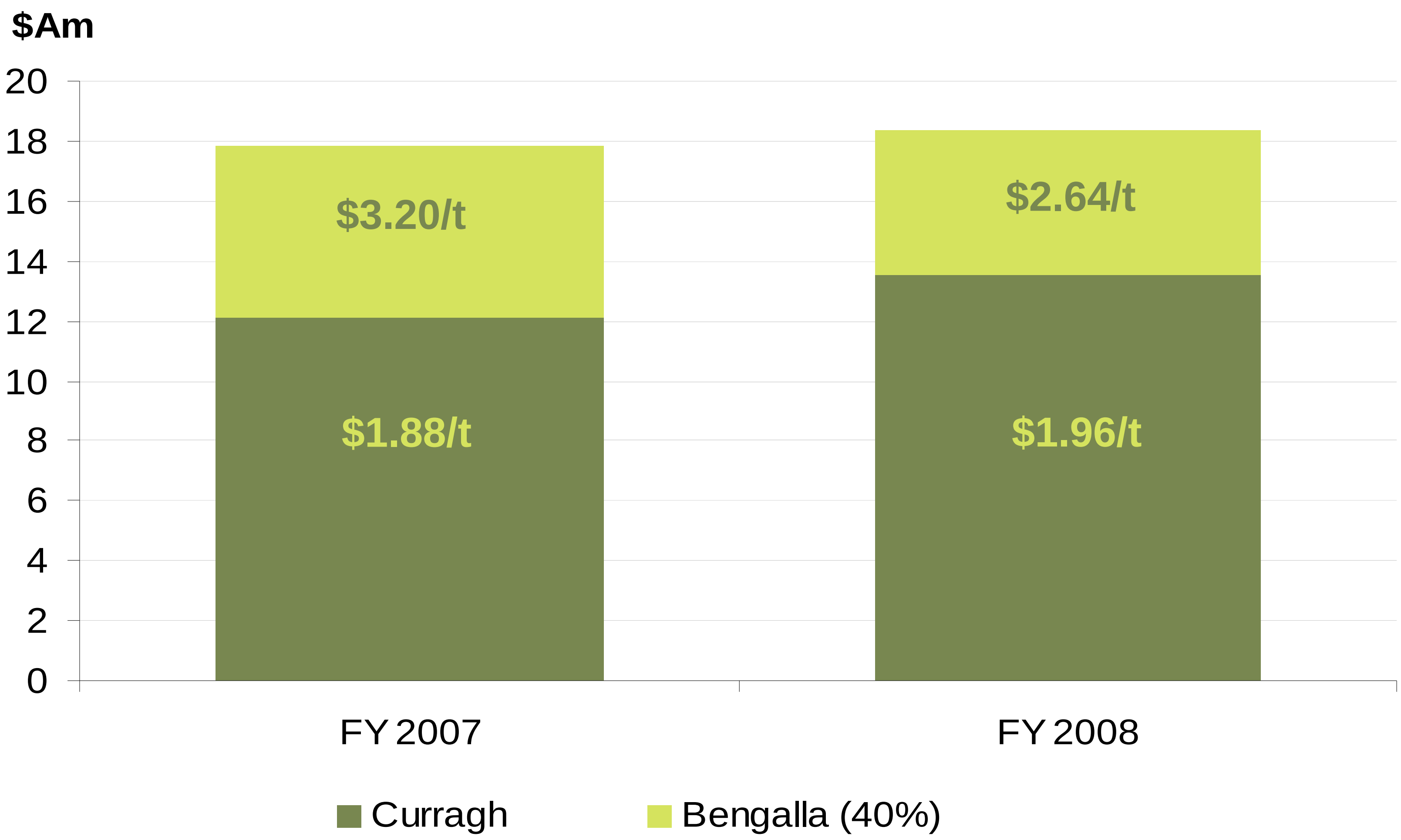
- Continued pressure on input cost such as fuel, explosives and labour
- Curragh maintains position in lowest quartile of industry cost curve

	Increase
Total cash production cost *	14%
Total production volume	9%
Cash production cost per product tonne *	**5%**

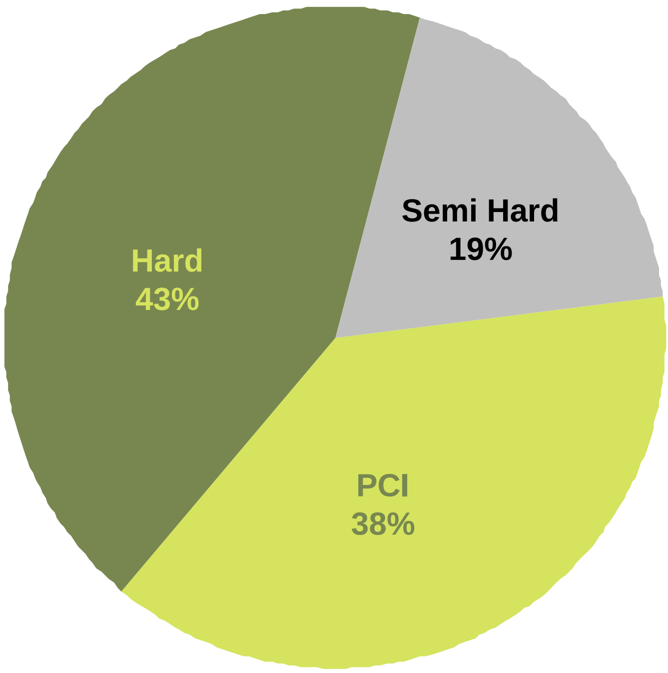
* excludes Stanwell rebate

Demurrage

- Ongoing high demurrage costs due to constrained export coal chains

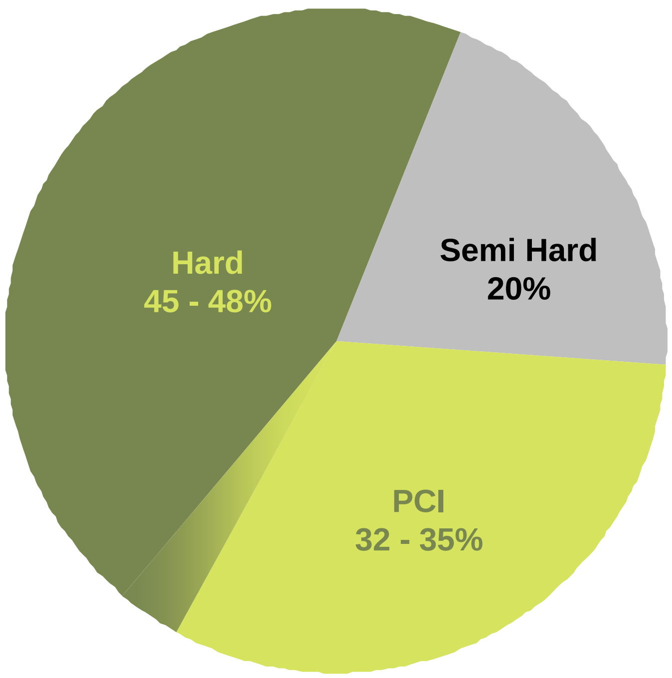


Curragh Metallurgical Sales Mix



2007/08

6.5 million tonnes



2008/09 budget

6.5 - 6.9 million tonnes

Wesfarmers Curragh Hedging Profile

Year end 30 Jun	Current proportion of US$ revenue hedged*	Average A$ / US$ hedge rate
2009	82%	0.85
2010	64%	0.80
2011	47%	0.80
2012	25%	0.81
2013	15%	0.82

* calculated using known contract outcomes and long run pricing and volume assumptions

Gladstone Coal Delivery System
Performance update

- RG Tanna terminal expansion to 75mtpa ceremony
- Wiggins Island Terminal proposed 2012
  - EIS approval granted
  - Feasibility study continuing into 2009
  - Potential 75mtpa
- Forecast ongoing rail constraints into 2008/09
  - Additional below track duplication works
  - Capacity de-rated to about 90 per cent of contract

Newcastle Coal Delivery System
Performance update

- Restricted system capacity ongoing
  - Decreased vessel queues and lower demurrage expenses
- Capacity balancing system to 31 December 2008
  - De-rated export capacity 95mtpa
- Greiner review process concluded
  - Shippers proposal sits with NSW Government / ACCC
- Proposed port expansions to increase capacity from 2010
  - PWCS 145mtpa
  - NCIG 60mtpa

Resources Outlook

- High coal prices
- Volatile Australian dollar
- Ongoing constrained export coal chains
- Availability of key inputs and industry cost pressures to continue
- Impact of Government Climate Change Policy on the Coal Industry
- Curragh metallurgical sales 6.5 - 6.9mt in 2008/09
- Increased Stanwell payment - estimate A$140 – 150 million for 2008/09
- Queensland Government Royalty increase on Curragh export coal
- Significant increase in earnings in 2008/09

Insurance

Wesfarmers

Insurance Performance Summary

Year ended 30 June ($m)	2008	2007*	↕ %
Gross Written Premium Underwritten	**1,328**	1,191	*11.5*
EBITA Underwriting	**80**	97	*(17.5)*
EBITA Broking	**56**	32	*75.0*
EBITA Other	**9**	1	*n.m.*
EBITA Insurance Division	**145**	130	*11.5*
EBIT Insurance Division^	**132**	120	*10.0*
Net Earned Loss Ratio (%)	**65.4**	62.4	*(3.0) pts*
Combined Operating Ratio (%)	**98.0**	94.2	*(3.8) pts*
EBITA Margin (Broking) (%)	**26.7**	27.1	*(0.4) pts*

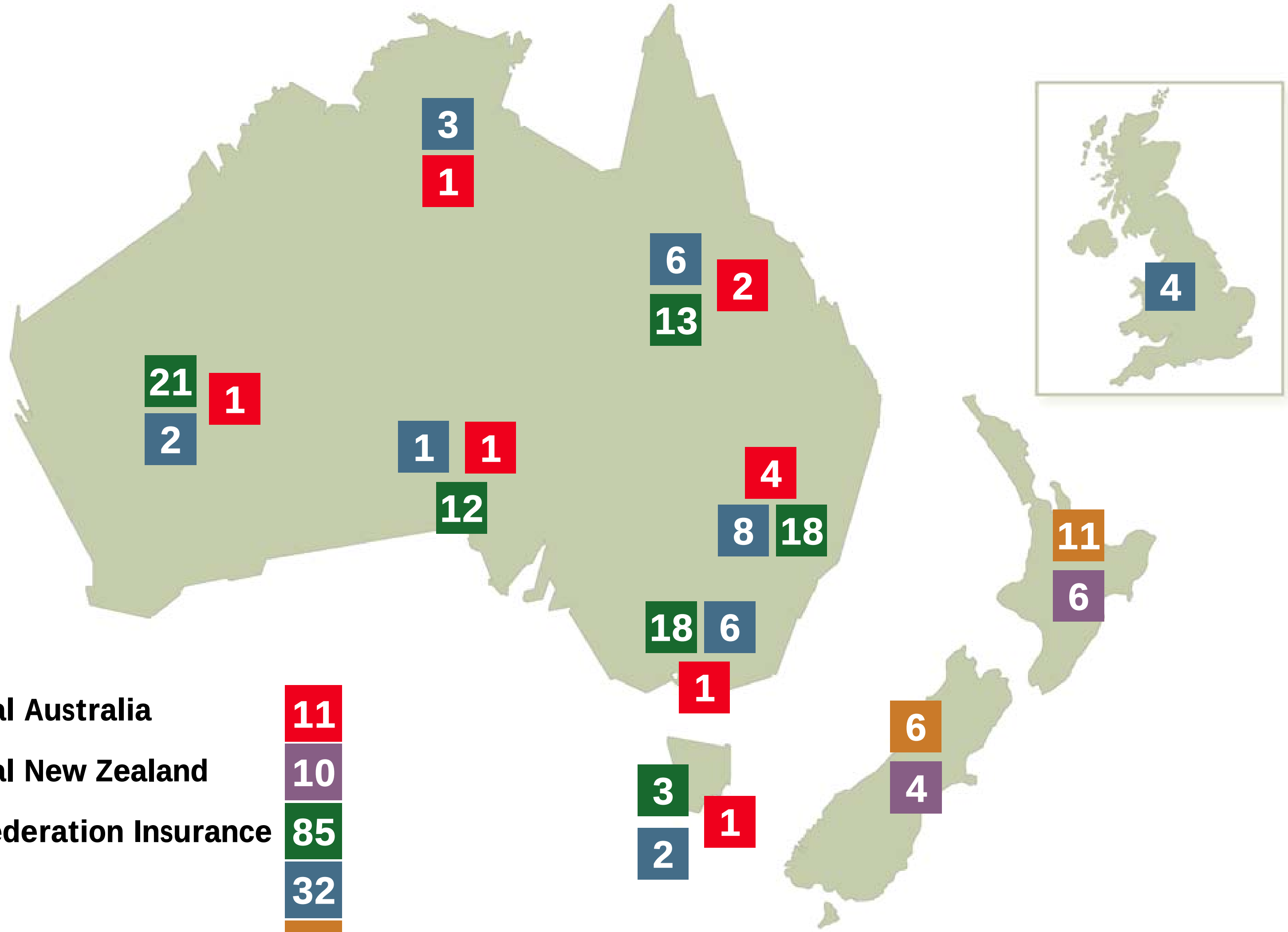
* Includes 8 months of OAMPS' result and 4 months of Crombie Lockwood's results

^ EBIT is after amortisation of intangibles in 2008 of $13m and 2007 of $10m

Highlights/Overview

- Underwriting margins affected by severe weather and rate pressure
- Full year contribution of broking businesses following acquisitions in FY2007
- Earnings growth in broking on like-for-like basis
- Record earnings result for WFI
- Restructuring program and new CEO in Lumley New Zealand
- Four bolt-on broking acquisitions during the year
- OAMPS UK growth driven by scheme business and environmental consulting
- Divestment of non-core Koukia insurance software business completed

Geographical presence



Lumley General Australia	11
Lumley General New Zealand	10
Wesfarmers Federation Insurance	85
OAMPS	32
Crombie Lockwood	17

Underwriting Performance Summary

Year ended 30 June ($m)	2008	2007*	↕ %
Gross Written Premium	**1,328**	1,191	*11.5*
Net Earned Premium	**947**	844	*12.2*
Net Claims	**(620)**	(527)	*(17.6)*
Net Commission and Expenses	**(309)**	(268)	*(15.3)*
Underwriting Result	**19**	49	*(61.2)*
Insurance Margin	**56**	80	*(30.0)*
EBITA	**80**	97	*(17.5)*
Net Earned Loss Ratio (%)	**65.4**	62.4	*(3.0) pts*
Combined Operating Ratio (%)	**98.0**	94.2	*(3.8) pts*
Insurance Margin (%)	**5.9**	9.5	*(3.6) pts*

* Includes 8 months of AIIL

Broking Performance Summary

Year ended 30 June ($m)	2008	2007*	↕ %
Commission and Fee Income	**178**	102	*74.5*
Other Income	**31**	17	*82.4*
Total Income	**209**	119	*75.6*
Expenses	**(153)**	(86)	*(77.9)*
EBITA	**56**	32	*75.0*
Amortisation of Identifiable Intangible Assets	**(13)**	(10)	*(30.0)*
EBIT	**43**	22	*95.5*
EBITA Margin (%)	**26.7**	27.1	*(0.4) pts*

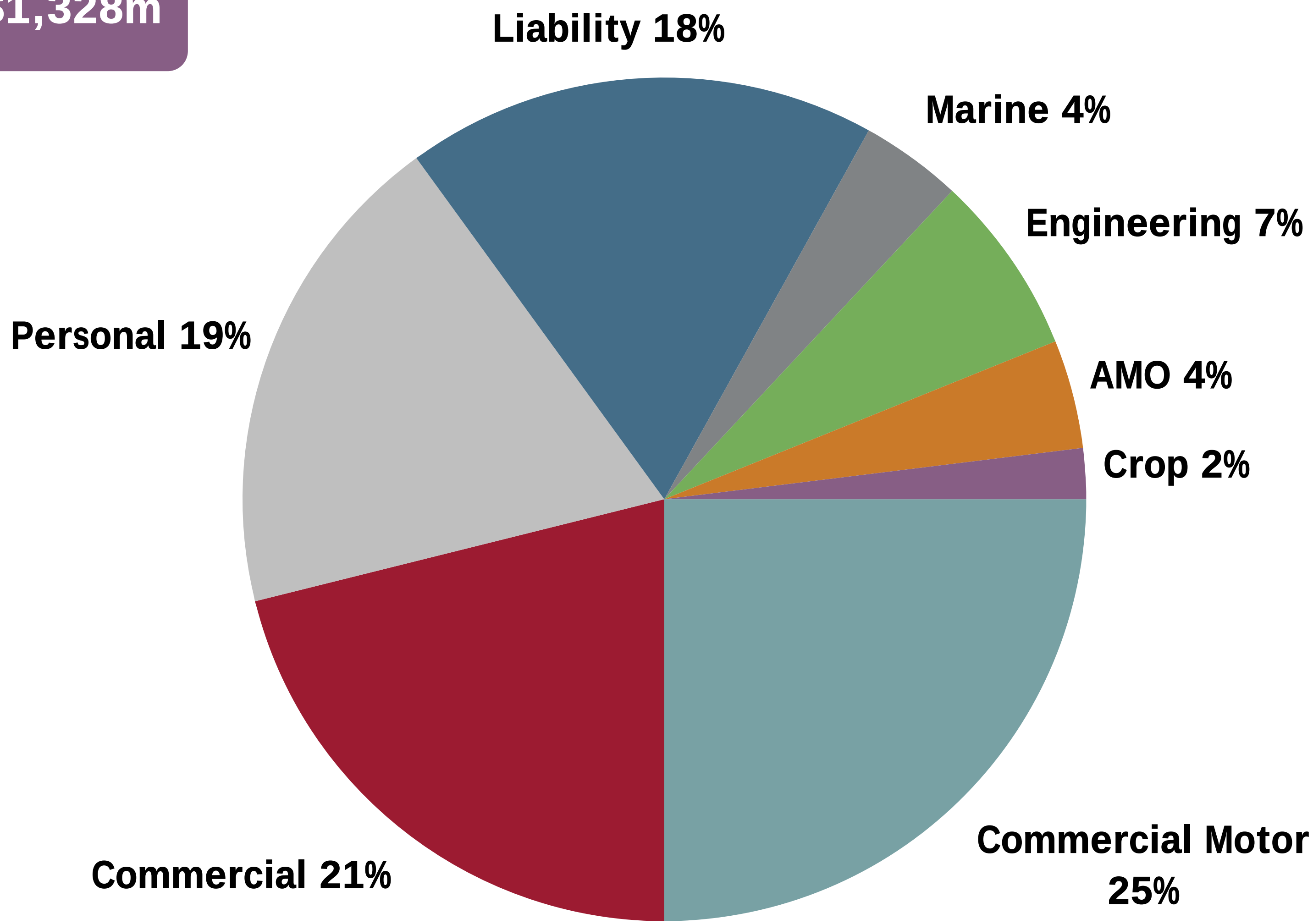
* Includes 8 months of OAMPS' result and 4 months of Crombie Lockwood's results

Underwriting KPIs

Year ended 30 June (%)	**2008**	2007	**%pt**
Gross Earned Loss Ratio	**64.8**	60.8	*(4.0)*
Net Earned Loss Ratio	**65.4**	62.4	*(3.0)*
Reinsurance Expenses (% GEP)	**24.6**	25.9	*1.3*
Exchange Commission (% RI excl XOL)	**24.6**	26.9	*(2.3)*
Commission Expense (% GWP)	**13.9**	13.8	*(0.1)*
Total Earned Expenses (% GEP)	**29.4**	29.1	*(0.3)*
Combined Operating Ratio (% NEP)	**98.0**	94.2	*(3.8)*
Insurance Margin (% NEP)	**5.9**	9.5	*(3.6)*

Gross Written Premium by Class

Total: $1,328m



Insurance Outlook

- Improvement in underwriting margins subject to weather events
- Stabilisation of rates with selective increases in commercial classes
- Recent rate increases and restructuring to improve margins in Lumley NZ
- No exposure to equities due to conservative investment strategy
- Pursue process efficiencies across broking and underwriting businesses
- Continued focus on building the best team
- Further bolt-on broking acquisitions in Australia, NZ and UK

Industrial & Safety

Industrial & Safety Performance Summary

Year ended 30 June ($m)	2008	2007	↕ %
Revenue	1,309	1,208	*8.4*
EBITDA	**141**	128	*10.2*
Depreciation & Amortisation of PPE	**(11)**	(13)	*15.4*
EBIT	**130**	115	*13.0*
EBIT / Revenue (%)	**9.9**	9.5	*0.4 pt*
ROC (R12 %)	**16.8**	15.6	*1.2 pt*
Safety (R12 LTIFR)*	**4.5**	4.6	

* Includes Bullivants for 7 months in 2007

Industrial & Safety Highlights

- Operating revenue up 8.4% to $1,309m
  - Growth in all businesses, particularly Blackwoods and Bullivants
  - Strong sales from resources and infrastructure sectors
- Earnings increased by 13.0% to $130m
  - Strong improvement across all Australian businesses and Blackwoods Paykels
  - Benefits of global sourcing and business improvement initiatives
- Return on Capital increased to 16.8%, up from 15.6% last year
- Acquisitions including construction specialist Meredith Distribution

Industrial & Safety Business Portfolio

Australia

"All your workplace needs"

Blackwoods

Safety Specialist

Protector Alsafe

Industrial Specialists

Bullivants Handling Safety

Total Fasteners
(formerly
Mullings Fasteners)

Motion Industries

New Zealand

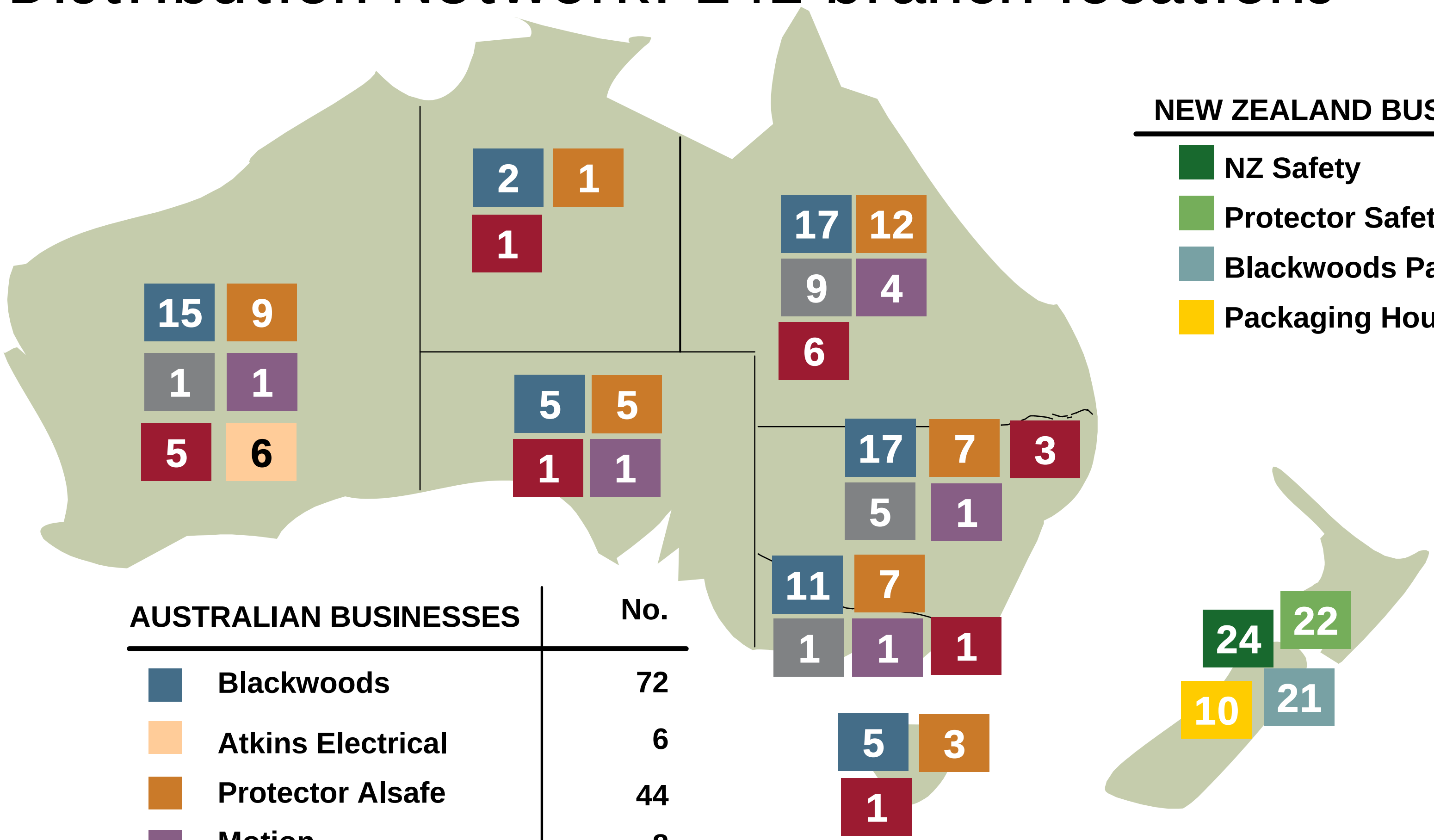
Blackwoods Paykels
NZ'S LARGEST RANGE OF ENGINEERING SUPPLIES AND TECHNICAL SERVICES

NZ Safety
Specialists in Safety & Protection

protector safety

Packaging House
Building partnerships, delivering solutions

Industrial & Safety
Distribution Network: 241 branch locations



NEW ZEALAND BUSINESSES	No.
NZ Safety	24
Protector Safety	22
Blackwoods Paykels (NZ)	21
Packaging House	10

AUSTRALIAN BUSINESSES	No.
Blackwoods	72
Atkins Electrical	6
Protector Alsafe	44
Motion	8
Total Fasteners	16
Bullivants	18

As at 1 July 2008

Business Activity Highlights

- Improved safety performance, strong reduction in lost days and severity of injuries
- Continued improvement in customer service and delivery performance
  - Won "Best Industrial Supply Chain" award in Australia[1]
  - DC upgrades and branch networks refurbishment programme well advanced
- Further lifted competitiveness
  - Completed roll-out of new pricing and strengthened domestic and global sourcing capabilities
  - Closed / merged 10 small under-performing locations during the year
- Growth initiatives
  - 11 additions to branch networks, including 8 through acquisitions
  - Increased range of products & services, incl. training, testing, embroidery & on-site services
  - New catalogues and website upgrades across most businesses, e-business development
  - Sales force expansion and initiation of a sales force effectiveness programme

1 IBIS World / Logistics Magazine, December 2007

Industrial & Safety Outlook

- Strong competitive foundations to address market conditions
  - Increasing exposure to growth markets while optimising positions in traditional markets
  - Leveraging sourcing and pricing capabilities and disciplines
  - Continuously improving value proposition and service ahead of the competition
  - Attracting and retaining key people
- Earnings growth expected from
  - Continued growth in Blackwoods and strengthening position of specialists
  - Improving sales force effectiveness and increasing share of customers' spend
  - Telesales initiatives contributing to improved metropolitan sales performance
  - Ongoing review of acquisition opportunities

Chemicals & Fertilisers

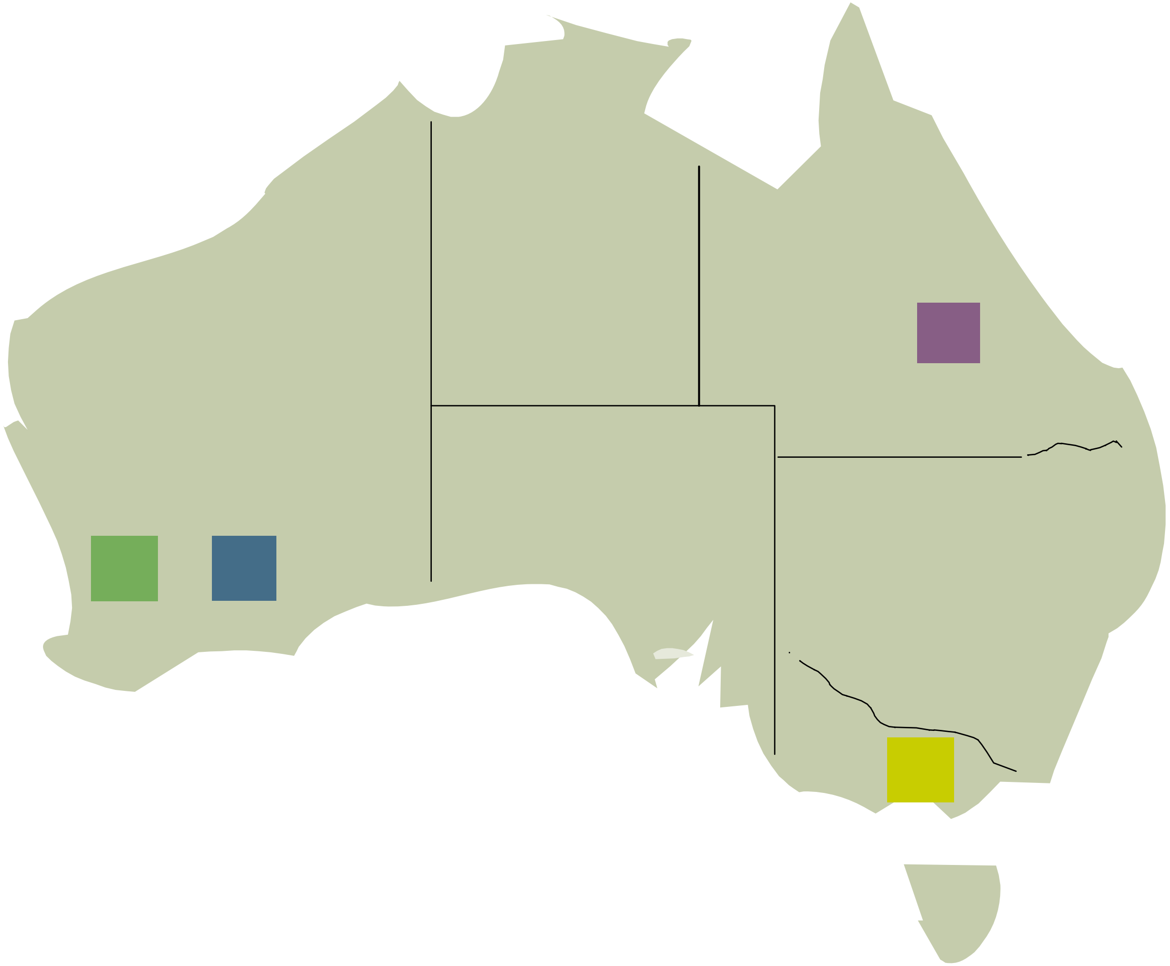
Chemicals & Fertilisers Performance Summary

Year ended 30 June ($m)		2008	2007	↕ %
Revenue	Chemicals	**464**	248	*87.1*
	Fertilisers	**533**	345	*54.5*
		997	592	*68.4*
EBITDA		**172**	138	*24.6*
Depreciation & Amortisation of PPE		**(48)**	(37)	*(29.7)*
EBIT		**124**	101	*22.8*
Sales Volume ('000t):	Chemicals	**605**	449	*34.7*
	Fertilisers	**1,057**	901	*17.3*
ROC (R12 %)		**13.1**	16.7	*(3.6) pt*
Safety (R12 LTIFR)		**3.0**	2.3	

Chemicals & Fertilisers Highlights

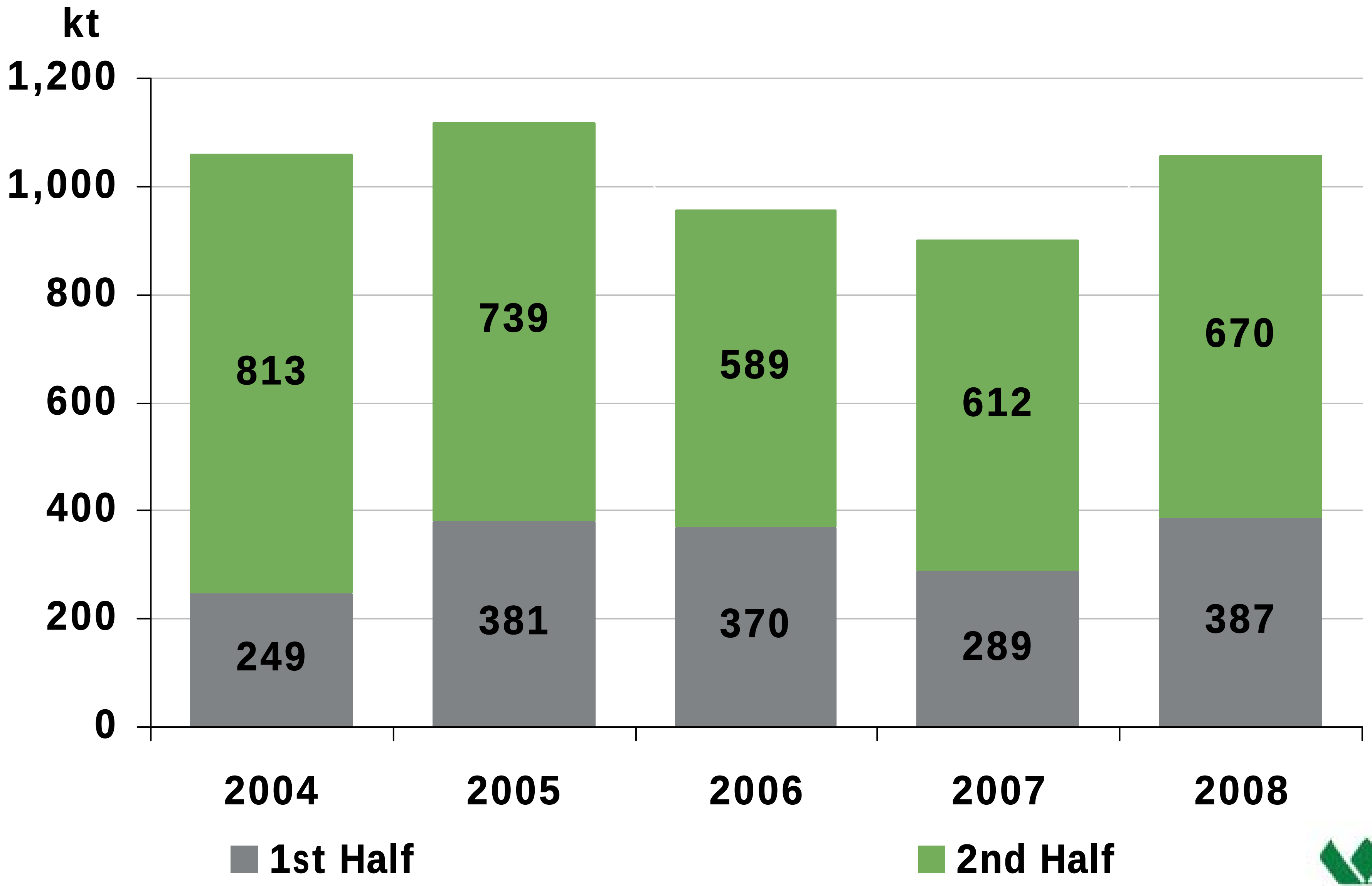
- Construction and commissioning of AN expansion; solution production from March 2008 and prill in June 2008
- Increased production across all chemical business units
- Improved contribution from all chemical business units
- Fertiliser sales volumes and revenue increased by 17 per cent and 55 per cent respectively
- Fertiliser contribution higher than previous year
  - Continued focus on working capital management and expenses
- Integration of Australian Vinyls following September 2007 acquisition
- Chemicals revenue / volume mix increased from prior year due to Australian Vinyls acquisition and AN expansion

Chemicals & Fertilisers - Locations



CSBP fertilisers	
Manufacturing plant	5
Import and distribution centres	5
Depots	6
Regional Sales Representatives	27
Sales agents	135
CSBP chemicals	
Manufacturing plants	10
AV Manufacturing plants	2
QNP *(50%)*	
Manufacturing plants	4

Fertiliser Sales



Chemicals Performance

- Ammonia
  - Plant availability for the year was lower than prior year due to:
    1. unplanned shutdowns in the first quarter; and
    2. the disruption of gas supplies from 3 June 2008.
  - Production exceeded previous year due to record performance December 2007 through May 2008
- Sodium Cyanide
  - Expansion of solution plant underway to meet Boddington Gold Project demand; expansion commissioning expected early 2009
  - Some local gold mines being closed, weakening demand in WA
  - Record solid production to supply the export market

Chemicals Performance

- Ammonium Nitrate
  - Solution production increased 25.3 per cent over previous year due to new nitric acid and ammonium nitrate plants being commissioned during the year
  - Ammonia imported to overcome the disruption of gas supplies
- Australian Vinyls
  - Production impacted in 4Q08 due to an upgrade of the Distributed Control System

Kwinana Ammonium Nitrate Expansion

- Ammonium nitrate solution name plate capacity has increased from 235,000 tonnes to 470,000 tonnes
- New prilling plant name plate capacity is 350,000 tonnes
- Explosive market demand for product continues to increase
- Market demand for Flexi-N liquid fertiliser increasing; utilising manufactured AN

Chemicals & Fertilisers Outlook

CHEMICALS

- Ammonia sales to BHPB's Kwinana Nickel Refinery curtailed due to BHPB's four month shutdown
- Ammonia imports continue until disruption of gas supplies resolved
- AN production and sales will benefit from a full year's operation of expanded capacity
- AV will make a full year contribution

FERTILISER

- Increased working capital investment due to fertiliser prices
- Current season outlook average on balance

Energy

Energy Performance Summary

Year ended 30 June ($m)	2008	2007	↕ %
Revenue	565	463	22.0
EBITDA	128	104	23.1
Depreciation & Amortisation^	(38)	(29)	(31.0)
EBIT*	90	75	20.0
ROC (R12 %)	11.6	17.9	(6.3)pts
WLPG production ('000t)	168	186	(9.7)
Safety (R12 LTIFR)	6.3	2.6	

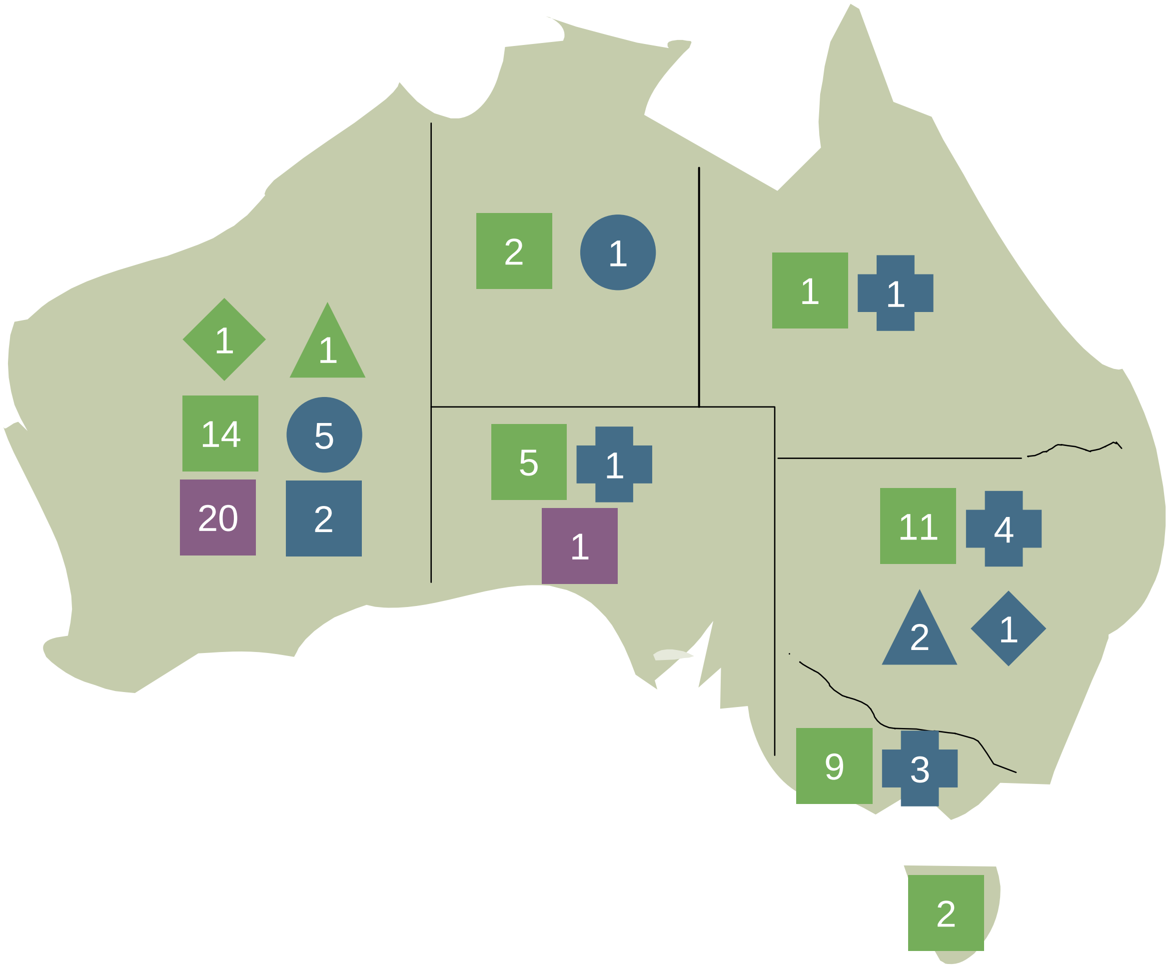
^ Amortisation of intangibles $1.3m (2007: $0.2m)

* Excludes gain realised on sale of division's 50% interest in UNIGAS joint venture

Energy Highlights

- Record high international energy prices
- Successful integration of Coregas
- Completed two industrial gas supply projects: acetylene and liquid nitrogen
- Aboriginal remote communities power project achieved commercial operation
- WA LNG project remained on budget but delayed due to Varanus Island incident
- Sale of 50 per cent share in UNIGAS joint venture

Energy - locations



Industrial, medical and specialty gases

- Air separation units (ALWA)
- Air separation units (Coregas)
- Hydrogen/acetylene plants (Coregas)
- Industrial gas depots/branches (ALWA)
- Industrial gas depots/branches (Coregas)

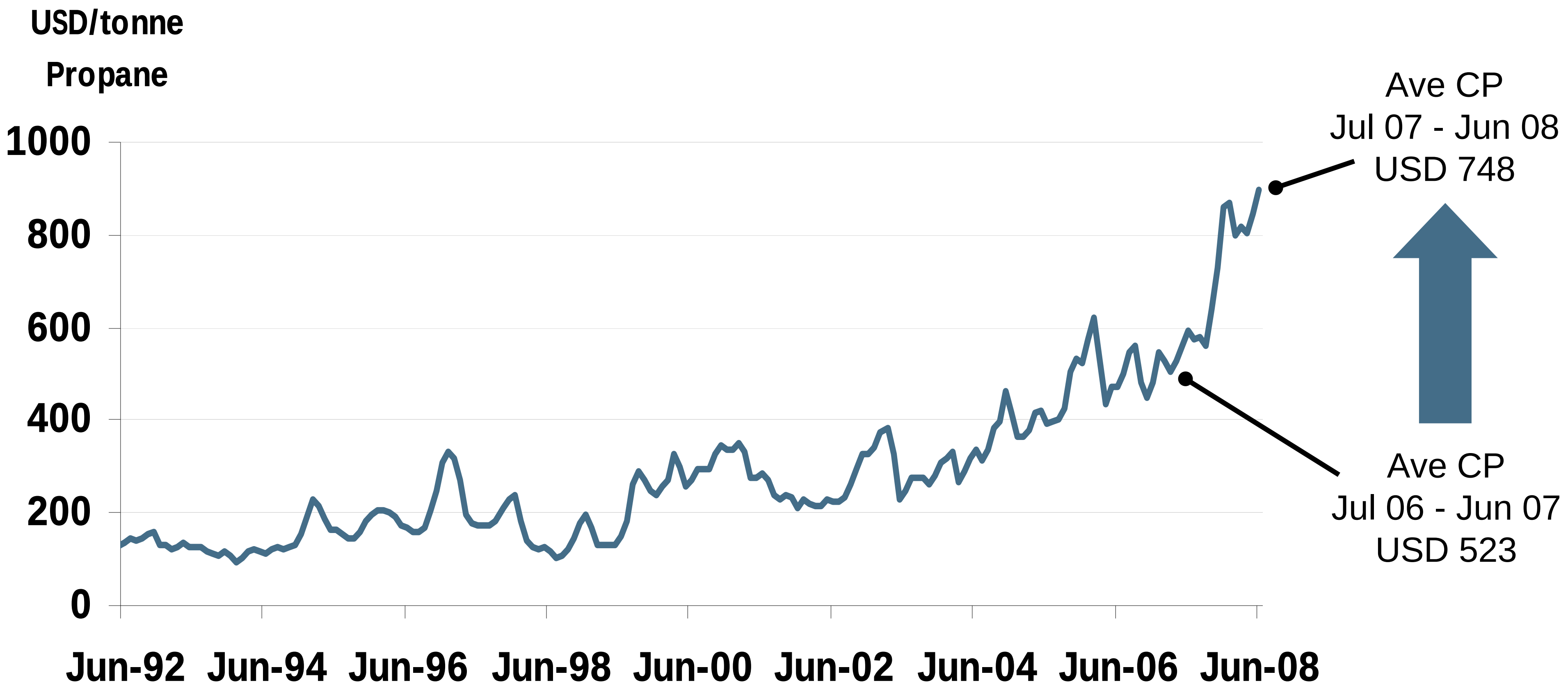
LPG & LNG

- LPG depots/branches
- LPG extraction facility
- LNG production facility

Power generation

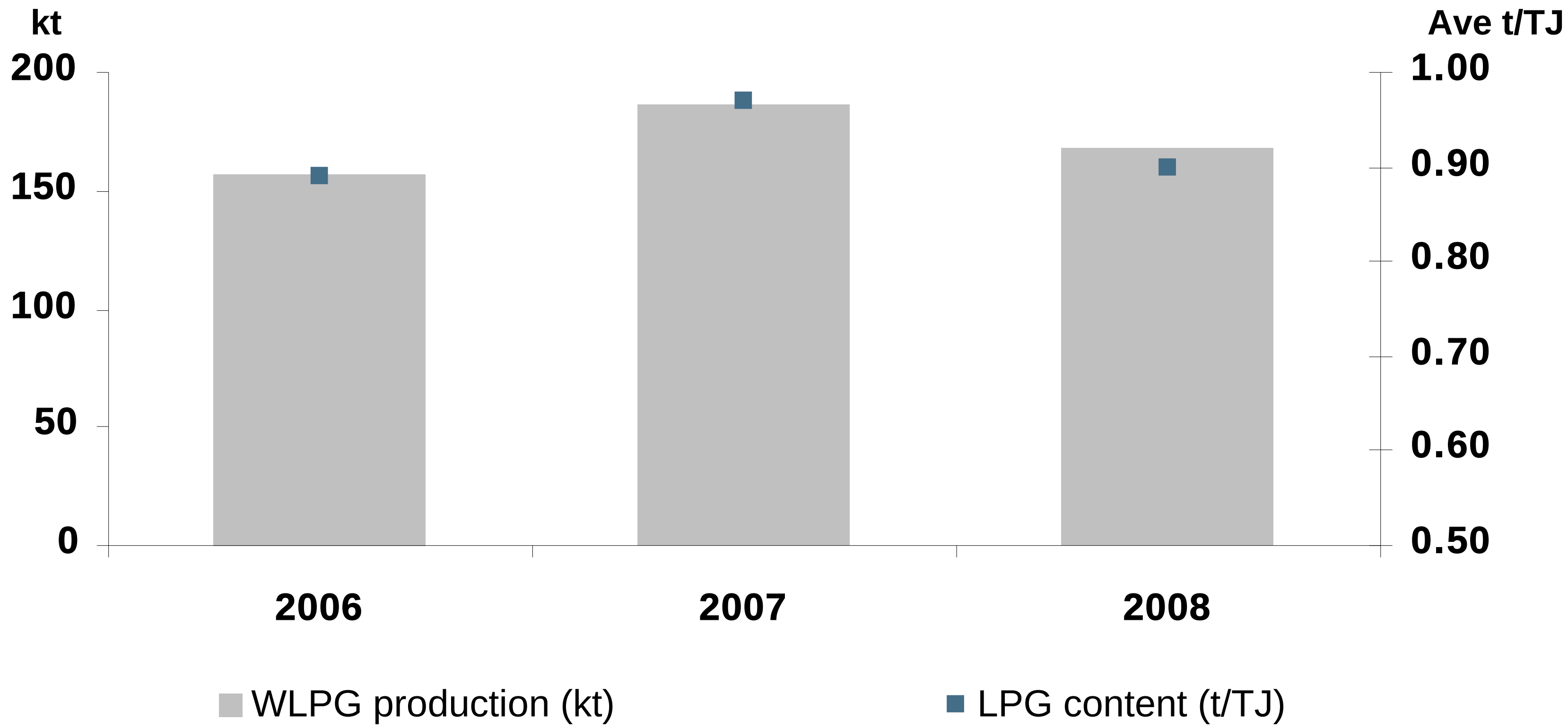
- Power stations owned and/or operated

International LPG prices



International LPG contract price increased 43%

WLPG production



WLPG production 9.7% below previous year due to lower LPG content

LNG Project

- Commissioning delayed due to Varanus Island incident
- LNG plant reached mechanical completion within budget
- Power stations
  - Darlot and Sunrise Dam power station commissioning phases dependent on LNG supply
  - all storage facilities are completed
- Heavy duty vehicles
  - all 18 tankers have been received
  - five refuellers operational and construction on remaining four progressing well

Energy Outlook

- LPG earnings dependent on international LPG prices and gas supply in Western Australia
- Pursue additional sales for the industrial, medical and specialty gas businesses through extended product supply
- Delayed contributions from the vertically integrated LNG project in 2008/09
- Pursue sales growth for LNG
- Continued assessment of new project opportunities

Other Businesses

Wesfarmers

Other Business Performance Summary

Year ended 30 June ($m)	Holding %	2008	2007
Associates:			
Gresham Private Equity - Fund 1	*51*	**4**	-
Gresham Private Equity - Fund 2	*67*	**12**	12
Gresham Partners	*50*	**7**	4
Wespine	*50*	**8**	8
Bunnings Warehouse Property Trust	*23*	**-**	47
Tax on relevant associates		**(10)**	(8)
Sub-total		**21**	63
Interest revenue		**34**	6
Dividend income - April 07 Coles Stake		**32**	-
Non-trading items		**(102)**	-
Other^		**11**	26
Total		**(4)**	95

^ Incl. BPML and self insurance, and in 2007 incl. $5m profit on sale of Overseas & General and $10m from settlement of Goninan dispute

Breakdown of reported result

Year ended 30 June ($m)	2008	2007
Divisional EBIT	**2,335**	1,277
Profit from associates	**21**	63
Other EBIT	**77**	32
Non-trading items	**(102)**	-
Corporate overheads	**(88)**	(67)
Group EBIT	**2,243**	1,305
Less: Finance costs		
- expense net of capitalisation	**692**	187
- other borrowing fees	**54**	4
- discounts	**55**	9
Reported profit before tax	**1,443**	1,105

Gresham Private Equity

Fund 1

- Riviera only remaining investment
- Wesfarmers’ current investment $26m

Fund 2

- Wesfarmers’ current commitment $183m; capital invested $161m
- Investments include:
  - Barminco, Australian Pacific Paper Products, Witchery, Noel Leeming, Silk Logistics Group, GEON and Anthology (Formerly Experiential Group)
- Revaluations are to Wesfarmers’ earnings

Fund 3

- Recently formed; Wesfarmers’ initial commitment $100m

Outlook

Outlook

- Coles focus intensifying
- Ongoing impact of downturn in consumer sentiment
- High prices and strong demand prospects for coal
- Continuing strong demand for our industrial products
- Signs insurance premiums are improving
- Ongoing capital expenditure in all businesses

Wesfarmers

For all the latest news visit

www.wesfarmers.com.au