

Wesfarmers Limited May 2002



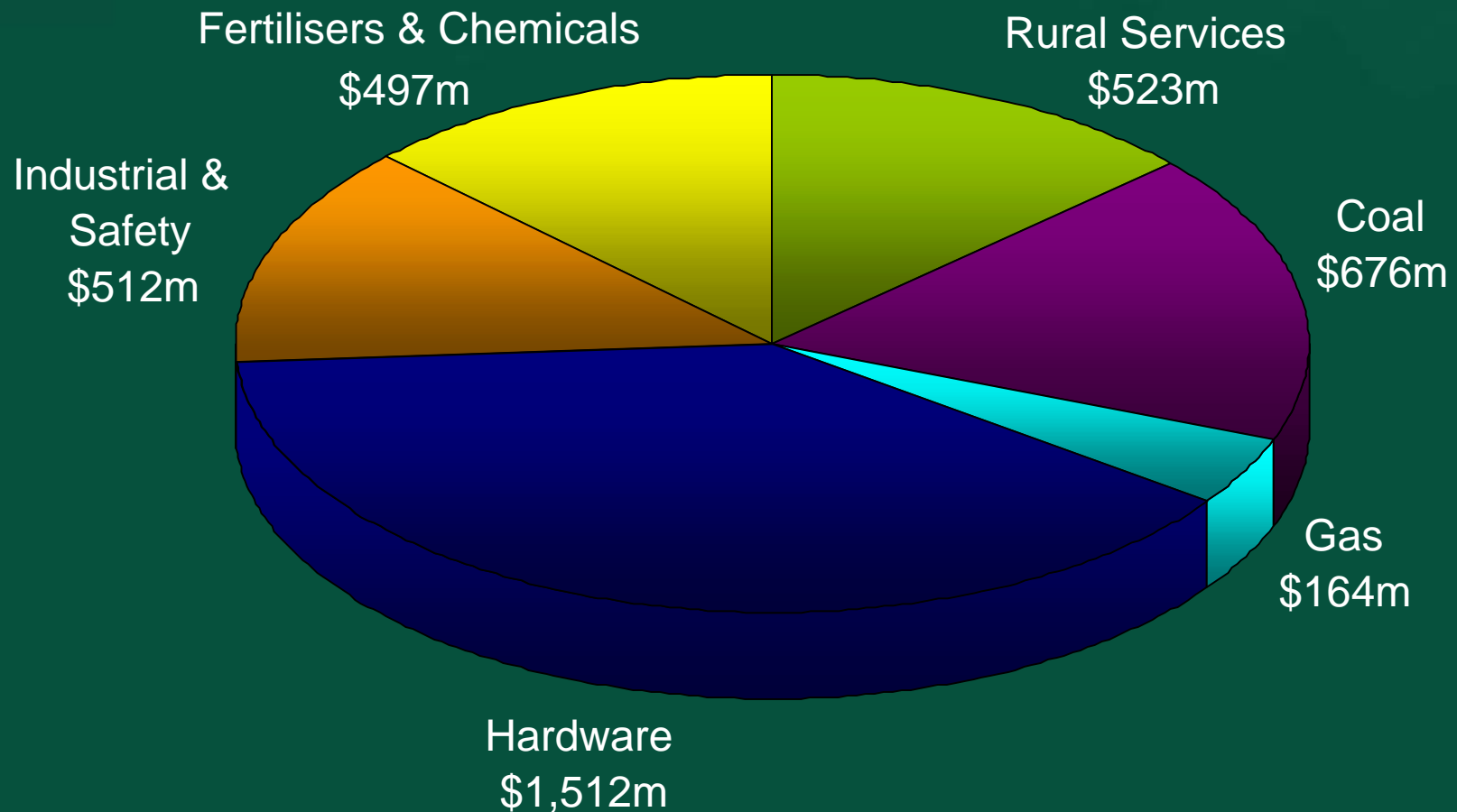
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Background and Corporate Strategy



Capital Employed by Division

Rolling 12 months to 31 March 2002 (A\$ million)



Objective – Philosophy – Strategies

Objective

To provide a
satisfactory
return to
shareholders

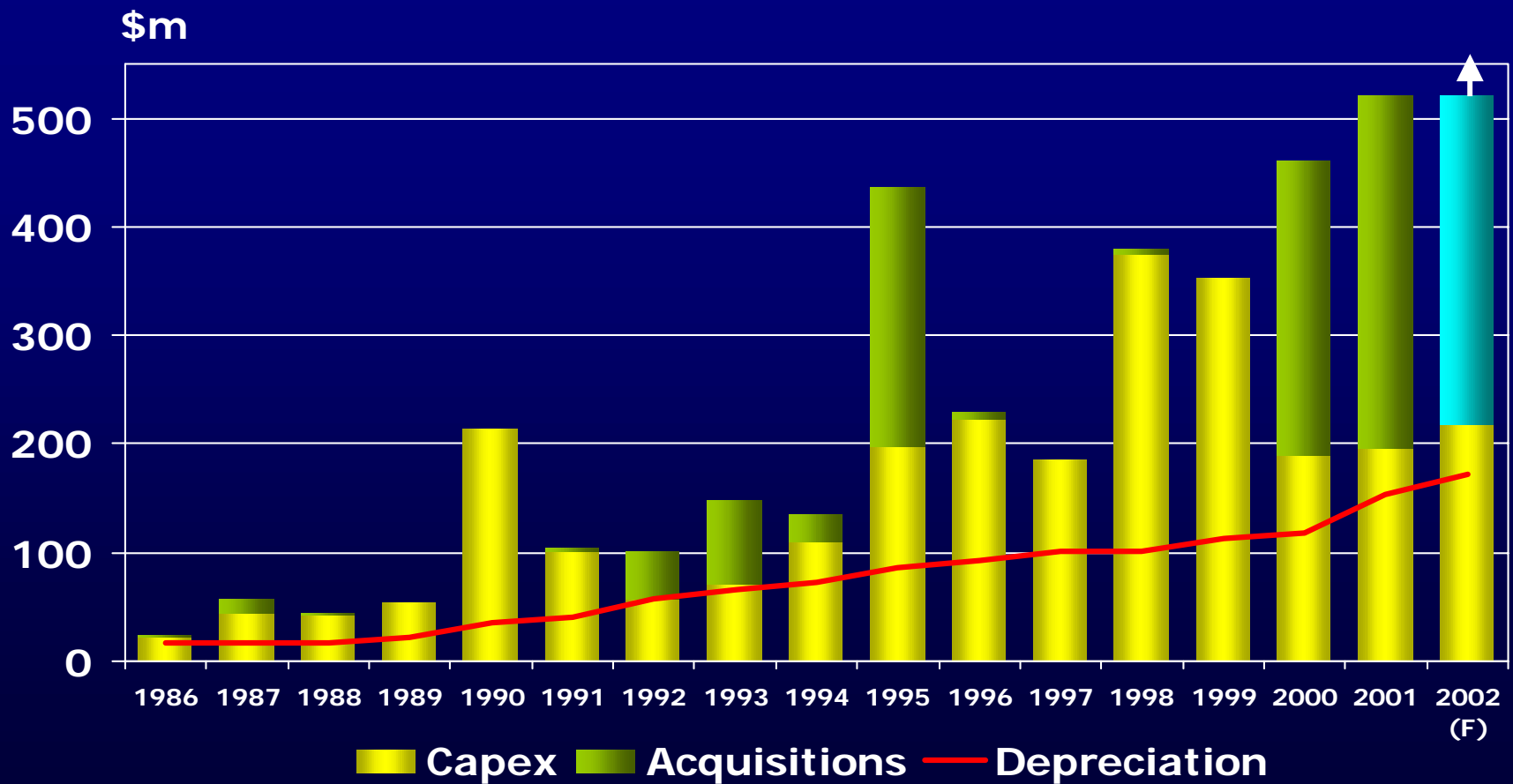
Growth Philosophy

Logical
Incrementalism

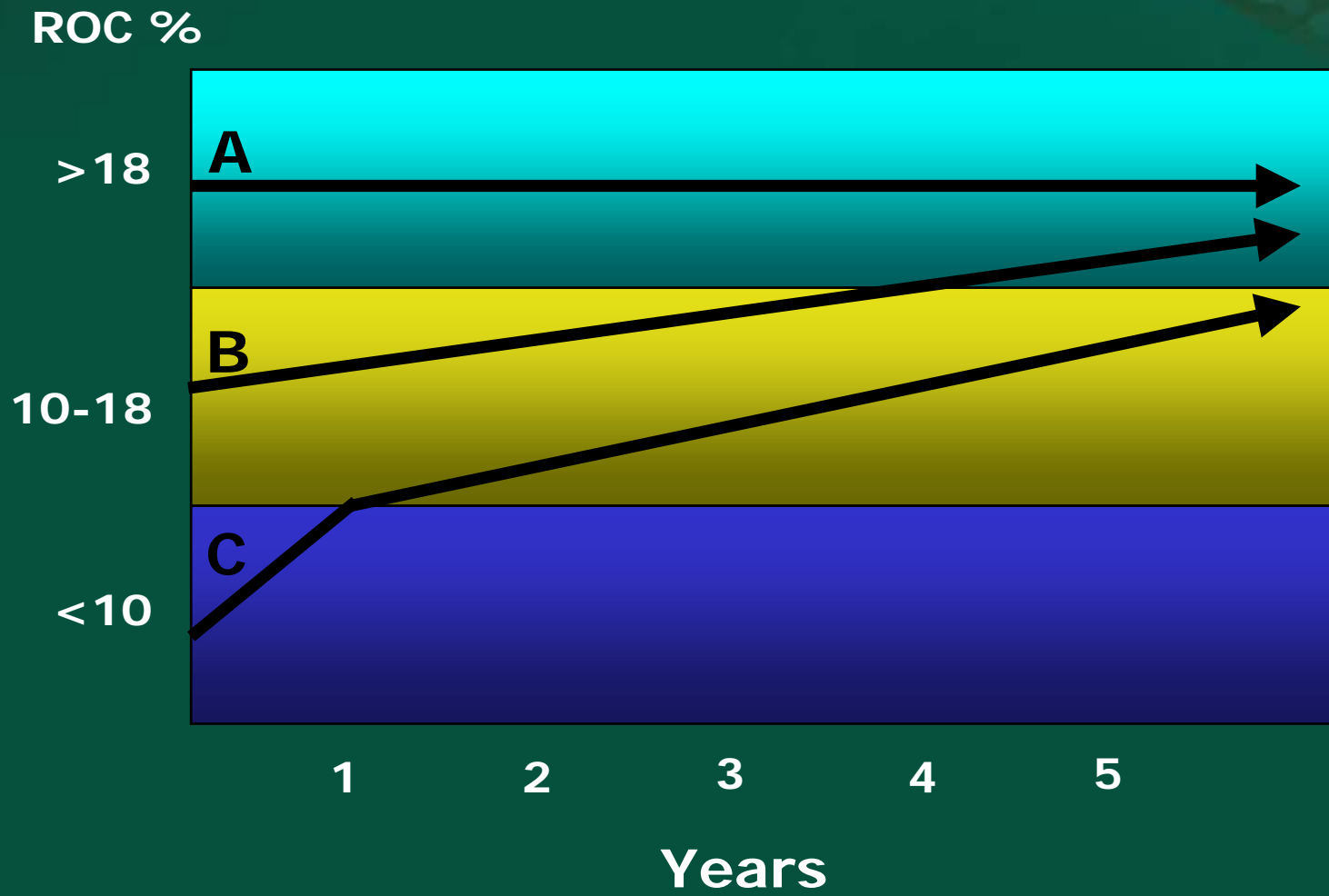
Growth Strategies

1. Improve performance of existing businesses
2. Expand existing businesses
3. Portfolio Management

Capital Expenditure and Depreciation



Divisional Performance Requirements



Integrated Shareholder-Focused Systems

- Objective setting
- Performance measures
- Performance targets
- Management accounts
- Cash management
- Corporate planning
- Project evaluation
- Remuneration



Divisional ROC and Capital Employed

After Amortisation of Goodwill

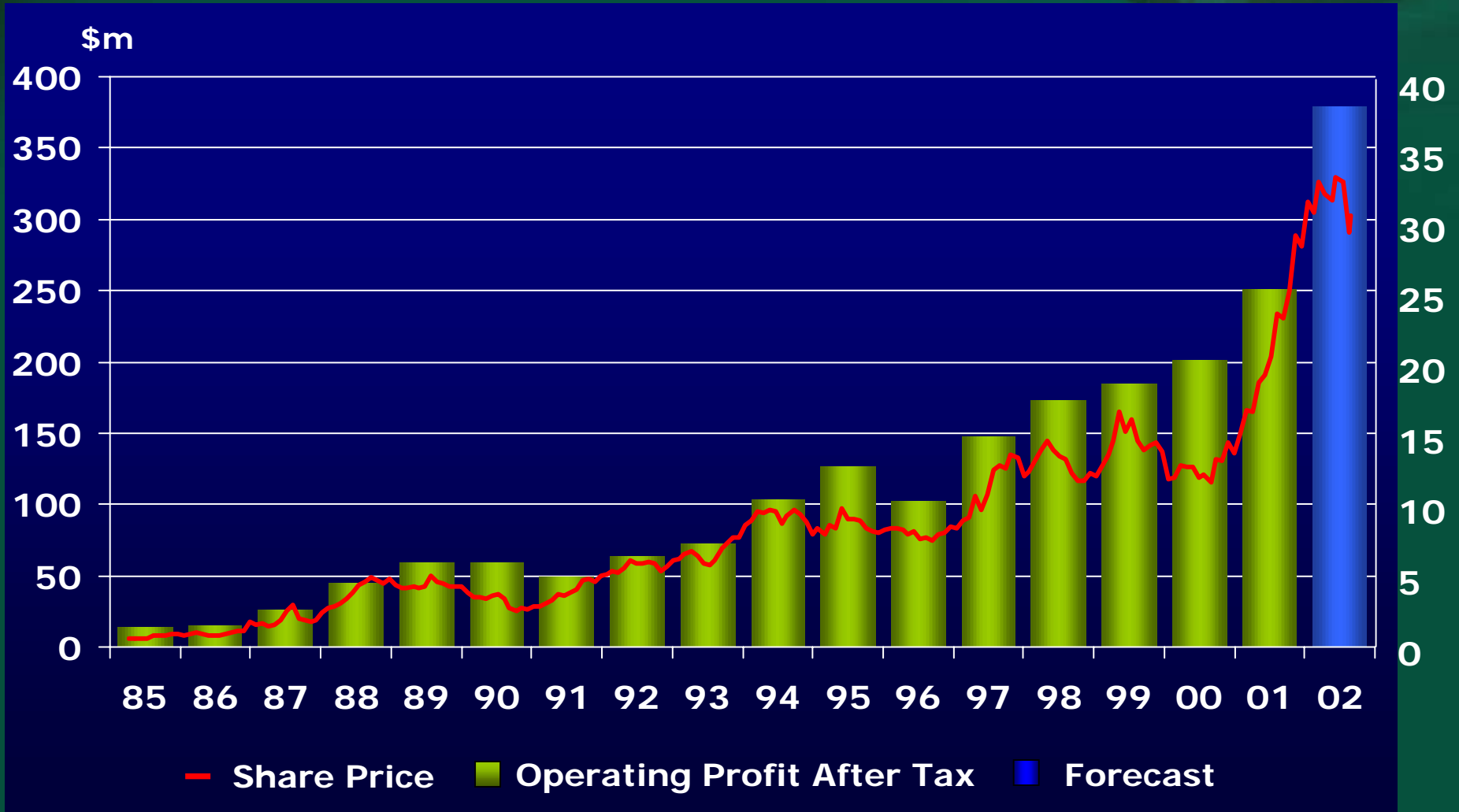
Results for 12 Months Ended 31 March 2002	EBIT (\$m)	Capital Employed (\$m)	ROC % 2001	ROC % 2002
Hardware	211.9	1511.3	25.0	14.0
Energy	221.0	840.4	23.0	26.3
Industrial and Safety	44.4	511.7	-	8.7
Rural Services and Insurance	57.2	522.7	17.9	10.9
Fertilisers and Chemicals	59.8	497.0	8.8	12.0

Key Success Factors

- Financial focus
- Strict disciplines
- Building growth-enabling competencies
- Culture



Share Price vs Operating Profit After Tax



Financial Performance

Nine Months to 31 March 2002



Performance Summary

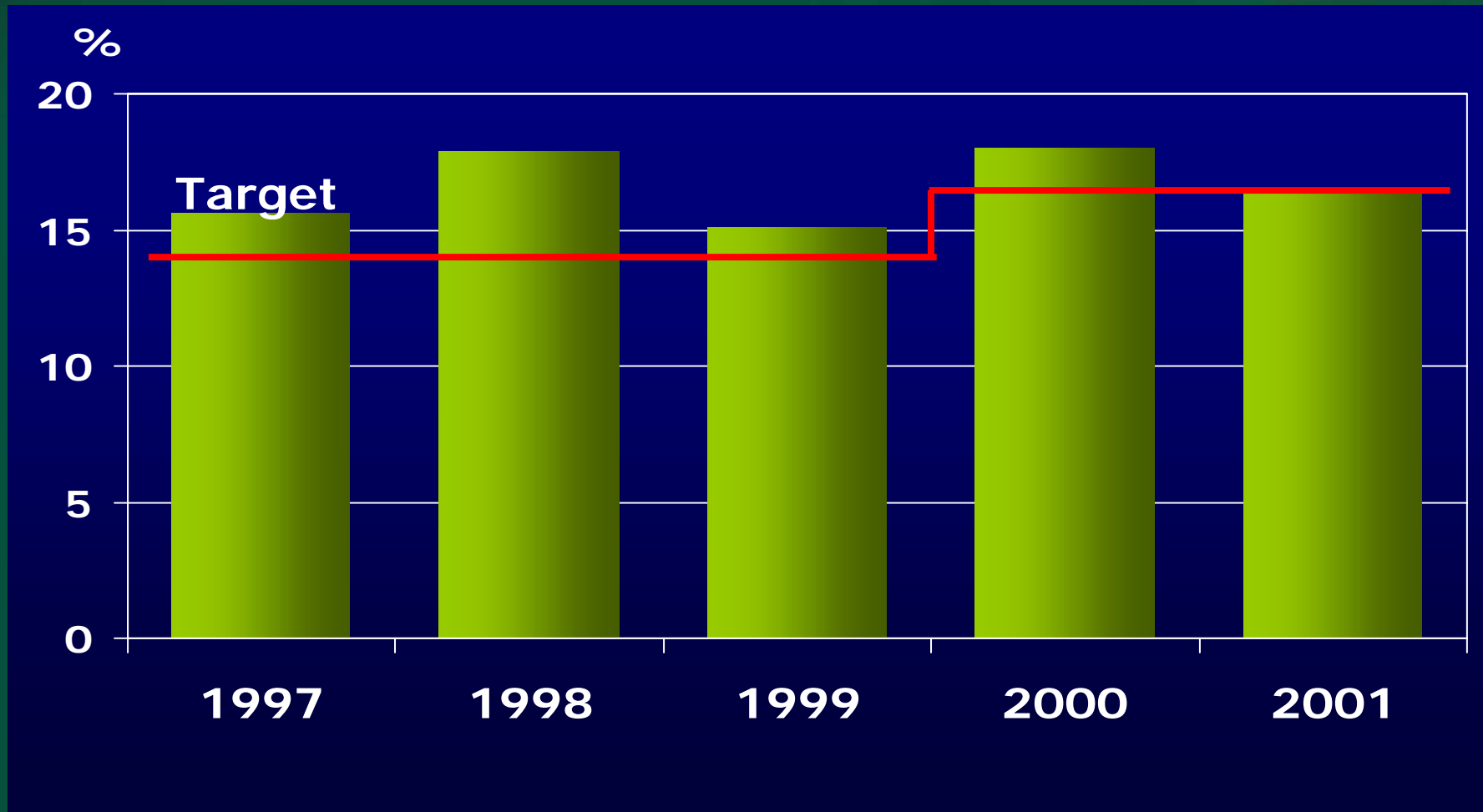
9 Months to 31 March (\$m)	2001	2002
Operating Revenue	3,008	5,386
Net Profit (before Goodwill Amortisation)	180.8	340.3
Goodwill Amortisation	6.4	59.0
Net Profit (after Goodwill Amortisation)	174.4	281.3

Divisional EBITA

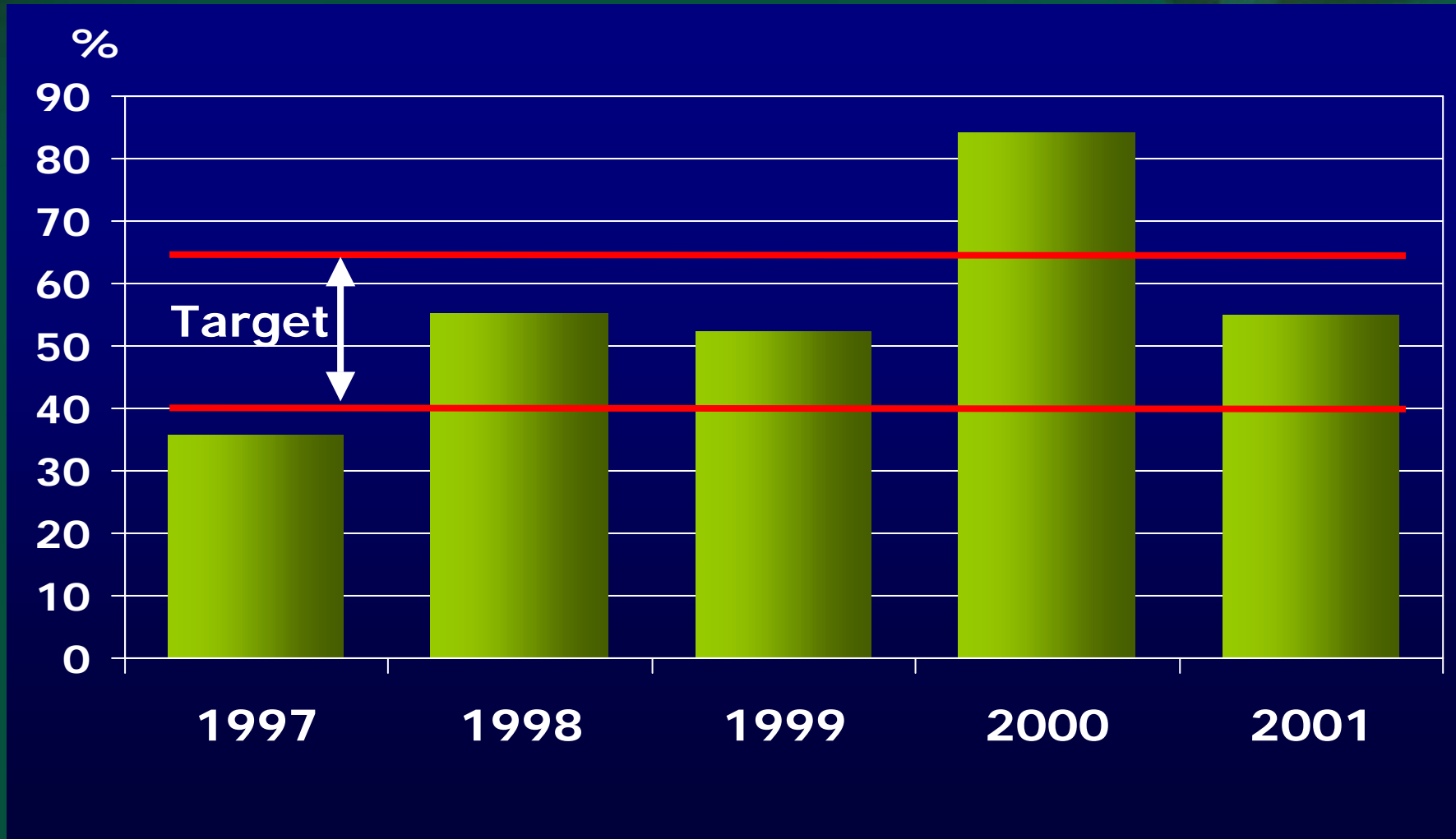
9 Months to 31 March (\$m)	2001	2002
Hardware	111.3	222.1
Energy	139.5	173.0
Rural Operations & Insurance	37.1	49.3
Industrial & Safety	-	60.9
Fertilisers and Chemicals	23.4	34.5
Other	36.2	42.6
Total	347.5	582.4

Return on Shareholders' Funds

Rolling 12 months to December (before goodwill amortisation)

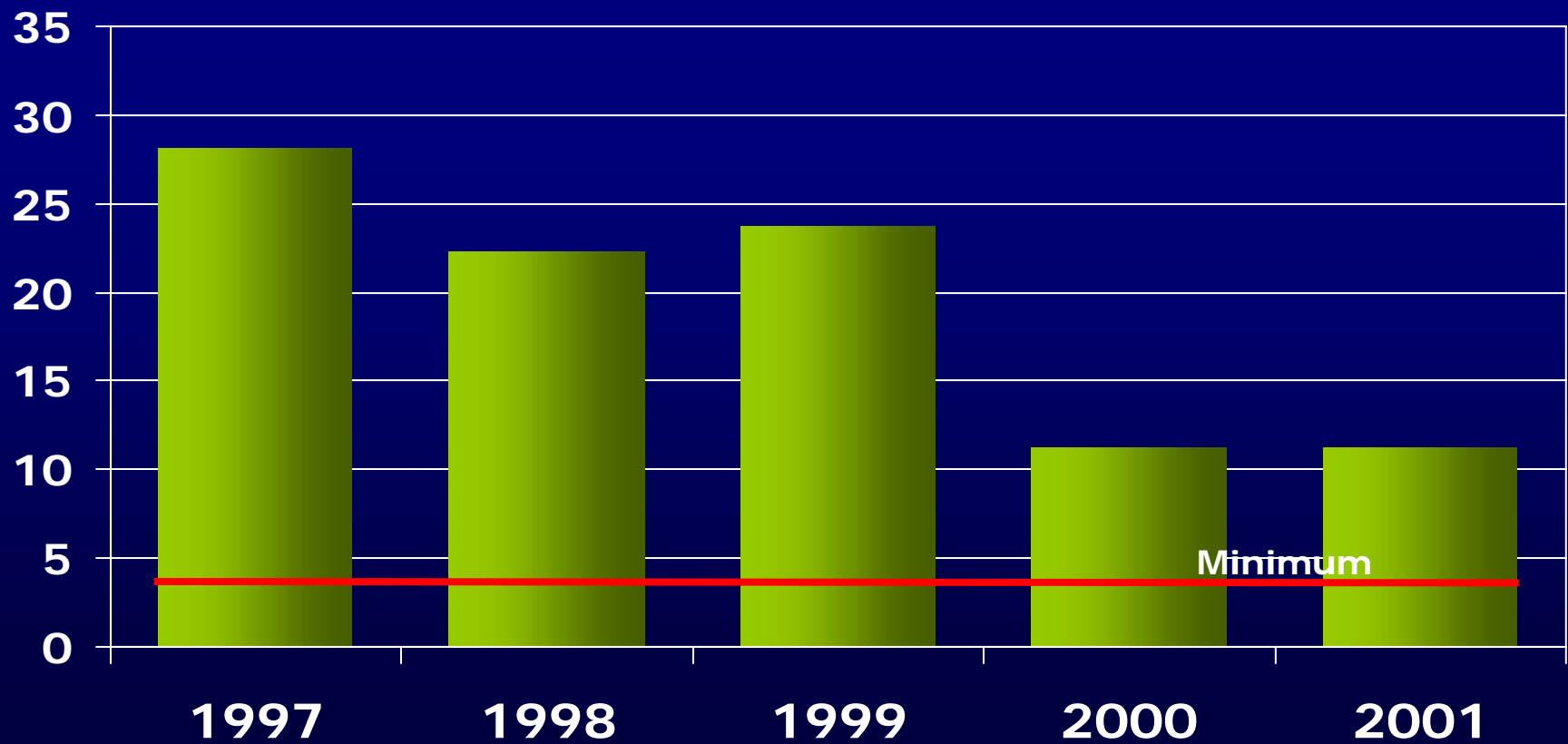


Net Debt / Equity (at 31 December)



Interest Cover (at 31 December)

times



Outlook by Major Business Activity



Rural Operations and Insurance

- Over 400 branches and agencies across Australia
- Recent acquisition of IAMA
- Strong revenue growth in 2002
- Rural and regional general insurer



Integration of IAMA Business

- Substantially completed
- Project synergy complete
 - One national IT system
- Procurement & logistics strategy implemented
- Members retained
 - New agreements
- Sale of non-core businesses/assets
- Closure of duplicated offices/warehouses
- Standardised HR policies & incentive plan

Market Positioning

- Brand theme: Knowledge. Know-How. Can do!
- Emphasis on 'knowledge' through agronomy, R&D, livestock genetics, etc.



Cattle Prices - Eastern States Young Cattle Price Index

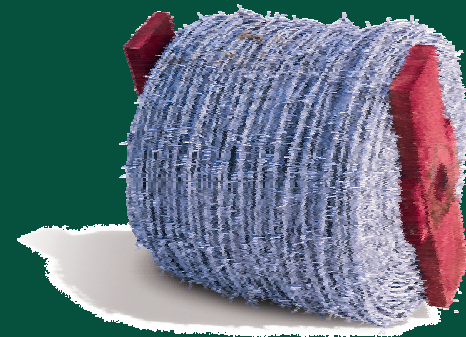


Wool Prices - Eastern Market Indicator and 19 Micron Price Guide July 1998-May 2002



Farm Inputs

- April rains in WA over cropping areas
- Dry in Queensland, SA & Wimmera/Mallee
- Cotton plantings down (low prices/season)
- Reasonable conditions elsewhere
- Large wheat crop expected
- Sugar prices flat
- Horticulture



Rural Operations and Insurance

Outlook

- Positive outlook for rural business, subject to seasonal conditions
- Insurance – in line with budget
- Overall profit higher for 2002



Fertilisers and Chemicals

- Fertiliser production for WA agricultural market
- Ammonia, ammonium nitrate, sodium cyanide and industrial chemicals production
- Strong market position



Fertilisers and Chemicals

Outlook

- Fertiliser – business improvement / new product range
- Strong demand for chemicals
- Profit above last year & budget



Key Issues

- Erosion of fertiliser margins
- Consolidation of rural distributors
- Consolidation of mining customers
- Improving cost position
- Improving plant efficiency
- Uncertain global economy
- Improving rural conditions
- Improving mining conditions



Hardware

- Bunnings – BBC combination
- 248 stores in Australia and New Zealand
 - Including 111 warehouse stores
- Sales of \$3.0 billion



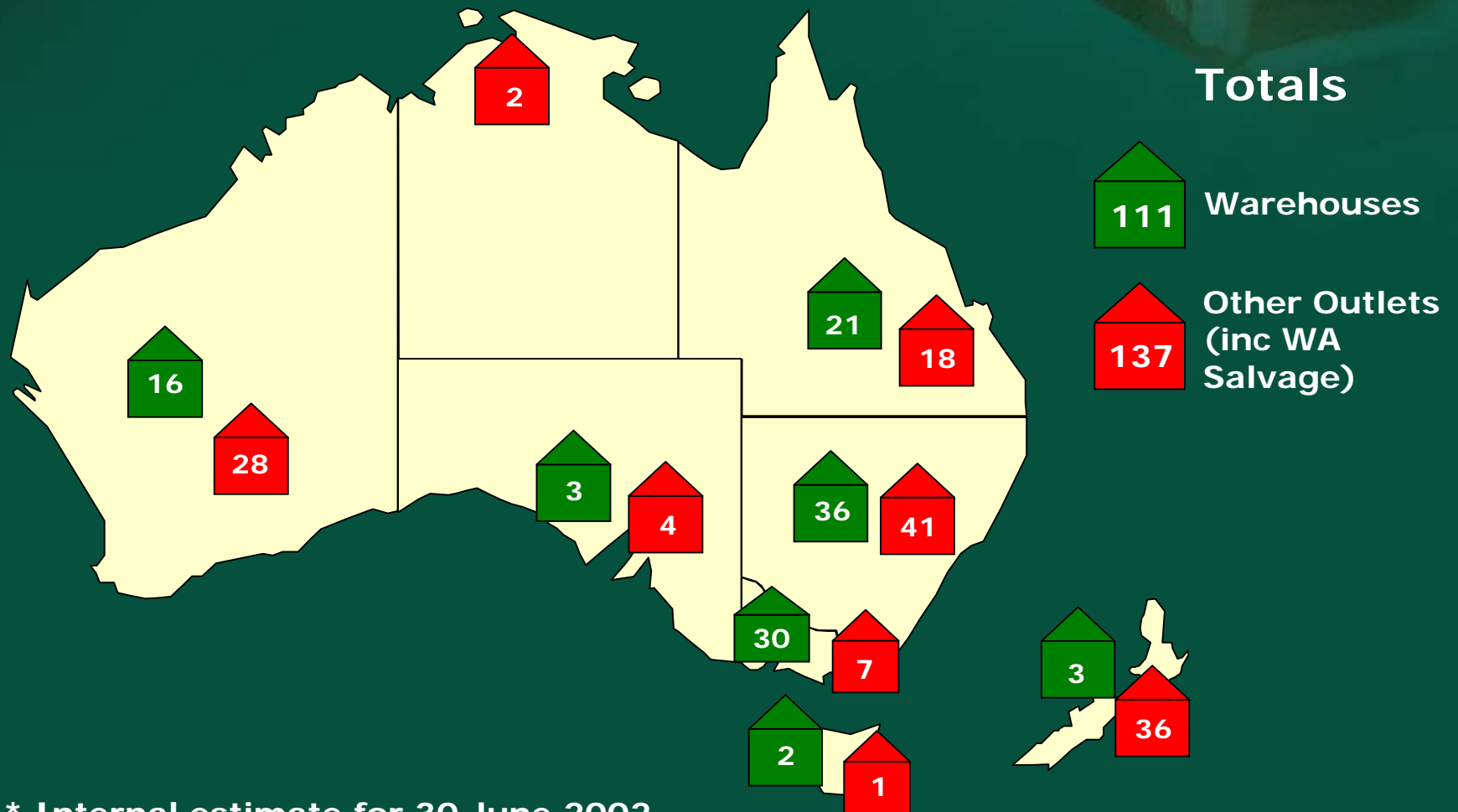
BBC/Hardwarehouse Integration

Outstanding Issues to Complete

- Trade business and support systems review
- Frame & Truss Plant operations
- Wholesaling operations (Timber and Panel)
- New Zealand integration
- Modifications to POS system
- Audit of synergy benefits



Store Numbers - 2002



* Internal estimate for 30 June 2002

Hardware

Outlook

- Full integration of Bunnings and BBC Hardware businesses
- Continued store-on-store growth
- Annual development of approximately 10 new stores



Energy - Coal

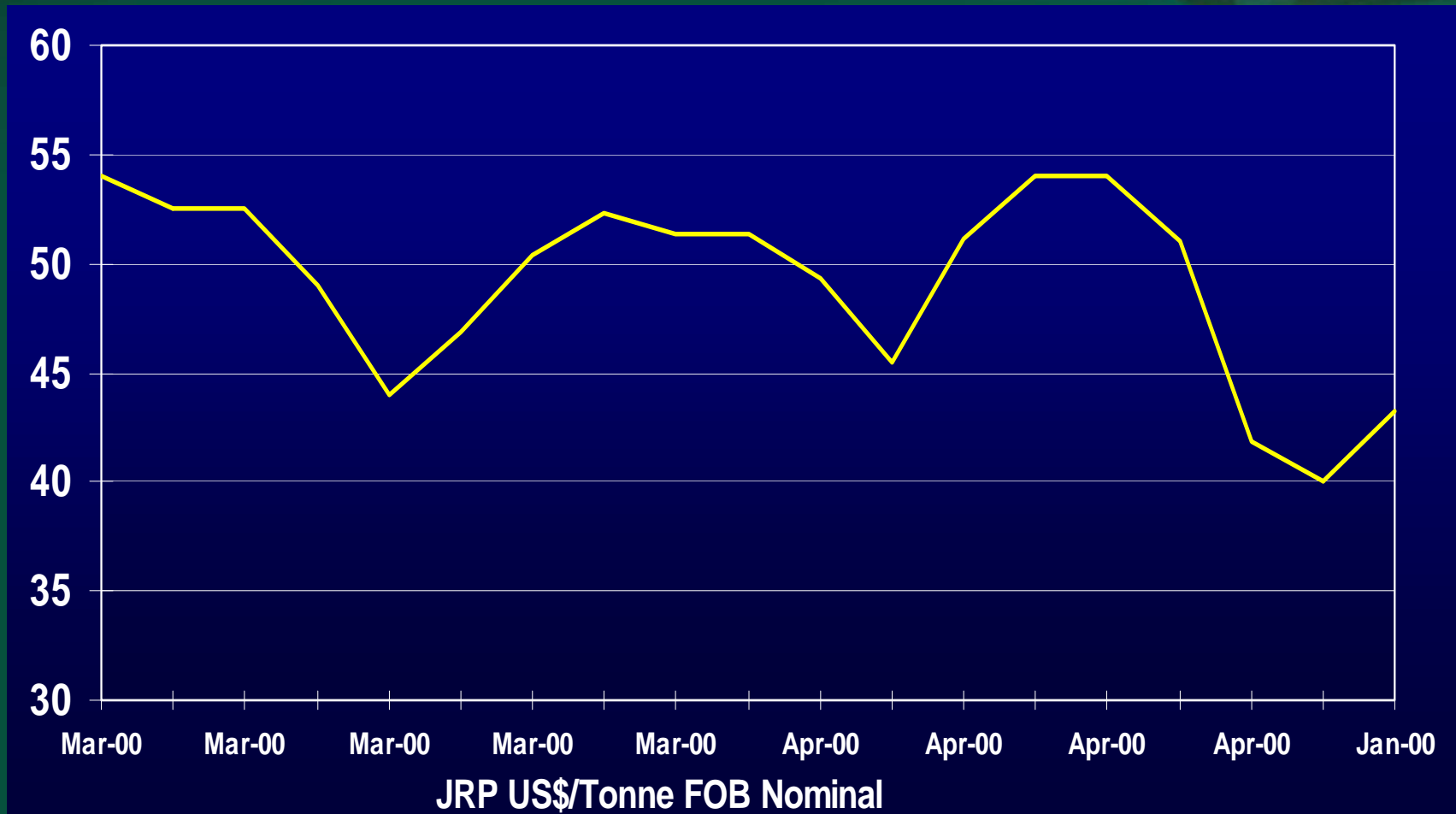
- 3.7mt domestic steaming at Collie, WA
- 5.8mt domestic steaming and export coking at Curragh, QLD
- 4.5mt export steaming at Bengalla, NSW (40% owned)

Outlook

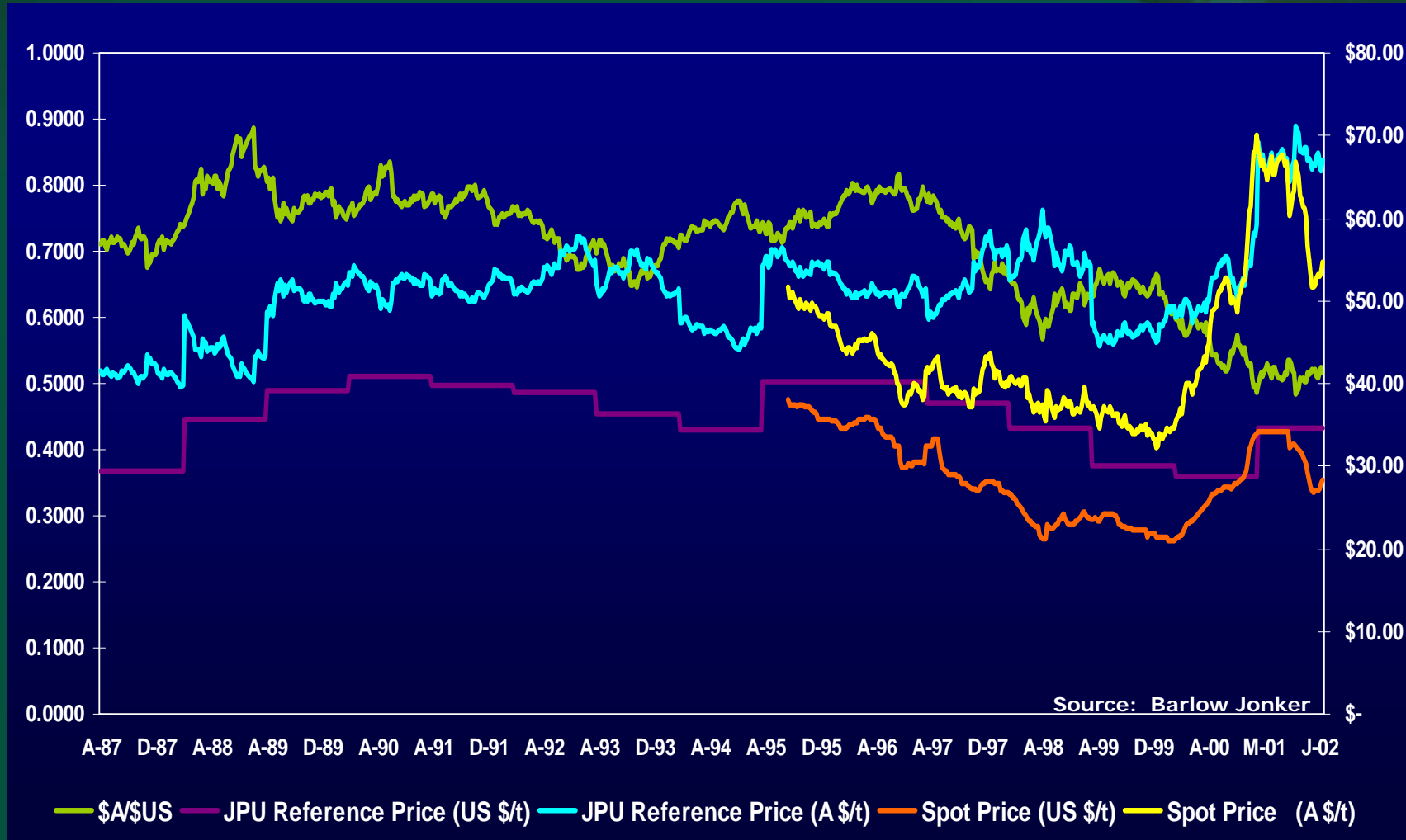
- Coking coal outlook positive
- Weakness in steaming coal prices & volumes



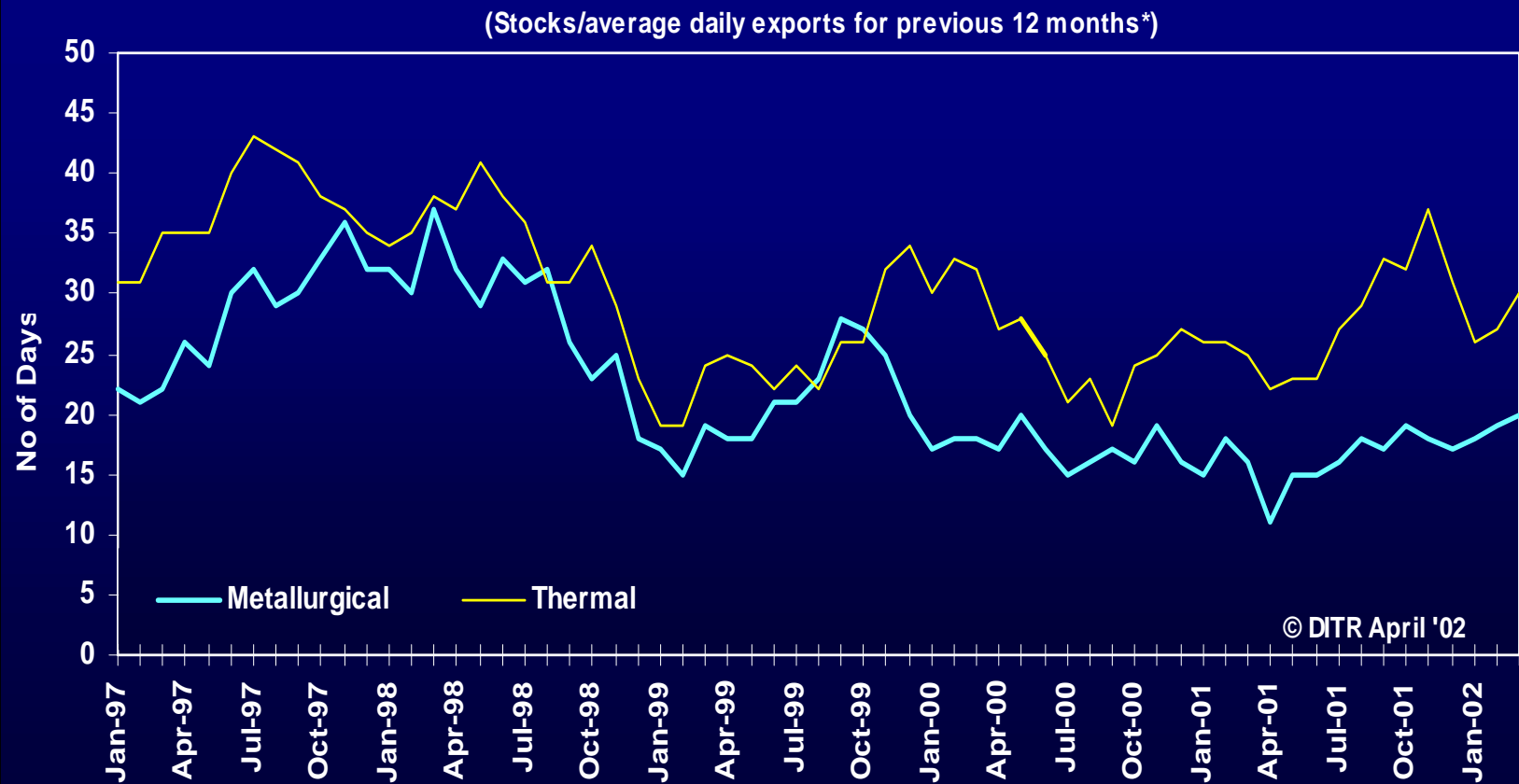
Hard Coking Coal Price



Uncertainty – Thermal Coal Price



Days of Stocks on Hand



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* For which figures are available

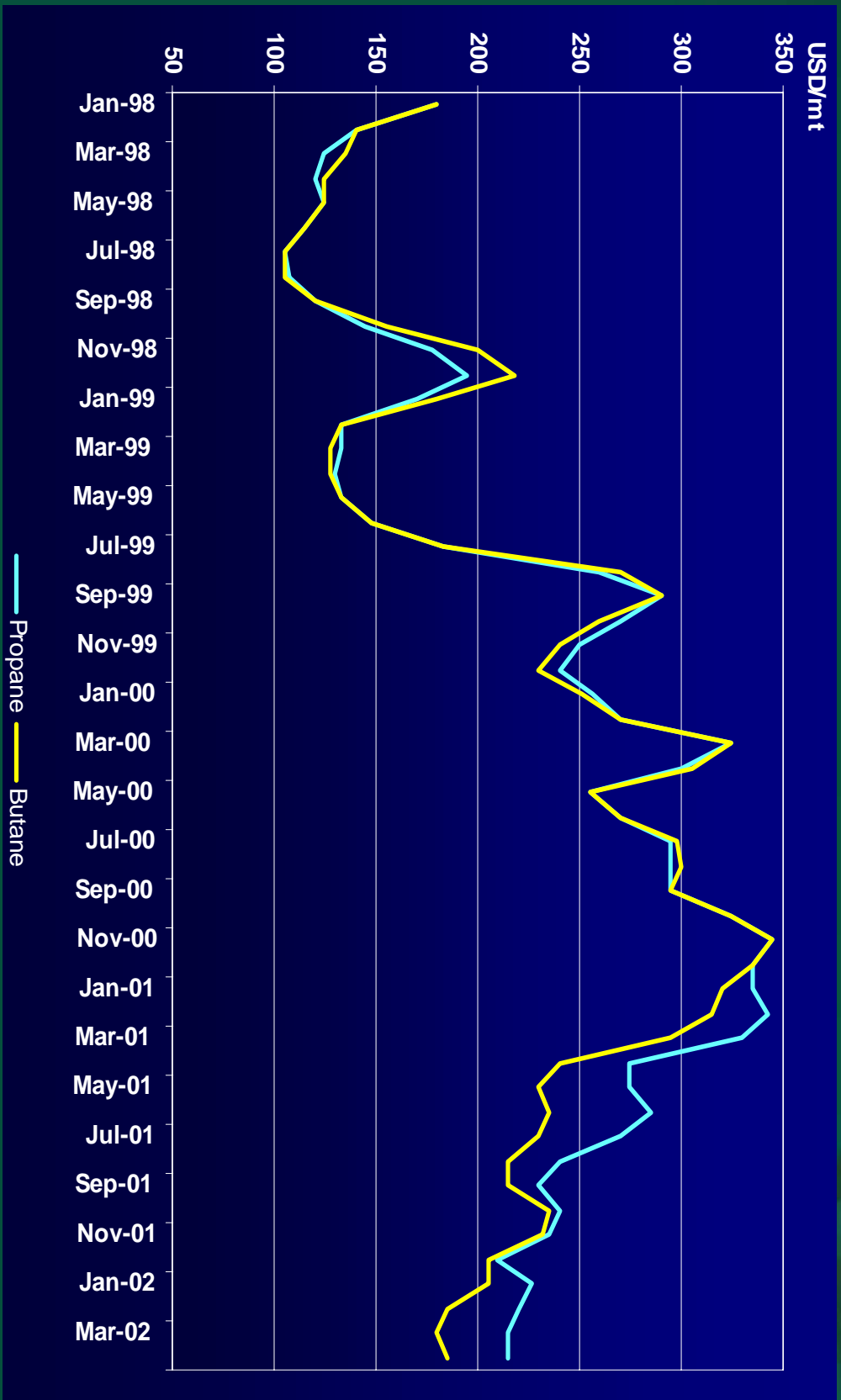
Energy - Gas

- 330,000t LPG extraction plant in WA, for domestic and export
- 400,000t Australia-wide LPG distribution business (Kleenheat)
- 40% interest in Air Liquide WA industrial gases

Outlook

- Dependent on international price trends and local demand in the winter months

LPG Prices



Industrial and Safety Products Operations

- Blackwoods / Alsafe / Protector
- Largest MRO & safety supplier in Australasia
- Revenue around \$1 billion
- EBIT around \$85 million (pre-goodwill)
- 264 outlets (Australia and New Zealand)

Outlook

- Subdued trading conditions
- Positive earnings outlook

WIS Strategies

- Organic sales & margin growth
- Operation deliver - rollout
- Improve or divest underperforming assets
- Establish common support functions
- Leverage supply chain benefits
- Branch / trading stream rationalisation

Support Activities

- IT systems & investment
- HR management systems



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