

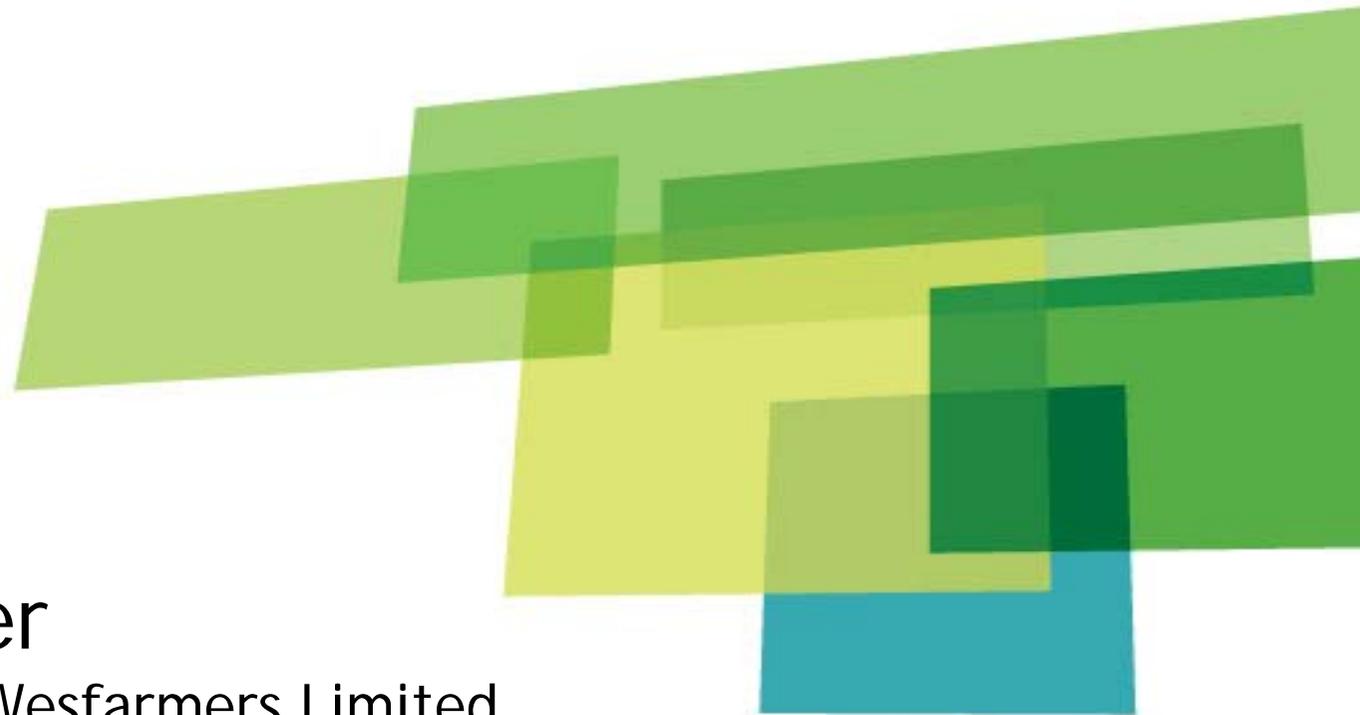
Investor Briefing

14 October 2008

Westin Hotel, Sydney



Richard Goyder
Managing Director, Wesfarmers Limited



Agenda

8:45 Business Overview

9:15 Coles

10:30 Morning Tea

11:15 Home Improvement & Office Supplies

12:00 Target

12:30 Resources

1:00 Lunch

2:00 Insurance

2:30 Industrial Businesses

3:00 Capital Management

3:10 Q&A



Management Team



Managing Director & CEO

Richard Goyder

Finance Director

Gene Tilbrook

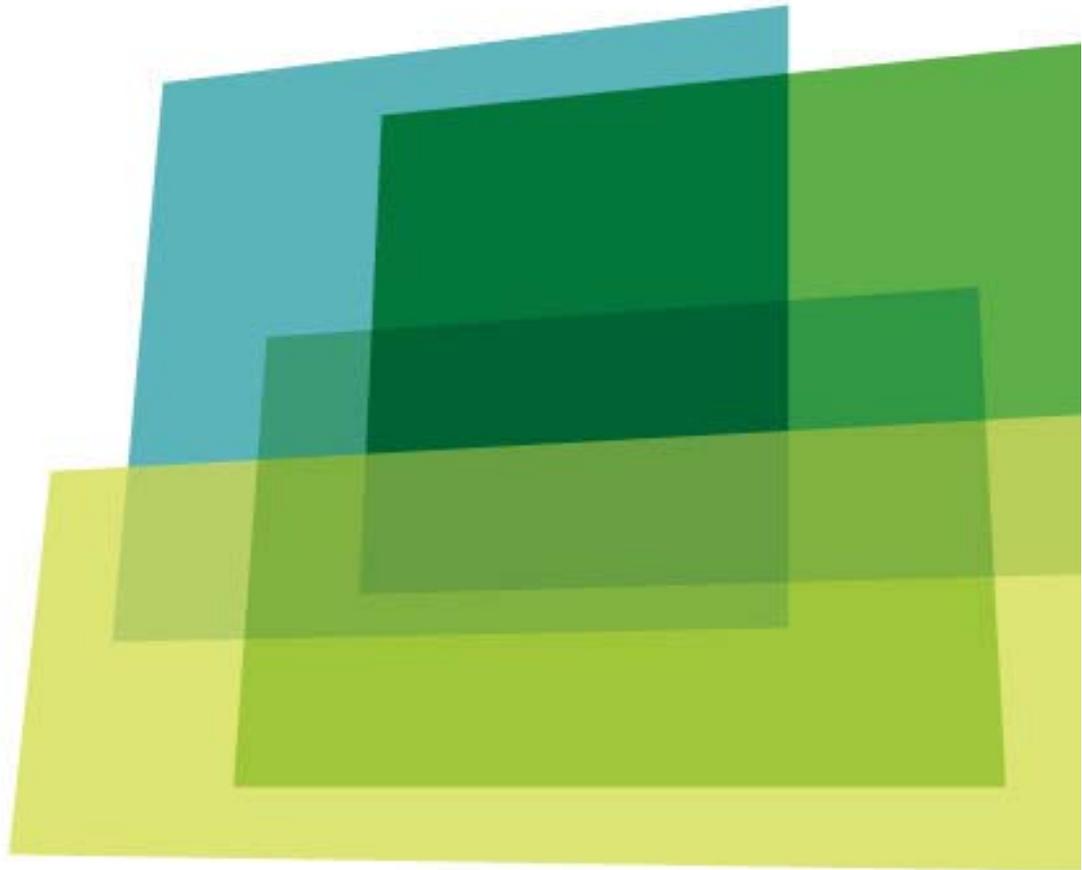
Divisional Managing Directors

	Home Improvement & Office Supplies	John Gillam
	Coles	Ian McLeod
	Target	Launa Inman
	Kmart	Guy Russo
	Insurance	Rob Scott
	Director Industrial Divisions	Keith Gordon
	Resources	Stewart Butel
	Chemicals & Fertilisers	Ian Hansen
	Industrial & Safety	Olivier Chretien
	Energy	Tim Bult

Group Overview

- An uncertain global environment
- Strong businesses
- Focus on running businesses well
 - Return on capital
 - Effect turnarounds
- Balance sheet management
- Long term approach, consistent strategies





Renewal of Coles

Ian McLeod

Encouraging underlying performance



- Improving food and liquor customer numbers
 - Availability improving
 - Reduction in central costs
 - Stronger promotional focus (non-repeat of value destroying activity)
- Food & Liquor Qtr 1 total sales growth 2.6%, comparable sales growth 1.3%
- Solid growth in Convenience
 - Winner of “convenience retailer of the year”*
 - Qtr 1: total shop sales growth 7.0%, comparable shop sales growth 4.6%

*Awarded by Australasian Association of Convenience Stores

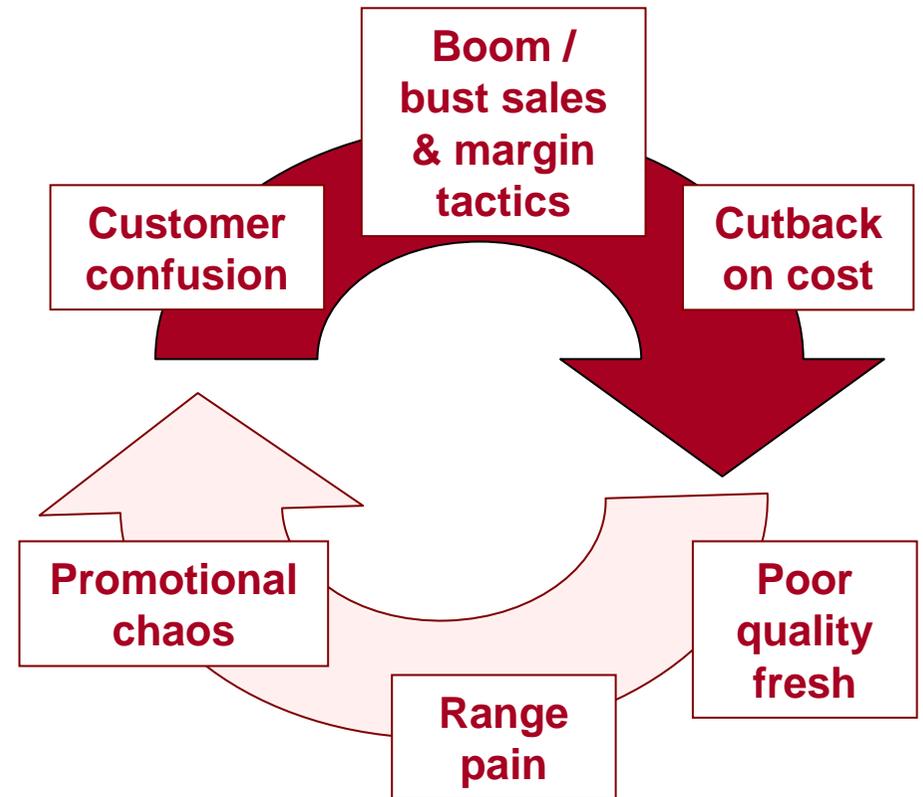


Starting point ... A cost cutting strategy

- Previously, Coles managed to a short-term EBIT target
- Bureaucratic, top heavy management structure
- Lack of cohesive strategy
- Inward facing, not customer focused
- Store focus on costs first, sales second!
- Chronic underinvestment / infrastructure decay

But....

- Great people supportive of change
- Infrastructure scale advantage

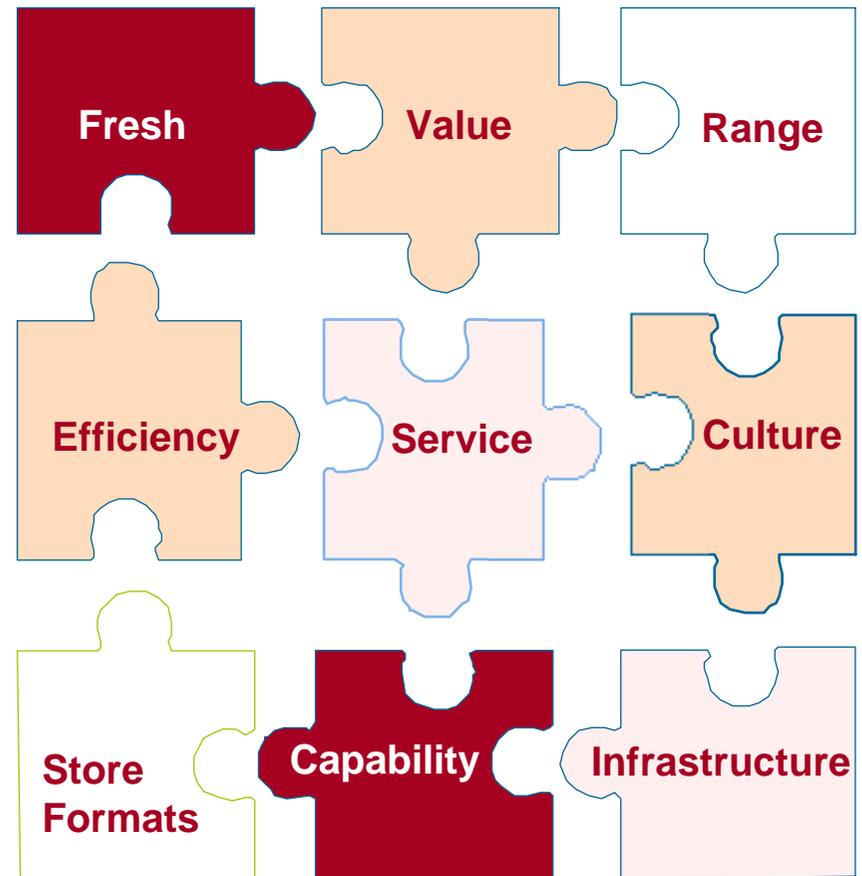


Building to a Virtuous Circle

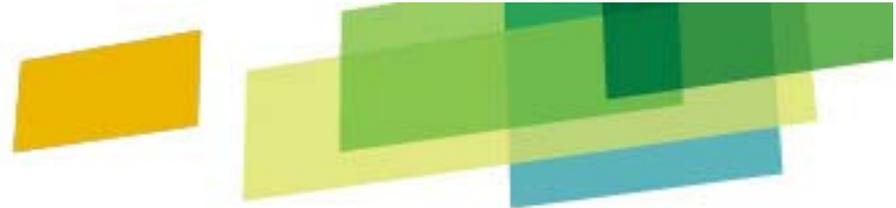


Meaningful and sustainable improvement will take time

- Many complex issues to fix
- Multi-faceted recovery plan required
- Reversal of sustained under investment
- Creation of a dynamic forward thinking business culture
- Recovery will take 5 years, with several phases of activity



5 years - 3 phases of recovery



Building a Solid Foundation

Delivering Consistently Well

Driving the Coles Difference

Performance



Year 1 - 2



- Embed the new culture
- Team member development
- Improved customer service
- Improved efficiency
- Appealing Fresh food offer
- Stronger delivery of value
- Scale rollout of new format
- Auto replenishment completed

Year 2 - 4



- Culture of continuous improvement
- Strong customer trust and loyalty
- Strong operational efficiency
- Innovative & Improved offer
- New stores, new categories

Year 4 - 5+



Phase 1 - Building the Foundation

Creating a strong top team

Ian McLeod
Managing Director

Asda, Halfords

Terry Bowen
Finance Director

Jetstar, Wesfarmers

John Durkan
Merchandise Director

Safeway (UK), Carphone Warehouse (UK)

Joe Blundell
Marketing Director

Kelloggs, Asda, Shell

Stuart Machin
Operations Director

Sainsbury, Tesco, Asda

Gavin Parker
Formats Director

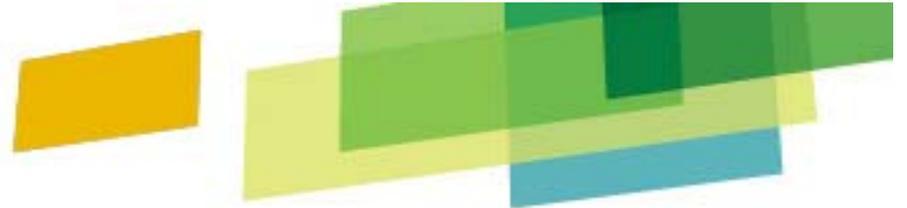
Tesco, Asda, Coles

Tony Leon
General Manager - Liquor

Dan Murphys (Woolworths)

Combined over 125 years retailing experience





Phase 1 - Building the foundation Creating a strong top team

- 100% of leadership team new to Coles / role
- 37% of top 30 managers new*
- 45% of top 200 managers new to Coles / role
- 92% of top 200 are Australian
- Launch of Coles graduate program
 - 3,500 applications for 100 positions

*Joined Coles since acquisition in Nov '07



Phase 1 - Building the foundation

Cultural change

- Tooronga transition!
- 1,000+ non-store positions removed
- Open plan environment
- Stronger store focus
- Leadership visibility & access
- Communication strengthened



Phase 1 - Building the foundation

Store focus - Inverting the pyramid

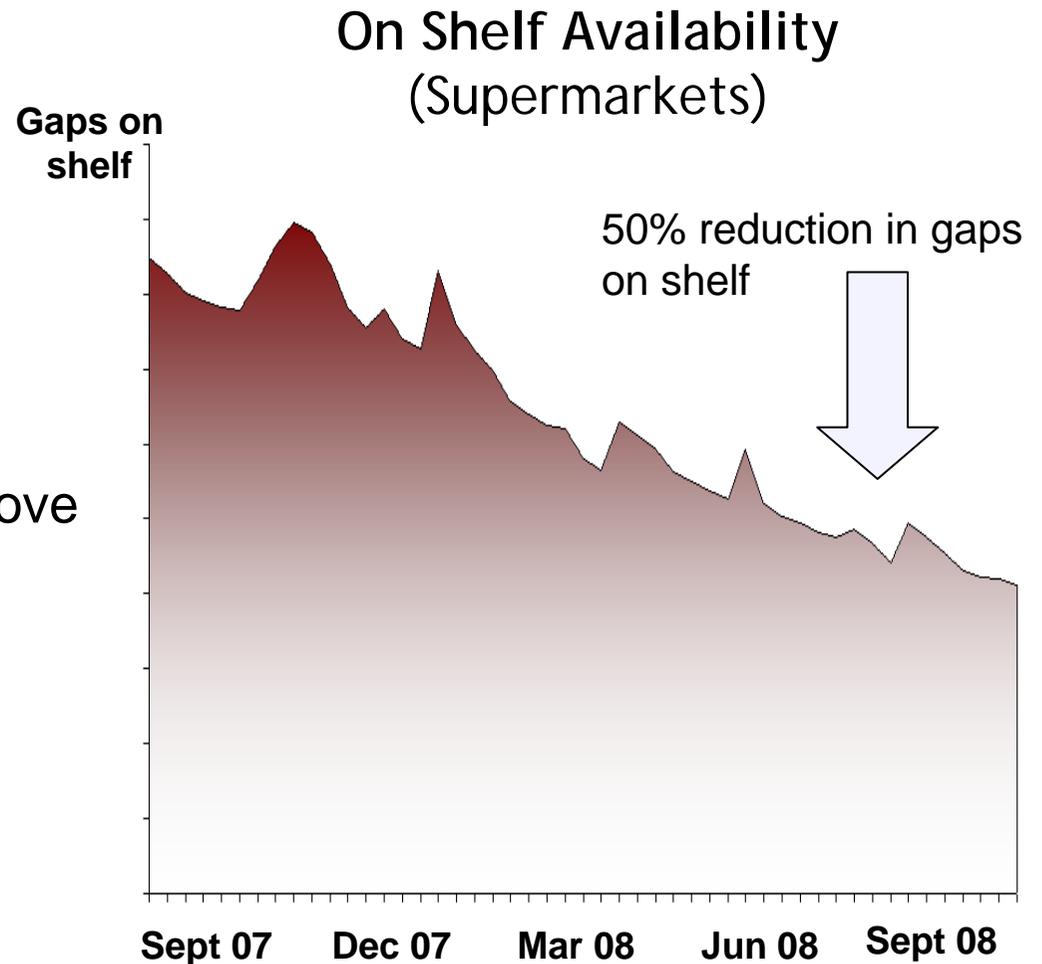
- Local freedom to act
- Store feedback actively encouraged
- “Back to basics” shopkeeping drive
- Recruitment processes simplified
- Performance based incentives improved



Phase 1 - Building the foundation

Improving availability and store standards

- Focus on improving availability
 - Consistent measurement
 - Management attention
 - Customer focus
- Store standards beginning to improve
 - Stock management
 - Roster planning
 - Presentation standards
 - Increased training



Phase 1 - Building the foundation Improving value and customer trust

- Top 60 suppliers engaged (representing 73% of sales)
- Range reduction trials, focused on choice, not proliferation
- Full private label review
- Increased focus on fresh produce quality
 - ‘*Would you buy it? If not, don’t try to sell it!*’
 - >2,500 team members have already completed fresh product training
- Fresh food participation beginning to improve



Phase 1 - Building the foundation Improving value and customer trust

- Delivery of promotion change
- Value trading focus with fewer, more compelling promotions
- Non-repeat of value destroying promotions
- Clearer customer communication
 - In Store & in Catalogue
- Adjusted to mid-week promotion cycle
 - Optimise peak trading period

**Cut the cost
of your shopping.**
Specials now start every Thursday.

\$2^{ea}
SAVE \$2.19

THE HEALTH FOOD COMPANY
Sanitarium
The Whole Grain Experts™
Weet-Bix™
LOW IN SUGAR
HIGH IN FIBRE
ZINC & POLYENE
Lasting goodness and energy
Sanitarium Weet-Bix 750g

On Sale Thursday 4th September until Wednesday 10th September 2008. See page 3 for On Sale details.



Phase 1 - Building the foundation Improving value and customer trust

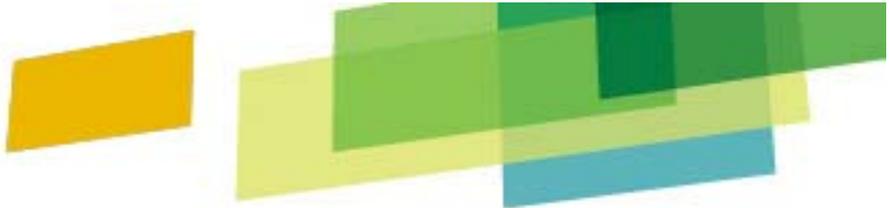
- Addressing past store infrastructure neglect
- \$100m upgrade investment in FY09
- “Spring clean” basic investment in stores
 - 600 stores completed by end October 2008
- New registers and scales in FY09
- Refrigeration replaced in 66 stores



Phase 1 - Building the foundation Renewal store development

- Trialing of new formats
 - Enhanced fresh food offer
 - Rationalised ambient offer
 - Improved demographic ranging
 - Smarter working, better service
- Renewal store pilots planned
- Reduced refurbishment plan whilst trial stores progressed
- Portfolio optimisation plan





Phase 1 - Building the Foundation Upgrading Supply Chain and IT Infrastructure

- IT plan aligned to business priorities
- Multi-saver promotion capability
- Automated replenishment pilots in place
- Leveraging supply chain network
 - Reduced from 33 sites to 26, with further consolidation to 23 end FY09
 - Kewdale Distribution Centre (WA) commenced operations 23 June



Phase 1 - Building the foundation Liquor renewal

- Brand development review
 - Reinvigorate Liquorland's convenience offer
 - Reinforce Vintage Cellars' specialist credentials
 - Price and range architecture
- Network optimisation and expansion
- Increasing efficiency and lowering costs
 - Improve IT platform
- Tony Leon appointed

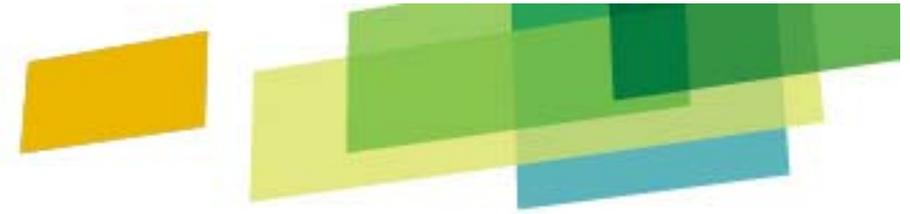


Phase 1 - Building the foundation

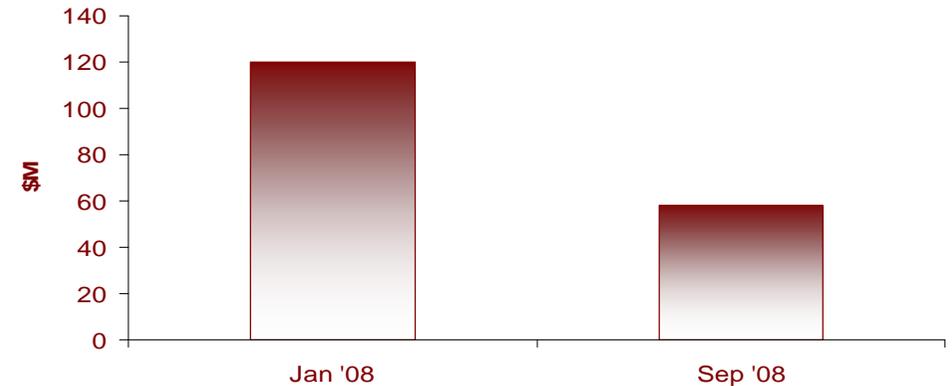
Drive efficient use of capital

- Focus on installing discipline and reducing high levels of aged overstocks
- High level of inherited aged overstocks already reduced 50%
- Improved inventory mix
- Trade Creditor days beginning to improve
 - Date of weekly payment runs at end of month can skew comparisons

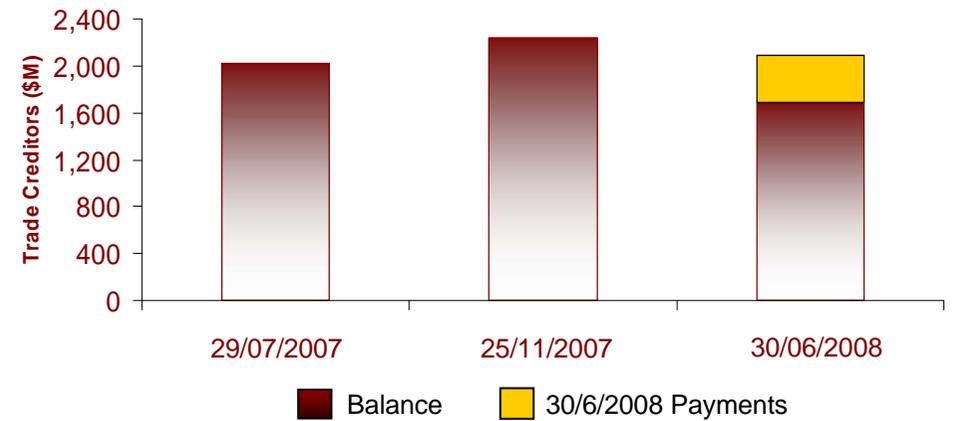
* Coles division only



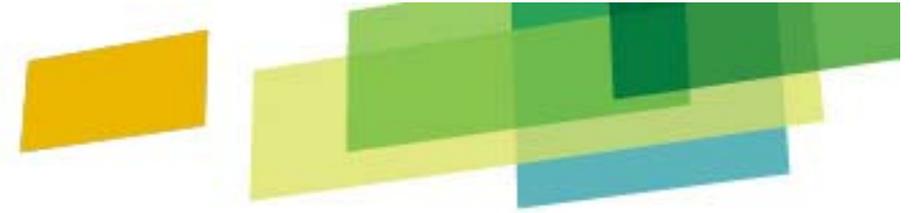
Coles – Grocery Overstocks*



Coles - Trade Creditors & Other Payables*



Increased pace of change

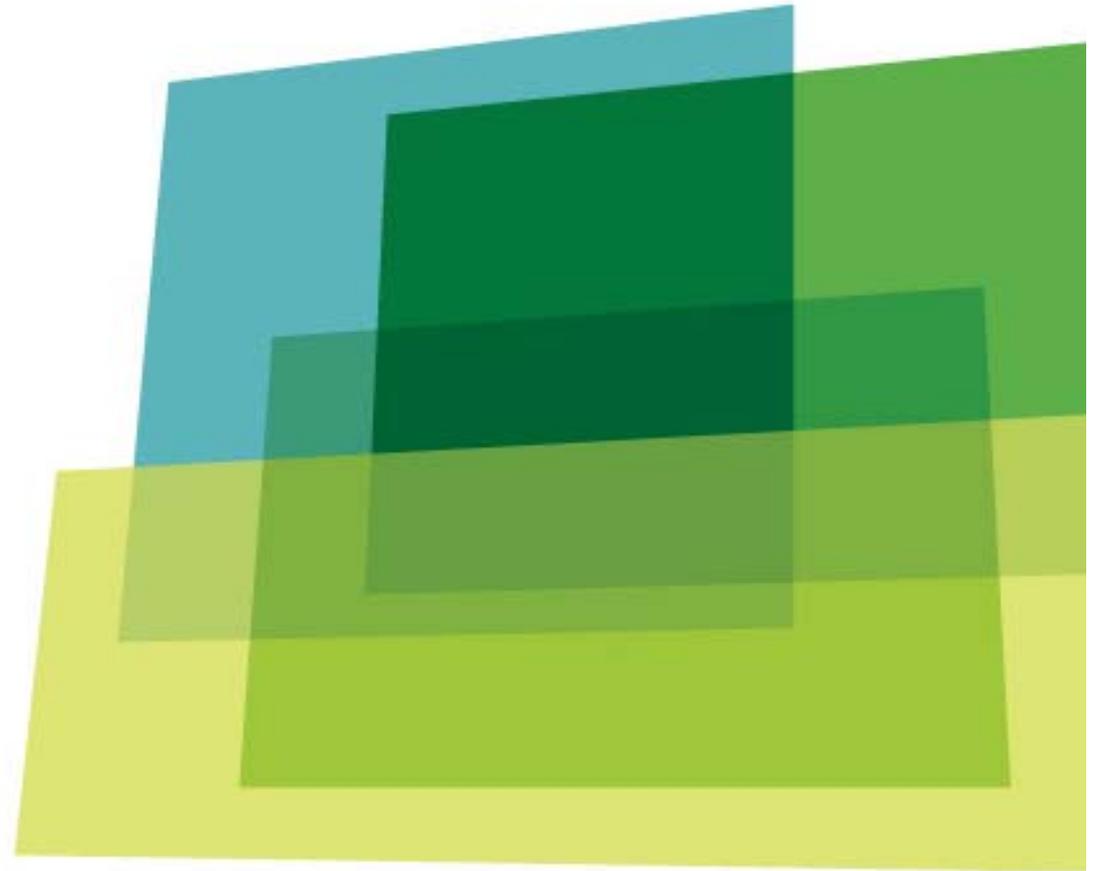


- Chronic under-investment & infrastructural decay will take 5 years to remedy
- Building the foundation has started at pace
- Strong, experienced top team in place
- Team members committed and engaged
- New format pilots this financial year
- Change to promotion cycle actioned
- Cultural change underway





Outlook



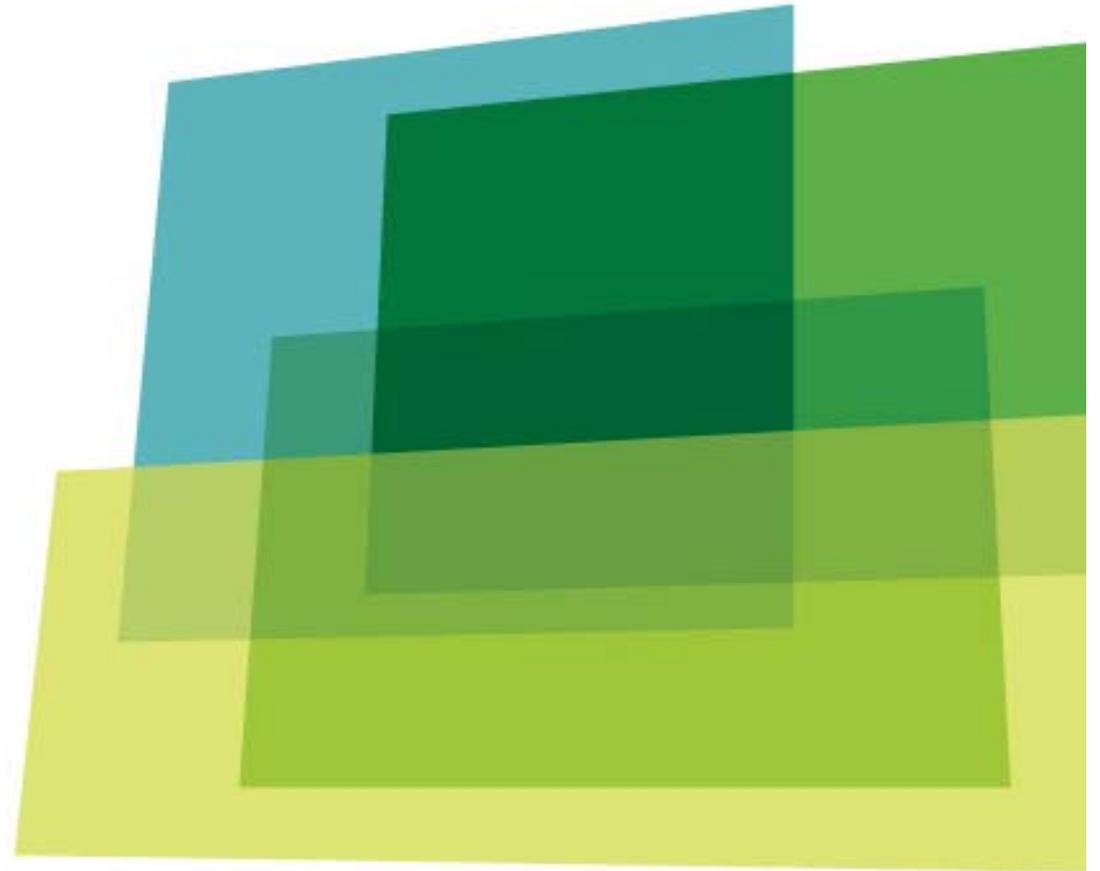
Outlook

- Toughening economic conditions
- Consumer confidence dropping
- Customers focus on value will increase
- Lower levels of inflation expected to continue
- Key strategic programmes will be driven at pace
- Increasingly strong focus on cost and capital management
- Store network improvement



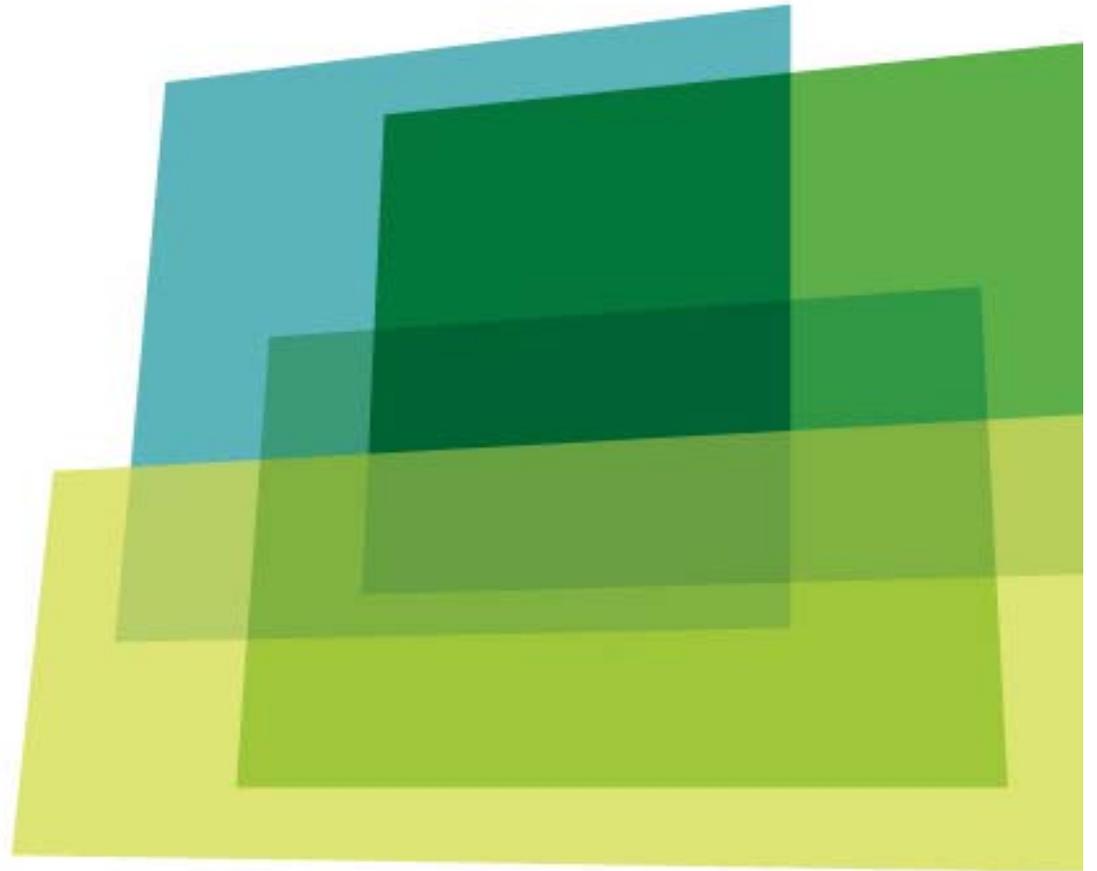


Questions

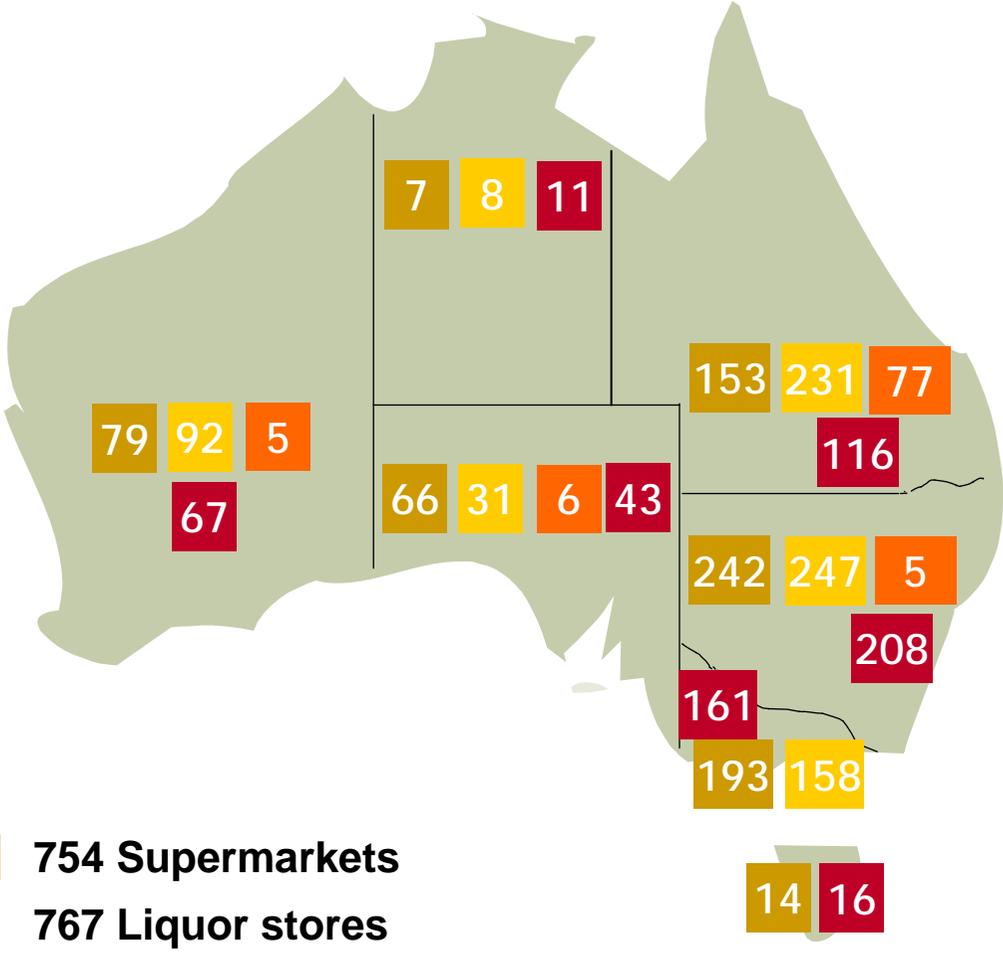
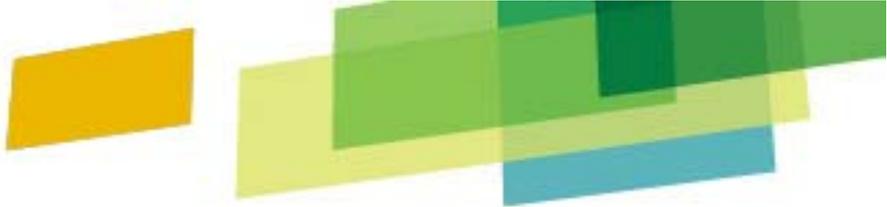




Appendix



Food and liquor store network at 30 September 2008



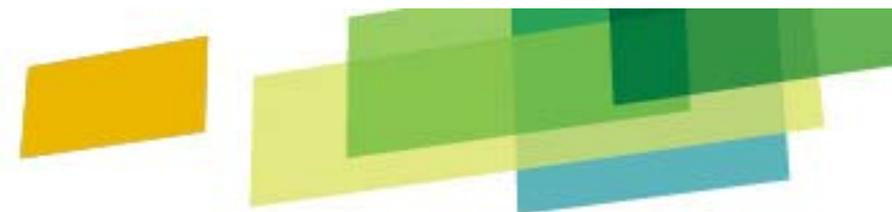
- 754 Supermarkets
- 767 Liquor stores
- 93 Hotels
- 622 Convenience

Selling Area

Supermarkets (sqm)	1,560,566
Liquor (sqm)	268,875



Store network movements



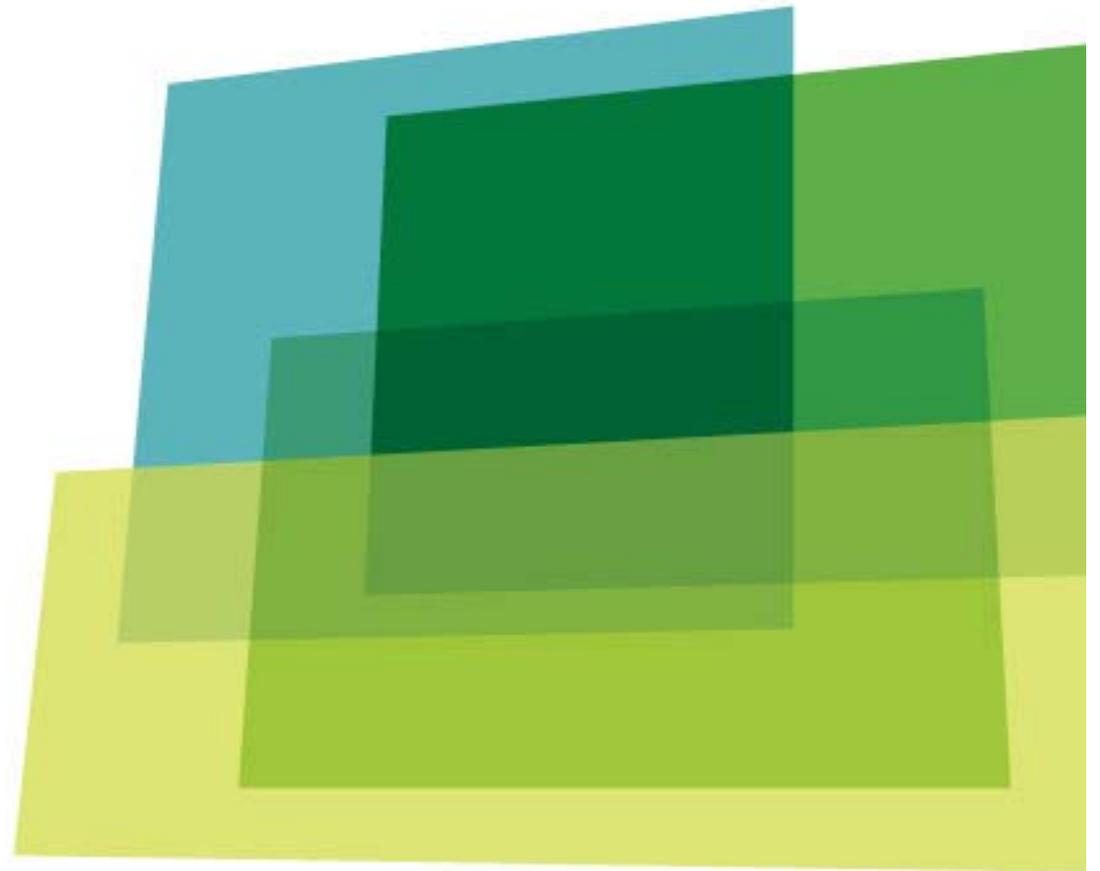
	Open at 30 June 2008	Opened	Closed	Open at 30 Sept 2008
Supermarkets				
Coles	685	7	3	689
Bi-Lo	65	-	-	65
Total Supermarkets	750	7	3	754
Liquor				
1 st Choice	52	1	-	53
Vintage Cellars	85	-	1	84
Liquorland	630	5	5	630
Hotels	95	-	2	93
Total Liquor	862	6	8	860
Convenience	619	4	1	622





Home Improvement & Office Supplies

John Gillam



Agenda

Bunnings & Officeworks

- Background
- Trading Update
- Strategies
- Outlook





Background



WIDEST RANGE

LOWEST PRICES

BEST SERVICE



Background



1886

Arthur & Robert arrived in Perth, WA from London and soon won a government building contract and founded what was to become a group of companies known as Bunnings Bros Pty Ltd.

1897

In 1897 the brothers purchased their first sawmill in the south west of Western Australia.

1952

Bunnings became a public company and expanded into retail to take advantage of strong building activity. The company grew and purchased several competitors in WA.

1993

The Victorian operations of James McEwans Ltd was purchased by Bunnings...

1994

The first Bunnings Warehouse store opens in Sunshine in Victoria.

1994

Wesfarmers Limited
ABN 28 008 984 049

The same year, Wesfarmers Limited, one of Australia's largest public companies acquired Bunnings.

1994

...And then there were more...

2001

The Howard Smith group was purchased by Wesfarmers – the vast BBC Hardware network also included Hardwarehouse stores and Benchmark stores in New Zealand. This allowed the first Bunnings Warehouse stores to be introduced into New Zealand.

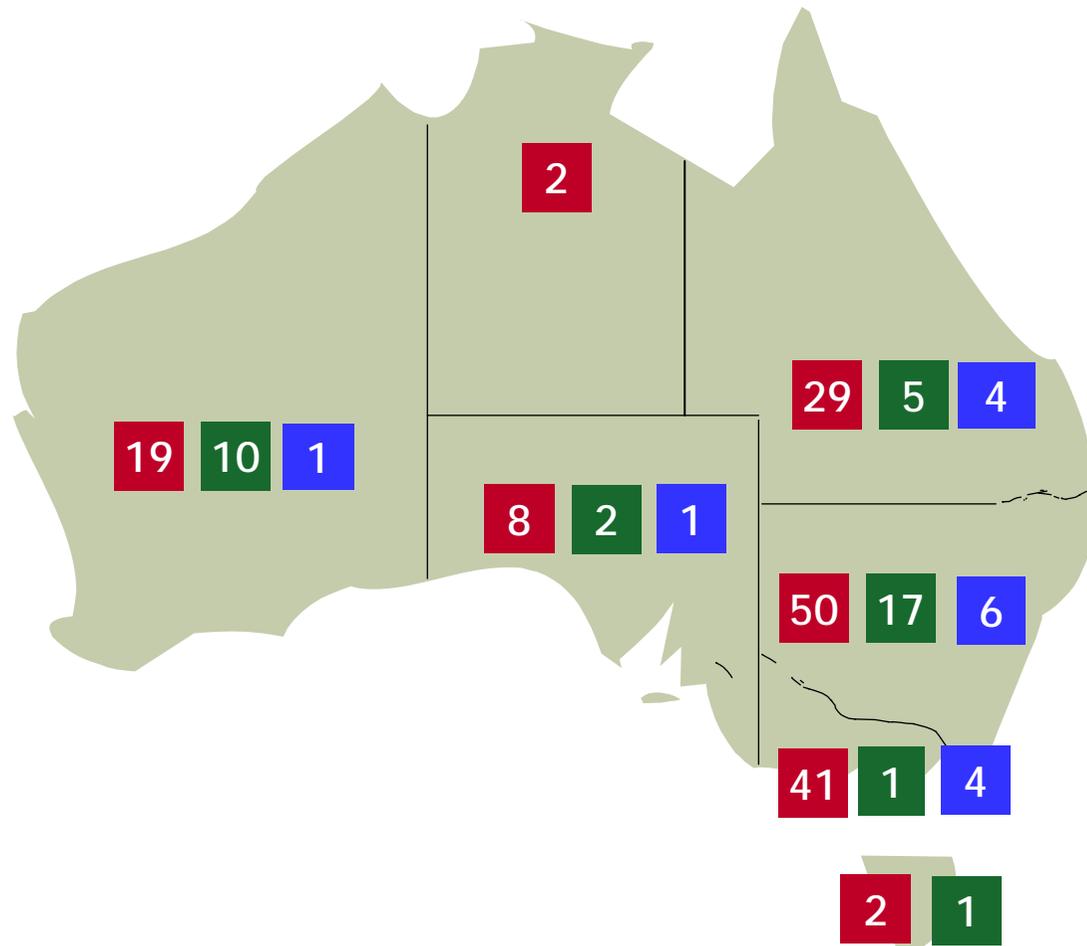
Today

Bunnings continues to expand. More Bunnings Warehouse stores to be opened throughout Australia and New Zealand for many years to come.

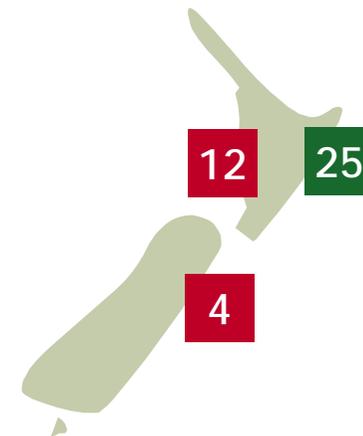
www.bunnings.com.au



Store & Trade Centre Network at September 2008



- 167 Warehouse stores
- 61 Small format stores
- 16 Trade Centres



Store Network Movements



	June 2008	Opened	Closed	Sept 2008	Under construction
Bunnings Stores					
Warehouse format	165	2	0	167	10
Smaller format	61	2	2	61	0
Bunnings Trade Operations					
Trade centres	14	2	0	16	4
Frame & Truss plants	8	0	0	8	0



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* (\$m)	569	487	16.8
Trading EBIT / Trading Revenue (%)	10.8	10.4	0.4 pt
Safety (R12 LTIFR)	13.5	14.5	

* Excludes property and other non-trading items

^ Excludes internal revenue and expenses





Trading Update

1 July to 30 September 2008

- Cash sales growth 7.3%
 - Tighter conditions: cash store-on-store growth 4.9%
 - Growth strongest within existing store network
 - Positive responses from merchandising & operational initiatives
- Trade sales growth continues
 - Pleasing growth in tough housing construction market conditions
- Ongoing network re-investment and expansion



Strategies

1. Profitable sales growth
2. Building a stronger team
3. Lifting effectiveness & efficiency
4. Sustainability focus



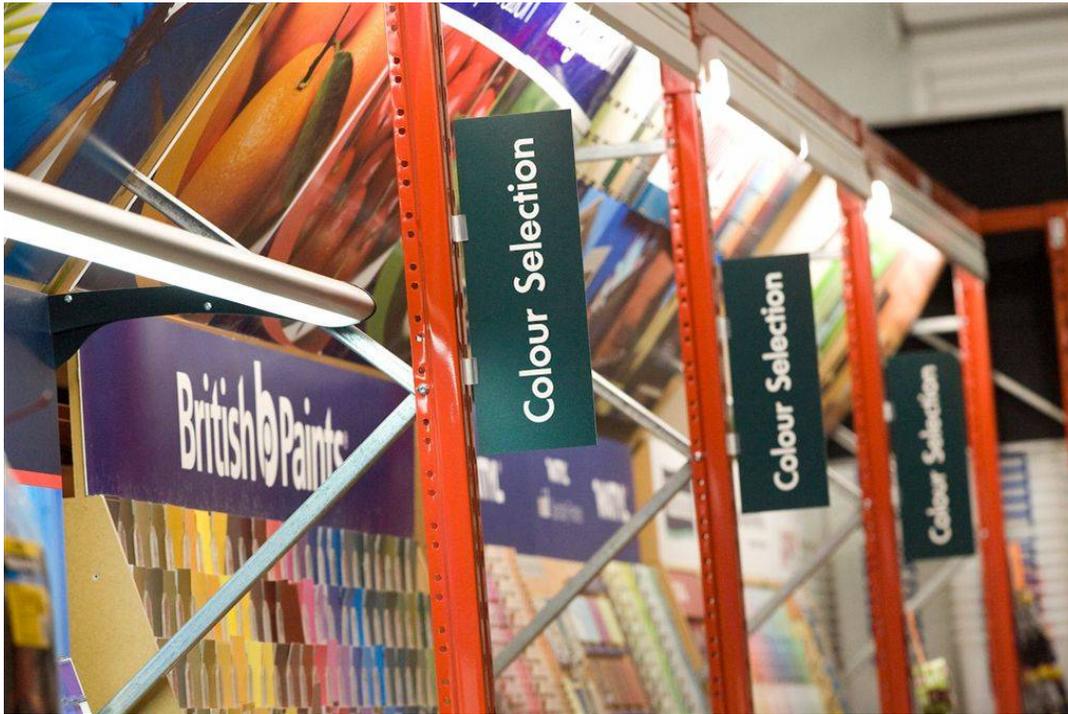


Strategies

1. Profitable Sales Growth

- Improving service
 - Prioritised as largest improvement & growth opportunity
 - Work focused on 3 key areas
 - team member coverage, product knowledge & stock availability
- Continued offer improvement
 - Driving new product ranges
 - Strong merchandising disciplines lifting existing ranges
 - major refresh work for decorator and tools categories







Strategies

1. Profitable Sales Growth

- Dual store network investment – existing & expansion
 - Continued investment in existing stores
 - Ongoing rollout of new stores
 - 10 to 14 new warehouse stores opening annually
 - Opportunistic openings of small format stores
- Growing the trade business
 - Expanding the trade centre network
 - Improving the trade offer in stores



Strategies

2. Building a stronger team

- Significant activity supporting 'service' aspirations
 - Increasing the quality & quantity of training
 - Improving rostering skills
- Effective actions to lift team retention
- Diversity & employment branding work ongoing
- Continued strong safety programme



Strategies

3. Lifting effectiveness & efficiency

- New programmes driving down the cost of doing business
 - supports core pricing objective for customers
- Supply chain enhancements
 - in-bound & in-store actions
- Customer facing business process improvements
- Better business disciplines
 - Shrinkage & stock management
- Continued IT investment programmes



Strategies

4. Sustainability focus

- Strong foundation of credible actions
 - Sustainable timber procurement commenced in 2001
 - zero tolerance for illegally logged rainforest timber
 - Initiatives in waste reduction (2003) & energy saving (2004)
- Stepped up energy reduction & water saving actions in May 2007
- New programs to eliminate waste & reduce packaging
- Expanding sustainability-linked ranges, education & information
- Strengthened community engagement



Home Improvement Outlook

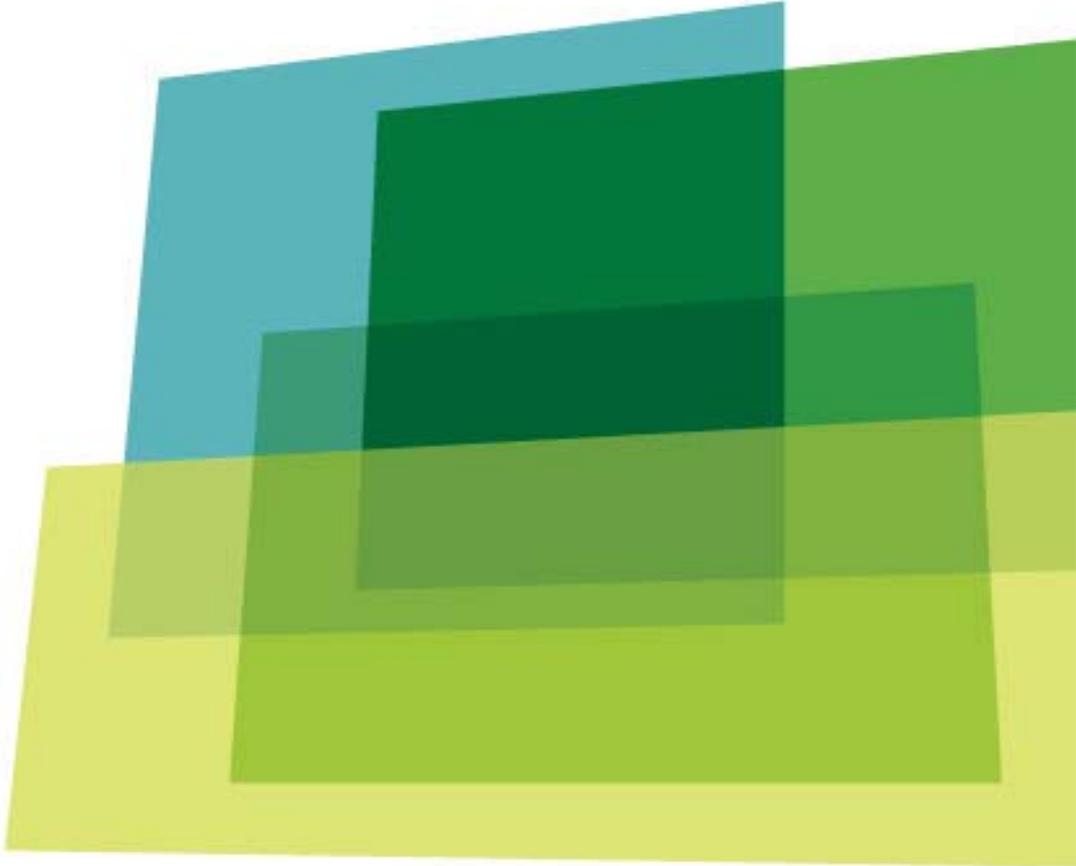


- Continued cash sales growth
 - Driven by service, merchandising and network initiatives
 - Challenging retail conditions will impact overall growth
- Continued positive trends in trade business performance
- Trading earnings growth expected
 - lower property development earnings likely





Office Supplies



Background



Background



1994

Officeworks Superstore

First store opens in Richmond

2003

Officeworks acquires Viking

2004

Harris Technology becomes part of Officeworks portfolio

2005

Officeworks online business & Viking become Officeworks Business Direct

2007

Wesfarmers one of Australia's largest public companies acquired Officeworks

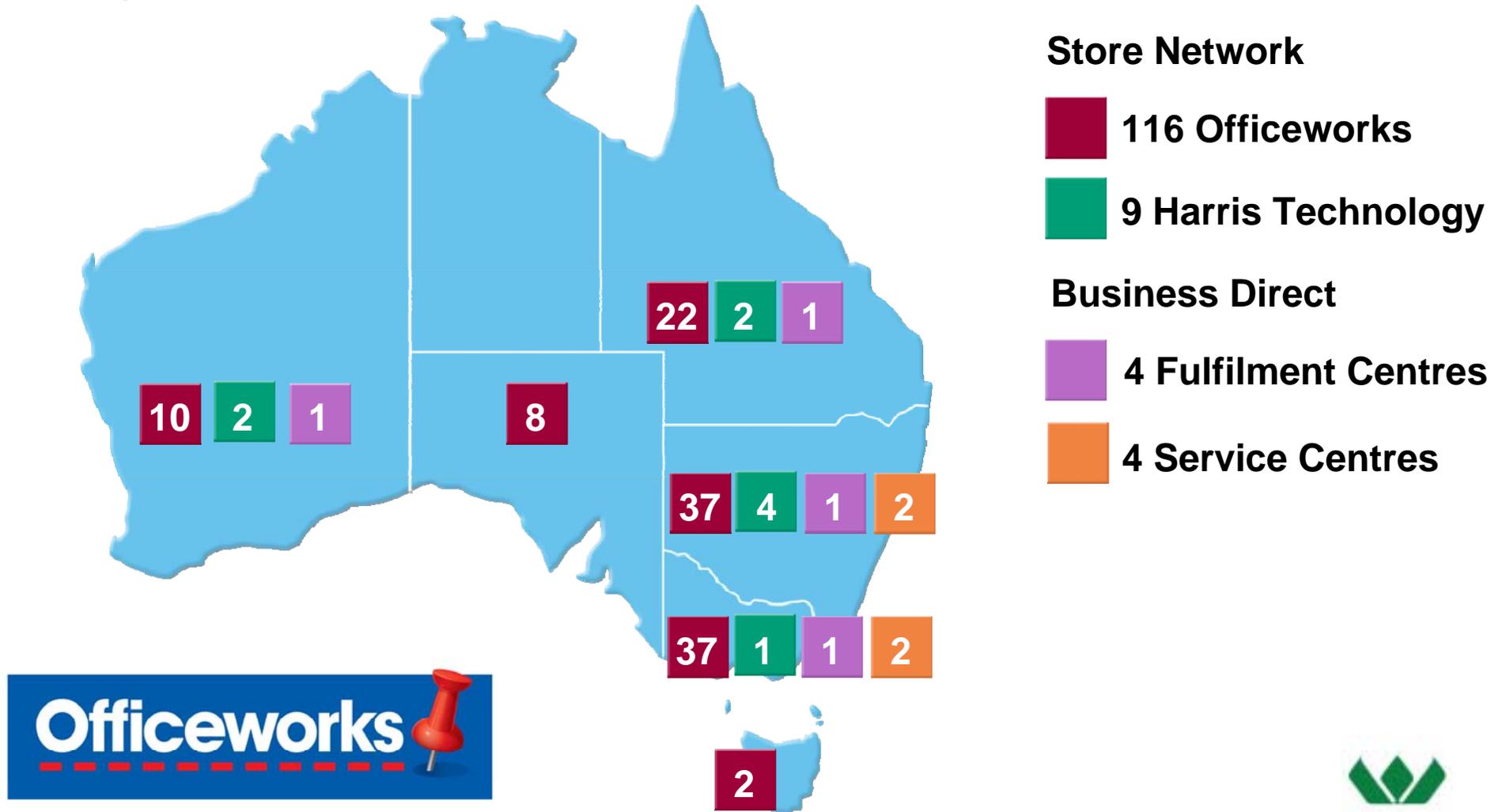
Today

Officeworks Store Network



Background

Officeworks & Harris Technology Network at September 2008



Store Network Movements



	June 2008	Opened	Closed	Sept 2008	Under construction
Officeworks	115	1	-	116	4
Harris Technology	11	-	2	9	0



Office Supplies Performance Summary



23 November to 30 June (\$m)

2008

Revenue	802
EBIT	36
Total Sales Growth (%)	1.6%
Trading Revenue*	802
Net property contribution	-
Trading EBIT*	36
Trading EBIT / Trading Revenue (%)	4.5%

* Excludes non-trading items



Trading Update

1 July to 30 September 2008



- Officeworks retail sales growth 2.2%
 - Tight trading conditions across core customer base
- Adverse sales trends in OW Business Direct & HT
- Re-establishing range authority
- Transitioning to EDLP
- Eliminating past channel conflict



Strategies

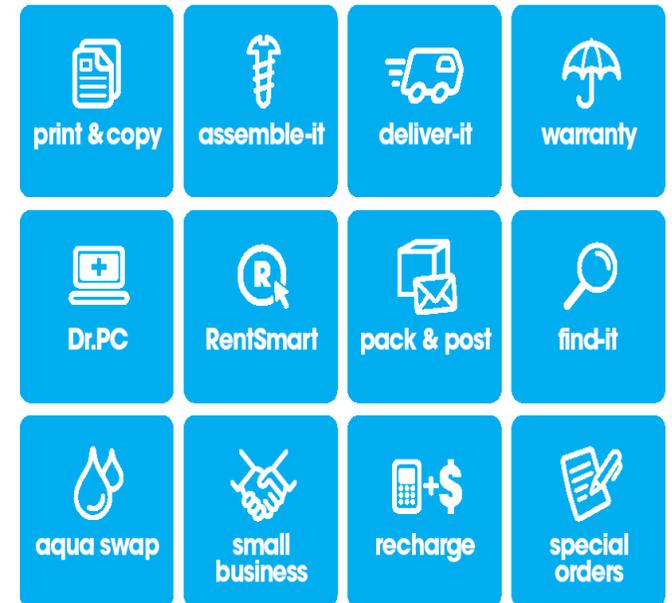
1. Improving the customer offer
2. Lifting service
3. Team development & engagement
4. Reducing complexity & cost of doing business
5. Growing sales & profitability



Strategies

1. Improving Customer Offer

- New concept store trial
 - sharper, simpler ‘warehouse’ shopping environment
 - 4 more older larger stores being like-transformed
- Re-establishing range authority
 - Range reviews well advanced in all categories
 - Dell performing well
- New services being developed
- Replenishment process enhancements
- Website being re-built



New concept store

- Officeworks Highett –Victoria



New look & feel



New look & feel (cont)



New branding



Strategies

2. Lifting Customer Service

- Investment in additional in-store wages
- Non-sell task reviews generating face-to-face service hours
- New labour scheduling system under development
- New point of sale system
- 30-day account usage opened across all channels
- Single product pricing across stores & direct



Strategies

3. Team Development & Engagement

- Significant lift in training investment
- Introduction of recognition & reward programmes
- Stronger focus on labour retention

4. Reducing Complexity & Cost of Doing Business

- Eliminating channel conflict
- Simplifying processes & procedures; improve speed to market
- Re-base support functions
 - Achieving sustainable support office cost reductions



Strategies

5. Growing Sales & Profitability

- Open 8 – 10 new Officeworks stores in 2008/09
 - Develop pipeline for network expansion for 2009/10 and beyond
- Upgrade 8 – 10 existing stores to new concept
 - Establish network refurbishment programme
- New marketing programmes across all channels
- Shift to EDLP with “Lowest Prices Everyday” positioning



Other News



Officeworks Business Direct

- Strategy revised to align retail and direct businesses
 - Single buying team in place; Single price across all channels
- Revised marketing programme - getting closer to the customer
- 30-day accounts now operable in stores

Harris Technology

- Strategy revised to capitalise on key strengths
 - Best service, online & call centre, business centres, overall value
- Rationalise network back to one store per capital city
- Reducing cost base significantly



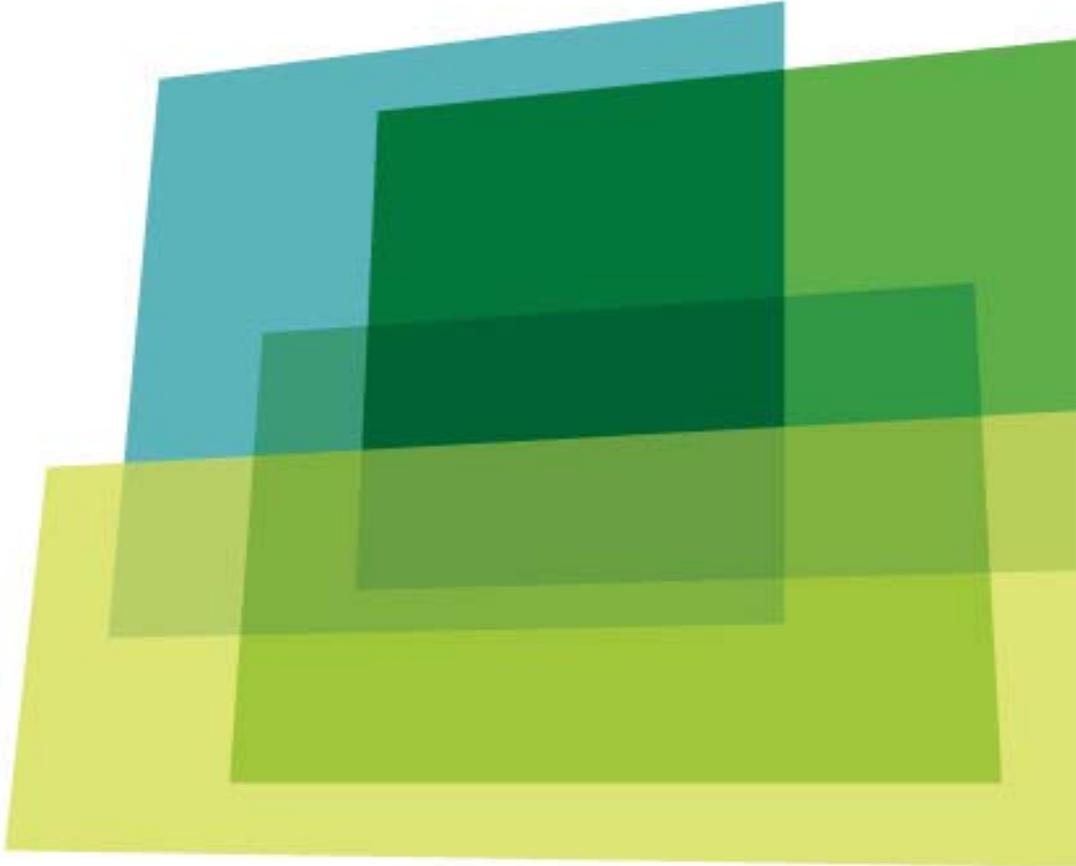
Outlook

- Difficult trading conditions
 - Pressure on sales & margin, particularly in small business sector
 - Moderate sales growth expected
- Good traction from strategy expected



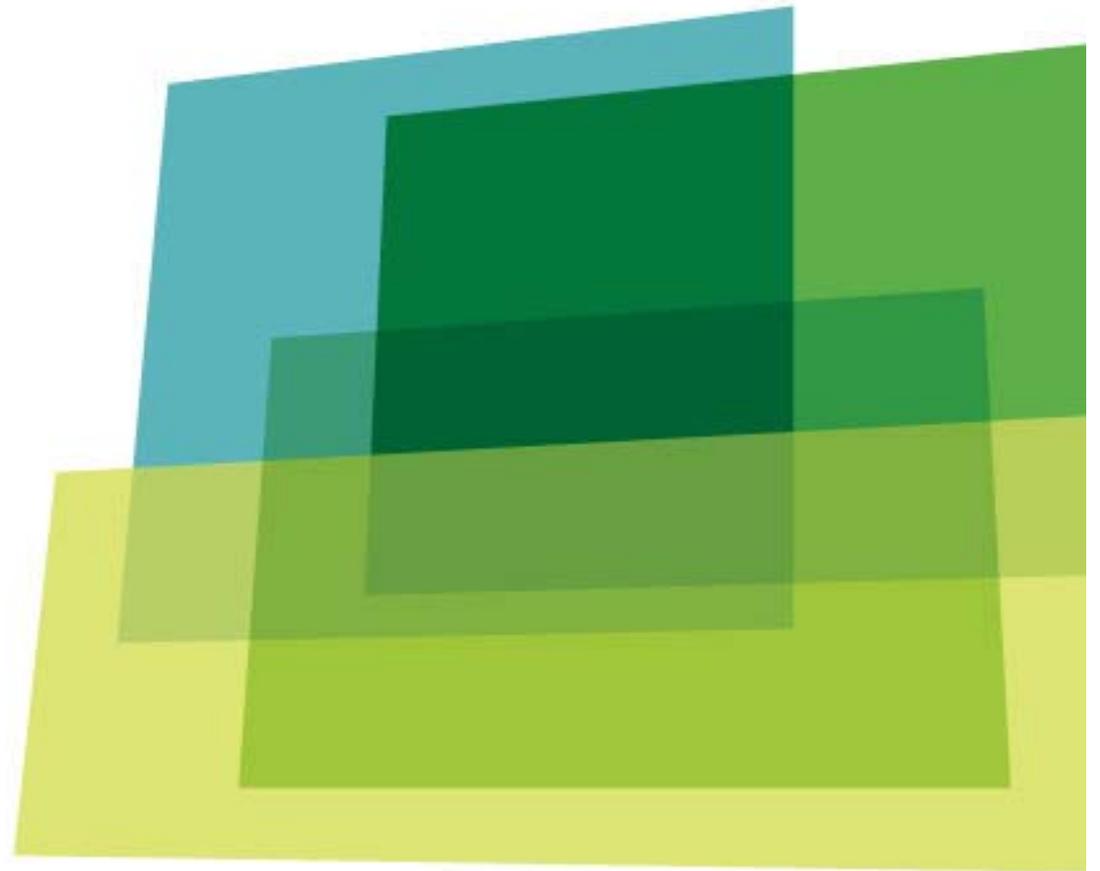


Questions





Target
Launa Inman



Trading Update

3 months to September

- Sales for comparable period up 6.5%
- Underlying same store sales up 3.0%
 - July strong with successful Toy Sale
 - Trading since July has been challenging
- Weaker consumer sentiment
 - Credit crisis/sharemarket impacts
 - Continued high petrol prices
 - High interest rates
- Increased competitor activity



Managing the Business

Current Challenges

- Customer behaviour
 - Evidence of customers downgrading
 - Importance of entry price points
- Rising product costs; FX and inflation
 - Broaden sourcing base
- Volatile trading
 - Inventory tightly managed
 - Preventative action already taken
 - Expense control
 - Flexible workforce

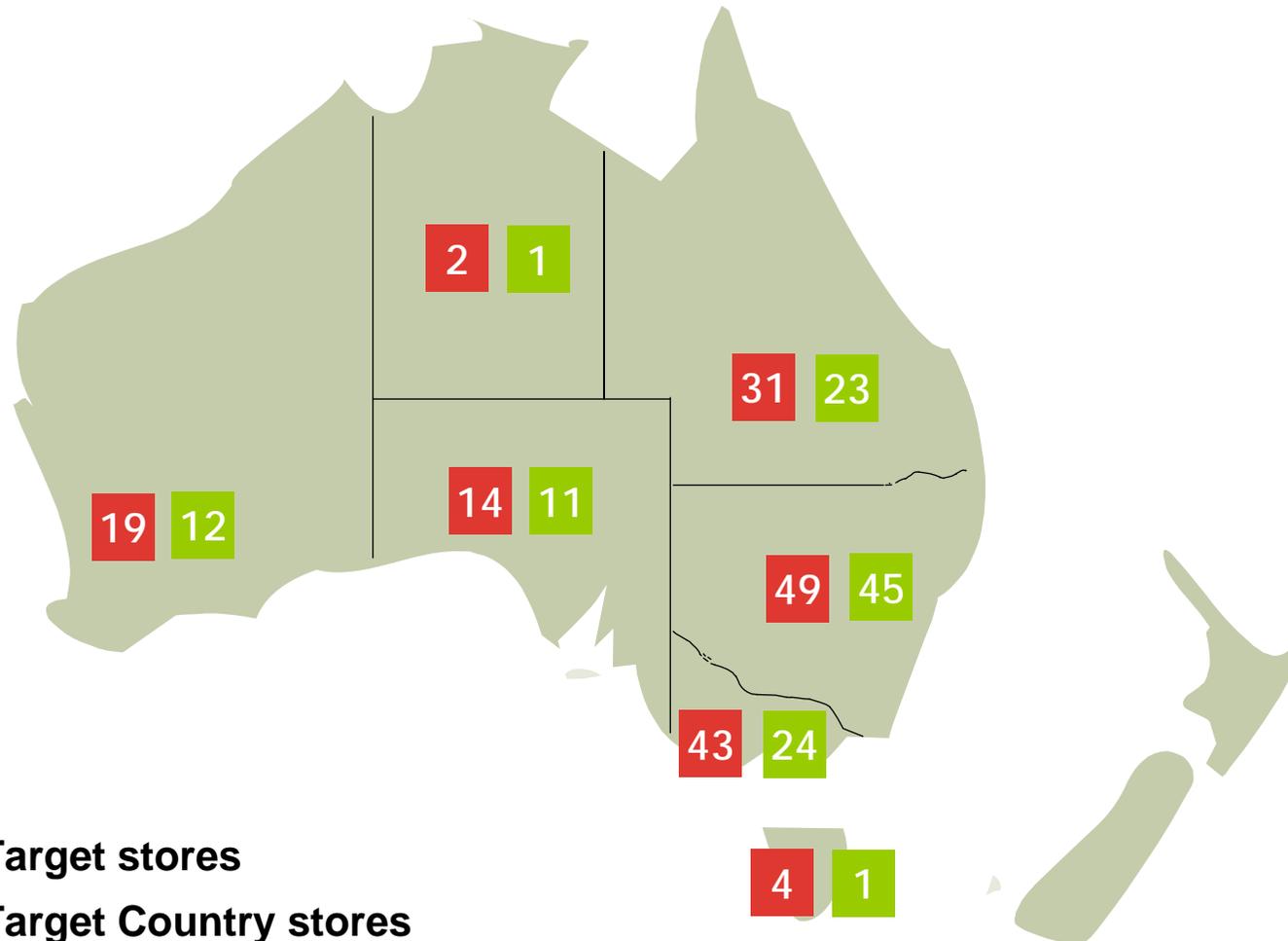
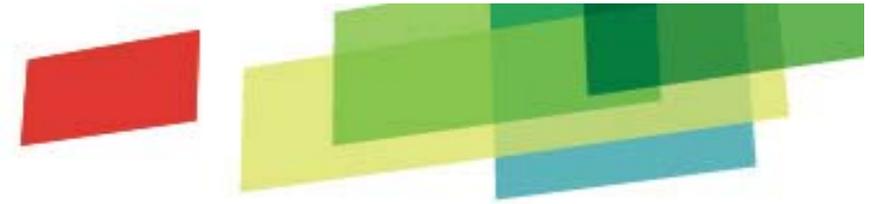


Target strategies



Strategic initiatives		Comments
Focus on fundamentals	✓	Meeting customer needs on Range, Price and Service
Brand relaunch	✓ Ongoing Ongoing	Evolution of “100% Happy” Unique philosophy and positioning Leveraging an emotional connection
Differentiation	Ongoing Ongoing Ongoing	Bringing the best of what’s new in the world to Target “Designers for Target” programme Sustainable products
Store network development	WIP WIP	Renewed investment in stores Investment in existing stores
Customer Service	WIP ✓	Ease of store shopping • layout, signage, price marking, POS features, register queuing Targeted increased service eg cosmetics
Team member performance	WIP WIP	Supervisor/Team Member empowerment Recruitment and retention
Business improvements to lower costs	✓ ✓	Migration of old Coles Retail Support Services to division-based approach Major systems improvements

Target Store Network end September 2008



- 162 Target stores
- 117 Target Country stores

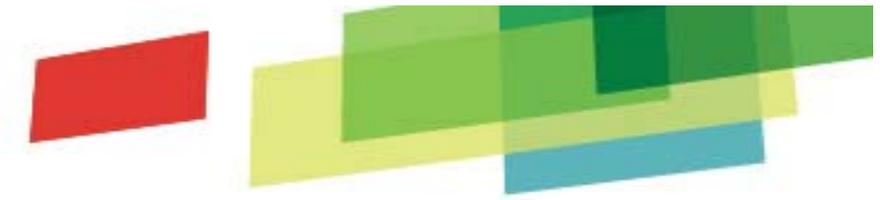


Store Network Development



- Planned new stores - FY09
 - 11 new Target stores
 - 3 Target Country conversions to Target - new stores
 - 3 Target Country replacements - bigger store footprints
- Investment in existing stores
 - Around 40 stores in FY09
 - Upgrades range from full refits to a light touch
 - Projected to spend over \$40 million in FY09





Store Entry Statement and Signage

Cleaner, simpler and more pure statement of Brand.

Larger entry portal allowing better vision into store.

Relocated service counter.



Signage statement





Entry and Orientation Zone.

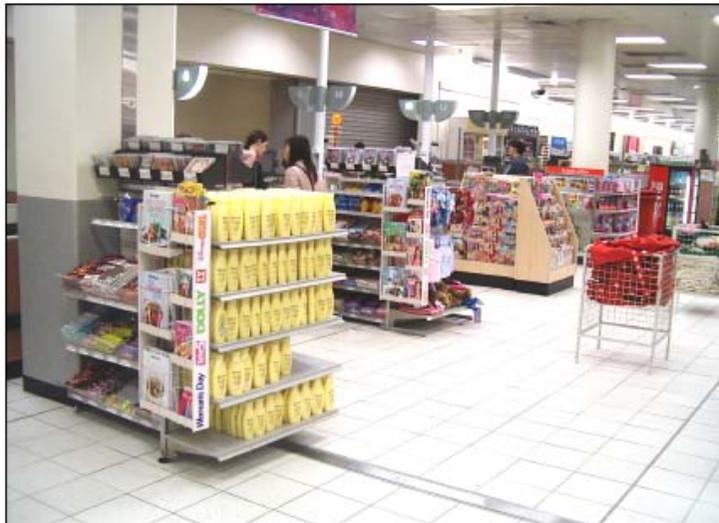
Larger "foyer" into store with reduced clutter.

More contemporary apparel display "Catwalk" to create a more fashionable first impression.



Entry





Checkouts

Checkouts

Single queue, "first up, first served" system similar to airport queuing

A simpler and fairer system.



Differentiation the key

- New exciting and differentiated offers
- Bring the best of what's new in the world to Target
- Promote, protect, and expand our quality reputation
- Excitement through Designer for Target program





Target

The allure
of bright
colours

GRAPHIC

Vulla feum clonseq qui
cing ea feugalt

WHAT'S HOT

Vulla feum clonseq qucing
ea feugalt feum

First Look

EXCLUSIVE TO TARGET ON SALE FROM 23RD OCTOBER 2008.



Jenny Kee



DESIGNERS FOR TARGET style by design **IN STORE OCTOBER 23**



- [VIEW ROOM SETTINGS](#)
- [VIEW RANGES](#) [MALLOZ](#) [OPAL OZ](#)
- [JENNY KEE PROFILE](#)
- [MEDIA RELEASE](#)
- [FIND MY NEAREST STORE](#)
- [LAYBY CONDITIONS](#)
- [SIGN UP FOR DESIGNER NEWS](#)
- [CONTACT](#)
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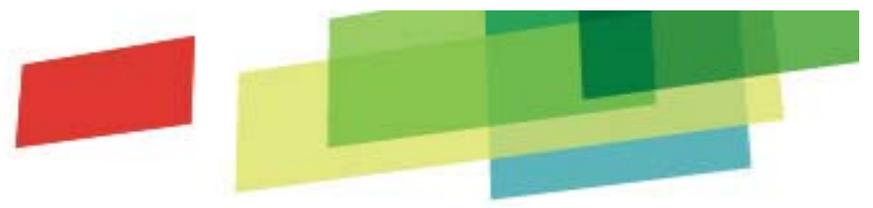
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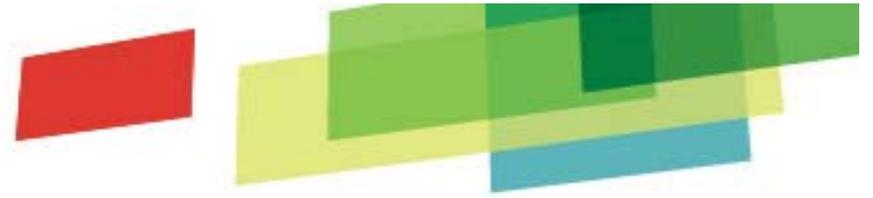
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Beauty Bank



Target Outlook

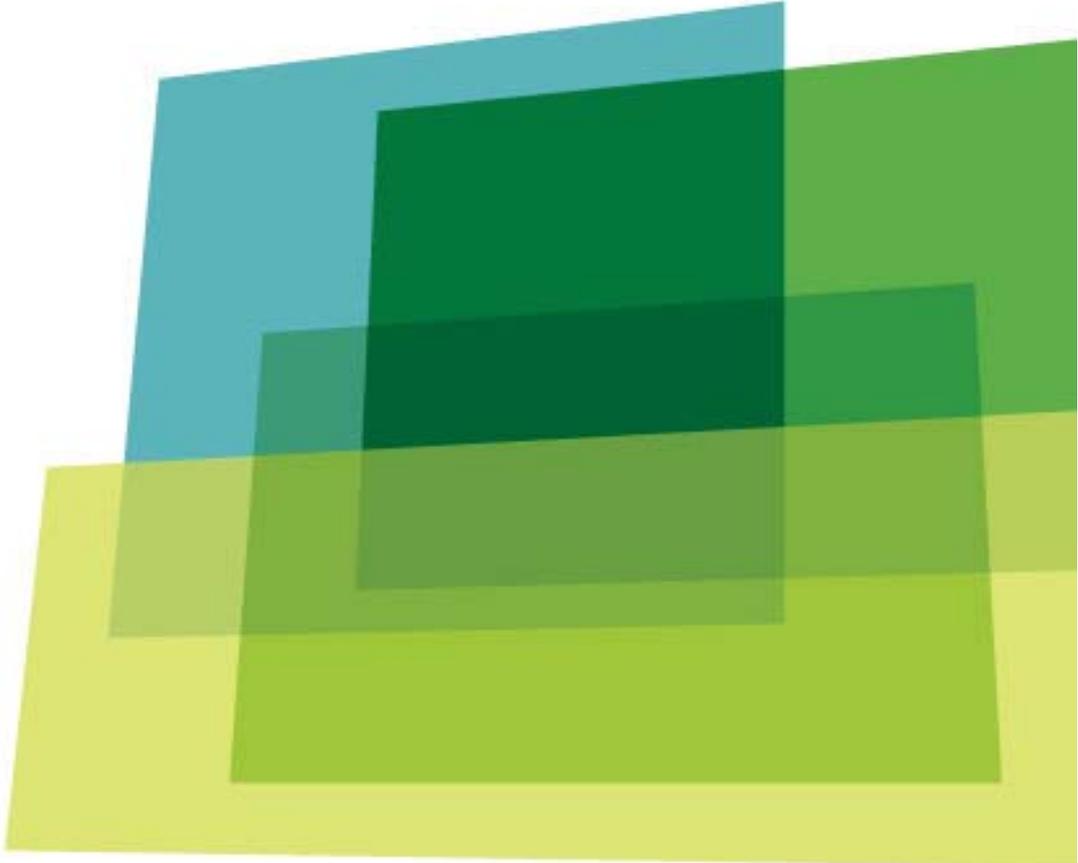


- Economic slowdown with signs of customers downgrading
 - Entry and mid-price points well stocked
 - Broaden sourcing base to mitigate cost increases from China
 - Controlled stock levels
 - Managing expenses
- Increased and enhanced store network
 - Investment in the future
 - Profit impact from accelerated refurbishment program
- New “Designers for Target” to continue differentiation
 - Jenny Kee – Homewares
 - Napoleon Perdis – Cosmetics
- Build on core strengths while adapting to competitor repositioning



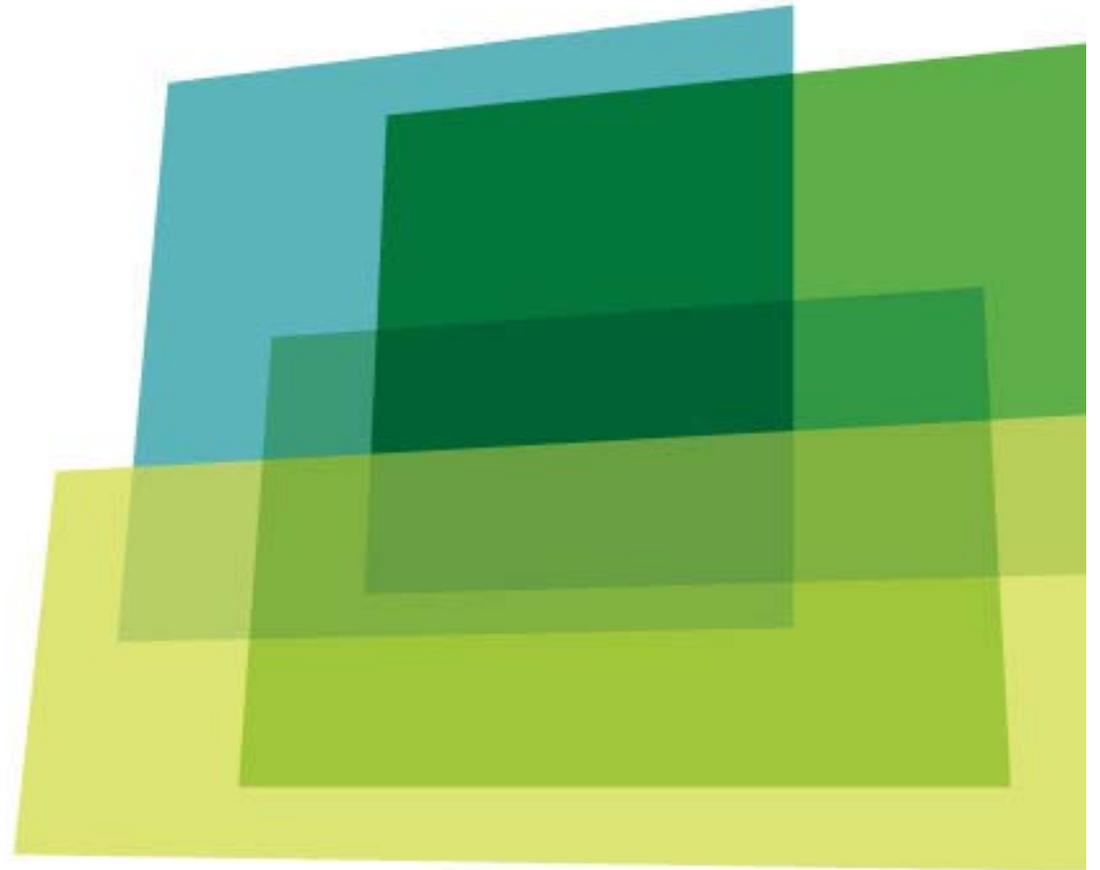


Questions





Resources
Stewart Butel



Wesfarmers Resources



Export metallurgical and domestic steaming coal QLD



Domestic steaming coal WA



Export and domestic steaming coal NSW (40% ownership)



Coal production

- Curragh - 10 day planned CHPP shutdown in July 2008

Mine	Beneficial Interest	Coal Type	YTD ended ('000 tonnes)	
			Sep 2008	Sep 2007
Curragh, QLD	100%	Metallurgical	1,809	1,558
		Steaming	774	722
Premier, WA	100%	Steaming	938	763
Bengalla*, NSW	40%	Steaming	519	558
Total			4,040	3,601

* Wesfarmers' attributable production



Business environment

- Curragh now achieving consistent production
- Historically high coal prices
- Established, long-term committed customers
- Constrained export coal chain
- Cost increases ongoing (opex and capex)
- Positioned to capitalise as infrastructure constraints lift

- Volatile Australian dollar
- Uncertain global economy impact on demand
- Climate change and the development of ETS

- Continuing indications of firm long term demand
- Feasibility studies to expand capacity



Resources strategies



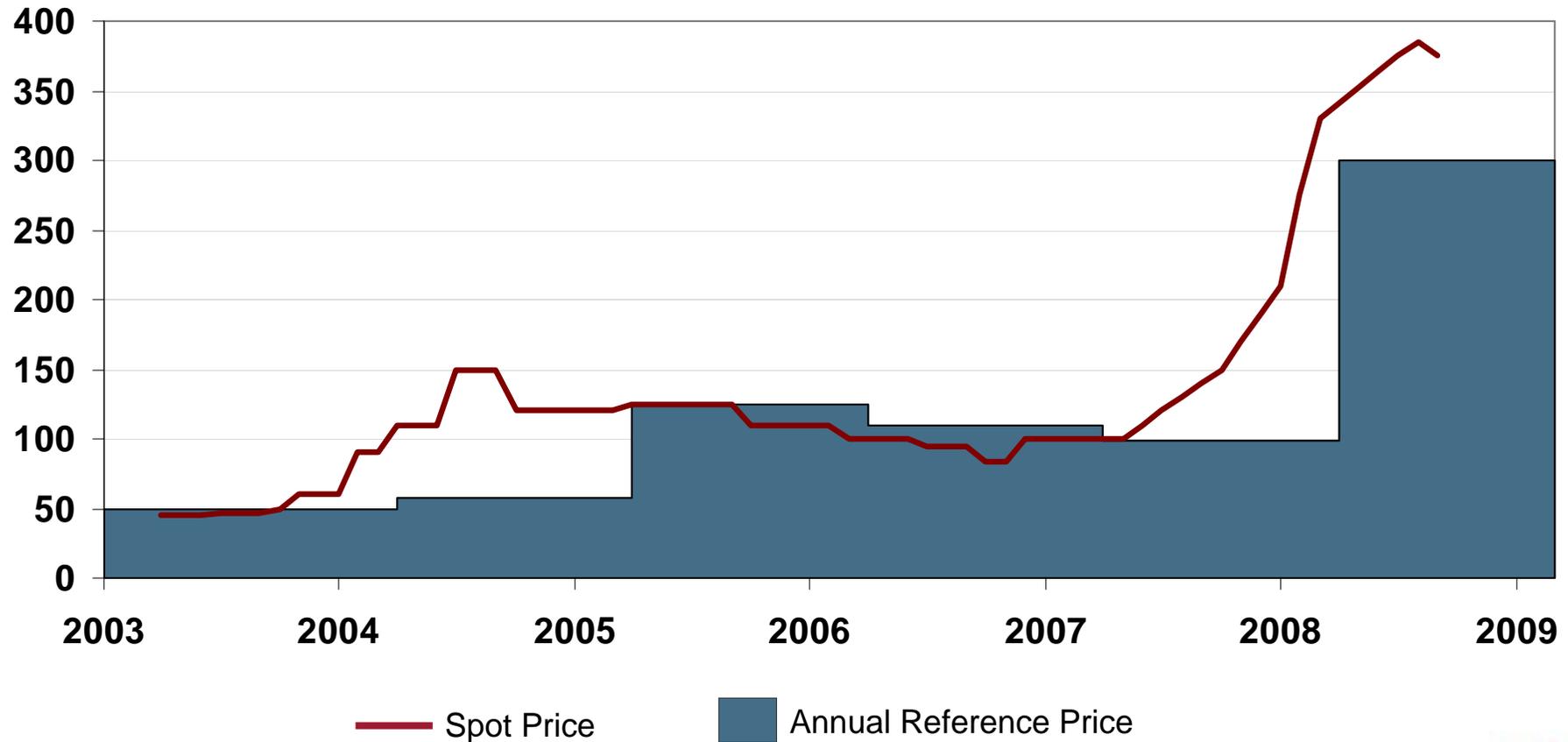
Strategic initiatives		Comments
Maximise export sales and optimise sales mix	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> Long-term contracts in place Price relativity Maximise higher value products
Cost reduction programmes	<ul style="list-style-type: none"> ✓ WIP WIP 	<ul style="list-style-type: none"> Improve operational performance People, process and systems Evaluate improved mining technology
Expansion opportunities	<ul style="list-style-type: none"> WIP WIP 	<ul style="list-style-type: none"> Curragh expansion feasibility study Bengalla expansion feasibility study
Extend product and market reach	<ul style="list-style-type: none"> WIP WIP 	<ul style="list-style-type: none"> Evaluate acquisitions that offer economies of scale or downstream benefits Brownfield growth opportunities
Sustainability	<ul style="list-style-type: none"> WIP ✓ ✓ 	<ul style="list-style-type: none"> Safety and environmental performance Community engagement Coal21



Australian hard coking coal prices

- No available spot pricing for September / October

US\$/Tonne (Nominal) FOB Australia

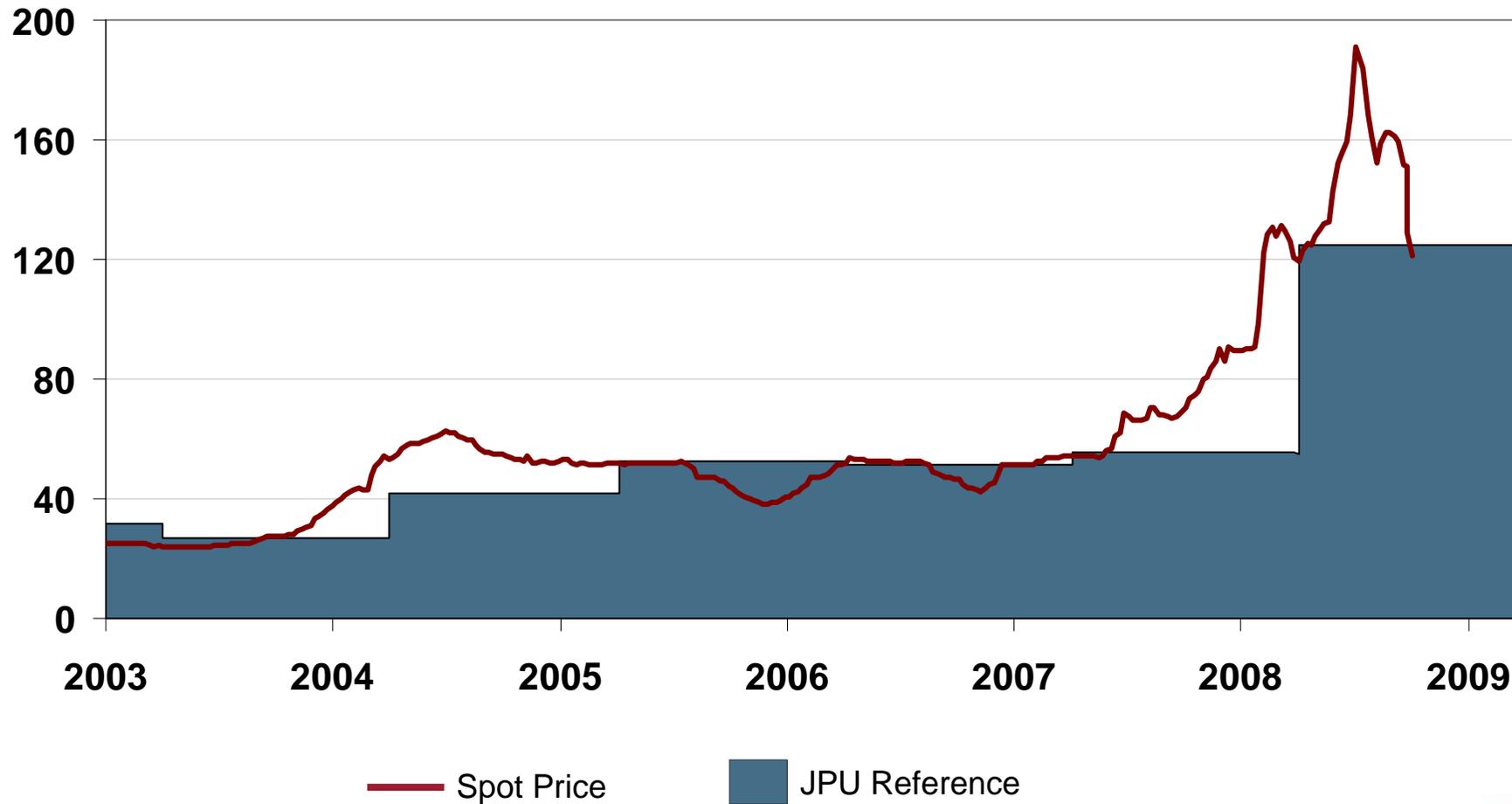


Source: Barlow Jonker, Tex Report, Macquarie Research, CRU



Australian steaming coal prices

US\$/Tonne (Nominal) FOB Australia

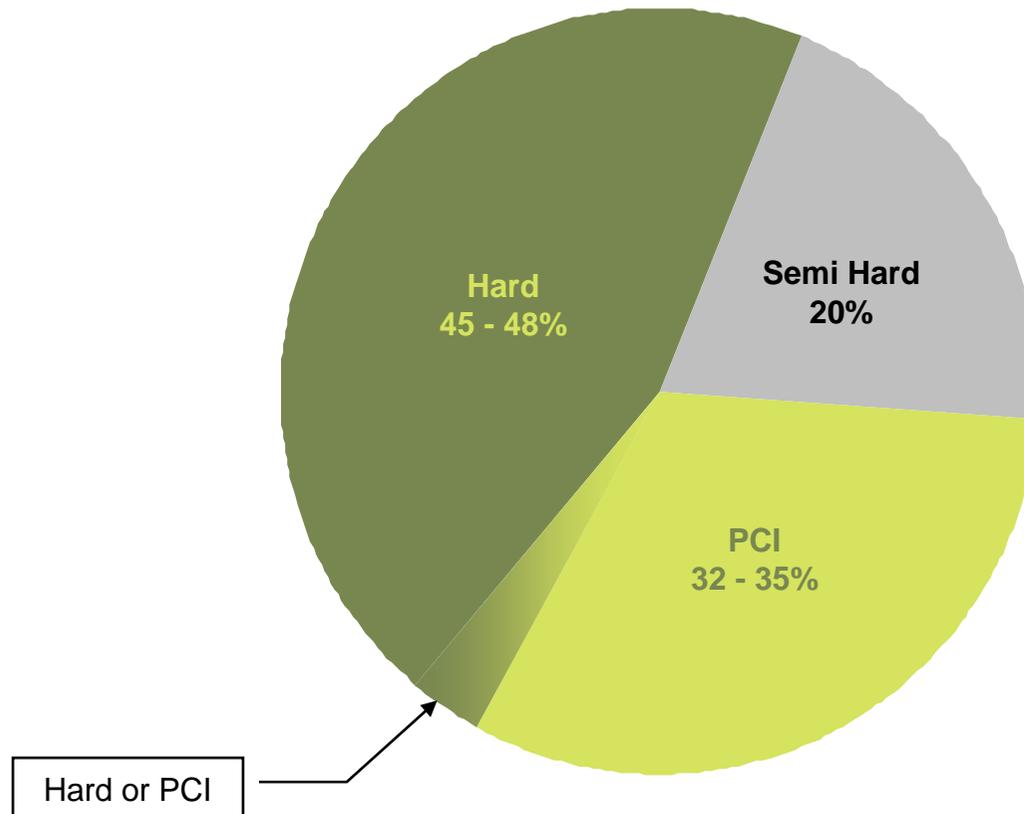


Source: Barlow Jonker, ANZ



Curragh 2008/09 projected metallurgical sales

Sales mix and volume

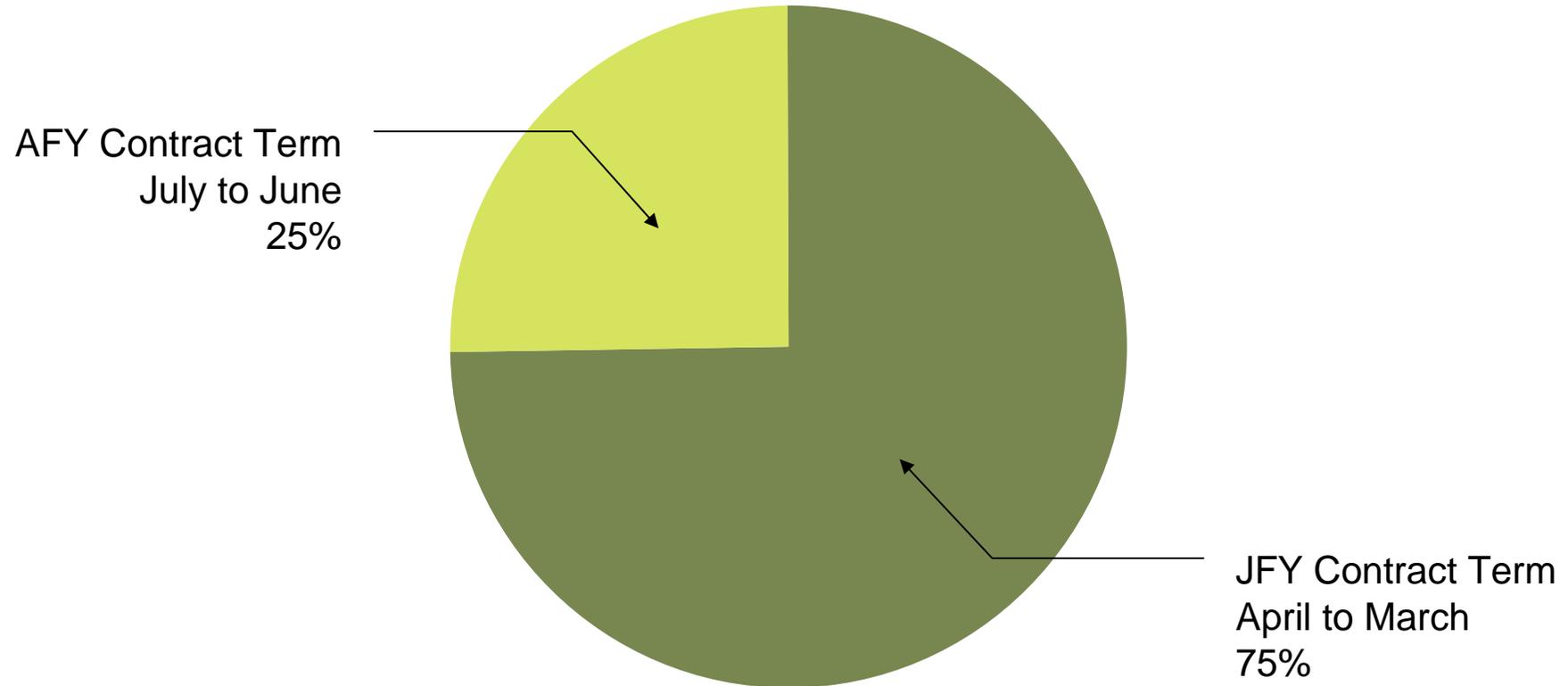


6.5 - 6.9 million tonnes



Curragh 2008/09 projected metallurgical sales

Contract term split



484kt of Carryover tonnes in Q1 2008/09



Stanwell payment

- Part of consideration tendered to Stanwell in 2002 competitive process for the right to develop the Curragh North deposit
 - Has enabled doubling of Curragh export production from 2002 level
 - Extends Curragh mine life to 2025
- Key terms:
 - Calculated from a rolling 12 month actual A\$ export pricing outcome
 - Payable when semi hard price >A\$62/t approximately
 - Rebate 25% of excess over A\$62/t multiplied by total export tonnes
 - Based on actual exchange rate (not hedged)
 - Paid and calculated monthly



Wesfarmers Curragh hedging profile as at 6 October 2008



12 months to 30 Sep	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2009	947	0.84
2010	469	0.79
2011	189	0.79
2012	58	0.79
2013	10	0.78

The Australian Dollar - (AUD/USD)



Coal delivery systems



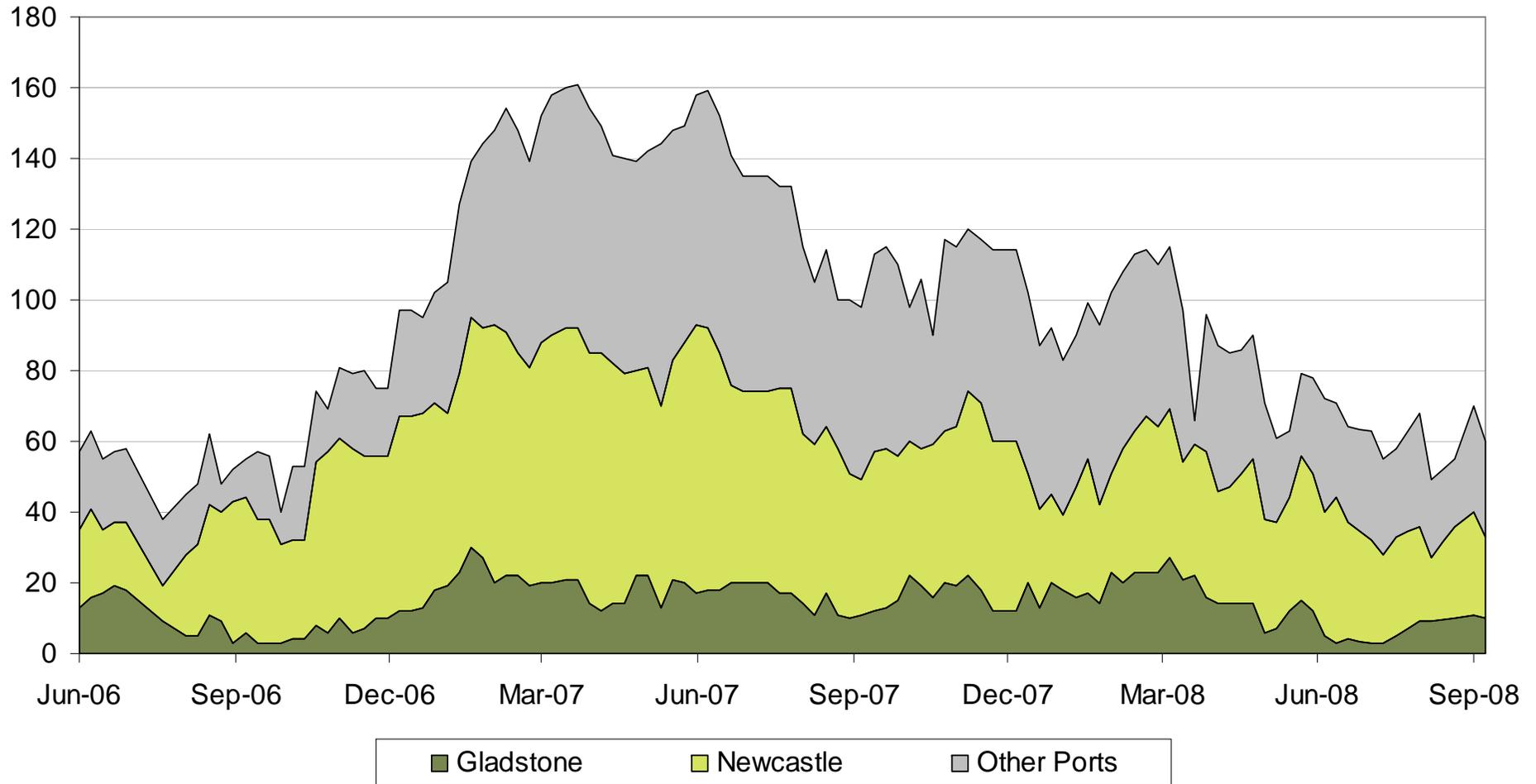
- Gladstone
 - Rail capacity forecast at 90% of contract
 - Adequate port capacity in place
 - Short-term rail capacity improved
 - Wiggins Island Coal Terminal feasibility study continues into CY2009
- Newcastle
 - Decreased vessel queues and demurrage
 - Existing Capacity Balancing System ends 31 December 2008
 - Replacement system expected for CY 2009
 - NSW Government has rejected Greiner Review – discussions ongoing
 - Shippers seeking certainty of take or pay port contracts



Coal port congestion East Coast Australia as at 7 October 2008



No. of ships at anchor



Source: McCloskey Fax



Curragh expansion study

- Major feasibility study underway
- Export expansion to 8.0 to 8.5mtpa
- Expansion involves:
 - Upgrade CHPP
 - Overburden removal capacity
- Targeted expansion decision Q2 CY2009
- Additional export volume in late CY2010



Bengalla expansion study



- Potential expansion from 8.7 to 10.7mtpa ROM
- Development Consent approved
- Expansion to involve
 - Dragline upgrade
 - CHPP upgrade
 - Additional mining equipment
- Expansion timing dependent on infrastructure constraints



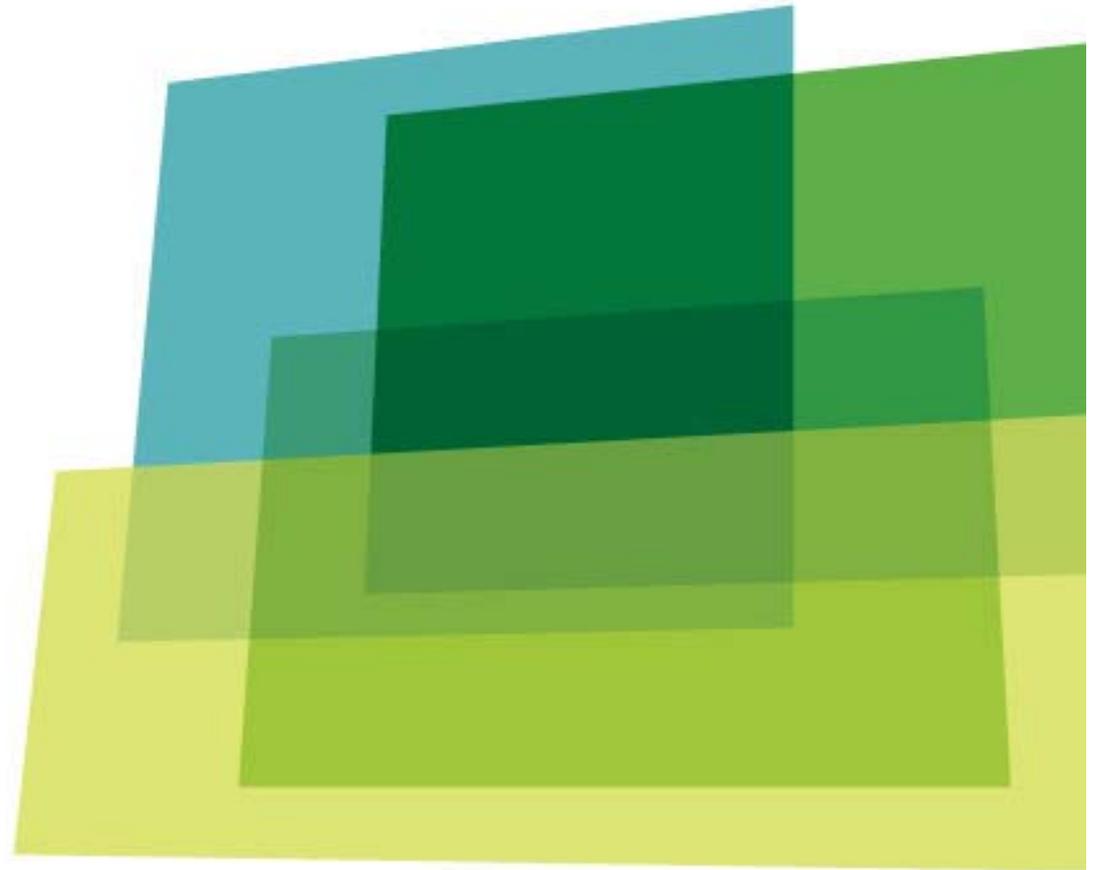
Resources outlook

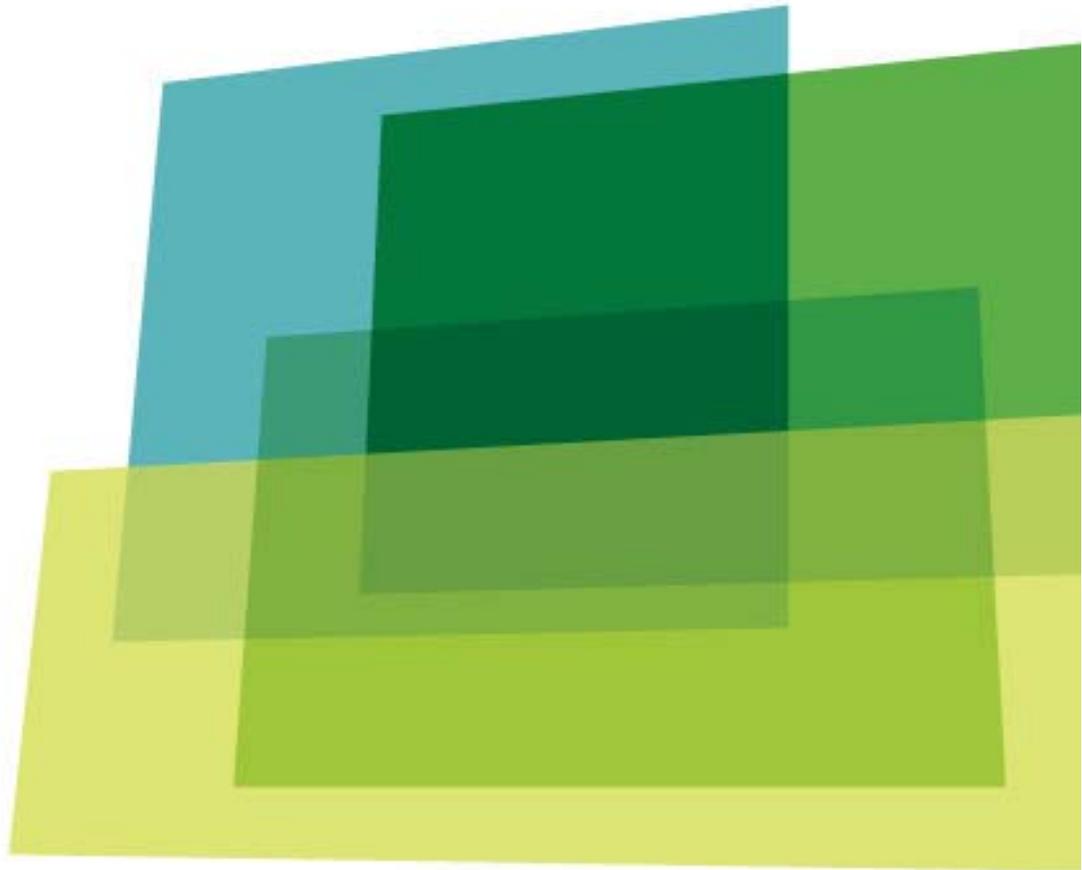
- Strong prices for current contract year
- Volatile Australian dollar
- Monitoring global economy impact on steel production
- Shipping remains consistent with annual contracts
- Ongoing constrained export coal chains
- Availability of key inputs and industry cost pressures to continue
- Forecast Curragh metallurgical sales 6.5 - 6.9mt in 2008/09





Questions





Insurance

Rob Scott



Wesfarmers Insurance

Broking

Underwriting


OAMPS
UK


OAMPS
Australia

CROMBIE  LOCKWOOD
New Zealand's Insurance Brokers



Lumley 
Australia

Lumley 
New Zealand

\$209m

FY08
Revenue /
GWP

\$1,328m

Number 3

Market
Position¹

Number 5

¹ by Revenue (Broking) and GWP (Underwriting) for corporate groups Australia and New Zealand





WFI are good people to know...

Provides insurance cover for rural, business and private requirements



85 locations across rural and regional Australia



BUSINESS

FARM

HOME & CAR

STRATA

Lumley



General

Wholesale distribution of tailored insurance solutions to individuals, businesses, large corporates and government



- FLEET MOTOR
- MARINE
- PROPERTY & LIABILITY
- ENGINEERING
- CONSTRUCTION
- BUILDERS WARRANTY

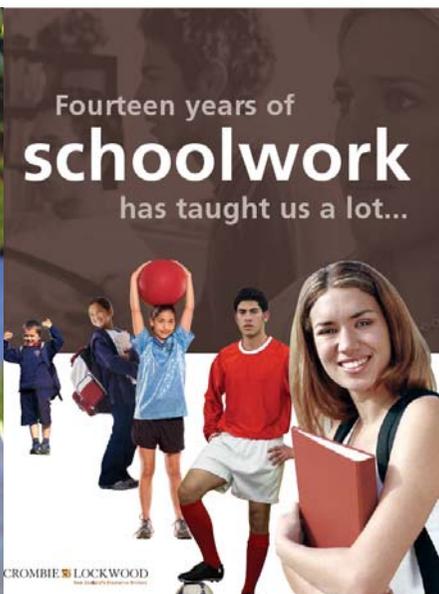
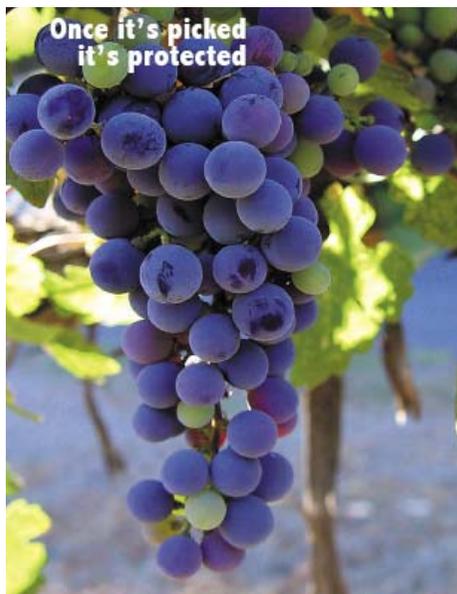
21 locations in Australia & New Zealand

CROMBIE LOCKWOOD

New Zealand's Insurance Brokers



Provides advice and solutions to allow clients to financially survive any insurable event



- BUSINESS INSURANCE
- PERSONAL LINES
- FINANCIAL SERVICES
- LIFE, DISABILITY & HEALTH
- SCHEMES
- CLAIMS MANAGEMENT
- PREMIUM FINANCING

17 locations across New Zealand

OAMPS

INSURANCE BROKERS

Provides specialist product advice and tailored services to businesses by accessing local and global insurance markets

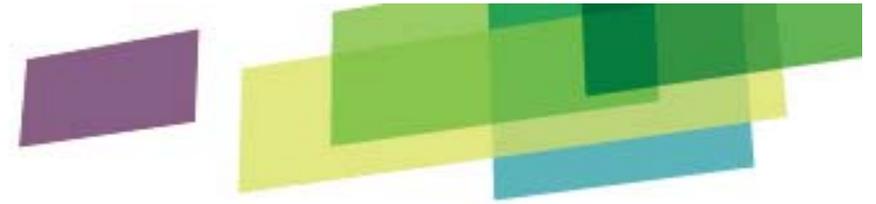
*Closer to clients
Closer to communities*



- BUSINESS INSURANCE
- PERSONAL LINES
- SUPERANNUATION
- LIFE & INCOME PROTECTION
- SCHEMES
- FINANCIAL MANAGEMENT
- ENVIRONMENTALCONSULTING

36 locations in Australia & the UK

Trading Update - Underwriting



Business Unit

Details

WFI

Expansion of distribution network
Improved conversion rates from referrals

Lumley Australia

Tighter underwriting controls
Rate increases in underperforming classes

Lumley New Zealand

Restructuring program delivering positive outcomes
Rate increases gaining momentum
Upgrade of claims system

Ringfencing of credit rating: A- (S&P) affirmed



Trading Update - Broking

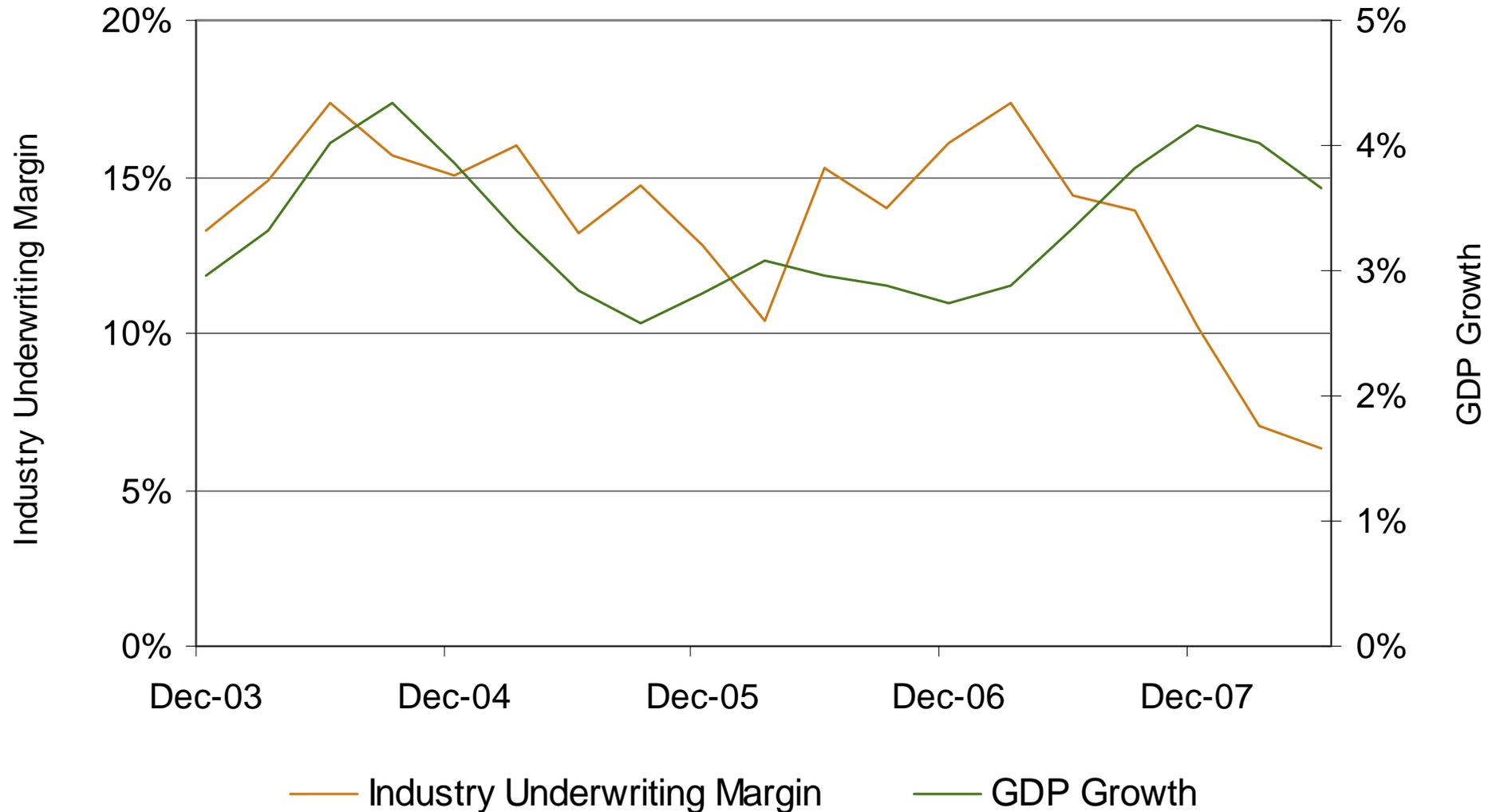


Business Unit	Details
Crombie Lockwood	Maintaining retention rates and new business growth New products and affinity schemes Acquisition of Uni-Care and Needham Heatley
OAMPS Australia	Profit margin improving Improved terms with key underwriters Process and efficiency improvements
OAMPS UK	Rates stabilising Environmental Consulting expansion Expansion of SME broking
Insurance broking operations performing strongly post-acquisition	



Market Conditions (Australia)

- Economic Cycle and Underwriting Performance



Source: APRA, Australian Bureau of Statistics

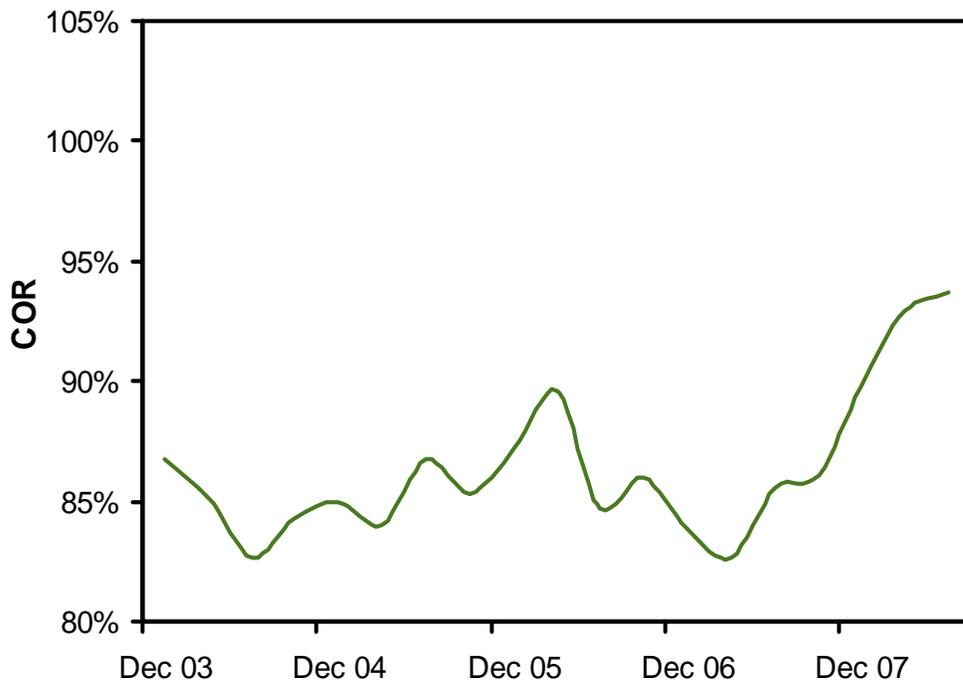


Market Conditions

- Industry COR Performance

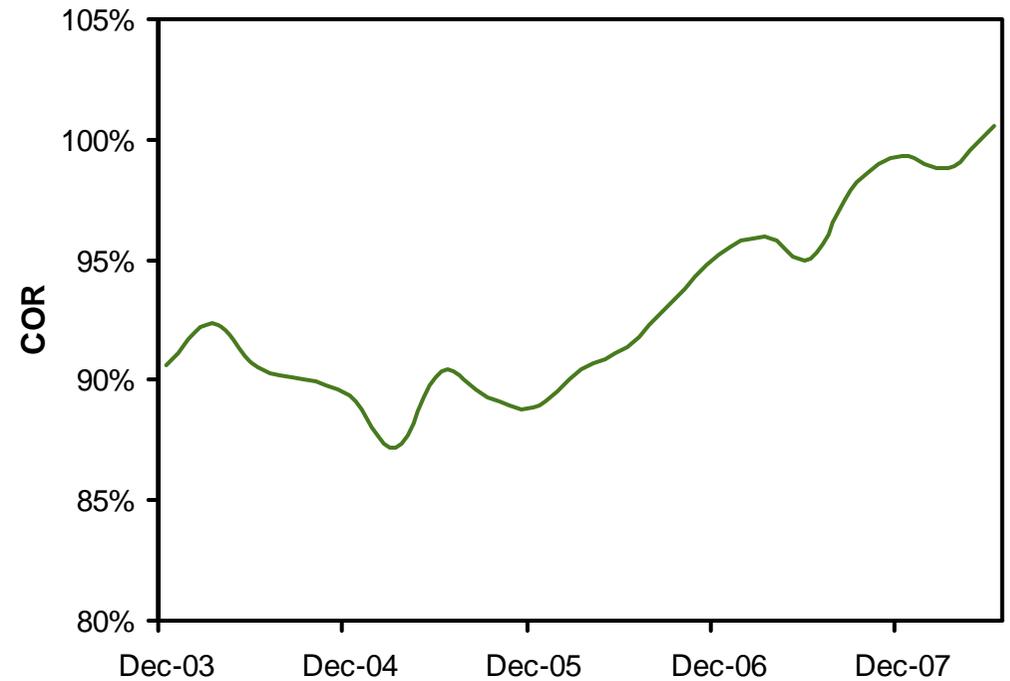


AUSTRALIA



Source: APRA Industry Quarterly Statistics

NEW ZEALAND



Source: ICNZ



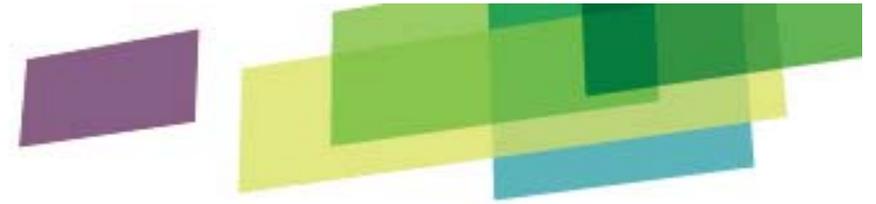
Market Conditions



- Financial market conditions impacting insurer investment returns
- Enhanced focus on underwriting profitability
- Rate increases gaining momentum particularly in New Zealand
- Single large losses above long term average
- Economic slowdown and credit tightening constraining insurance client base
- Continued consolidation of insurance brokers



Underwriting Strategies



Key Strategies

Move to a single licensed entity for Australian businesses

- Capital efficiency
- Shared services and leveraging combined capabilities

LGNZ margin improvement

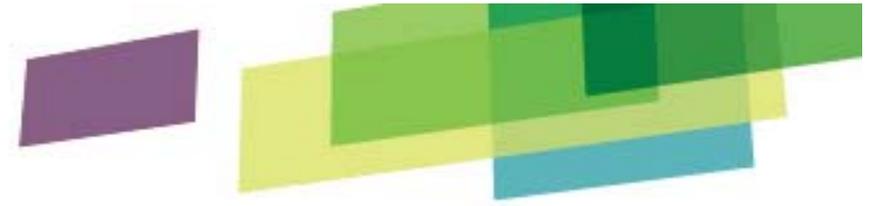
Continue to build technical capabilities

IT systems alignment and upgrade

Portfolio management – focus on profitable classes



Insurance Broking Strategies



Key Strategies

Leverage combined broking capabilities

Build the best team

Upgrade broker sales performance systems

Launch of SME insurance offer in New Zealand

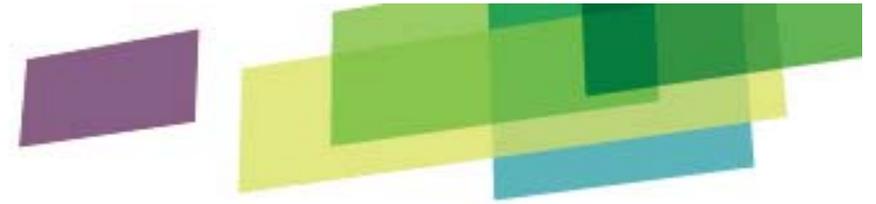
Promote ancillary business

- Life, income protection, premium funding

Continue broker bolt-on acquisitions

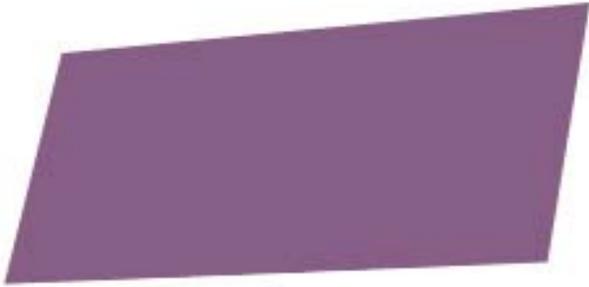


Outlook 2008/09

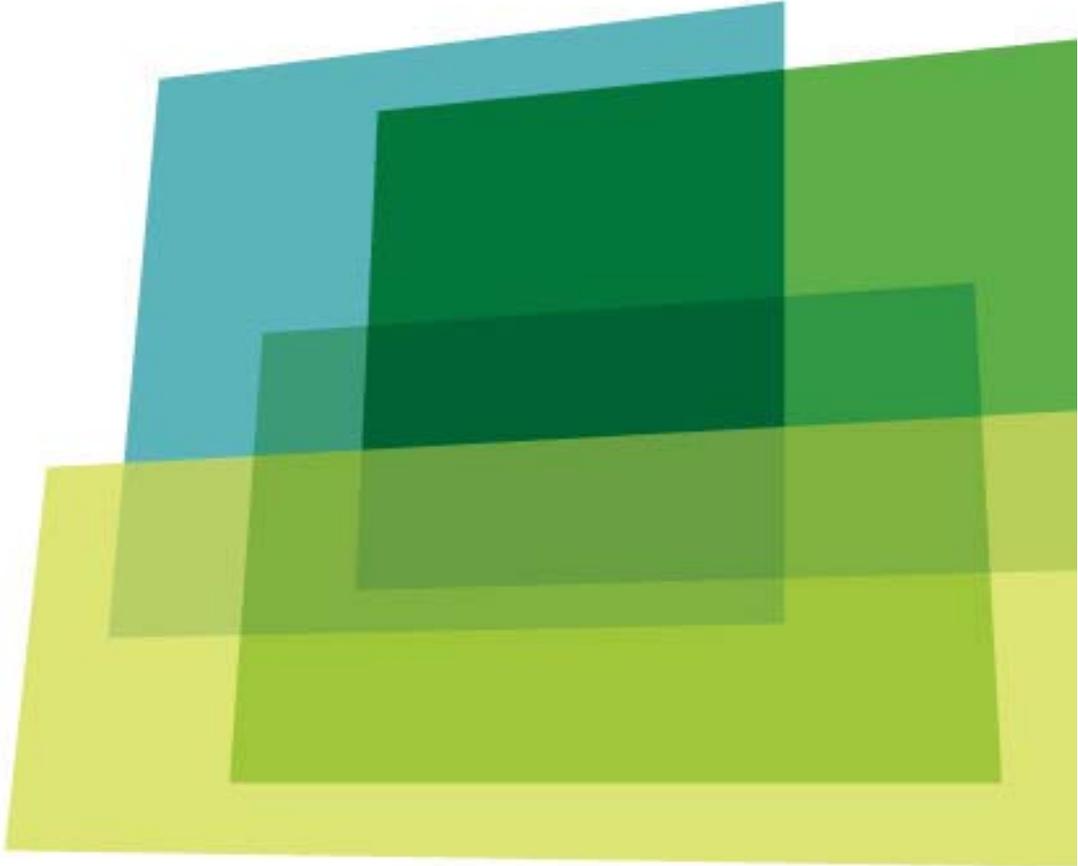


- Australian licence consolidation on track for completion in FY09
- Lumley New Zealand delivering on turnaround
- Global financial markets turmoil likely to benefit well capitalised insurers
- Rate increases gaining momentum
- Economic slowdown constraining business investment and confidence
- Further bolt-on acquisition opportunities





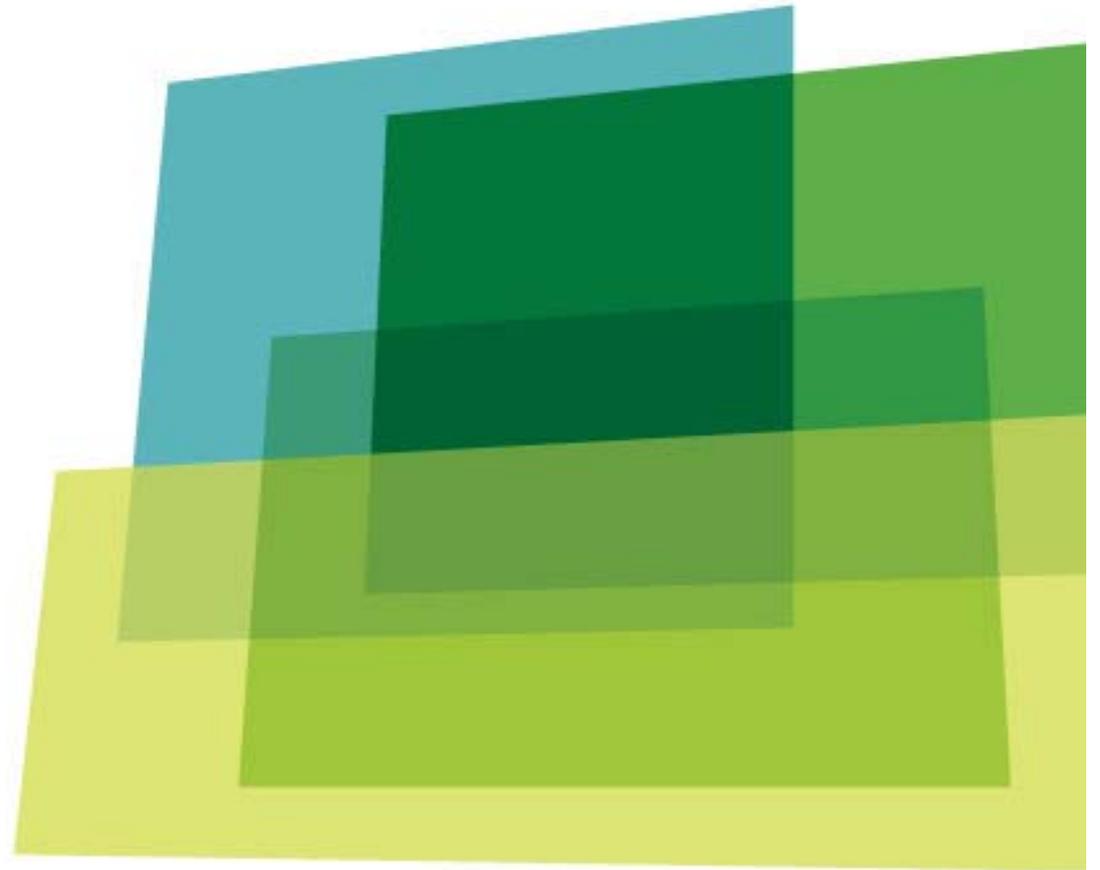
Questions





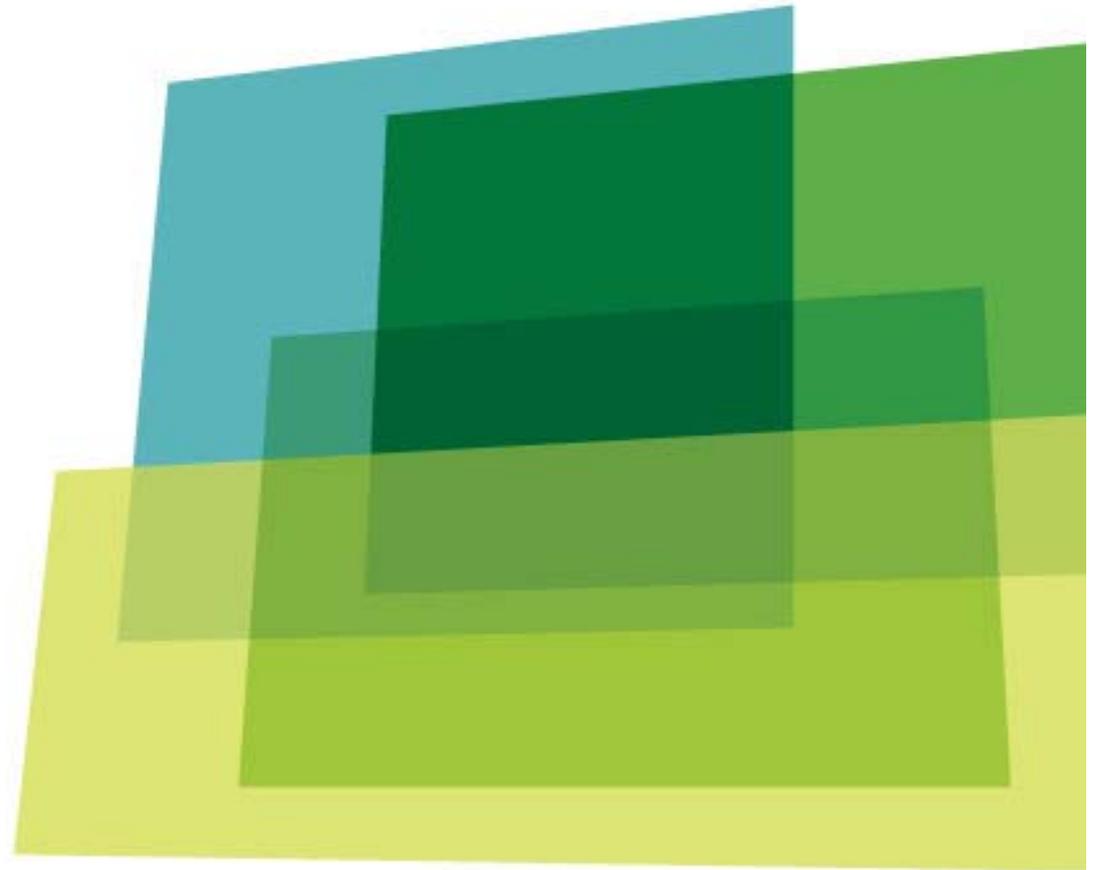
Industrial Businesses

Keith Gordon





Industrial & Safety

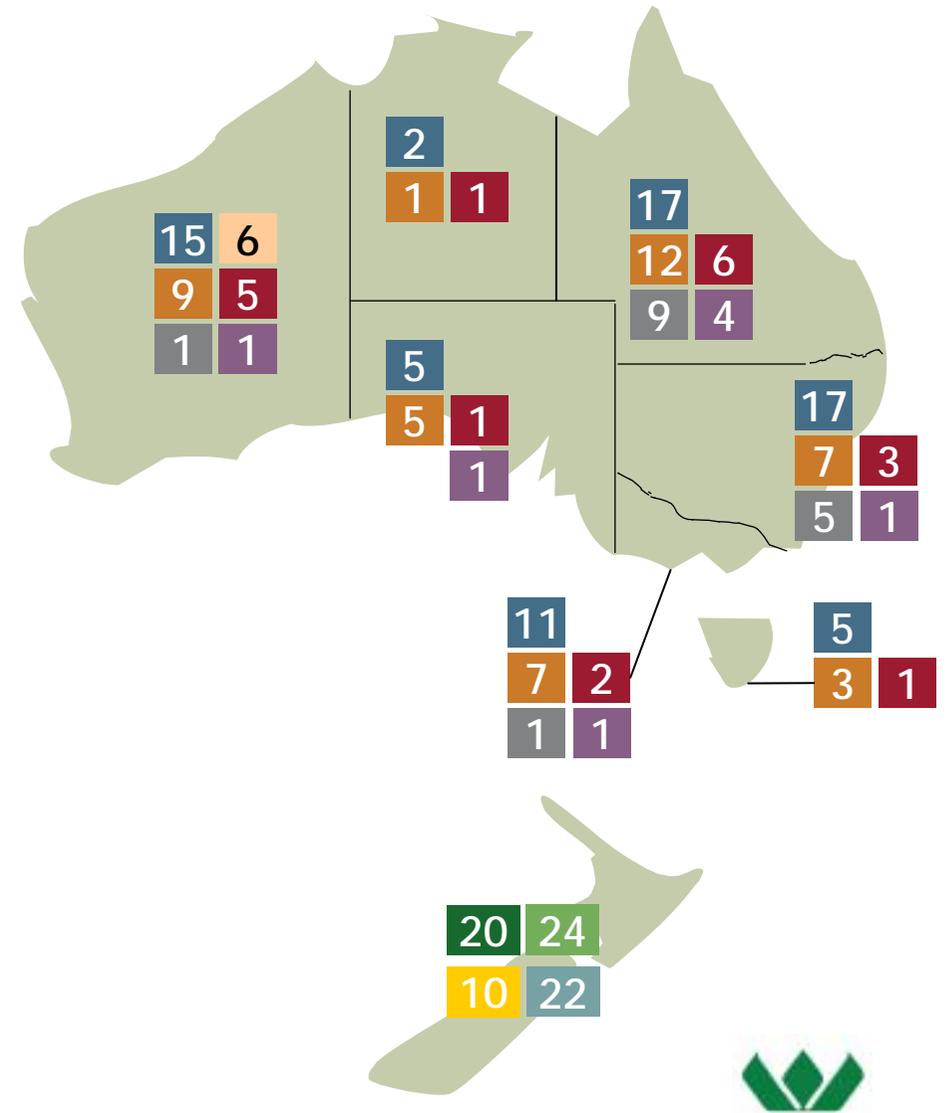


Industrial & Safety

Distribution Network: 241 branch locations

Australia		No.	
		72	MRO, "All your workplace needs"
		6	Electrical
		44	Safety
		19	Materials handling, lifting, rigging
		16	Fasteners
		8	Engineering

New Zealand		No.	
		20	MRO, hose, conveyor
		24	Safety
		22	Safety
		10	Packaging, hygiene



As at 1 October 2008

Industrial & Safety Highlights



- Good sales growth over the first quarter despite mixed trading conditions
 - Good growth from resources and infrastructure
 - Limited impact from energy disruptions in Western Australia
 - Manufacturing remains subdued, especially in NSW, Victoria and New Zealand
- Growth across most product categories, supported by
 - Expansion of product and service offering and strong merchandising
 - Continuing benefits of global sourcing as well as competitive and consistent pricing
- Customer service and delivery performance initiatives delivering benefits
 - Strong improvements achieved in DIFOT and supply chain efficiency
 - Positive contract developments with large customers
 - Branch and DC upgrade program continuing
- Ongoing focus on employee safety and culture



Growth strategies



Strategic Initiatives	Progress	Achievements
Increase sales to existing customers	✓ (ongoing)	<ul style="list-style-type: none">• DIFOT performance continued to improve• Investment in sales force underway (CRM, coaching and training, tools)• New positions created to reinforce management of National accounts• Further enhanced value proposition through e-business and other services
Improve metropolitan sales performance	✓ (WIP)	<ul style="list-style-type: none">• Increased industry and product specialist resources• Roll-out of telesales operations in Australia• Roll-out of online credit card and account opening facilities• Continued branch networks upgrade• Increased merchandising, promotional support and sponsorship activities



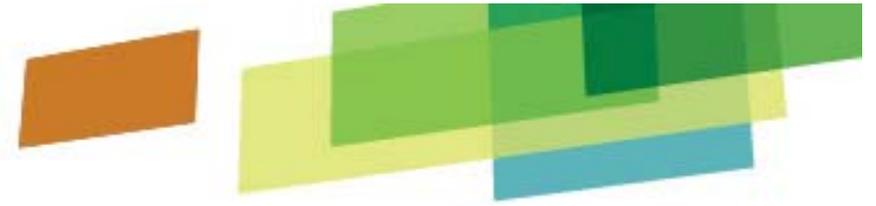
Growth strategies (cont.)



Strategic Initiatives	Progress	Achievements
Target higher growth sectors	✓ (ongoing)	<ul style="list-style-type: none">• Grew penetration of services (training, embroidery, testing, on-site)• Further reinforced exposure to mining, infrastructure and services• Acquisition of Bay Lifting and Testing (VIC)
Improve competitiveness	✓	<ul style="list-style-type: none">• Leveraged more consistent and competitive pricing• Tight control of expenses and management of input costs• Closed four small under-performing locations since April 2008



Industrial & Safety Outlook

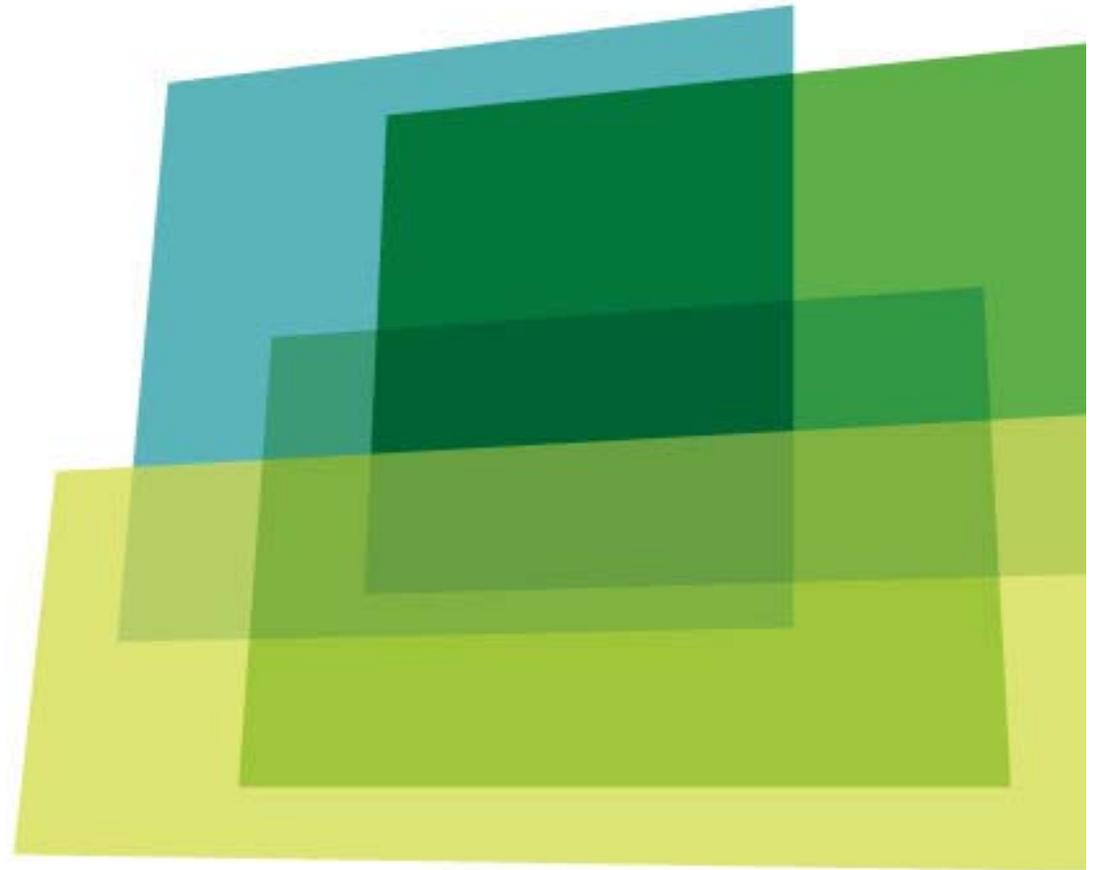


- Strong competitive foundations to address market conditions
 - Continued demand from resources and infrastructure
 - Optimising positions in traditional markets
 - Ongoing improvements to the customer value proposition
 - Attracting, developing and rewarding key people
- Earnings growth expected from
 - Strong competitive position of Blackwoods and industrial specialist offering
 - Improving sales force effectiveness and increasing share of customers' spend
 - Leveraging sourcing and pricing capabilities and disciplines
 - Ongoing review of acquisition opportunities

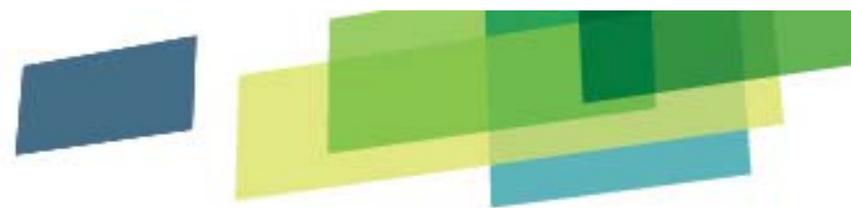




Energy



Overview



	Business	Geography	Products	Key customers
	Gas production & distribution	NSW, Vic, Qld, SA	Oxygen, nitrogen, acetylene, argon, carbon dioxide, etc	Metals, manufacturing, utilities, water, healthcare, metals, food & hospitality, pharmaceuticals, research, education, manufacturing
	Gas production & distribution	WA, NT		
	Gas production	WA	Bulk LPG & LNG	Gas distributors
	Gas distribution	National	Bulk & cylinder LPG and bulk LNG	Commercial, industrial, residential, leisure, autogas, transport, power generation
	Power	WA, SA	Electricity, Power station – D&C, O&M	Remote townships, mine-sites

Operational Update

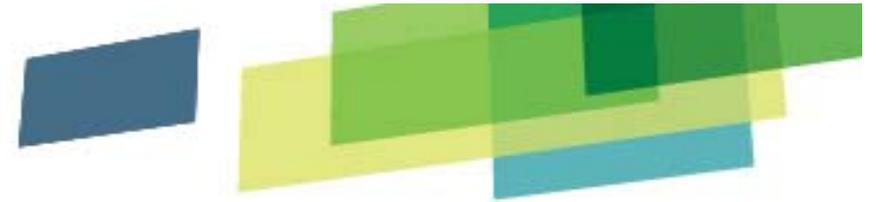
- Varanus island gas supply disruptions
- LNG project commissioning
- LPG content in DBP uncertain
- Stabilising NSW market activity for industrial gases
- Continuing high international energy prices – ‘double edged sword’



Hiteshkumar Raval at the LNG plant in Kwinana, WA August 08



Strategies

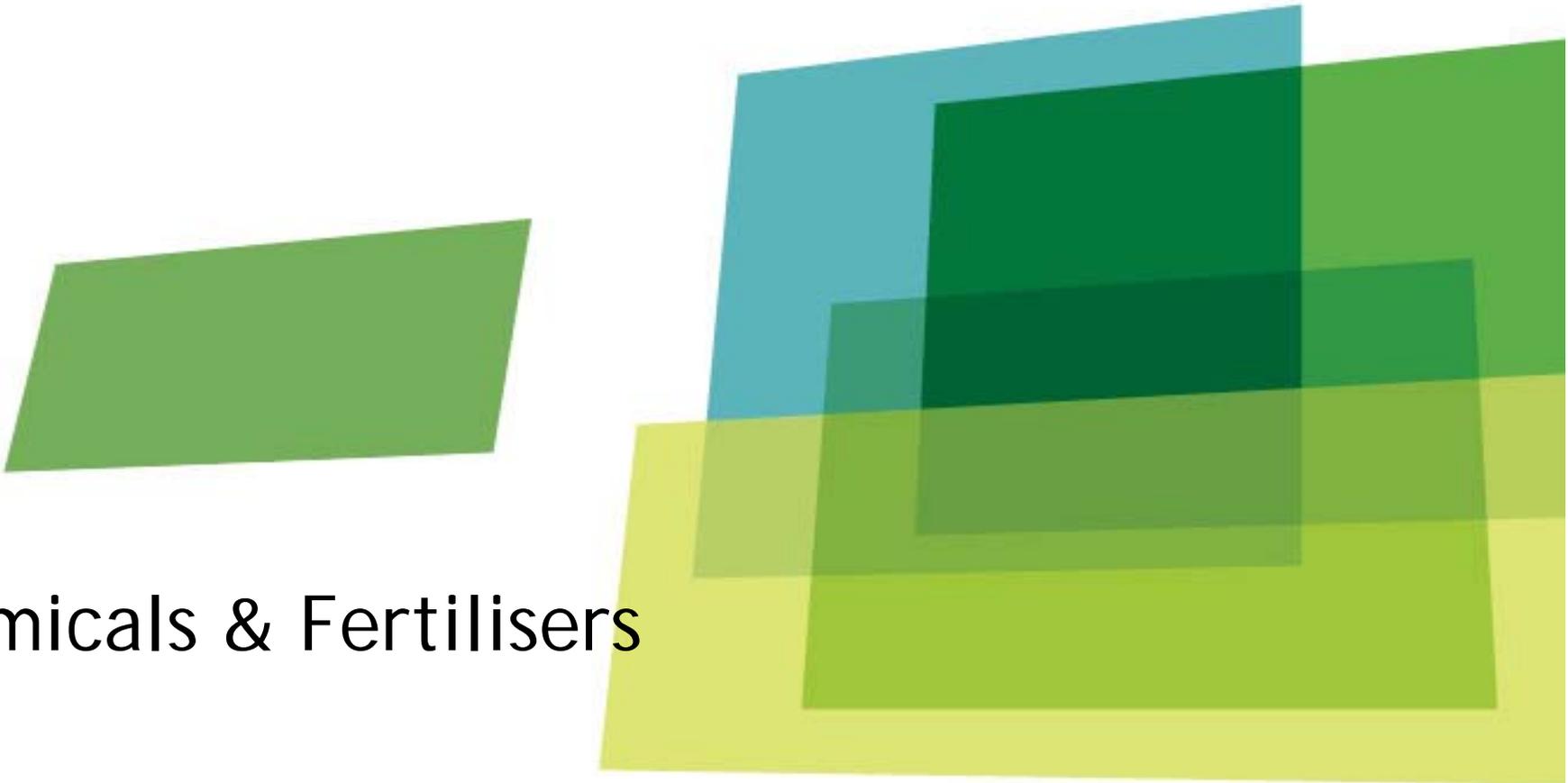


Strategies	Segment	Status
Improve – Existing Businesses	Industrial gas growth in: <ul style="list-style-type: none"> • eastern states sales; & • oil and gas sector 	Refocus Ongoing
	Maximise LPG production LPG distribution: <ul style="list-style-type: none"> • customer focus; & • controllable costs 	Exploring options Ongoing
	Pursue new power generation projects	Exploring options
Expand – Deliver Projects	Industrial gas – supply projects	2 complete; 1 in progress
	LNG – WA Project: <ul style="list-style-type: none"> • Plant / Distribution • Power stations • HDV market development 	Commissioning delayed Commissioning delayed Ongoing
	LNG projects – east coast	Pursuing options
Evaluate – New Opportunities	Other alternative fuels and renewables	Ongoing

Outlook

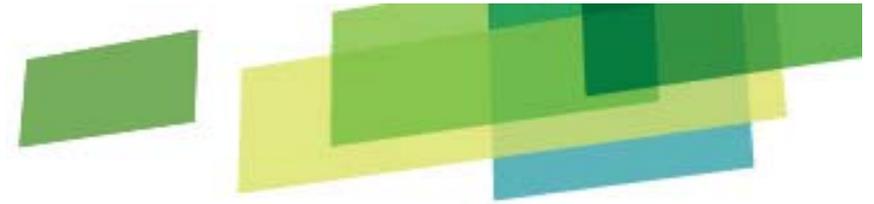
- LNG project
 - LNG plant commissioning near complete
 - Darlot and Sunrise Dam to commence full operation
 - positive HDV uptake
- Industrial, medical and specialty gases
 - improved efficiency in logistics and cylinder utilisation
 - stabilise CO₂ supply
 - complete upgrade of ASU
- LPG distribution – customer focus and manage controllable costs
- Power generation - commence expansions/extensions





Chemicals & Fertilisers

Chemicals & Fertilisers Overview



	Business	Geography	Sector	Key Customers
	Ammonia	WA	Nickel	BHP, Minara
	Ammonium Nitrate	WA	Iron Ore	Orica, Dyno Nobel, Rio Tinto
	Ammonium Nitrate	Qld	Coal	BMA, AngloCoal, Rio Tinto
	Sodium Cyanide	WA/Global	Gold	Newmont, Barrick, AngloGold
	PVC Resin / Specialty Chemicals	Vic/Aust	Construction	Iplex, Vinidex
	Fertilisers	WA	Agricultural	AWB Landmark, Elders



Strategy Update



Strategic initiatives		Comment
Growth	✓ WIP WIP	<ul style="list-style-type: none"> • Kwinana duplication (+235,000 tpa) • Upgrade of QNP (+30,000 tpa) underway • Sodium cyanide expansion
Optimise cost and capital	✓	<ul style="list-style-type: none"> • Inventory and expense management
Sustainability	WIP WIP	<ul style="list-style-type: none"> • Sustainability framework and legacy issues • Preparation for CPRS
Improved capabilities and people development	WIP ✓	<ul style="list-style-type: none"> • Upgrade business systems • Improved training and safety focus



Operational Update



- Ammonium nitrate solution name plate capacity has increased from 235,000 tonnes to 470,000 tonnes
- Expansion of sodium cyanide solution plant underway to meet Boddington Gold Project demand; expansion commissioning expected early 2009
- Expansion of QNP ammonium nitrate plant underway to meet increased market demand in Queensland
- Management of impact of Varanus Island gas outage
- Management of increased working capital investment related to fertiliser prices



Chemicals & Fertilisers Outlook



Chemicals

- Ammonia production and sales in 2008/09 curtailed due to gas disruption and plant shutdown
- AN production and sales will benefit from a full year's operation of expanded capacity
- AV will make a full year contribution

Fertiliser

- 2008 WA grain harvest uncertain

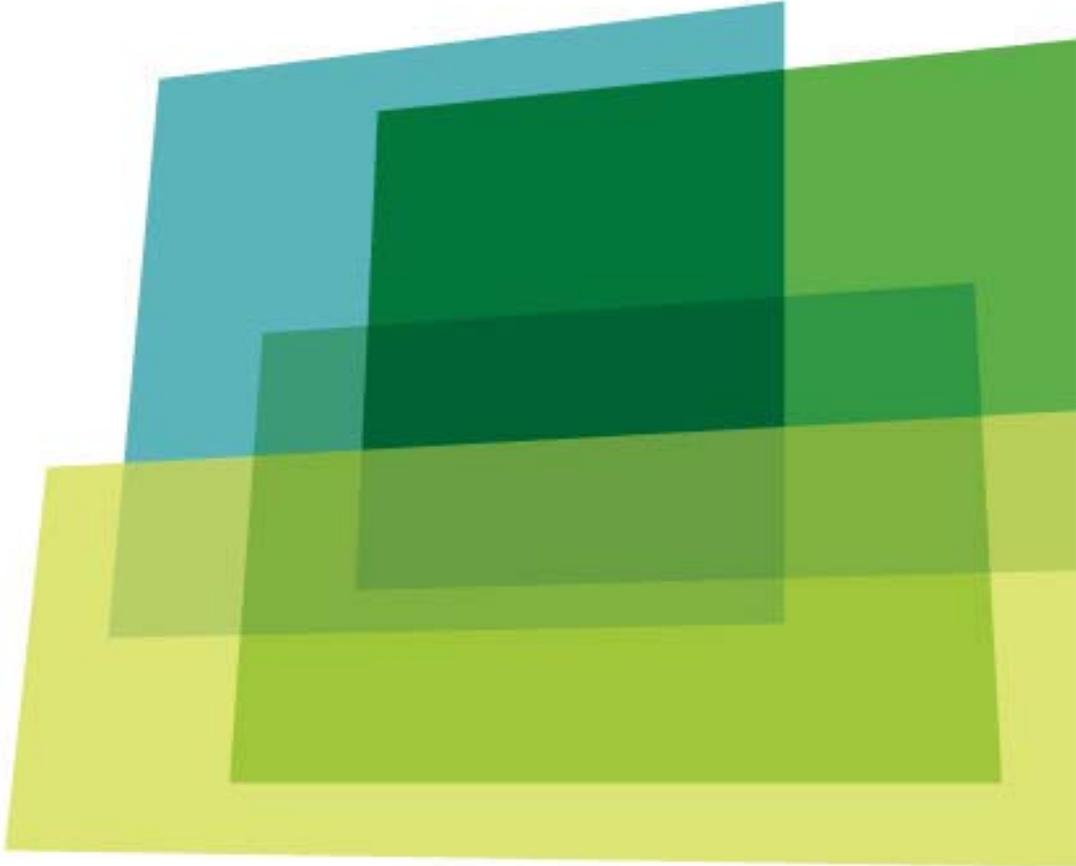
Corporate

- Continue to focus on safety, people, sustainability and growth



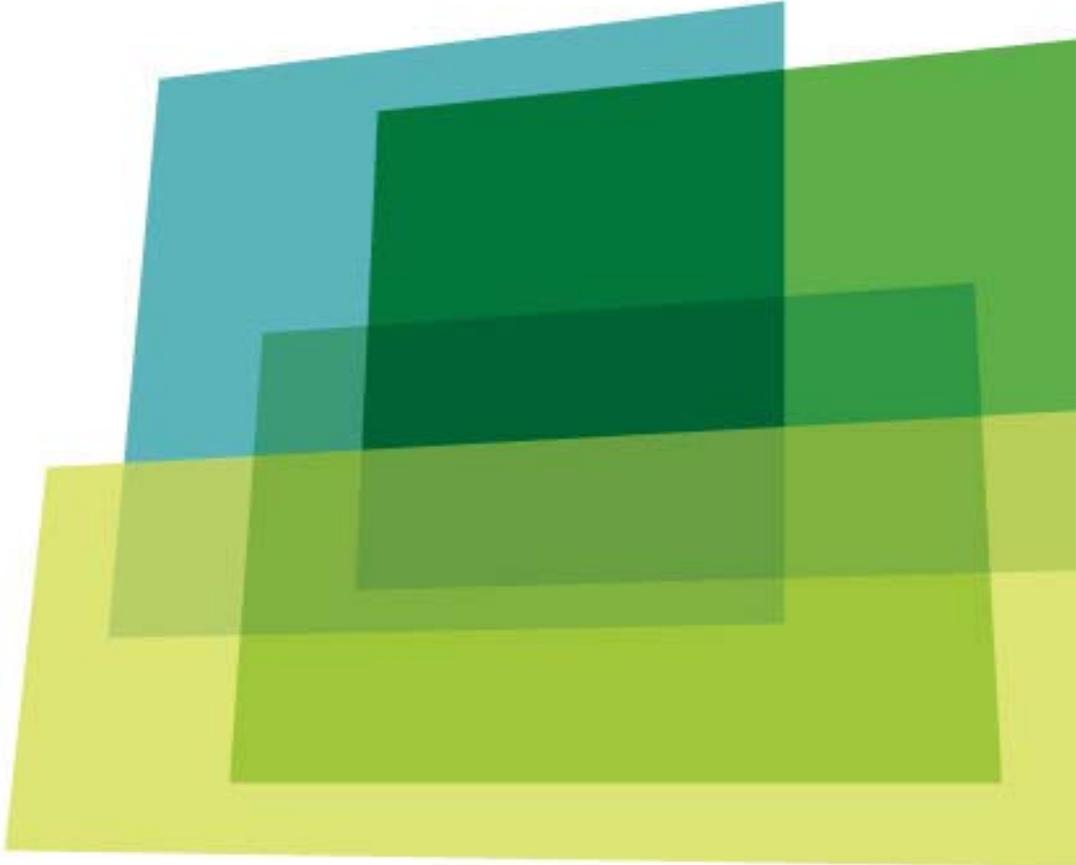


Questions



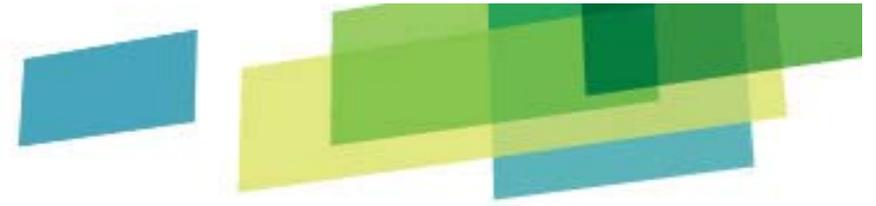


Kmart
Richard Goyder



Trading Update

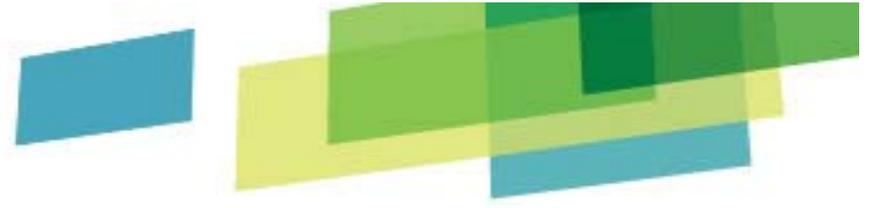
3 months to September



- Total sales decline of 0.2%
 - Comparative store sales decline of 0.5%
- Tightening discretionary expenditure
 - Customers shifting to value items
 - Selective purchasing from promotions
- 4 refurbishments completed



Outlook



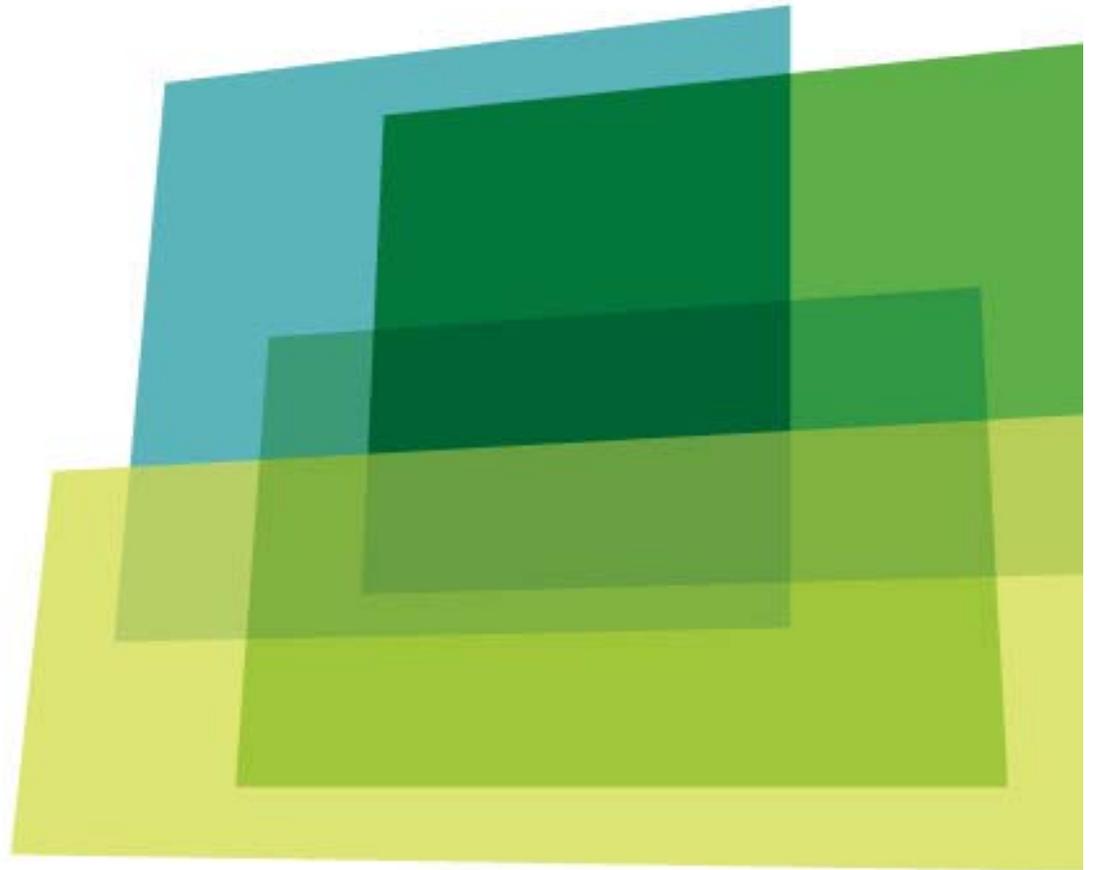
- Guy Russo appointed as Managing Director
 - Build team capability
- Continuing impact of weak consumer sentiment
- Impact of FX and inflation
 - Inventory tightly managed and controlled
 - Broaden sourcing base
- Extend and enhance network
 - Improve customer engagement and in store experience and execution
- Focus on core product ranges





Capital Management

Gene Tilbrook



Capital Structure

- Net Debt:Equity ~ 50%
- Cash interest cover at 4.9 times, interest expense cover 4.3 times
- 32% participation of the DIP on final dividend, \$342m at \$30.46 (1% disc.)

Net Debt:Equity (as at 30 June 2008)	
Total Equity	19,590
Cash at bank and on deposit	241
Syndicated Bank Loans	5,900
Other Debt (Bank, Bonds, CP & MTNs)	3,617
Net Debt	9,276
Net Debt to Equity	47.4%

Cash interest cover (for year ended 30 June 2008)	
Profit before income tax	1,443
Finance Costs	800
Depreciation & Amortisation	654
EBITDA	2,897
Net cash interest paid	586
Cash interest cover	4.9
Interest expense cover	4.3



Debt Funding



- S&P and Moody's ratings of BBB+ (negative watch) and Baa1 (stable) respectively
- Ongoing review of financing requirements and opportunities
- Well within all debt covenants

Debt Profile (\$m) at 30 June 2008	Facilities Used \$m	Facility Due
Bank Loans, CP, Bank Bills, Bonds	1,260	<1 year
Bank Bills	579	1-2 years
Facility C (revolver)	900	Oct-09
Bank Loans	750	Dec-09
Facility B & Bank Bills	5,050	Oct-10
Coles Bonds*	354	Jul-12
US Bonds*	658	Apr-13
	9,551	
Unamortised establishment costs	(34)	
Total Interest bearing loans and borrowings	9,517	

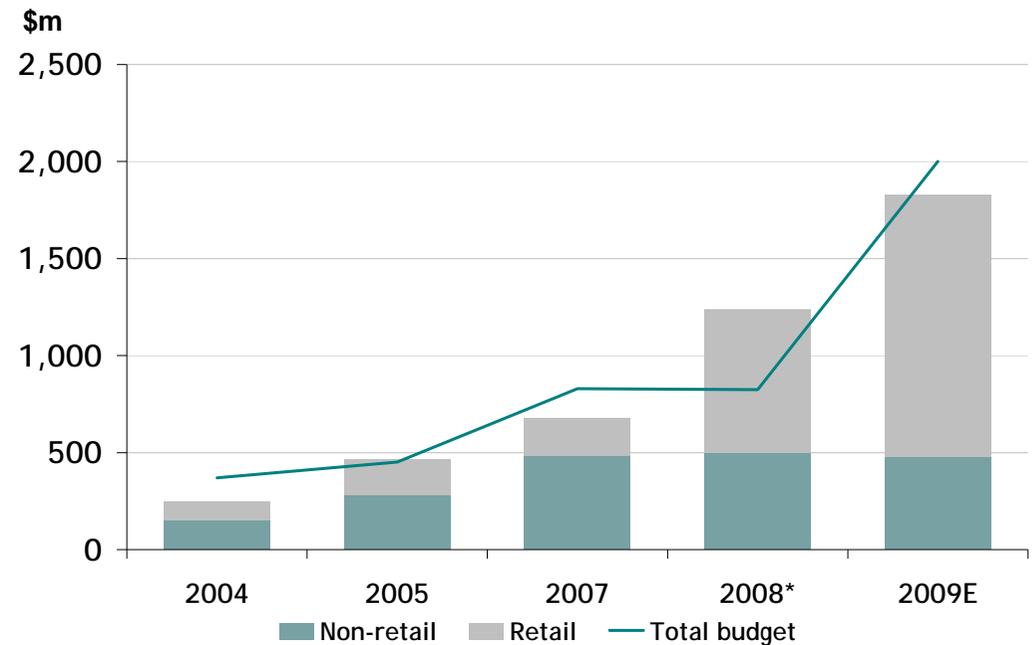
*Bonds held at fair value, face value of total bonds due in FY13 \$1,111

- Specific financing around short term requirements



Capital Expenditure

- Capital expenditure budget for FY09 of ~\$2bn
- Expected capital expenditure for FY09 <\$1.8bn
- Capital expenditure programme within operating cash flows
- Return on capital focus ensures effective capital expenditure
- Five year corporate planning process allows for capital planning

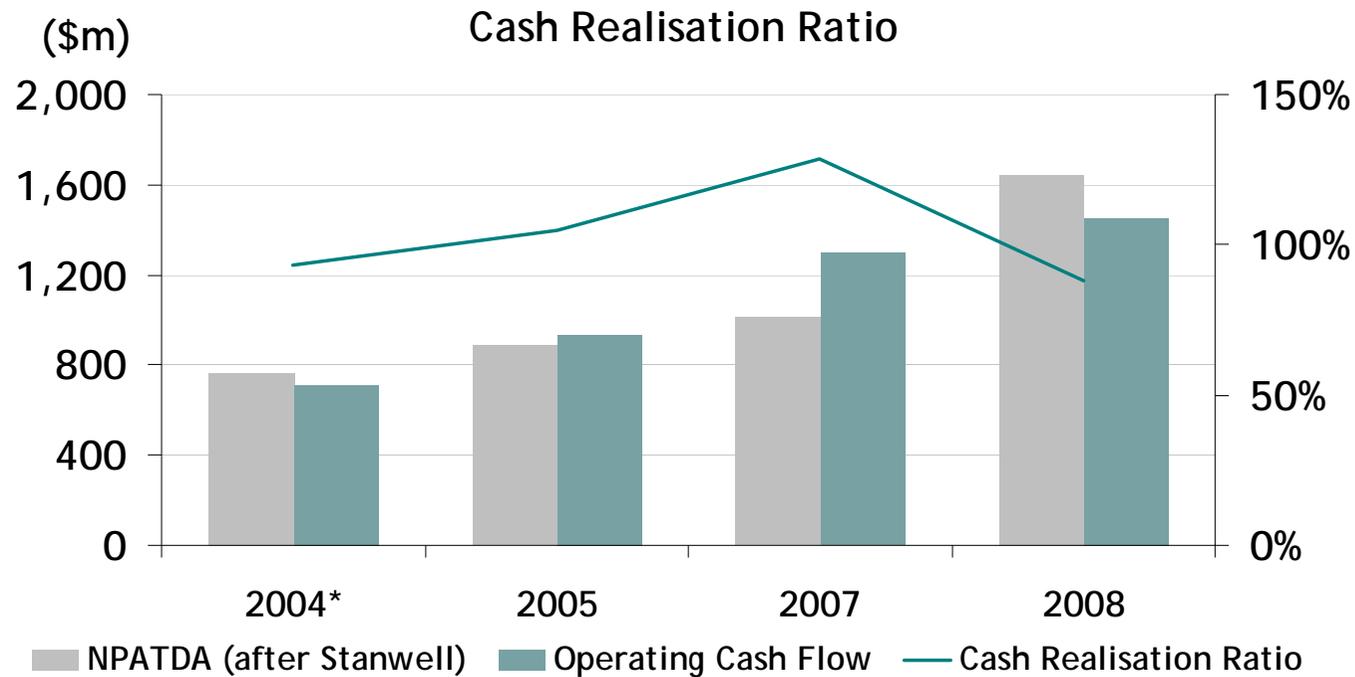


*2008 Budget did not include Coles Group (actual \$438m)



Working Capital

- Strong historical cash realisation ratio
- Strong financial disciplines as a result of return on capital focus
- FY08 shortfall relates to creditor payment timing



*AIFRS



Working Capital - Inventory



- Net inflow from reduced inventory levels
 - Acquired high inventory levels due to timing of Coles Acquisition
 - Growth in inventory in heritage businesses due to sales growth, commodity prices and timing of shipments; offset by increase in creditors
- Inventory is highly cyclical
- Opportunity for substantial improvement over several years

Inventory (\$m)	30 Jun 07	23 Nov 07	31 Dec 07	30 Jun 08	FY08 Inflow/(Outflow)
Coles Group	2,947*	3,662^	3,383	3,145	517
Wesfarmers Heritage	1,235	-	1,427	1,493	(258)
Total	4,182	3,662	4,810	4,638	257

*balances as reported at 29 July 07

^ includes immaterial balances of other acquisitions occurring during FY08



Working Capital - Creditors



- Acquired high creditor levels due to timing of Coles acquisition
- Large working capital outflow within first week of Coles ownership and on 30 June 2008 due to creditor run cycle in Coles Group
- Seeking opportunities for improvement
- Ongoing fluctuations in end of calendar month working capital

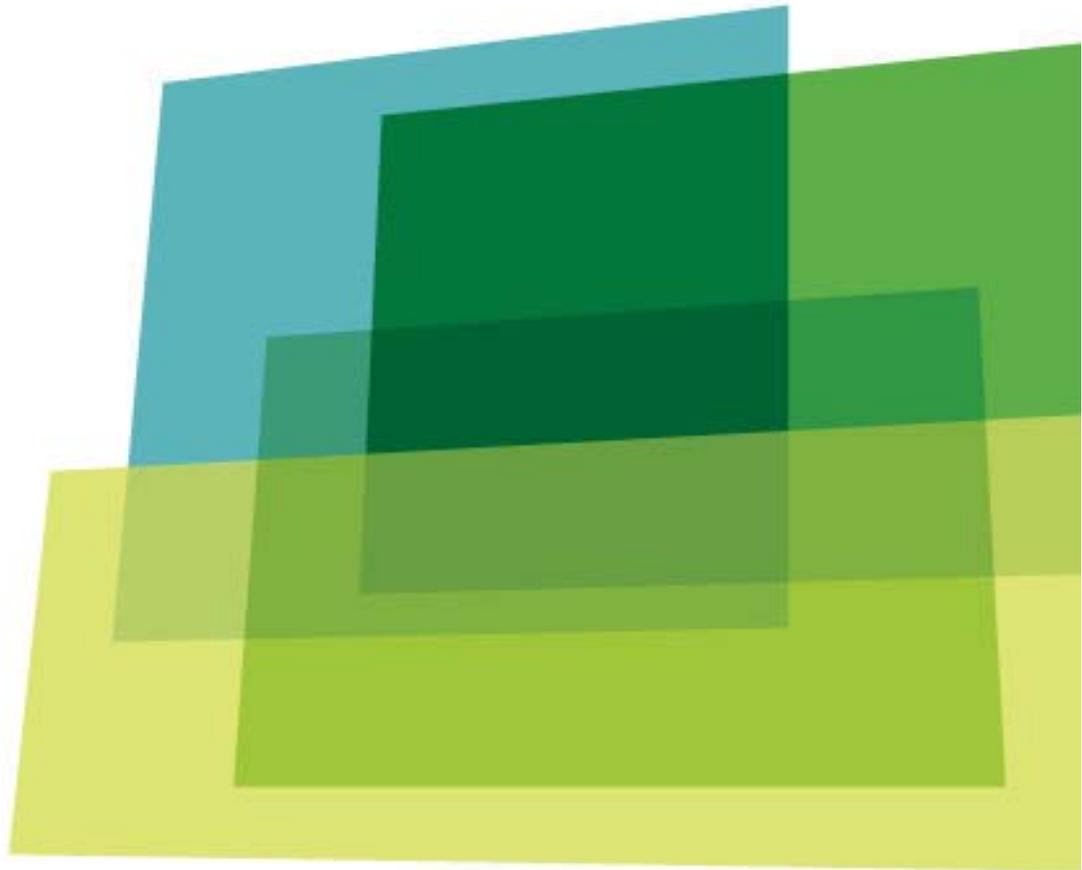
Trade and other payables (\$m)	30 Jun 07	23 Nov 07	31 Dec 07	30 Jun 08	FY08 Inflow/(Outflow)
Coles Group	3,058*	3,305^	3,481	2,393	(912)
Wesfarmers Heritage	1,334	-	1,371	1,598	264
Total	4,392	3,305	4,852	3,991	(629)#

*balances as reported at 29 July 07

^ includes immaterial balances of other acquisitions occurring during FY08

includes movements in "Other Liabilities" and adjustment for PPE accruals





Questions

Q & A

Richard Goyder
Managing Director, Wesfarmers Limited

Gene Tilbrook
Finance Director, Wesfarmers Limited





Wesfarmers

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