2010 Full-Year Results Teleconference

19 August 2010

Wesfarmers

Presentation outline

Wesfarmers

Group Performance Highlights

Richard Goyder
Managing Director, Wesfarmers Limited

Wesfarmers

Group performance highlights

- Group EBIT result of $2.9 billion
  - Solid retail performance, despite tough trading conditions in the second half
  - Improved performance from industrial businesses following return to more normalised operating conditions
  - Encouraging Insurance result, following portfolio restructuring & ongoing focus on underwriting & claims management disciplines
  - Significant decrease in Resources earnings as previously advised
- Group profit after tax of $1.6 billion, up 2.8%
  - After net $137 million of non-trading & significant items
- Earnings per share of 136 cents, down 14.4%, on the expanded share capital
- Operating revenue of $51.8 billion, up 1.7%
- Strong cash generation with operating cash flow of $3.3 billion, up 9.3%
- Final dividend of 70 cents per share (fully franked), up 16.7%

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Group performance highlights (cont)

- Coles achieved encouraging earnings growth; turnaround continues to meet Wesfarmers' expectations
- Bunnings continued to deliver a strong performance, with improvements in both the retail & trade offers
- Kmart & Officeworks made good progress in executing their strategic plans, both reporting good transaction growth
- Target reported a solid result, despite a challenging trading environment
- Resources demonstrated strong operating performance, with increased Curragh sales volumes & significant cost reductions
- Industrial & Insurance divisions underlying earnings increased 37.3%
  - Excluding $48 million non-cash impairment charge related to Coregas
- Working capital focus continued to provide benefits

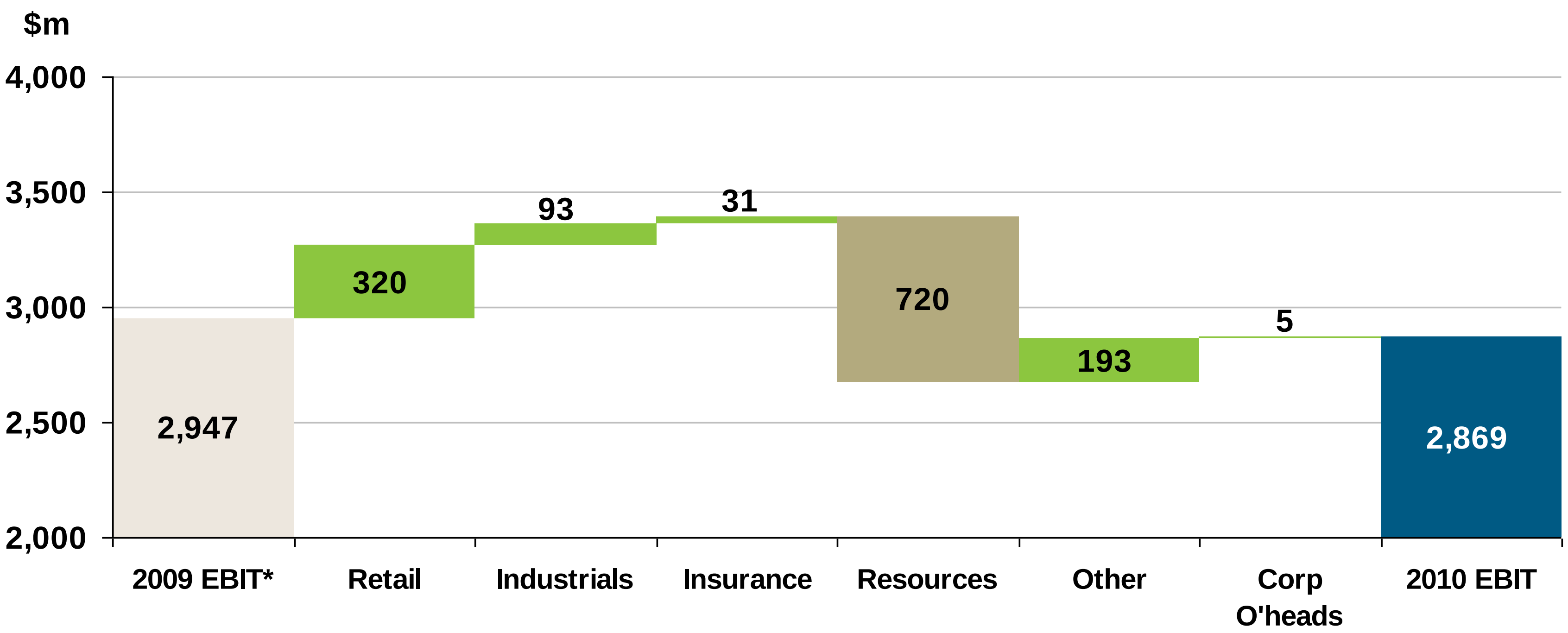
Group performance summary

Year ended 30 June ($m)	2010	2009	↕ %
Revenue	**51,827**	50,982	*1.7*
EBITDA[1]	**3,786**	3,803	*(0.4)*
EBIT[1]	**2,869**	2,947	*(2.6)*
Net profit after tax (pre significant items)[1]	**1,702**	1,628	*4.5*
Net profit after tax (post significant items)[1]	**1,565**	1,522	*2.8*
Operating cash flow	**3,327**	3,044	*9.3*
Earnings per share (ex. employee res. shares)[1]	**135.7**	158.5	*(14.4)*
Earnings per share (inc. employee res. shares)[1]	**135.3**	157.8	*(14.3)*
Cash flow per share (inc. employee res. shares)	**287.5**	324.8	*(11.5)*
Dividends per share	**125**	110	*13.6*
Return on shareholders' funds (R12 %)[1]	**6.4**	7.3	

[1] 2009 restated for change in accounting policy for Stanwell royalty payment

EBIT performance

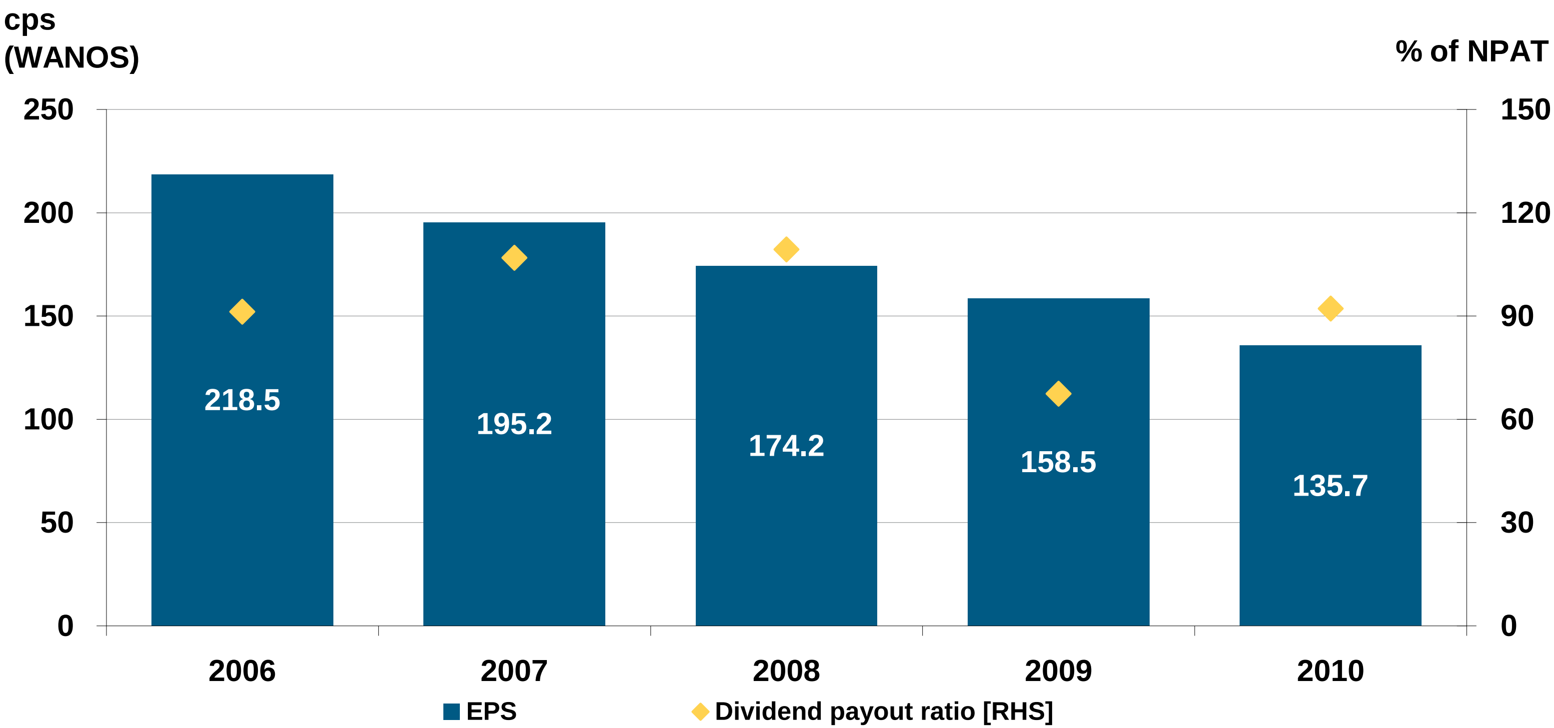
- Robust earnings performance across most divisions
  - Retail earnings up 15.8%, reflecting good progress on strategic plans
  - Industrial earnings up 38.6%, on more normalised operating conditions
  - Resources earnings down 81.4%, affected by lower commodity prices



* 2009 restated for change in accounting policy for Stanwell royalty payment

Earnings per share

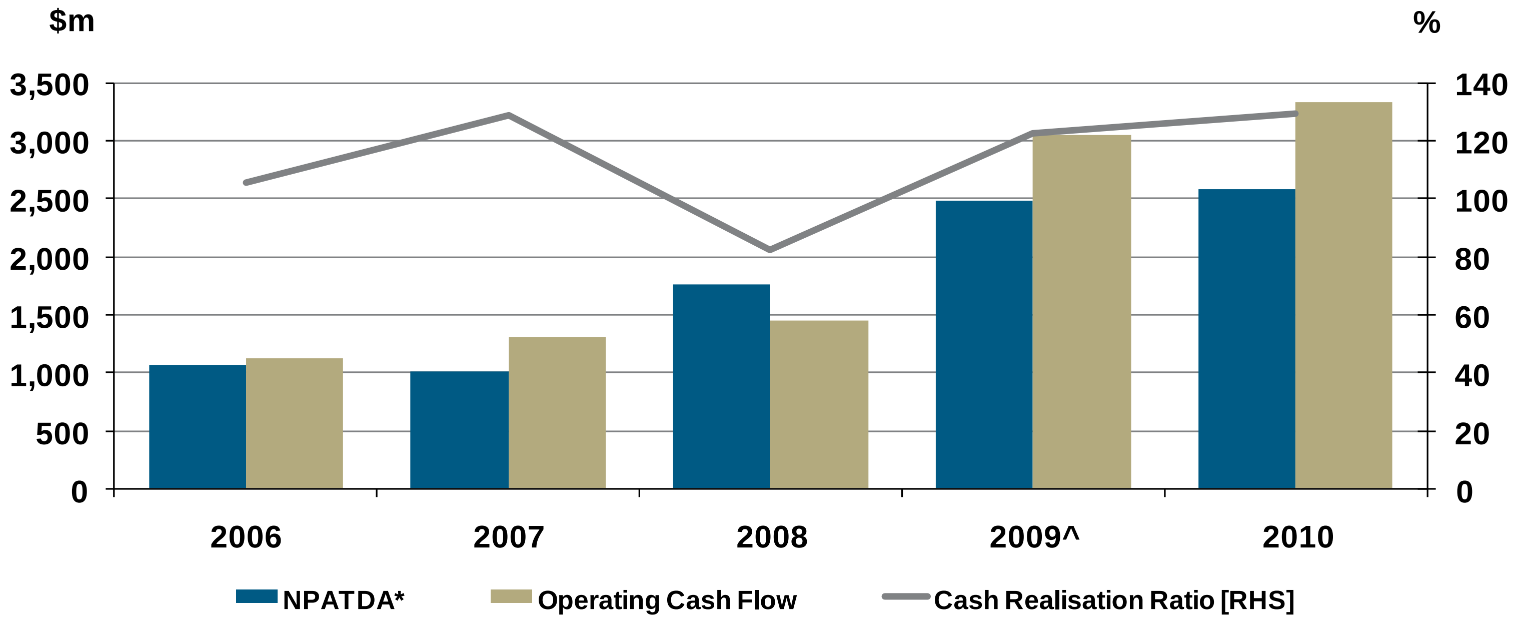
- 2010 EPS reflects reduced earnings from Resources & increased shares on issue following recent equity raisings



EPS excludes sale of ARG in 2006, EPS adjusted for equity raisings in FY08 & FY09
2009 EPS restated for change in accounting policy for Stanwell royalty payments
Dividend payout ratio based on unadjusted EPS in FY06 – FY09
WANOS: Weighted average number of shares

Cash flows

- Portfolio of strong cash generating businesses
- Record operating cash flow performance despite reduction from Resources
- Cash realisation improved through continued working capital management



* FY06 – FY08 adjusted for Stanwell. FY06 – FY10 adjusted for significant non-cash, non-trading items

^ restated for change in accounting policy treatment for Stanwell royalty payments

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Divisional EBIT

Year ended 30 June ($m)	2010	2009	↕ %
Coles	**962**	831	*15.8*
Home Improvement	**728**	659	*10.5*
Office Supplies	**74**	65	*13.8*
Target	**381**	357	*6.7*
Kmart	**196**	109	*79.8*
Resources[1]	**165**	885	*(81.4)*
Insurance	**122**	91	*34.1*
Industrial & Safety	**111**	114	*(2.6)*
Chemicals & Fertilisers	**121**	52	*132.7*
Energy	**102**	75	*36.0*
Other (including non-trading items)	**3**	(190)	*n.m.*
Divisional EBIT	**2,965**	3,048	*(2.7)*
Corporate overheads	**(96)**	(101)	*5.0*
Group EBIT	**2,869**	2,947	*(2.6)*

[1] 2009 restated for change in accounting policy for Stanwell royalty payment

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Divisional return on capital ('ROC')

- Improved return on capital performance across most divisions
- Focus remains on growth in return on capital

Year ended 30 June	2010 EBIT $m	2010 R12 Capital Employed $m	2010 ROC %	2009 ROC %
Coles	962	14,830	6.5	5.5
Home Improvement	728	2,398	30.4	30.2
Office Supplies	74	1,172	6.3	5.7
Target	381	3,264	11.7	10.4
Kmart	196	873	22.5	10.5
Resources [1]	165	1,146	14.4	82.4
Insurance	122	1,343	9.1	6.8
Industrial & Safety	111	799	13.9	14.1
Chemicals & Fertilisers	121	1,103	11.0	4.3
Energy	102	780	13.1	9.2

[1] 2009 restated for change in accounting policy for Stanwell royalty payments

Coles
Ian McLeod
Managing Director

coles
BI-LO WHY PAY MORE!
LIQUORLAND
1ST CHOICE LIQUOR SUPERSTORE
VINTAGE CELLARS AUSTRALIA'S FINE WINE SPECIALIST
coles express

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Coles financial performance

Year ended 30 June ($m)		2010	2009	↕ %
Revenue		**30,002**	28,799	*4.2*
EBIT		**962**	831	*15.8*
ROC %		**6.5**	*5.5*	
Safety (R12 LTIFR)		**12.8**	15.9	
Food & Liquor	Revenue[1]	**23,731**	22,506	*5.4*
	Total store sales growth %[3,4]	**5.6**	6.2	
	Comp store sales growth %[3,4]	**5.0**	4.6	
	Trading EBIT[1,2]	**867**	743	*16.7*
	EBIT Margin %	**3.7**	3.3	
Convenience	Revenue[1]	**6,247**	6,273	*(0.4)*
	Total store sales growth %[3,5]	**5.5**	8.0	
	Comp store sales growth %[3,5]	**3.3**	6.4	
	Trading EBIT[1]	**77**	67	*14.9*

1. Excludes property 2. Excludes non-trading items expense of 2010: $21m (2009: $52m) 3. 2010 for the 52 weeks 29 June 09 to 27 June 10, 2009 for the 52 weeks 30 June 08 to 28 June 09 4. Includes hotels, excludes gaming revenue & property 5. Excludes fuel

Coles highlights - strategy on track

Performance

Building a Solid Foundation

- Create a strong top team
- Cultural change
- Availability & store standards
- Value & customer trust
- Store renewal development
- Liquor renewal
- IT & supply chain infrastructure
- Efficient use of capital

Year 1 - 2

Delivering Consistently Well

- **Embed the new culture**
- **Team member development**
- **Improved customer service**
- **Appealing Fresh food offer**
- **Stronger delivery of value**
- **Scale rollout of new formats**
- **Improved efficiency**
- **Easy ordering completed**

Year 2 - 4

Driving the Coles Difference

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

Year 4 - 5

Value cut-through

- Lower prices on key value items
  - ‘Down, down, prices are down’
- Fewer, deeper promotions
  - Super Specials
  - Dollar Dazzlers
- Quality food costs less at Coles
  - Feed Your Family for under $10
- Improving private label offer
  - Coles brand repackaging
    - 85% of ‘You’ll Love Coles’ repackaged as Coles
  - Expanded 2011 Christmas range
    - 200 product lines

More appealing fresh food offer

- Double digit growth in produce & bakery
- Renewal stores changing the mix
- Fresher, faster supply chain
- Effective sponsorship support
  - Masterchef
  - My Kitchen Rules
- Investment in craft skills
  - Greengrocers
  - Bakers
  - Butchers

A better customer experience

- Scale roll-out of new store formats
  - 56 renewal stores to date
  - c.100 additional renewal stores in FY11
- New concepts across the network
  - Health & beauty
  - Entertainment & paper shop
- Cleaner, open stores with improved service
  - Roll-out of self-scan check-out
    - 78 stores to date

Working smarter stores

- Easy ordering rollout going to plan
  - 316 stores to date
  - Roll-out complete by FY12
- Shelf-friendly packaging roll-out
  - Efficient replenishment & fewer out of stocks
- Ongoing investment in store standards
  - c. $70 million in equipment refurbishment
- Increased efficiency in supply chain

Liquor & Convenience

- Coles Liquor
  - Growing market share
    - Exclusive range & private label growing
  - Evolving format development
- Convenience
  - Comp. fuel volumes up 0.7% in FY10
  - Better convenience store offer
  - Ongoing network improvement

Coles outlook - turnaround on track

- Turnaround strategy being driven at pace
- Coles now entering phase two of turnaround
- Focus on building greater customer trust
- However, economic conditions remain challenging
- In this environment, quality, service & value are more important than ever

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Home Improvement & Office Supplies

John Gillam
Managing Director

BUNNINGS Officeworks

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HIOS performance summary

Year ended 30 June ($m)		2010	2009	↕ %
Revenue	Home Improvement	**6,413**	5,845	9.7
	Office Supplies	**1,409**	1,306	8.0
		7,822	7,151	9.4
EBIT	Home Improvement	**728**	659	10.5
	Office Supplies	**74**	65	13.8
		802	724	10.8

Home Improvement
Performance summary

Year ended 30 June ($m)	2010	2009	↕ %
Revenue	**6,413**	5,845	*9.7*
Trading Revenue (excl. property & non-trading items)	**6,410**	5,808	*10.4*
EBIT	**728**	659	*10.5*
Trading EBIT / Trading Revenue (%)	**11.4**	11.2	
ROC (R12 %)	**30.4**	30.2	
Safety (R12 AIFR)	**35.9**	42.8	

BUNNINGS

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Home Improvement highlights

- Trading revenue growth 10.4%
  - 10.3% cash sales growth
  - Store-on-store growth of 7.3%
  - 10.8% lift in trade sales
- Strong focus on expansion, customer & business improvements
- Opened 22 trading locations
  - 11 new warehouse stores
  - 2 smaller format stores
  - 9 trade centres
- Ongoing investments enhancing existing store network

Home Improvement outlook

- Continued sales growth
  - Positive contributions from retail & trade
  - Purposeful ‘value focus’, some deflationary impacts
- Maintain strategic focus on five growth drivers
  - Service
  - Category expansion
  - Network expansion & enhancement
  - Trade presence in-store & via trade centres
  - Business ‘fitness’ to fuel the productivity loop

Office Supplies
Performance Summary

Year ended 30 June ($m)	2010	2009	↕ %
Revenue	**1,409**	1,306	8.0
EBIT	**74**	65	13.8
EBIT / Revenue (%)	**5.3**	5.0	
ROC (R12 %)	**6.3**	5.7	
Safety (R12 LTIFR)	**12.1**	12.3	

Office Supplies highlights

- Pleasing sales growth
  - Retail stores sales up 9.0%, underpinned by strong transaction growth
  - Officeworks Business sales continue to gain momentum
- Double digit earnings growth in challenging conditions
- Investment & improvement focus delivering results
  - Five new stores, 12 full store upgrades
  - One third of stores now trading with the new format
- Good progress on actions to improve operational effectiveness
  - Supply chain enhancements, new point of sale system

Office Supplies outlook

- Moderate sales growth
  - Competitive pressures on margin & costs
- Focus on execution of strategic agenda to lift profitability
  - Improve customer offer & service
  - Drive sales
  - Expand & upgrade network
  - Reduce complexity & cost of doing business

Target

Launa Inman

Managing Director

Target.

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Target performance summary

Year ended 30 June ($m)	2010	2009	↕ %
Revenue	**3,825**	3,788	1.0
EBIT	**381**	357	6.7
EBIT margin (%)	**10.0**	9.4	
ROC (R12 %)	**11.7**	10.4	
Safety (R12 LTIFR)	**8.0**	9.2	
Total sales growth[1] (%)	**0.9**	7.2	
Comparative store sales growth[1](%)	**(0.9)**	4.2	

[1] 2010 for the 52 weeks 28 June 09 to 26 June 10, 2009 for the 52 weeks 29 June 08 to 27 June 09

Target highlights

- Solid profitability in a challenging trading period
- Sales assisted by a positive customer response to improvements in ladieswear & baby related products
- Improvements in margin through
  - Increased apparel contribution to sales
  - Tightly managed cost of doing business in anticipation of tough trading
- Disciplined working capital focus, resulting in good inventory management
- Completed supply chain efficiencies delivering substantial cost savings

Target outlook

- A challenging & competitive trading environment will continue to place pressure on margins & comparable store sales growth
- Continue to embed new product design & development capabilities to maintain leadership position through differentiation
  - Focus on core clothing categories
  - Improved value proposition
- Continued investment in the store portfolio with new stores & refurbishments
- Exploring alternative ways of communication with customers
  - Increased use of digital technology, including online retailing

Kmart

Guy Russo
Managing Director

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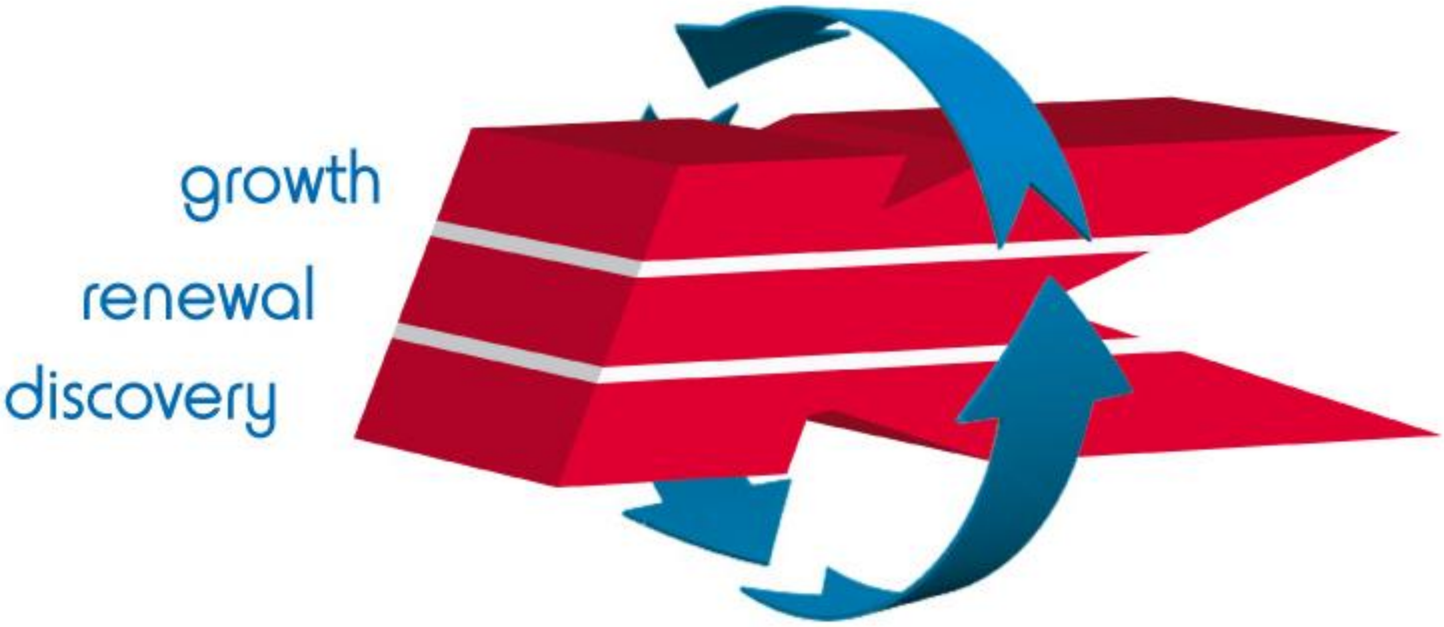
Kmart performance summary

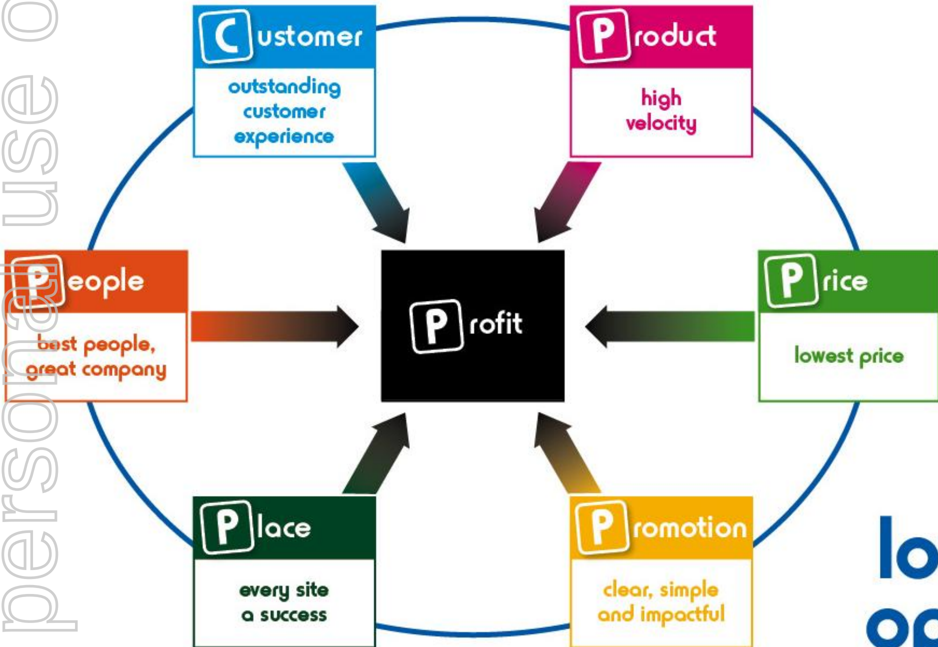
Year ended 30 June ($m)	2010	2009	↕ %
Revenue	**4,019**	3,998	0.5
EBIT[1,2]	**190**	109	74.3
EBIT margin (%)	**4.7**	2.7	
ROC (R12 %)[2]	**21.8**	10.5	
Safety (R12 LTIFR)	**9.1**	11.3	
Total sales growth[3] (%)	**0.4**	0.5	
Comparative store sales growth[3] (%)	**(0.1)**	0.2	

1 Excludes non-trading items expense of $33m relating to supply chain restructuring (2009: $70m)
2 2010 excludes $6m earnings relating to Coles Group Asia overseas sourcing operations utilised by both Kmart & Target (2009: nil)
3 2010 for the 52 weeks 29 June 09 to 27 June 10, 2009 for the 52 weeks 30 June 08 to 28 June 09

Kmart - the journey



Kmart strategy



low cost operator

Kmart highlights

- Customers responding well to lowest prices & better in-store environment
  - Comparative sales growth of 1.9% for the 25 weeks ending 27 June
  - Growth in sales supported by uplift in transactions
- Increased focus on underlying financial disciplines as part of Renewal
  - Exit of unprofitable product categories & promotions
  - Continued supply chain efficiencies & non store cost control
  - Improved working capital management
- Kmart Tyre & Auto delivered solid sales & profit growth
- Strong growth in return on capital

Kmart outlook

- Renewal remains active
  - Continue focus on customer service, clean & tidy stores & fast & friendly checkouts
  - Leverage efficiencies through cost of doing business
  - Ongoing investment in refreshing floors & fitting rooms
- Continue with transition to Growth
  - Customer engagement a priority – ‘Expect Change’
  - Lowest prices for families on everyday items
- Resetting for long-term success
  - Identifying the ‘right’ everyday items is not without challenge
  - Impacts of prior year high-low discounting will continue in the short-term
  - Increasing sourcing costs & raw material prices
- Competitive & challenging retail environment

Resources

Stewart Butel
Managing Director

URRAGH

BENGALLA

Premier Coal

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Resources performance summary

Year ended 30 June ($m)	2010	2009	↕ %
Revenue[1]	**1,416**	2,411	*(41.3)*
EBITDA	**285**	990	*(71.2)*
Depreciation & amortisation[2,3]	**(120)**	(105)	*(14.3)*
EBIT[3,4]	**165**	885	*(81.4)*
ROC (R12%)	**14.4**	82.4	
Coal Production (‘000 tonnes)	**14,107**	15,107	*(6.6)*
Safety (R12 LTIFR)[5]	**2.1**	2.5	

1. Includes traded coal revenue of $59m in 2010 (2009: $170m) & locked-in exchange rate losses of $85m (2009: $88m)
2. Excludes Stanwell royalty of $156m in 2010 (2009: $183m)
3. 2009 includes adjustment for change in Stanwell royalty accounting treatment
4. 2010 includes royalty expense of $252m (2009: $391m)
5. Curragh & Premier only

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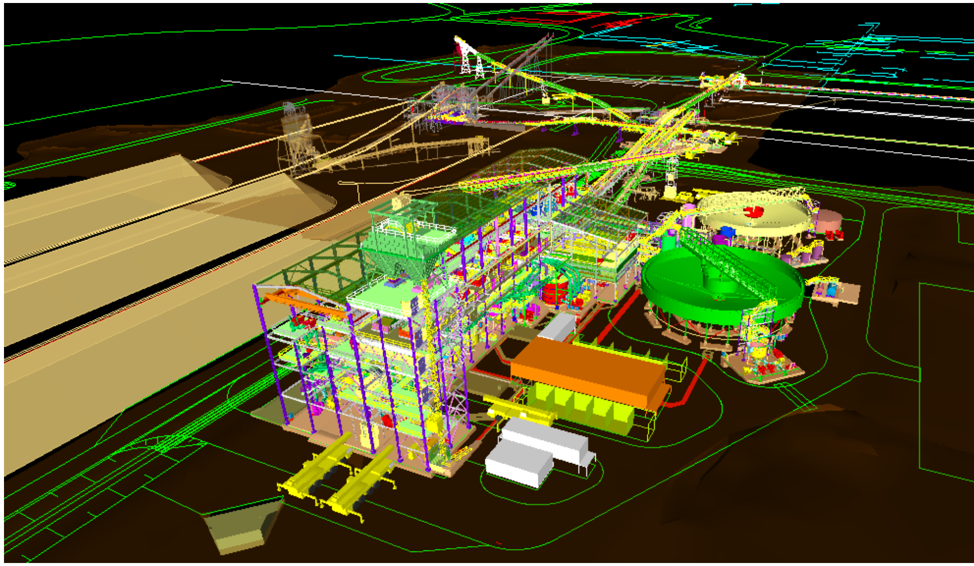
Resources highlights

- Continued improvement in safety performance
- $286 million Curragh expansion to 8.0 - 8.5mtpa export metallurgical capacity underway
  - Completion expected late CY11
- Blackwater Creek diversion achieved practical completion 10 December 2009
  - Under budget & ahead of time
- Strong Q4 FY10 pricing performance
  - 25% volume on annual contract pricing increased by approx 78%
  - 75% volume on quarterly contract pricing increased by approx 70%
- Curragh cost reduction programs on track
  - Mine cash costs ($/t) reduced 9% in FY10 vs FY09
- Bengalla - expansion feasibility study nearing completion

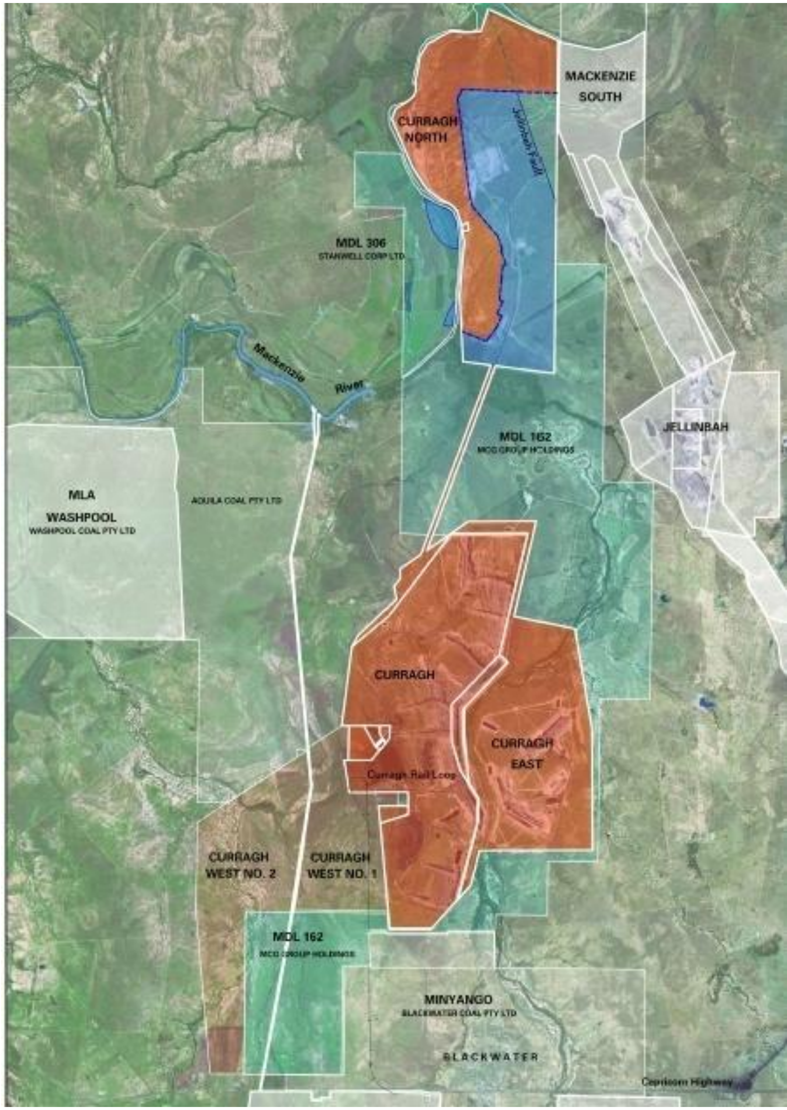
Curragh mine expansion

- Expand metallurgical coal exports to 8.0mtpa - 8.5mtpa
- Approved capital expenditure of $286 million
- Export rail & port capacity contracted
- Expansion tonnage contracts in place
- Construction underway
- Two week shutdown of existing Coal Handling Preparation Plant to tie in new plant early 2011
- Expansion completion Q4 CY11



Curragh expansion study to 10mtpa exports

- Feasibility study commenced
  - Mining & Coal Handling Preparation Plant studies
- Potential to expand Curragh to 10mtpa metallurgical exports from FY14
  - Wiggins Island commissioning
  - Additional rail capacity required
  - Potential for additional dragline
- Re-evaluation of remaining reserves at Curragh/Curragh East
- Evaluate Curragh West deposit
  - Burngrove Coal Measure
  - Low strip ratio open cut resource
  - Exploration program to commence



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Bengalla expansion study

- Feasibility study nearing completion
- Additional port capacity secured
- Expansion from 5.5mtpa to 8.5mtpa (10.7mtpa ROM) through two stages
  - Stage One 7.5mtpa
  - Stage Two 8.5mtpa
- Target additional production FY13
- Stage One development decision 2H CY2010

Resources outlook

- Q1 FY11 pricing negotiations completed – 11% increase on Q4 FY10
- Strong shipping performance from our traditional customers
- Re-emergence of tight labour market & industry cost pressures
  - Cost reduction programs continue
- Premier sole coal supplier to Verve Energy from 1 July 2010
- Curragh expansion to 8.0 – 8.5mtpa export capacity underway
- Forecast Curragh metallurgical sales of 6.5 – 7.0 million tonnes in FY11
  - Estimated sales mix (Hard 47%; Semi-Hard 21%; PCI 32%)
- Improved earnings in FY11
  - Stanwell royalty estimate A$130 - $145 million for FY11 assuming A$:US$ of $0.90

Insurance

Rob Scott
Managing Director

wfi

OAMPS

Lumley

CROMBIE LOCKWOOD
New Zealand's Insurance Brokers

Wesfarmers

Insurance performance summary

Year ended 30 June ($m)	2010	2009[2]	↕ %
Gross Written Premium Underwritten	**1,347**	1,358	*(0.8)*
Total Revenue	**1,698**	1,720	*(1.3)*
EBITA Underwriting	**75**	40	*87.5*
EBITA Broking	**59**	63	*(6.3)*
EBITA Other	**(3)**	-	*n.m.*
EBITA Insurance Division[1]	**131**	103	*27.2*
EBIT Insurance Division[1]	**122**	91	*34.1*
ROC (R12%)	**9.1**	6.8	
Safety (R12 LTIFR)	**0.9**	2.2	
Net Earned Loss Ratio (%)	**64.3**	72.9	
Combined Operating Ratio (%)	**97.9**	102.4	
EBITA Margin (Broking) (%)	**27.8**	29.1	

[1] Excludes non-trading items of $15m in FY09 [2] Restated as a result of reallocation of corporate costs to Other

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Insurance highlights

- Strong turnaround in underwriting profitability
  - Benefits of portfolio remediation & improvements in claims management
  - Improved focus on risk selection & profitable underwriting
- Various factors impacting underwriting earnings in FY10
  - Claims from severe weather events above long-term average
  - Lower investment income from lower interest rates
  - Losses from builders’ warranty & agency run-off in Australia
- Broking earnings affected by secondary effects of Global Financial Crisis
  - Challenging economic conditions affecting clients
  - Lower investment income from lower interest rates
- Good progress on new growth initiatives
  - Monument Premium Funding, retail offer, Corporate Solutions, EDI

Insurance outlook

- Continued improvements in underwriting performance
- Return to growth in gross written premiums from new initiatives
  - Corporate Solutions, Electronic Data Interchange (‘EDI’), Retail
- Commercial premium rate environment likely to remain competitive
- Investment in capability & IT to affect Expense Ratio in short-term
- Broking earnings growth challenging in current environment
- Bolt-on acquisitions continue to be assessed

Chemicals, Energy & Fertilisers

Tom O'Leary
Managing Director

Wesfarmers Chemicals, Energy & Fertilisers

Wesfarmers

Chemicals & Fertilisers
Performance summary

Year ended 30 June ($m)		2010	2009	↕ %
Revenue	Chemicals	**606**	615	*(1.5)*
	Fertilisers	**454**	547	*(17.0)*
		1,060	1,162	*(8.8)*
EBITDA		**183**	115	*59.1*
Depreciation & amortisation		**(62)**	(63)	*(1.6)*
EBIT		**121**[1]	52	*132.7*
Sales Volume ('000t):	Chemicals	**778**	747	*4.2*
	Fertilisers	**913**	739	*23.6*
ROC (R12 %)		**11.0**	4.3	
Safety (R12 LTIFR)		**3.2**	3.0	

[1] Includes $4m from the sale of Mt Weld & $2m in insurance proceeds from the Varanus Island gas incident. No provision for any potential future proceeds has been recognised. Excludes costs relating to the restructure of Wesfarmers Chemicals, Energy & Fertilisers (refer to slide 62).

Chemicals & Fertilisers highlights

- Production & demand for ammonia, ammonium nitrate & sodium cyanide improved
- Commissioning of 8ktpa sodium cyanide expansion in 4Q FY10
- Recovery from Varanus Island gas disruption last year
- Fertiliser volumes up 24% due to a good seasonal break & return to traditional levels of nutrient application
- Highly priced fertiliser inventory carried into FY10 now sold through
  - $25m fertiliser inventory write-down in 1H10 & ongoing adverse margin impact through FY10

Energy performance summary

Year ended 30 June ($m)	2010	2009	↕ %
Revenue	**611**	598	*2.2*
EBITDA	**153**	122	*25.4*
Depreciation & amortisation	**(51)**	(47)	*(8.5)*
EBIT	**102**[1]	75	*36.0*
ROC (R12 %)	**13.1**	9.2	
WLPG production (kt)	**188**	170	*10.6*
Safety (R12 LTIFR)	**4.3**	2.2	

[1] Includes $3m in insurance proceeds from the Varanus Island gas incident. No provision for any potential future proceeds has been recognised. Excludes costs relating to the restructure of Wesfarmers Chemicals, Energy & Fertilisers & $48m non-cash impairment charge of Coregas (refer to slide 62).

Energy highlights

- Increased production due to higher gas flow rate & stable LPG content
- Recovery of international LPG prices
- Full year of LNG sales, albeit heavy duty vehicle off-take remains challenging
- Recovery of industrial gas markets in Western Australia, conditions remained challenging in eastern Australia
- Full year operation of enGen's LNG-fuelled power stations at Sunrise Dam & Darlot in Western Australia

Chemicals, Energy & Fertilisers
Outlook

- Continuing strong demand for ammonium nitrate & sodium cyanide expected
- Increased gas input costs in sodium cyanide production
- Finalisation of front end engineering and design ('FEED') study into ammonium nitrate expansion
- LPG earnings affected by increased domestic gas prices in Western Australia & remain dependent on international LPG prices & LPG content
- Fertiliser earnings expected to increase albeit dependent upon a good seasonal break in 2H FY11 & farmers' terms of trade

Industrial & Safety

Olivier Chretien
Managing Director

Wesfarmers
Industrial and Safety

Wesfarmers

Industrial & Safety
Performance summary

Year ended 30 June ($m)	2010	2009	% ↕
Revenue	**1,311**	1,294	*1.3*
EBITDA	**125**	127	*(1.6)*
Depreciation & amortisation	**(14)**	(13)	*(7.7)*
EBIT	**111**[1]	114	*(2.6)*
EBIT margin (%)	**8.5**	8.8	
ROC (R12 %)	**13.9**	14.1	
Safety (R12 LTIFR)	**1.6**	2.4	

[1] Full Year 2010 EBIT includes $4m additional obsolete stock provision

Industrial & Safety highlights

- Solid result in challenging economic environment
  - Recovery in second half: 11% sales growth; EBIT up 30% on last year
- Continued strong delivery & customer service performance
  - New distribution centres in Perth, Auckland & Shenzhen (China)
- Good sales momentum
  - Project activity & contract successes
  - Pleasing eBusiness & services growth
  - Increasing industry diversification
  - Customer Relationship Management ('CRM') tool rolled out to sales force
- Operational improvements delivered strong cost & capital performance
- Improved safety results, continued focus on reducing manual handling related injuries

Industrial & Safety outlook

- Stronger growth platforms to take advantage of any further market recovery
- Improved market conditions
  - Ongoing margin pressure & growing labour retention challenge
- Future growth driven by:
  - Increasing share of customers' products & services spend
  - Resources & infrastructure projects
  - Coregas opportunities
  - Acquisitions

Wesfarmers

Other Business & Capital Management

Terry Bowen
Finance Director, Wesfarmers Limited

Other business performance summary

Year ended 30 June ($m)	Holding %	2010	2009	↕ %
Share of profit/(loss) of associates:				
Gresham Private Equity Funds	*Various*	**43**	(57)	*n.m.*
Gresham Partners	*50*	**1**	1	-
Wespine	*50*	**6**	4	*50.0*
Bunnings Warehouse Property Trust	*23*	**27**	(8)	*n.m.*
Sub-total		**77**	(60)	*n.m.*
Interest revenue		**65**	57	*14.0*
Non-trading items[1]		**(112)**	(137)	*18.2*
Other		**(27)**	(50)	*46.0*
Total		**3**	(190)	*n.m.*

[1] Refer to slide 62

Non-trading & significant items

($m)	2010 Pre-tax	2010 Post-tax	Segment	Comment
Coles (property)	**(21)**	(17)	Other	Property impairments & surplus lease provision
Kmart	**(33)**	(23)	Other	Supply chain restructuring
WES CEF[1]	**(5)**	(4)	Other	Restructuring costs
Coregas	**(53)**	(52)	Other	Non-cash goodwill impairment charge & cylinder provision
Non-trading items	**(112)**	(96)		
Other	**(58)**	(41)	Finance costs	Close-out & establishment costs on early debt repayment
Total	**(170)**	(137)		

[1] Wesfarmers Chemicals, Energy & Fertiliser

Working capital management

- Retail strategies continue to deliver improvements
  - Significant working capital released from acquired Coles Group assets since acquisition
  - Further improvements in operating cycle expected, albeit at a slower rate
- Industrial businesses benefited from sell through of carry over fertiliser inventories at CSBP

Inflow/(Outflow)[1] ($m)	**2010**	2009
Retail	**367**	322
All other businesses	**48**	(180)
Total	**415**	141

[1] Cash movement relating to inventories, trade & other receivables, prepayments & trade & other payables

Investment expenditure

Year ended 30 June ($m)	2010	2009	↕ %
Coles	**719**	567	26.8
Home Improvement & Office Supplies	**445**	377	18.0
Target	**88**	92	(4.3)
Kmart	**73**	64	14.1
Resources	**228**	251	(9.2)
Insurance	**26**	26	-
Industrial & Safety	**25**	26	(3.8)
Chemicals & Fertilisers	**28**	44	(36.4)
Energy	**22**	39	(43.6)
Other	**2**	17	(88.2)
Total	**1,656**	1,503	10.2
Capex/D&A[1] (%)	**181%**	176%	n.m.

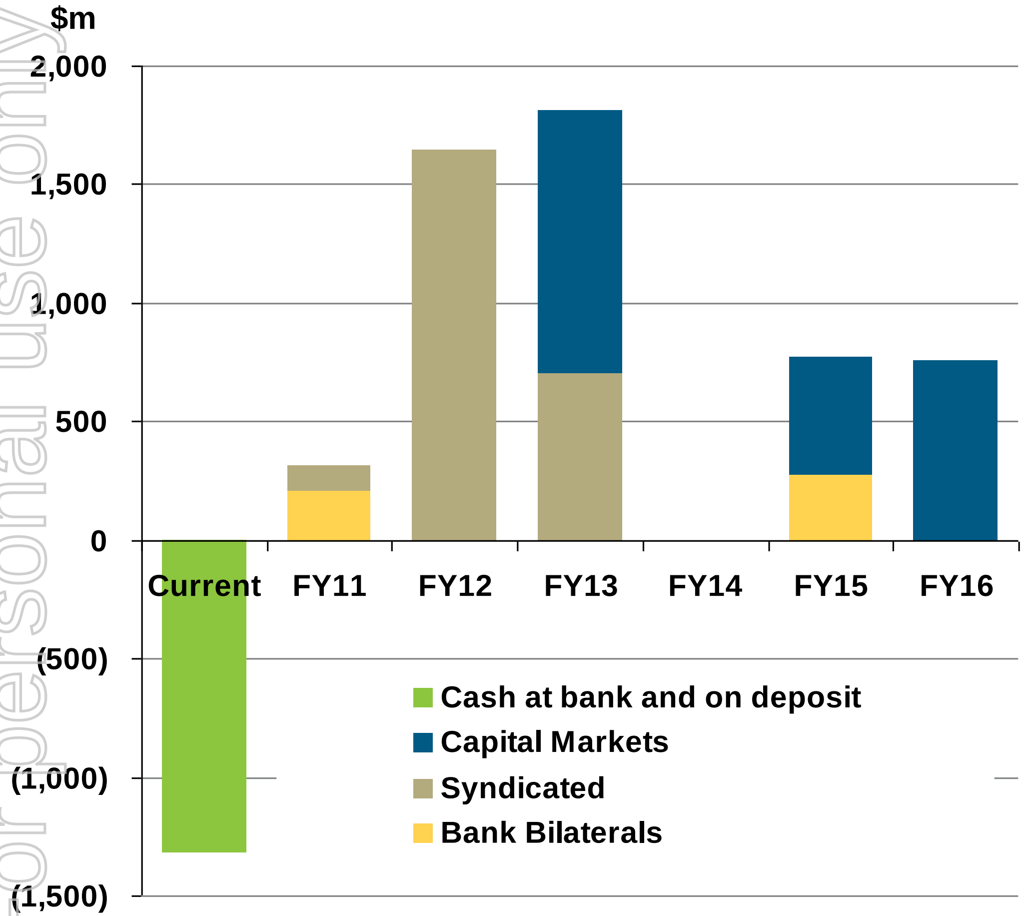
[1]2009 amortisation restated for change in accounting policy for Stanwell royalty payments

- Strong return on capital focus
- Continued investment to drive future growth
  - Retail: store roll outs & refurbishments, significant investment in freehold land of $293 million
  - Curragh expansion commenced
  - Feasibility study of ammonium nitrate expansion continuing
- FY11 capital expenditure estimate $2.2 to $2.4 billion
  - Curragh expansion continues (completion late CY11)
  - Accelerating store renewal programs
  - Retail network expansion

Debt financing

- Gross debt of $5.4 billion, net debt of $4.0 billion
- Pro-active diversification & lengthening of Group's debt profile
  - Repaid $2.2 billion of debt obligations during the year, including reduction in FY12 & FY13 syndicated debt obligations of $1.3 billion
  - Issue of A$500 million domestic corporate bond in September 2009
  - Inaugural issue of €500 million Euro Medium Term Note in March 2010
- Weighted average cost of debt for FY10 of 8.9% (excluding one-off borrowing costs)
- Forecast cost of debt for FY11 of 8.8% to 9.0%
  - 75% hedged to June 2011

Debt maturity profile



- Cash at bank & on deposit used to fund:
  - Dividends
  - Seasonal working capital
  - Short-term debt maturities
  - Organic growth (capex)
- Total liquidity at 30 June $2.6 billion consisting of:
  - $1.3 billion in committed undrawn facilities
  - $1.3 billion cash at bank & on deposit

Balance sheet & dividend

- Strong balance sheet
  - Net debt to equity of 16.3% at 30 June 2010
  - Cash interest cover of 6.8 times
  - Net debt to operating cash flows of 1.2 times
- Standard & Poor's credit rating BBB+ (positive), Moody's Baa1 (stable)
- Final dividend $0.70 per share; full year dividend $1.25 per share
  - Fully-franked dividend
  - Payout ratio of 92.1%
  - Dividend investment plan; no underwrite; shares purchased on market

Wesfarmers

Outlook

Richard Goyder
Managing Director, Wesfarmers Limited

Wesfarmers

Outlook

- Wesfarmers is well placed to benefit from any further upturn in the Australian economy
- The Group is cognisant of the fragility of global markets & domestic consumer confidence
- Optimistic about the Group's retail businesses
  - Particularly the opportunity to extract further improvements from the turnaround businesses of Coles, Kmart and Officeworks over the longer term
- Resources' FY11 earnings outlook positive compared to previous year
- Industrial divisions focused on growth opportunities
- Insurance division expected to benefit from positive momentum & strategic initiatives
- Focus on growth in return on capital, cash flows & balance sheet strength

Wesfarmers

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