2010 Half Year Results

Supplementary Information

(To be read in conjunction with the Half Year Results Teleconference presentation)

18 February 2010

Wesfarmers

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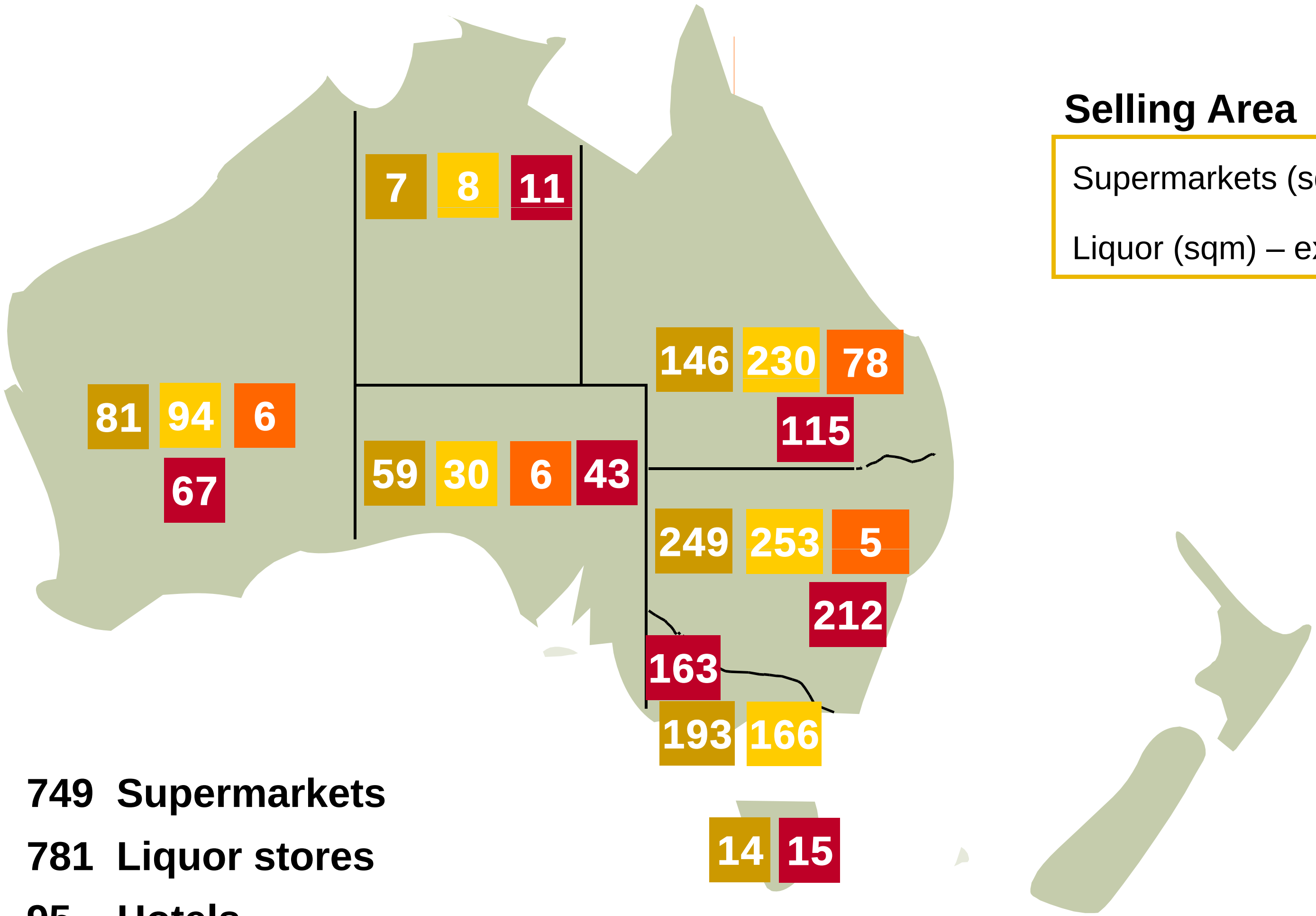
Coles

Our national footprint…

As at 31 December 2009



■ **749 Supermarkets**

■ **781 Liquor stores**

■ **95 Hotels**

■ **626 Convenience**

Selling Area

Supermarkets (sqm)	1,593,007
Liquor (sqm) – ex hotels	182,246

Store network movements

	Jun 2009	Opened (1)	Closed (1 & 2)	Dec 2009
Supermarkets				
Coles	705	9	18	696
Bi-Lo	58	-	5	53
Total Supermarkets	763	9	23	749
Liquor				
1st Choice	64	9	2	71
Vintage Cellars	80	-	-	80
Liquorland	631	9	10	630
Hotels	95	1	1	95
Total Liquor	870	19	13	876
Convenience	625	3	2	626

(1) Includes 3 new supermarkets opened and 3 existing supermarkets closed in the same area

(2) Includes 18 supermarkets and 3 liquor stores transferred to FoodWorks

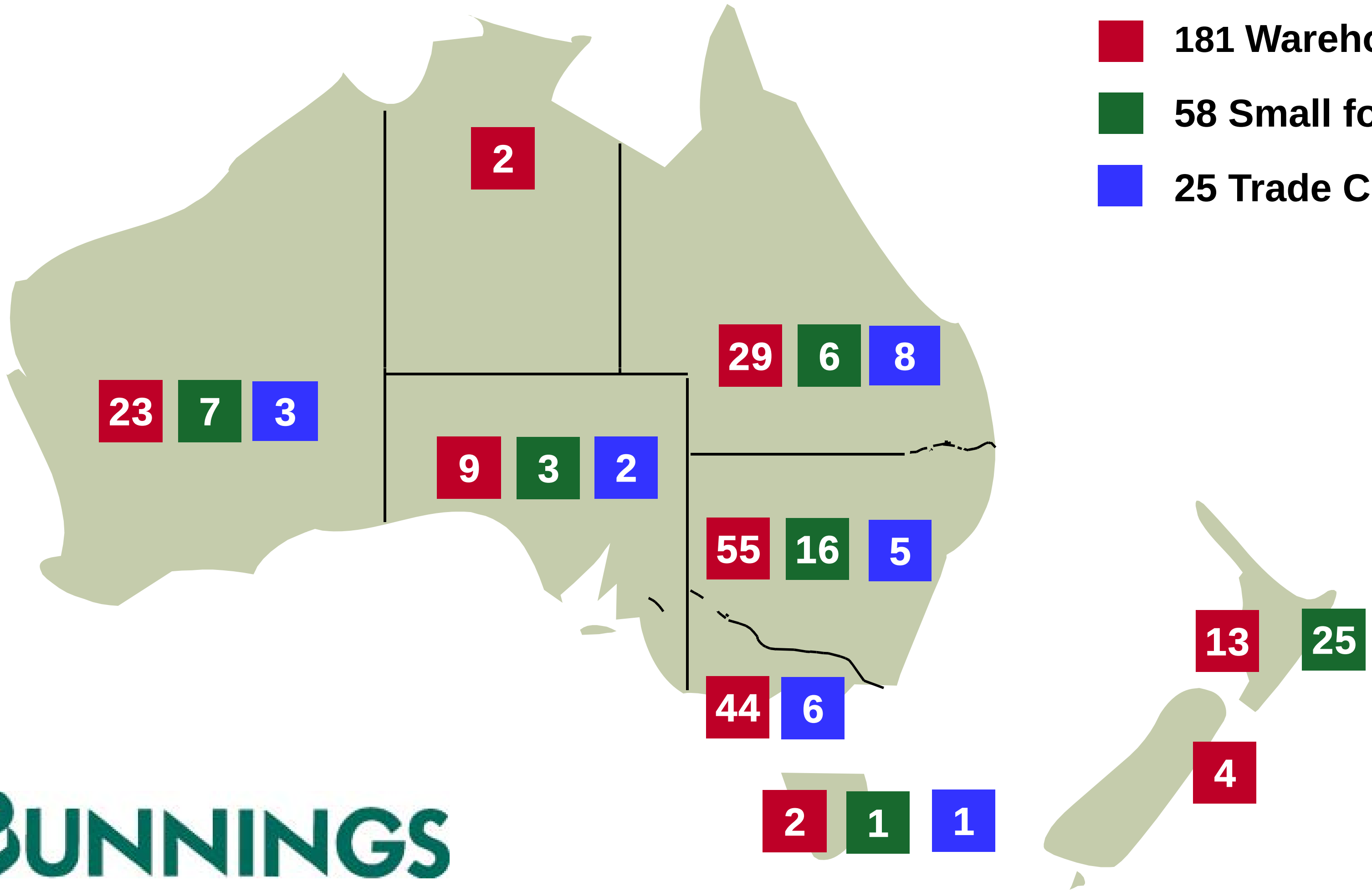
Home Improvement & Office Supplies

Bunnings Network
at 31 December 2009

181 Warehouse stores

58 Small format stores

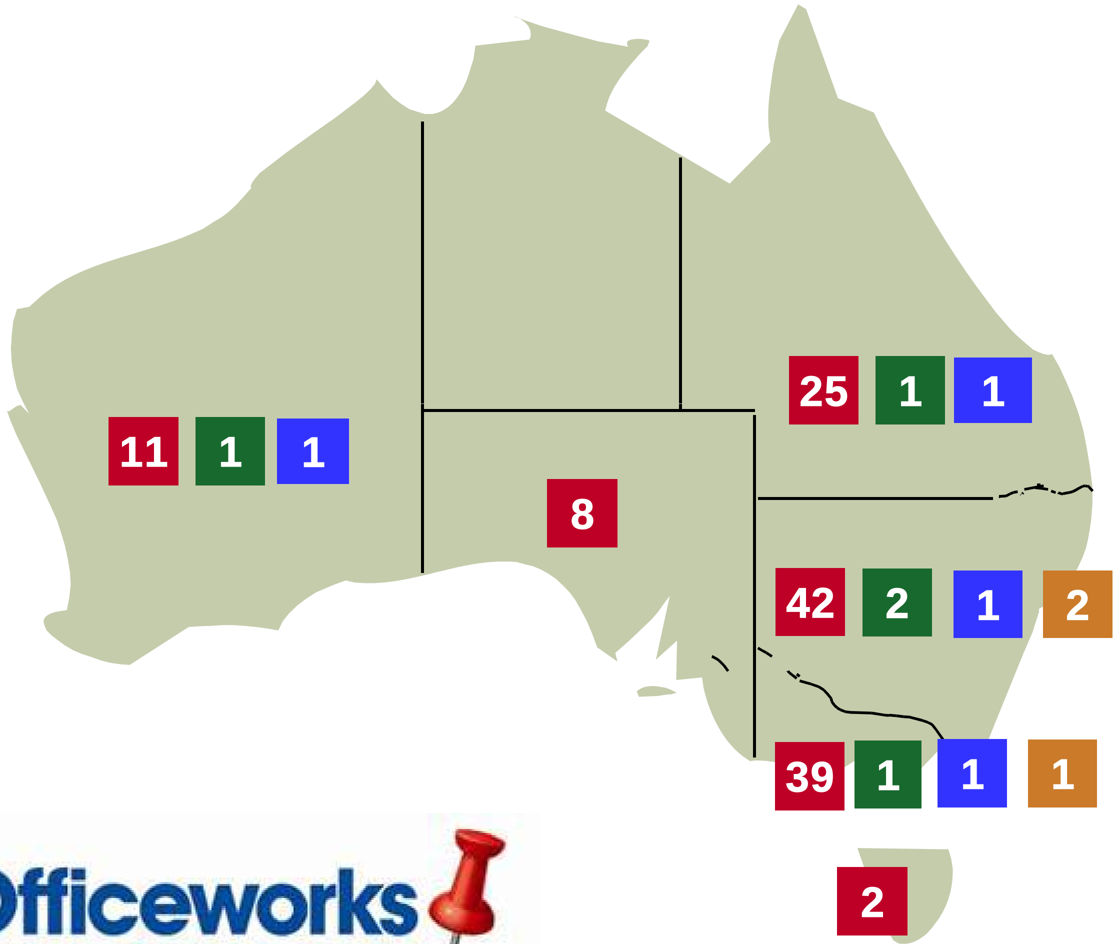
25 Trade Centres



BUNNINGS

Office Supplies Network

at 31 December 2009



Retail Stores

- 127 Officeworks
- 5 Harris Technology

Business

- 4 Fulfilment Centres
- 3 Service Centres

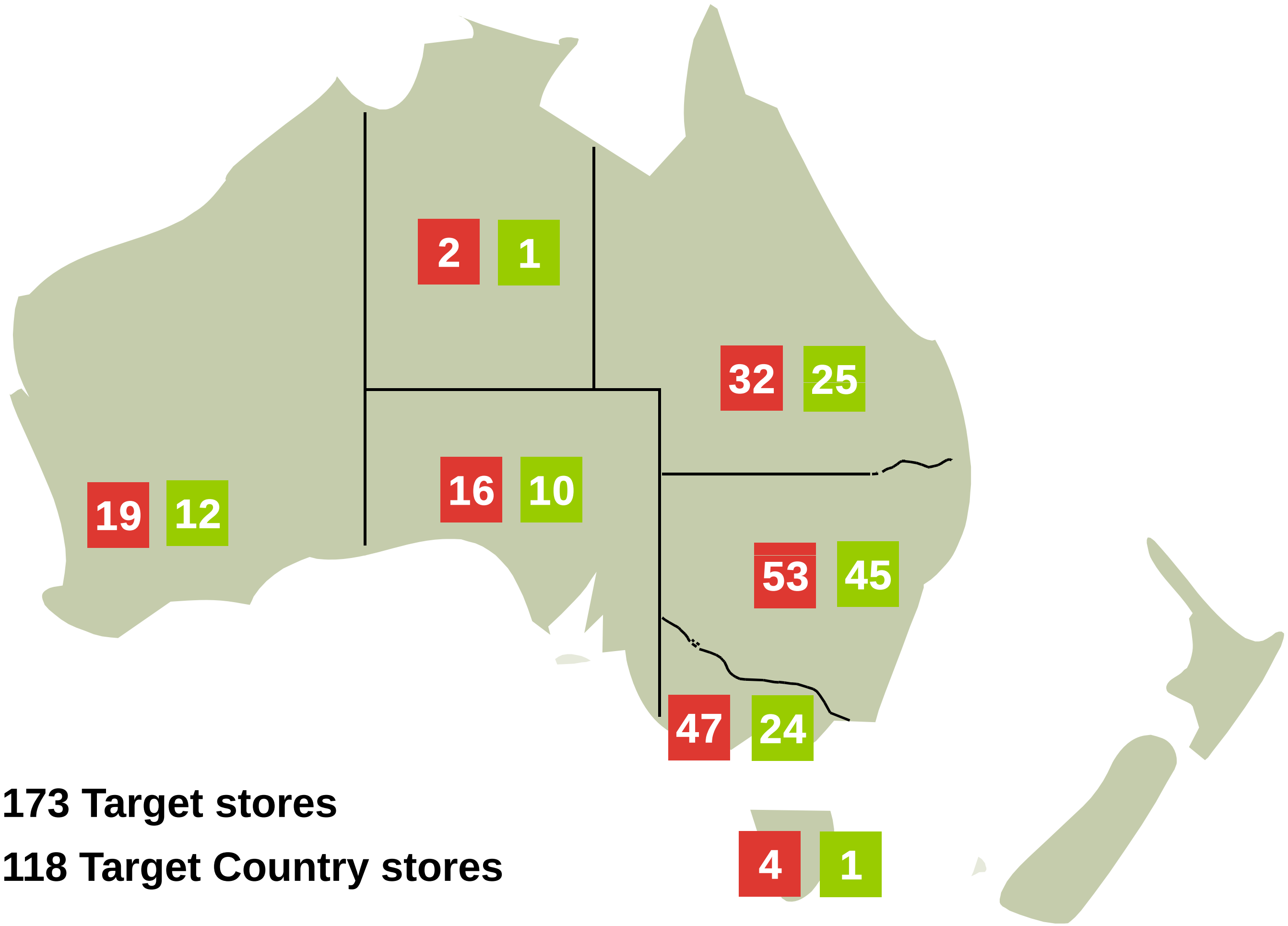
Store Network Movements

	Jun 2009	Opened	Closed	Dec 2009	Under construction
Home Improvement					
Warehouse format	175	8	2	181	10
Smaller format	56	2	-	58	2
Trade Centres	22	4	1	25	5
Office Supplies					
Officeworks	123	4	-	127	3
Harris Technology	5	-	-	5	0

Target

Target Store Network

at 31 December 2009



173 Target stores

118 Target Country stores

Store Network Movements

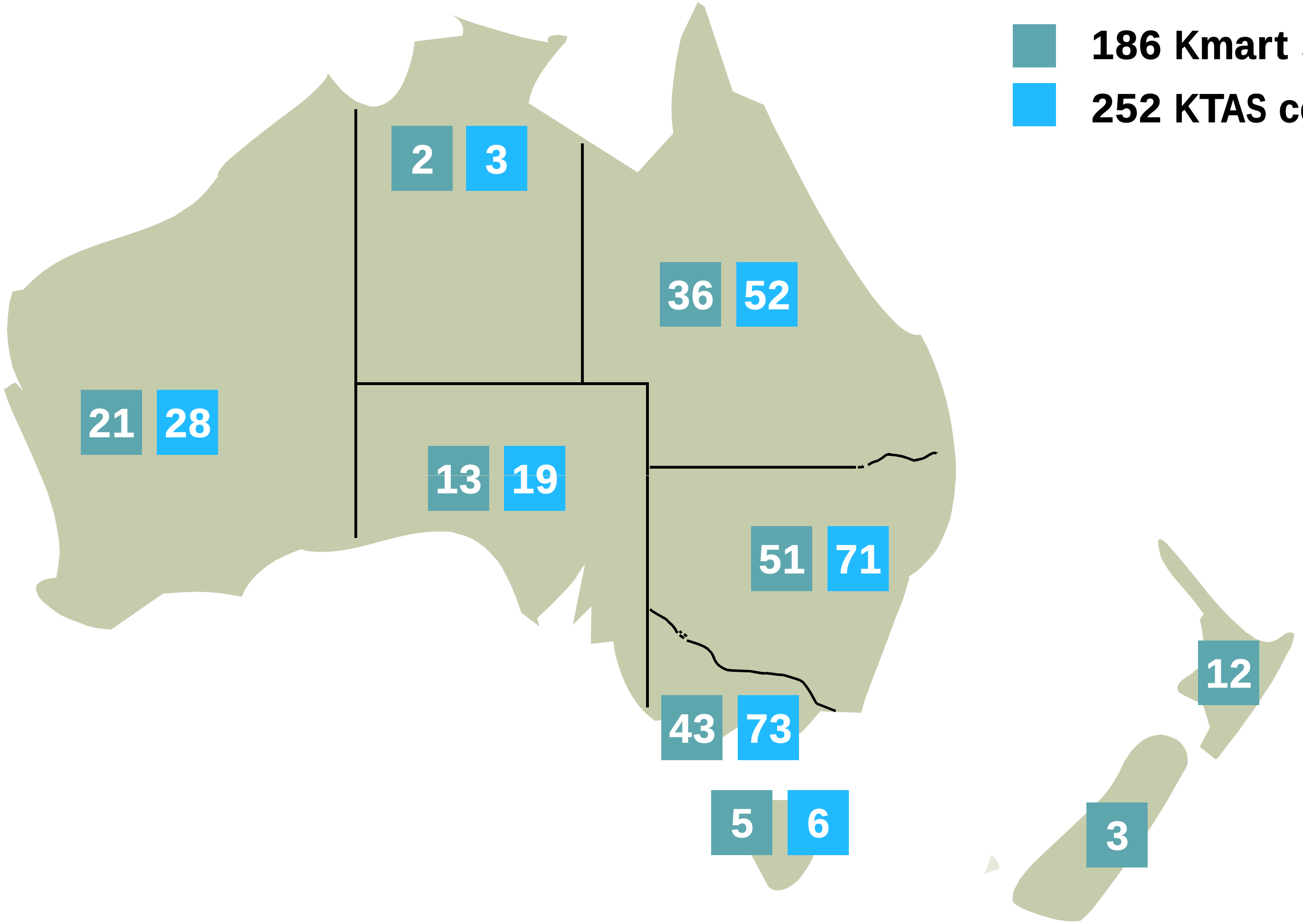
	Jun 2009	Opened	Closed	Dec 2009	Under construction
Target	170	3	0	173	
Target Country	116	3	1	118	2

- Included in the Target Country numbers is the replacement of our Tenterfield store, i.e. a closure and corresponding re-opening.

Kmart

Kmart Store Network

at 31 December 2009



186 Kmart stores

252 KTAS centres

Store Network Movements

	Jun 2009	Opened	Closed	Dec 2009	Under construction
Kmart	184	2	-	186	1
Kmart Tyre & Auto	255	-	3	252	-

Resources

Coal – production volumes

Mine	Beneficial Interest	Coal Type	Half Year ended ('000 tonnes)	
			Dec-09	Dec-08
Premier, WA	100%	Steaming	1,492	1,783
Curragh, QLD	100%	Metallurgical	3,461	3,565
		Steaming	1,164	1,511
Bengalla*, NSW	40%	Steaming	1,161	1,079
Total			**7,278**	**7,938**

* Wesfarmers attributable production

Business environment

- Strong signs of emergence from global economic crisis
  - Customers
    - significant increase in global steel production
    - increased metallurgical coal demand and spot prices
    - traditional Australian export market demand returns
  - Suppliers
    - rail and port infrastructure constraints continue
    - re-emergence of idled production
    - Australian metallurgical coal production back to pre-GFC conditions
- Stronger Australian dollar
- Cost pressures likely to re-emerge
- Longer-term outlook for the coal industry remains positive

Seaborne metallurgical coal market

CONSTRAINED SUPPLY

Australia rail & port constraints continue – port congestion high

Canadian coal production ramp up pace restricted

China domestic demand and mine closures limiting exports

US coal swings into China / Asia

Seaborne Metallurgical Coal Market
Strong shipping requests
Spot price increasing

REBOUNDING DEMAND

China imports remain high
12 months to 31 Dec'09 34mt coking

Strong steel production
Coke ovens, Blast furnace restarts, high world output through 2H 2009

Improving seaborne coal demand
Traditional buyers and China

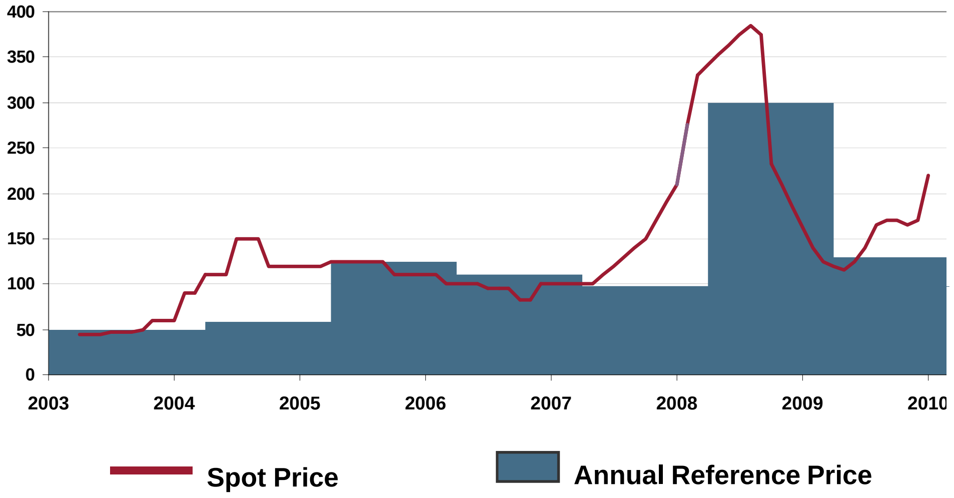
Spot market metallurgical coal rise
Recent settlements up to US$220/t

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

Australian coal market prices

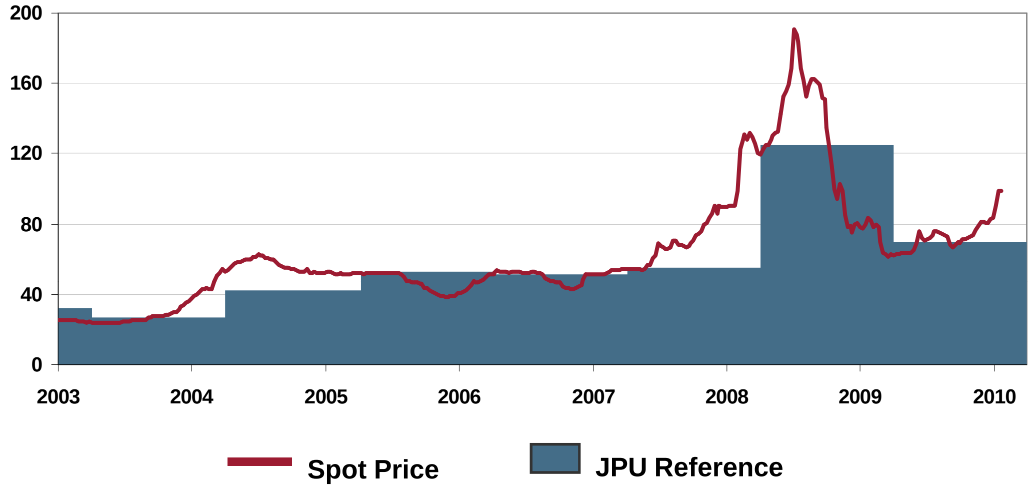
Hard coking coal

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



Steaming coal

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



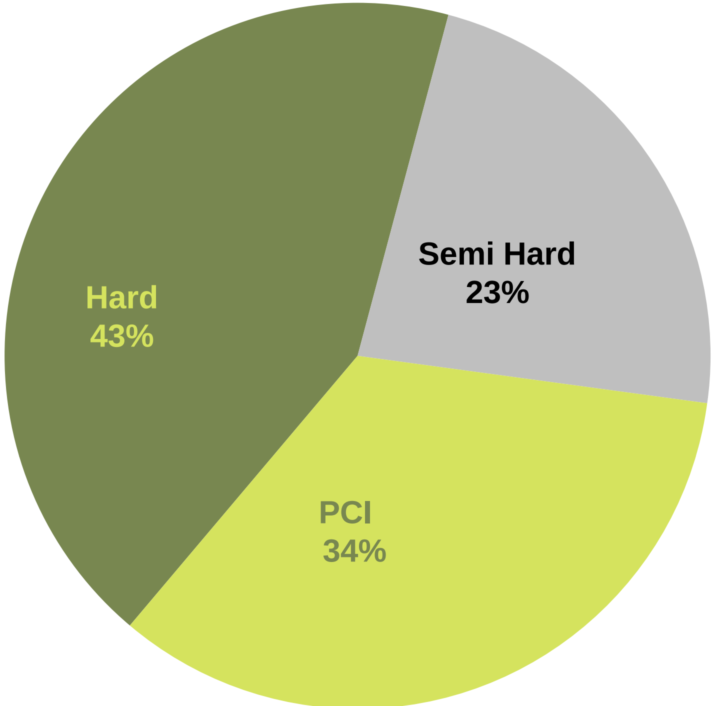
Source: Barlow Jonker, Tex Report, Macquarie Research

Coal – sales volumes

Mine	Beneficial Interest	Coal Type	Half Year ended ('000 tonnes) Dec-09	Dec-08
Premier, WA	100%	Steaming	1,318	1,802
Curragh, QLD	100%	Metallurgical	3,247	3,485
		Steaming	1,267	1,687
Bengalla*, NSW	40%	Steaming	1,186	1,123
Total			**7,018**	**8,097**

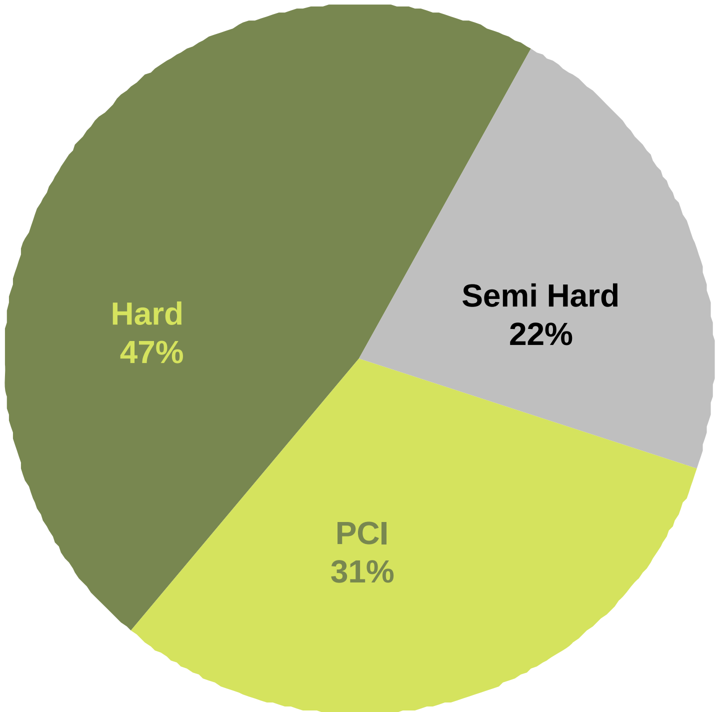
* Wesfarmers attributable production

Curragh export metallurgical sales
Product mix 2009/10



First half 2009/10 actual

3.25 million tonnes



2009/10 estimate

6.3 - 6.8 million tonnes

Recent awards

Curragh

47th AUSTRALIAN EXPORT AWARDS
WINNER

CELEBRATING
The Premier of Queensland's
Export Awards
2009
TWENTY YEARS

Winner

JAPAN • QUEENSLAND •
商工

Queensland Japan Chamber of Commerce & Industry

Export Excellence Awards - Winner

Premier Coal

WESTERN AUSTRALIAN
environment
AWARDS 2009
WINNER

Curragh focus on cost control

- Aggressive cost reduction program in place
- Mine cash costs ($/t): 8% reduction 1H10 vs. 1H09
- Strategies targeted include
  - mining and processing practices, equipment utilisation and productivities
  - procurement optimisation on key input costs
  - optimisation of contractor usage and roles
    - truck and shovel overburden removal
  - completion of Blackwater Creek diversion will alleviate short-term mine sequencing issues
- Curragh recently reconfirmed in lowest quartile of Australian hard coking coal industry cost curve

Blackwater Creek diversion

- Access to additional metallurgical coal
- Civil works completed September 2009
- Practical completion achieved December 2009
- Capital expenditure $120 million
- Ahead of budget and timeline

Curragh mine expansion
as announced 10 November 2009

- Expand metallurgical coal exports to 8.0mtpa to 8.5mtpa
- Increase of 1.5 – 2.0mtpa metallurgical coal exports from late CY2011
- New Stanwell agreement providing additional coal reserves, with modified export rebate payment above 7mtpa
- Approved capital expenditure of $286m
  - new 1,200tph coal preparation plant
  - other expansion infrastructure
- New long term overburden removal contract at Curragh North
- Export rail and port capacity in place
- Strong customer contract base

Hedging profile as at 31 December 2009

Curragh – Open Contracts

Year end 30 Jun	Current US$ sold forward (US$m)	Average A$ / US$ hedge rate
2010*	220	0.81
2011	330	0.79
2012	62	0.80
2013	24	0.76

* Represents six month period ending 30 June 2010

Bengalla – Open Contracts

Year end 30 Jun	Current US$ sold forward (US$m)	Average A$ / US$ hedge rate
2010*	42	0.80
2011	73	0.80
2012	34	0.77
2013	10	0.78

* Represents six month period ending 30 June 2010

Closed contracts: As previously advised, in November 2008 some forward exchange contracts were ‘closed out’. A$20m locked-in losses remain and will be booked in 2H10.

Stanwell agreement - Modified export rebate payment
as announced 10 November 2009

- Existing rebate capped at 7.0mtpa exports
  - payable when semi hard price >A$62/t FOB approx escalated at 1%pa
  - rebate 25% of excess over A$62/t multiplied by total export tonnes
- New rebate for tonnes in excess of 7.0mtpa exports
  - payable when semi hard price >A$93/t FOB approx escalated at 100% CPI
  - rebate 10% of excess over A$93/t multiplied by total export tonnes
  - new rebates apply from November 2009
- All rebates calculated from a rolling 12 month actual A$ export price outcome, paid monthly to Stanwell

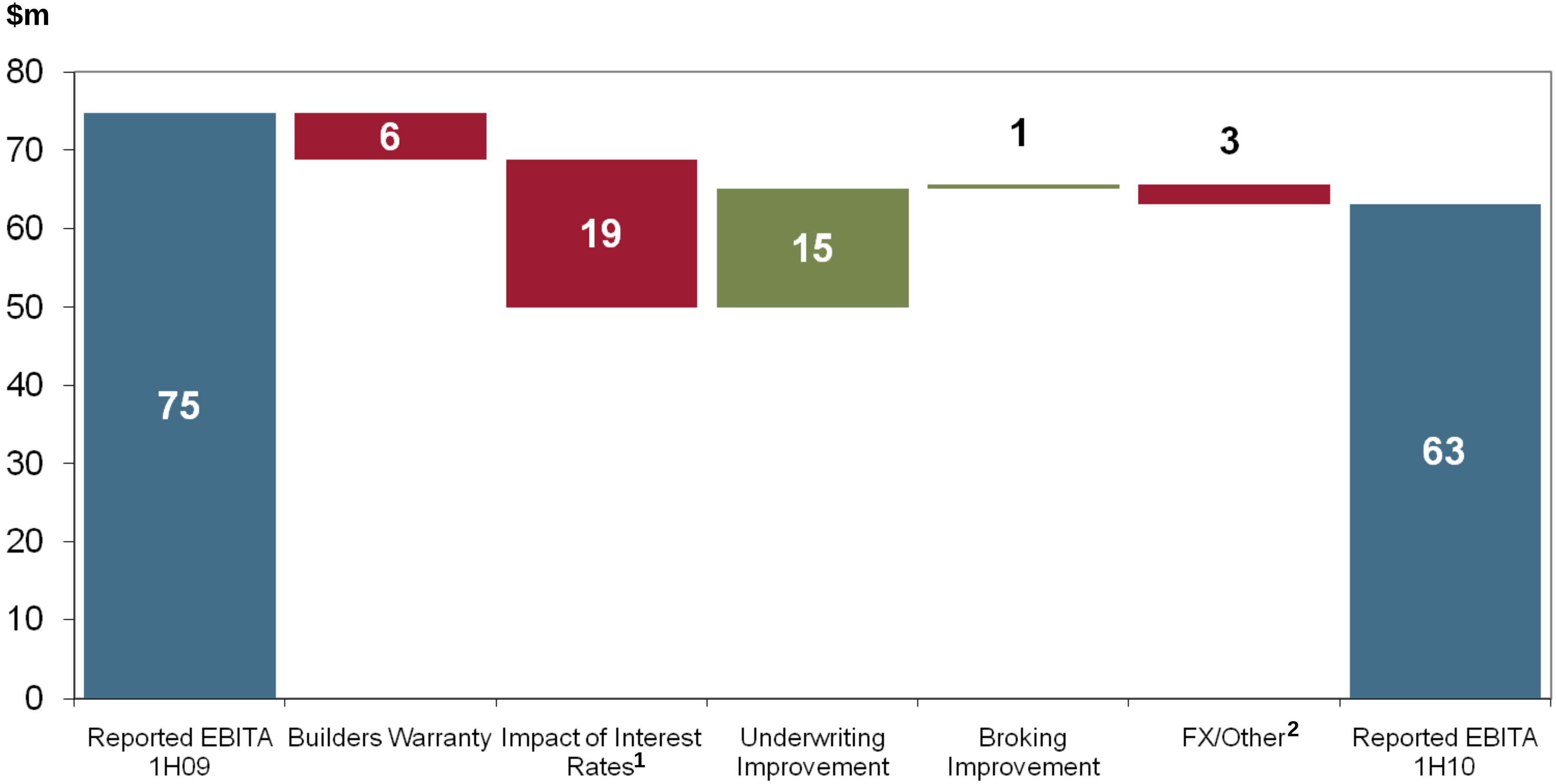
Stanwell royalty accounting – policy change

- Division has four major royalty obligations - to Qld, NSW, WA and to Stanwell
- Effective from 1 July 2009, all royalties are now accounted for in the same way
  - Policy change for Stanwell to a royalty expense, rather than appearing as amortisation and finance charges
  - Eliminates need for notional asset and liability recognition, below-EBIT finance charges and other complexities
  - Stanwell expense is now actual cost to division for the period (cash paid in period + payable at period close)
  - Consistency, simplicity & alignment with current industry royalty accounting practice
- Impact on reported earnings
  - Not material to profit or retained earnings over time
  - 1H 2010 EBIT would have been $8.7m lower under former amortisation method – timing
- No change to Stanwell contract – R12 lag continues to apply
  - WES continues to receive upfront cash-flow benefit from R12 formula lag in times of peak export prices
  - Potential for earnings volatility from R12 remains

Insurance

Wesfarmers

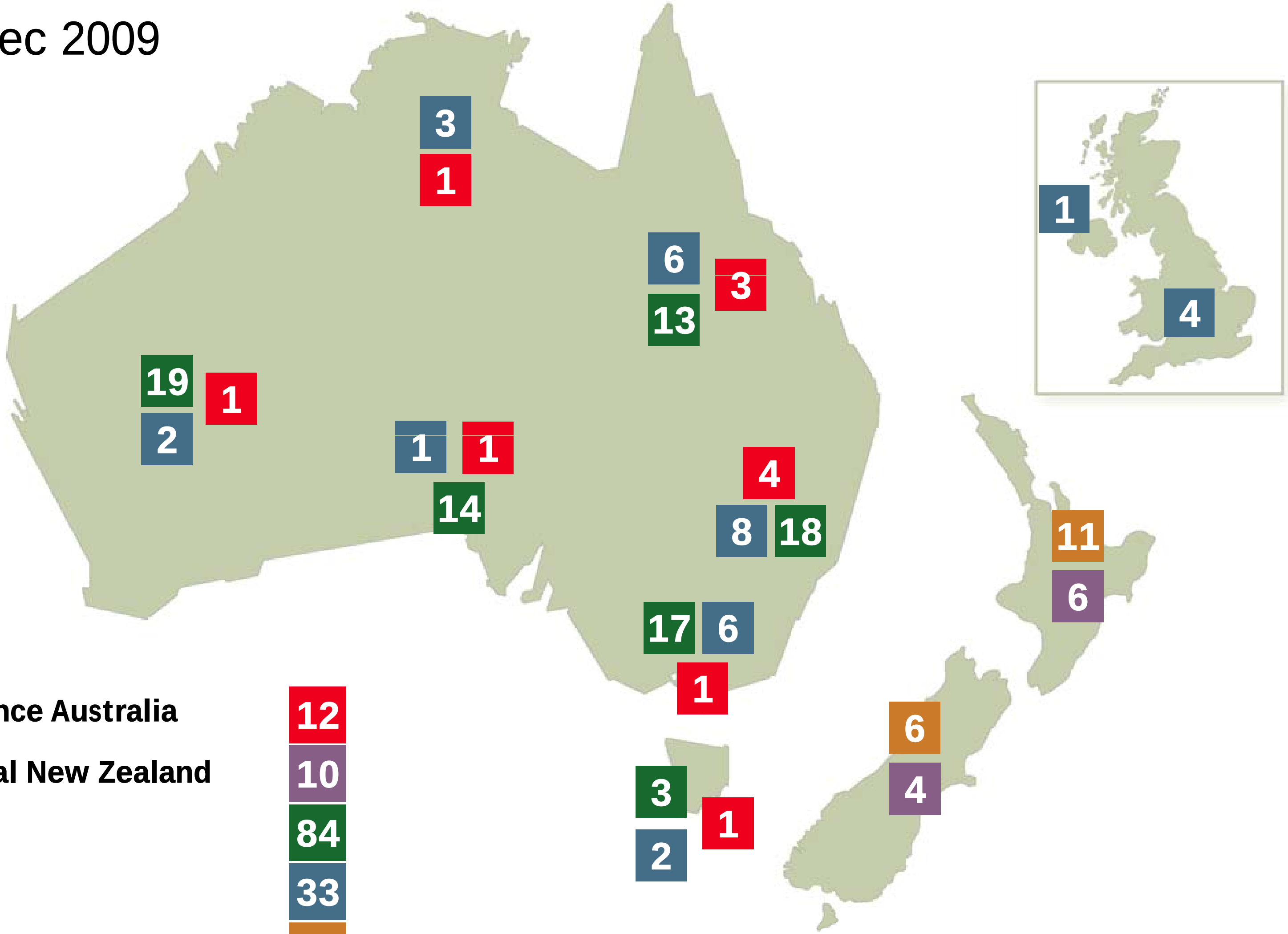
EBITA Comparison



1. Impact of lower interest rates on fixed income investments (excludes hedge on OCR)
2. Impact of weakening GBP/AUD and NZD/AUD exchange rates and other items

Geographical Presence

as at 31 Dec 2009



Lumley Insurance Australia	12
Lumley General New Zealand	10
WFI	84
OAMPS	33
Crombie Lockwood	17

Underwriting Performance Summary

Half Year ended 31 December ($m)	2009	2008^	↕ %
Gross Written Premium	**680**	679	*0.1*
Net Earned Premium	**521**	513	*1.6*
Net Claims	**(334)**	(353)	*5.4*
Net Commission and Expenses	**(171)**	(153)	*(11.8)*
Underwriting Result	**16**	7	*228.6*
Insurance Margin	**29**	35	*(17.1)*
EBITA	**38**	47	*(19.1)*
EBIT	**38**	45	*(15.6)*
Net Earned Loss Ratio (%)	**64.2**	68.9	*4.7 pt*
Combined Operating Ratio (%)	**97.0**	98.7	*1.7 pt*
Insurance Margin (%)	**5.7**	6.9	*(1.2) pt*

^ Restated as a result of reallocation of corporate costs to Other

Broking Performance Summary

Half Year ended 31 December ($m)	2009	2008^	%
Commission and Fee Income	**90**	92	*(2.2)*
Other Income	**10**	12	*(16.7)*
Total Income	**100**	104	*(3.8)*
Expenses	**(75)**	(76)	*1.3*
EBITA	**25**	28	*(10.7)*
Amortisation of Identifiable Intangible Assets	**(5)**	(6)	*16.7*
EBIT	**20**	22	*(9.1)*
EBITA Margin (%)	**25.2**	27.2	*(2.0) pt*

^ Restated as a result of reallocation of corporate costs to Other

Underwriting KPIs

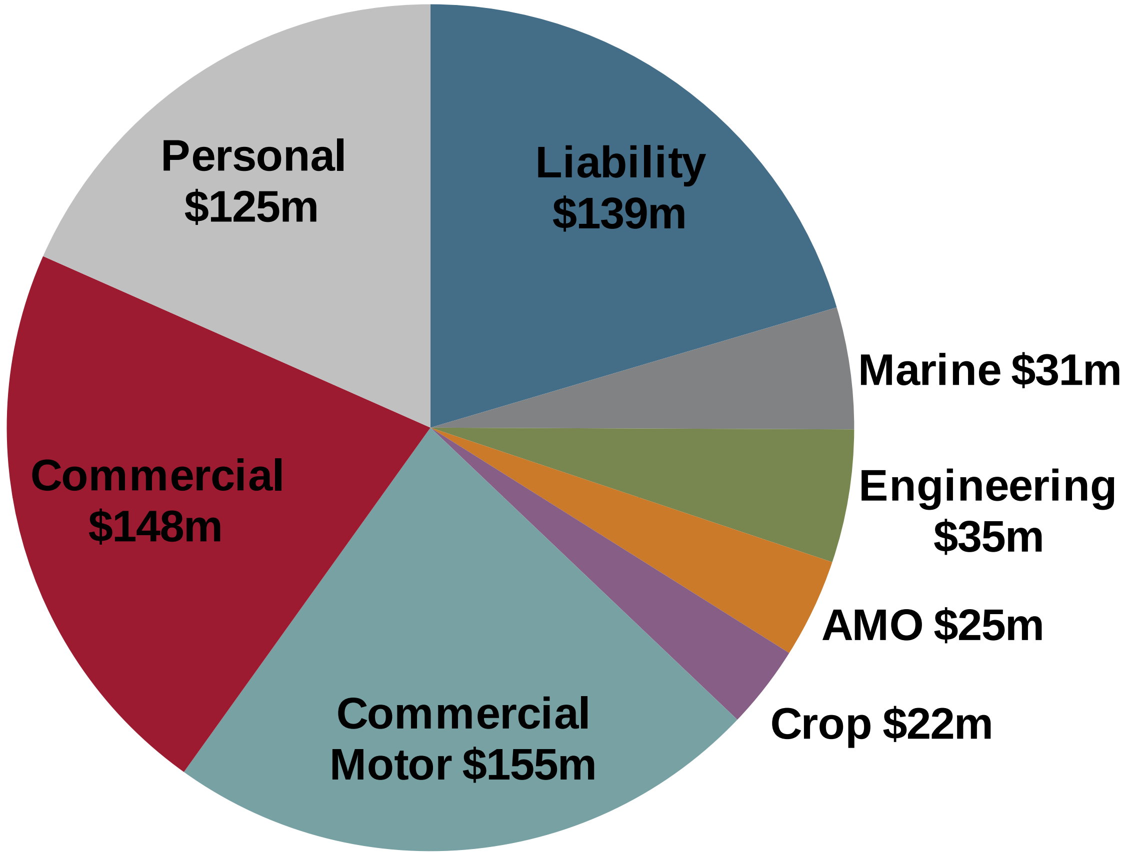
Half Year ended 31 December (%)	**2009**	2008^	↕ **%pt**
Gross Earned Loss Ratio	**66.3**	68.0	*1.7*
Net Earned Loss Ratio	**64.2**	68.9	*4.7*
Reinsurance Expenses (% GEP)	**23.4**	21.9	*(1.5)*
Exchange Commission (% RI excl XOL)	**23.3**	24.1	*(0.8)*
Commission Expense (% GWP)	**13.8**	13.9	*0.1*
Total Earned Expenses (% GEP)	**29.4**	27.3	*(2.1)*
Combined Operating Ratio (% NEP)	**97.0**	98.7	*1.7*
Insurance Margin (% NEP)	**5.7**	6.9	*(1.2)*

^ Restated as a result of reallocation of corporate costs to Other

Gross Written Premium (underwriting)

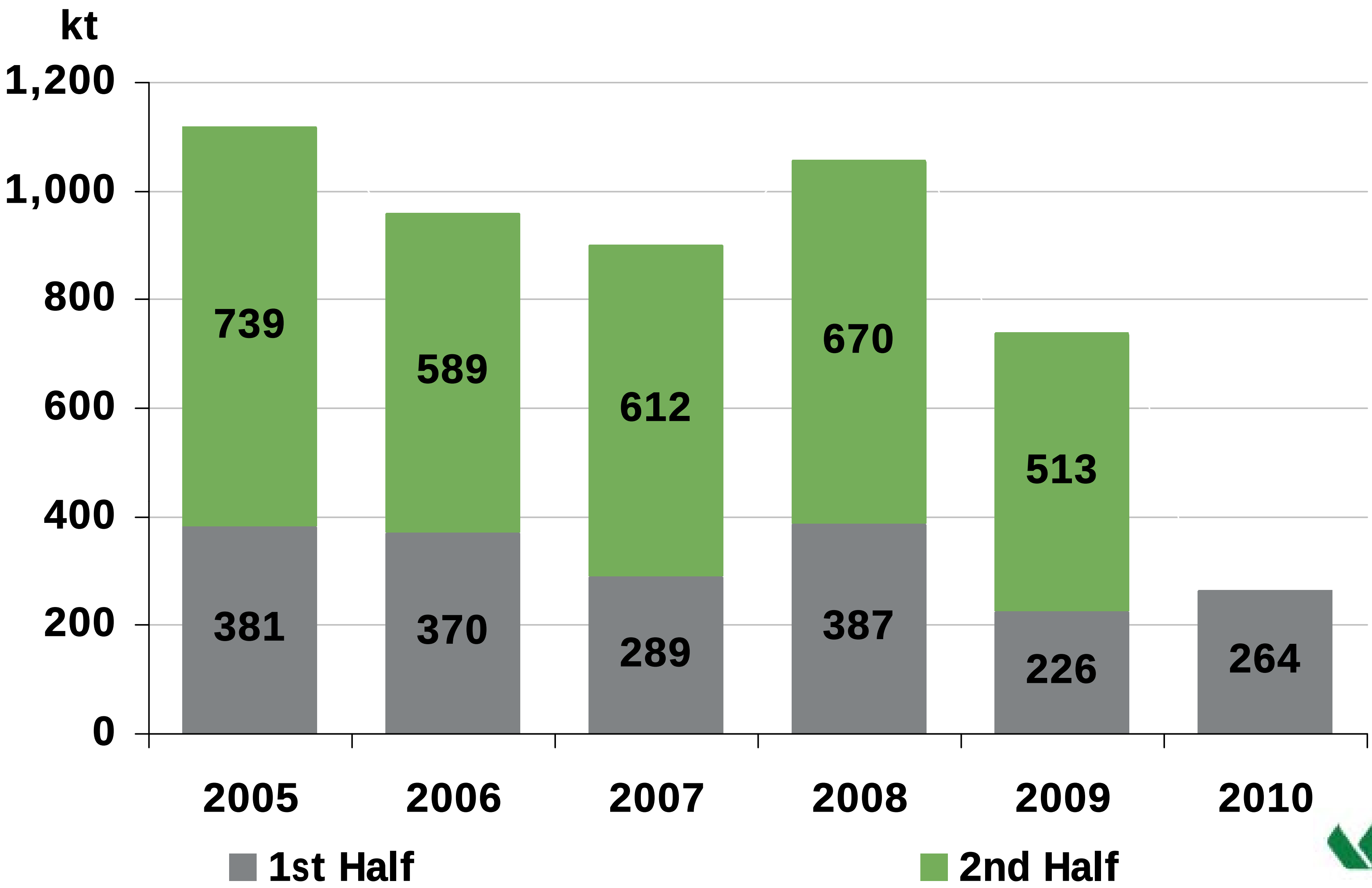
(for the six month period to 31 December 2009)

Total $680m

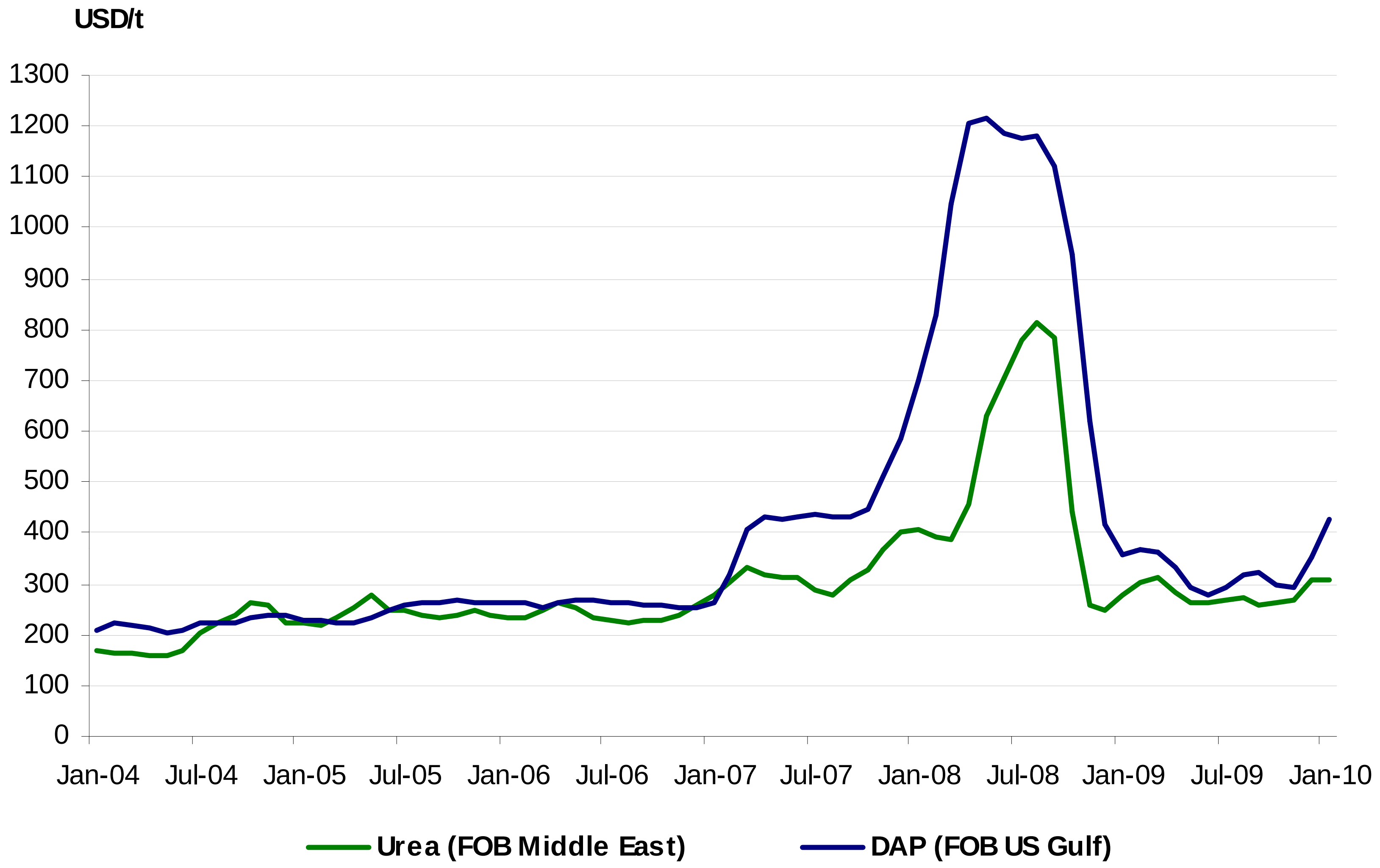


Chemicals & Fertilisers

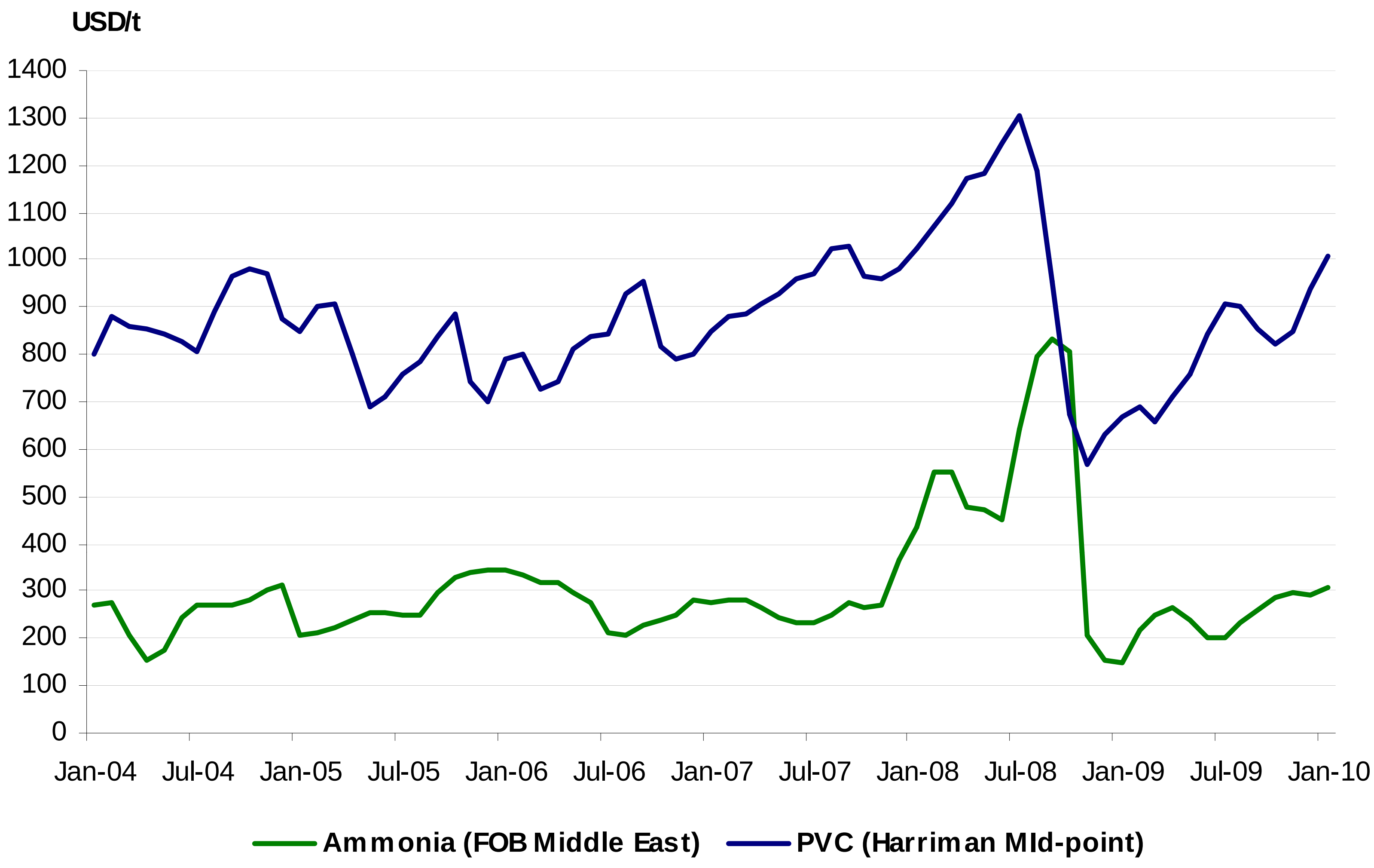
Fertiliser Sales



Global Fertiliser Pricing



Global Ammonia & PVC Pricing



Industrial & Safety

Industrial & Safety Business Portfolio

Australia

"All your workplace needs"

Blackwoods

Safety Specialist

Protector Alsafe

Industrial Specialists

Bullivants Handling Safety

Total Fasteners

Motion Industries

New Zealand

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

NZ Safety
Specialists in Safety & Protection

protector safety

Packaging House
Building partnerships, delivering solutions

Safety Source (1)

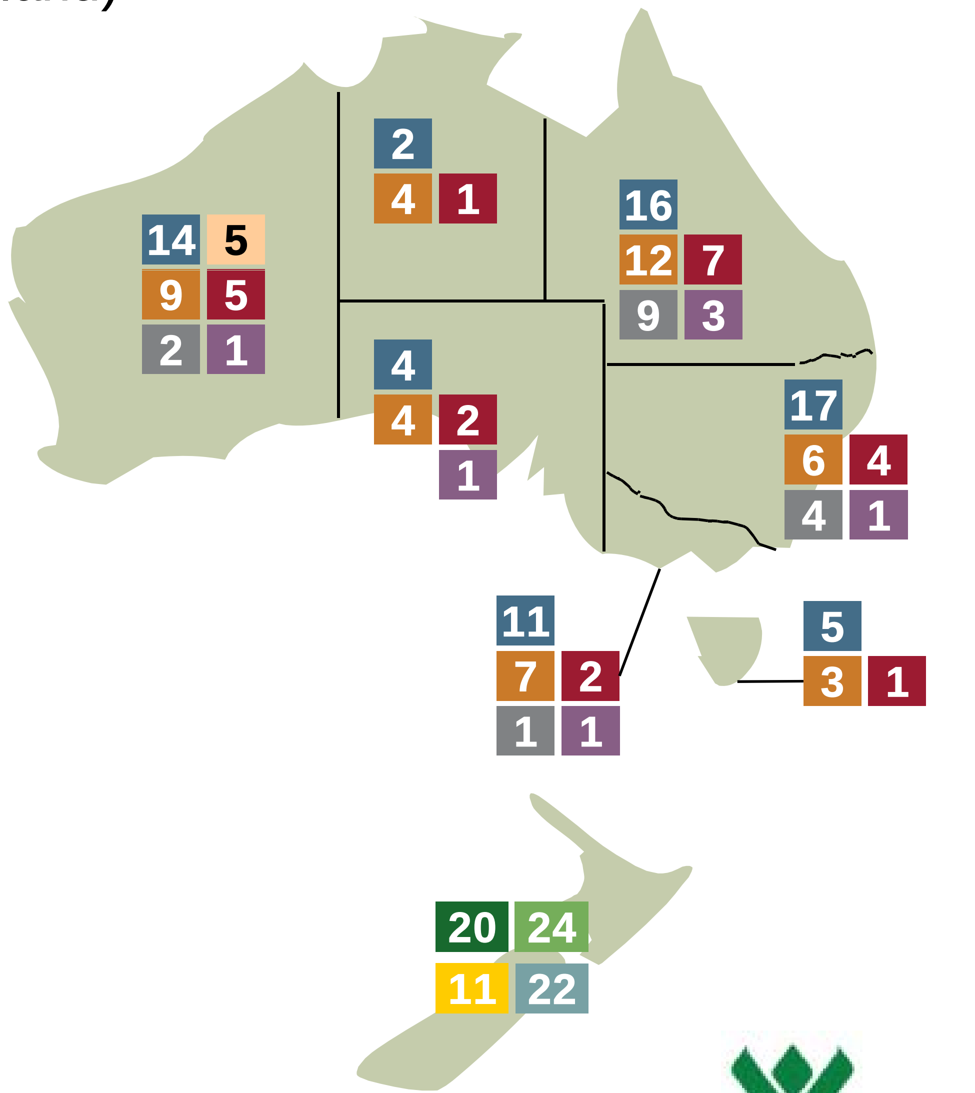
(1) Manufacturing and services

Industrial & Safety - Distribution Network

241 locations (164 Australia, 77 New Zealand)

Australia		No.	
Blackwoods	■	69	MRO, "All your workplace needs"
Atkins Electrical Supplies	■	5	Electrical
Protector Alsafe	■	45	Safety
Bullivants Handling Safety	■	22	Materials handling, lifting, rigging
Total Fasteners	■	16	Fasteners
Motion Industries	■	7	Engineering

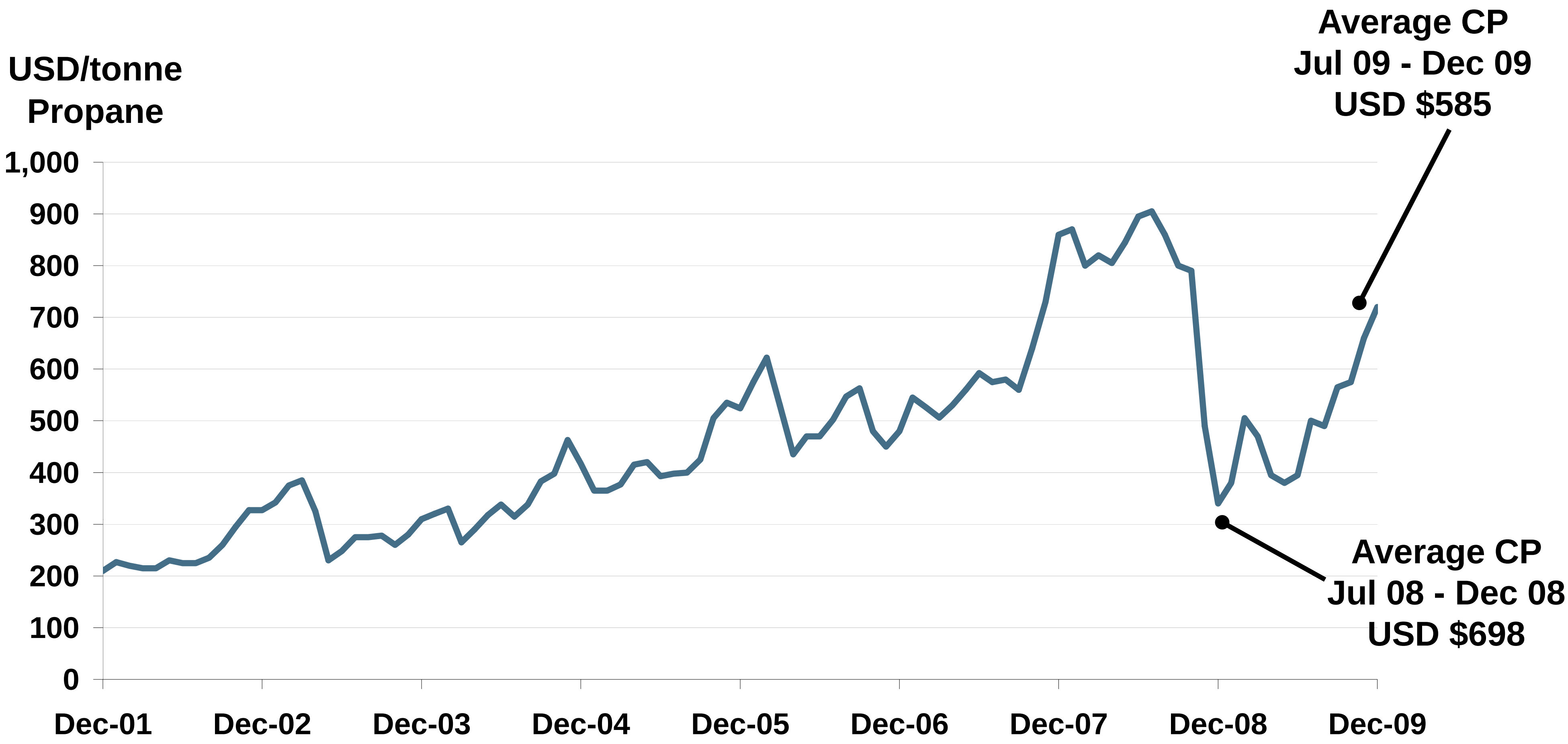
New Zealand		No.	
Blackwoods Paykels	■	20	MRO, hose, conveyor
NZ Safety	■	24	Safety
protectorsafety	■	22	Safety
Packaging House	■	11	Packaging, hygiene



As at 1st of January 2010

Energy

World LPG prices – Saudi CP



Recovery from last year's sharp price drop

WLPG Production

Production increased in H1 due to higher LPG content

Other Businesses

Breakdown of reported result

Half Year ended 31 December ($m)	2009	2008^
Divisional EBIT (excl Other)	**1,562**	1,949
Other Businesses	**31**	(138)
Corporate overheads	**(46)**	(74)
Group EBIT	**1,547**	1,737
Finance costs		
- expense net of capitalisation	**(284)**	(434)
- discounts*	**(31)**	(31)
- other borrowing costs	**(4)**	(13)
Reported profit before tax	**1,228**	1,259

* Relates mainly to Coles onerous contracts provision

^ Restatement in 2008 following Stanwell royalty accounting change

Gresham Private Equity

- Carrying value of investment in Gresham Private Equity Funds $166m
- Investments include:
  - Barminco, Witchery, Noel Leeming, Silk Logistics Group, GEON and Anthology
- Revaluations of remaining investments are to Wesfarmers' earnings

Wesfarmers

For all the latest news visit

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