Philosophy, Performance & Direction

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Wesfarmers

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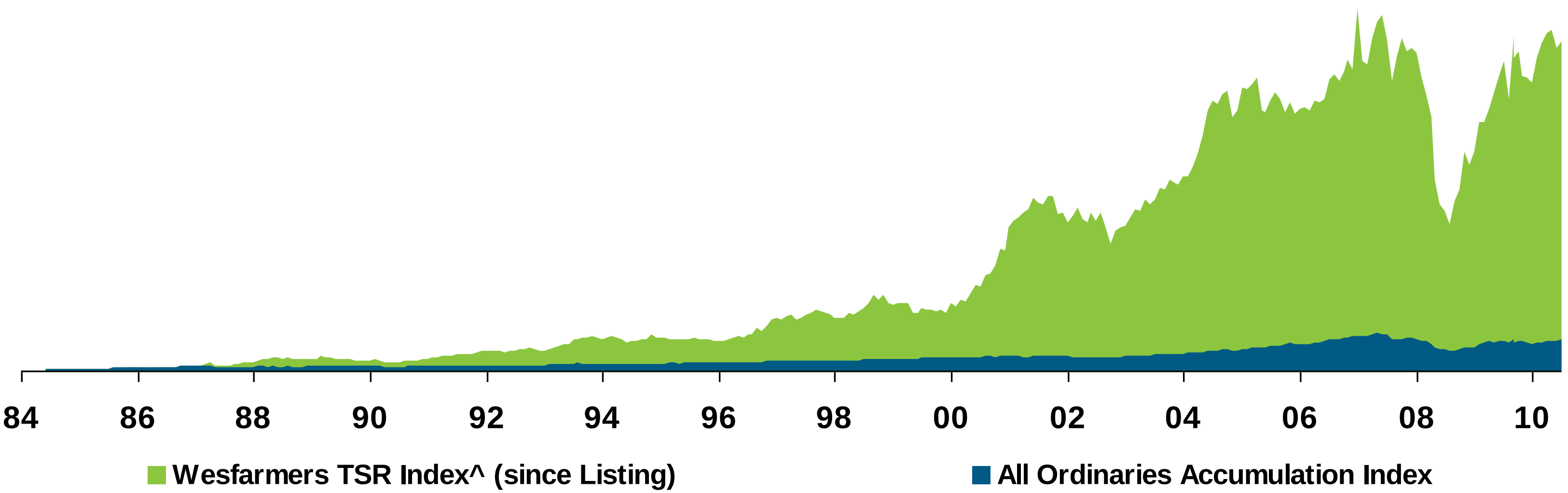
Philosophy Based on a Single Focus

Satisfactory returns to shareholders

Wesfarmers

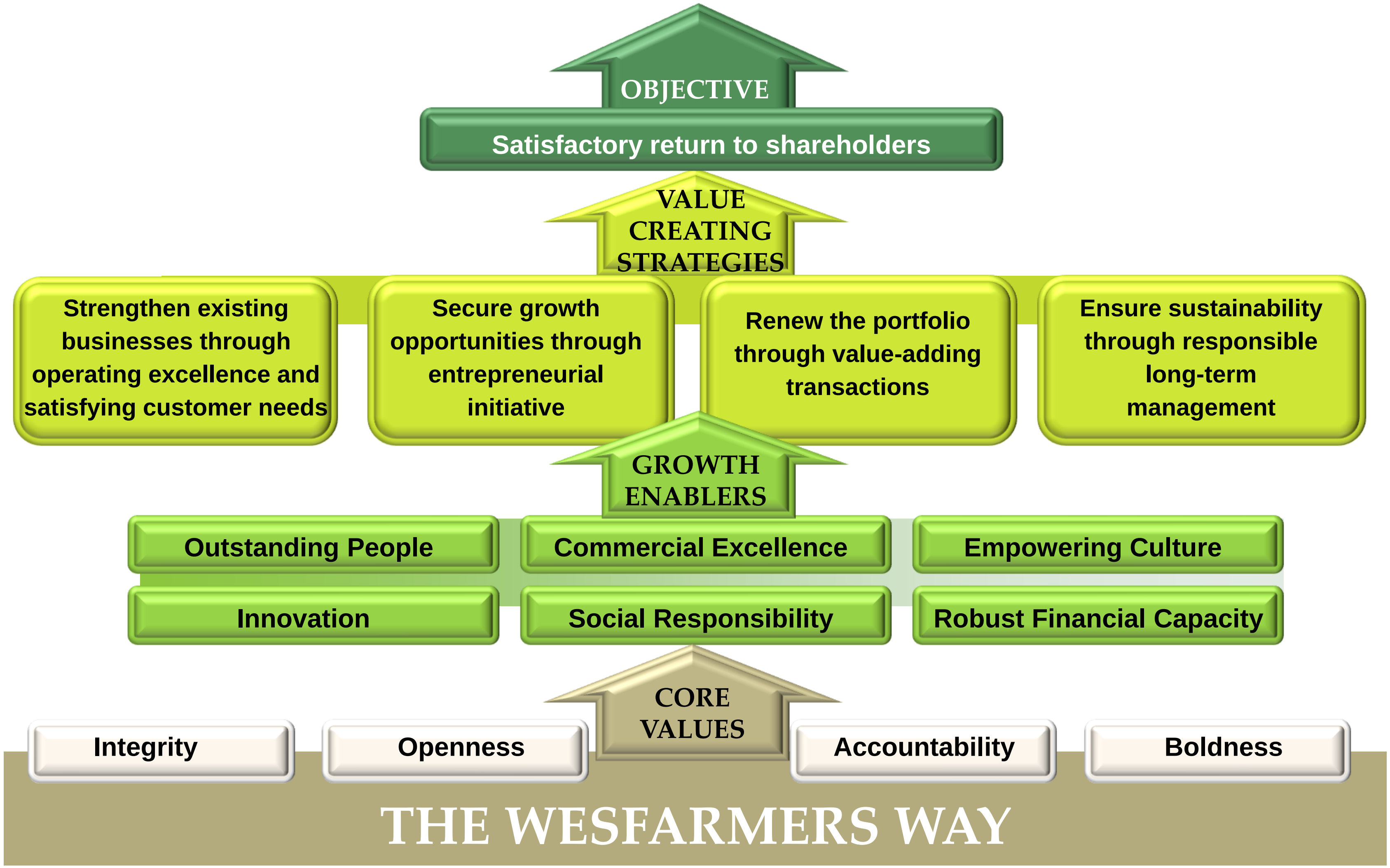
Wesfarmers at a glance

- Commercially focused culture with primary objective of achieving *satisfactory returns for shareholders*
- Focus on four core values: integrity; openness; accountability; & boldness
- Strength of diversified operations with strong portfolio of growth & cash generating businesses
- Australia's largest private sector employer, with 200,000 employees
- One of Australia's largest companies as ranked by market capitalisation



^ *Source: IRESS (capital adjusted price, assumes 100% reinvestment of dividends)*

The Wesfarmers Way



Portfolio of leading brands

Retail Businesses

Kmart Tyre & Auto Service
Kmart
Bunnings
coles
coles express
Bunnings warehouse
Target.
coles.com.au
1st Choice Liquor Superstore
Officeworks
Liquorland
BI-LO
Vintage Cellars
Australia's Fine Wine Specialist
spirit
HOTELS

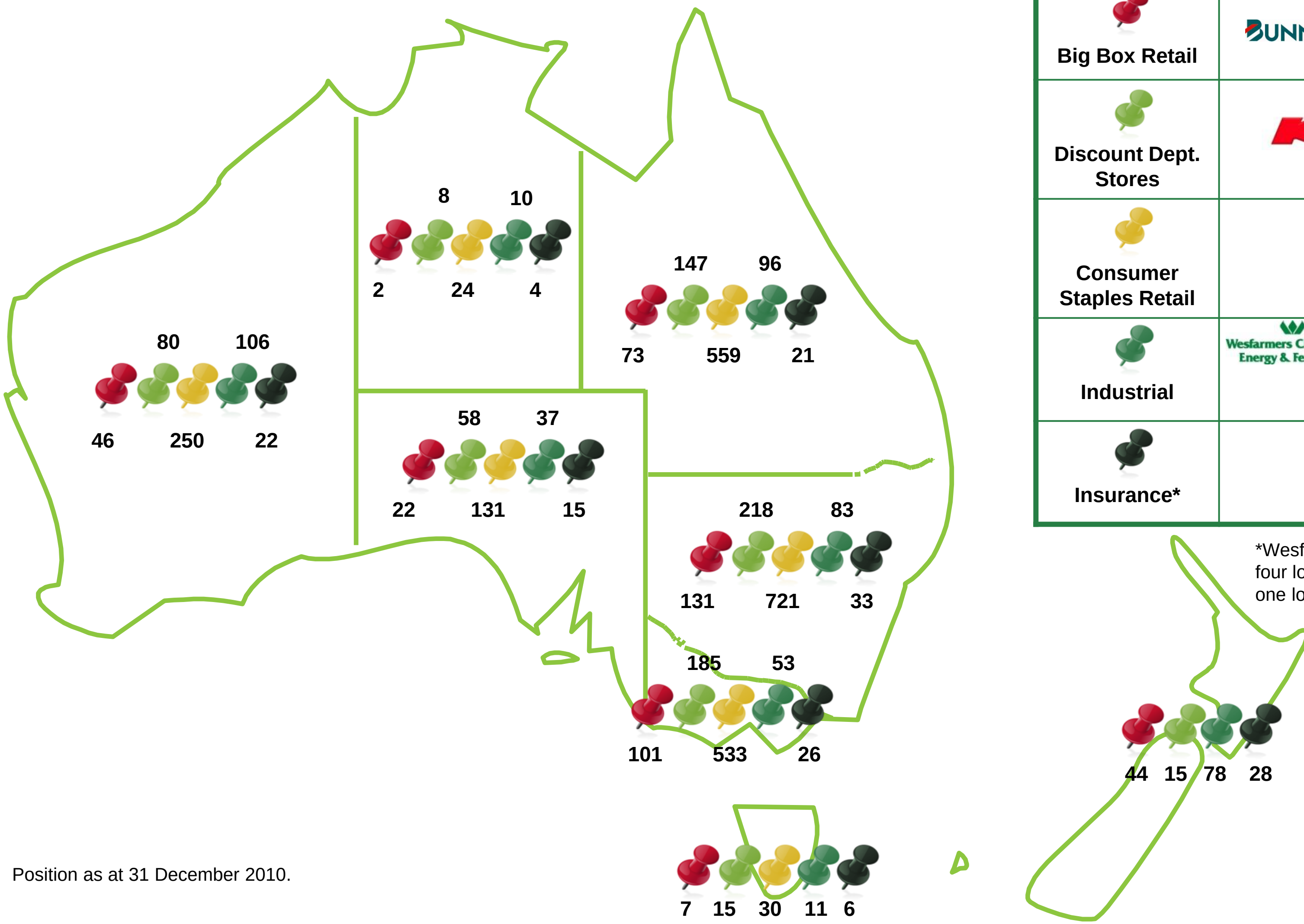
Insurance

CROMBIE LOCKWOOD
New Zealand's Insurance Brokers
Lumley
OAMPS
wfi

Industrial Businesses

NZ Safety
Specialists in Safety & Protection
AGR
Total FASTENERS
Protector Alsafe
MODWOOD
Packaging House
Building partnerships, delivering solutions
enGen
energy generation
Australian Vinyls
BENGALLA
Bullivants
HANDLING SAFETY
QNP
Blackwoods Paykels
NZ'S LARGEST RANGE OF ENGINEERING SUPPLIES AND TECHNICAL SERVICES
WESFARMERS LPG
AIR LIQUIDE
WESTERN AUSTRALIA
Blackwoods
Kleenheat Gas
Premier Coal
coregas
protectorsafety
GRESHAM
INVESTMENT HOUSE
SAFETY SOURCE
Atkins
ELECTRICAL SUPPLIES
CURRAGH
WESPINE
INDUSTRIES PTY LTD
CSBP

Strength of unique network coverage



Big Box Retail	Bunnings, Officeworks
Discount Dept. Stores	Kmart, Target.
Consumer Staples Retail	coles
Industrial	Wesfarmers Chemicals, Energy & Fertilisers; Wesfarmers Resources; Wesfarmers Industrial and Safety
Insurance*	Wesfarmers Insurance

*Wesfarmers Insurance operates out of four locations in the United Kingdom & one location in New Caledonia.

Position as at 31 December 2010.

Management Team

Managing Director Finance Director		Richard Goyder Terry Bowen
Food & Liquor Retailing	Coles	Ian McLeod
Big Box Retailing	Home Improvement & Office Supplies	John Gillam
Discount Department Store Retailing	Target Kmart	Launa Inman Guy Russo
Insurance	Insurance	Rob Scott
Industrials	Resources WES CEF Industrial & Safety	Stewart Butel Tom O'Leary Olivier Chretien

Group Results

Group financial highlights

- First half profit after tax of A$1,173 million, up 33.4%
- Operating revenue of A$28,074 million, up 5.8%
- Group EBIT result of A$1,917 million, up 23.9%
  - Growth in earnings across most divisions
  - Solid retail performance in challenging trading conditions, up 5.6%
  - Strong growth in industrial businesses with significant improvement in Resources' result
  - Improved Insurance performance up 12.1%
- Basic earnings per share of A$1.02, up 33.3%
- Cash realisation of 120.0% on solid operating cash flows of A$1,960 million
- Strong liquidity position, fixed charges cover (R12) of 2.6 times, up from 2.2 times
- Increased capital investment in the business up 11.3% to $992 million
- Interim dividend per share of A$0.65 fully franked, up 18.2%

Group performance highlights

Retail

- Coles' performance was pleasing with revenue up 5.9% & EBIT up 18.3%; good progress continues to be made on the turnaround
- Bunnings' result was solid with operational improvements across its three strategic pillars: widest range; lowest price; & best service
- Kmart & Officeworks reported strong results with growth in customer transactions, revenue & earnings
- Target's performance was down from last year's record result due to strong price deflation & wet & cool weather affecting sales of seasonal apparel

Insurance

- Insurance earnings improvement following remediation work in underwriting & solid broking results

Group performance highlights (cont.)

Industrials

- Resources earnings were significantly up on increased coal prices despite higher than average rainfall affecting production & increasing mining costs
- WES CEF & WIS recorded strong results driven by increased resource sector activity, good operational performances, improved fertiliser margins & insurance proceeds

Group

- Other businesses negatively affected by non-cash revaluations associated with the Gresham Private Equity Funds & increased provisions for assets damage & writedowns following major weather events

Group performance summary

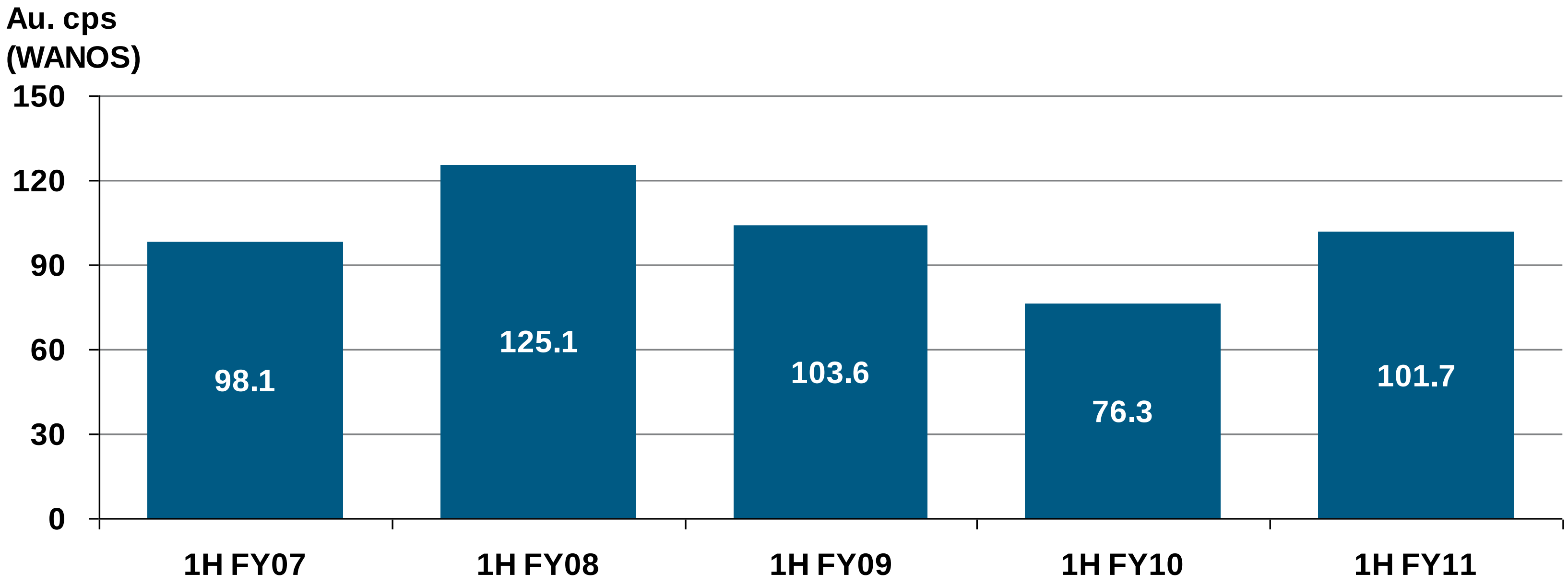
Half Year ended 31 December (A$m)	2010	2009	%
Operating revenue	**28,074**	26,533	*5.8*
EBITDA	**2,378**	1,996	*19.1*
EBIT	**1,917**	1,547	*23.9*
Finance costs	**(272)**	(319)	*14.7*
Tax expense	**(472)**	(349)	*(35.2)*
Net profit after tax	**1,173**	879	*33.4*
Operating cash flow	**1,960**	2,083	*(5.9)*
Earnings per share (excl. employee res. shares) (Au. cps)	**101.7**	76.3	*33.3*
Earnings per share (incl. employee res. shares) (Au. cps)	**101.4**	76.0	*33.4*
Operating cash flow per share (incl. employee res. shares) (Au. cps)	**169.4**	180.0	*(5.9)*
Fully franked dividends per share (Au. cps)	**65**	55	*18.2*
Return on shareholders' funds (R12) (%)	**7.6**	6.5	*1.1pt*

Au. cps: Australian cents per share

Wesfarmers

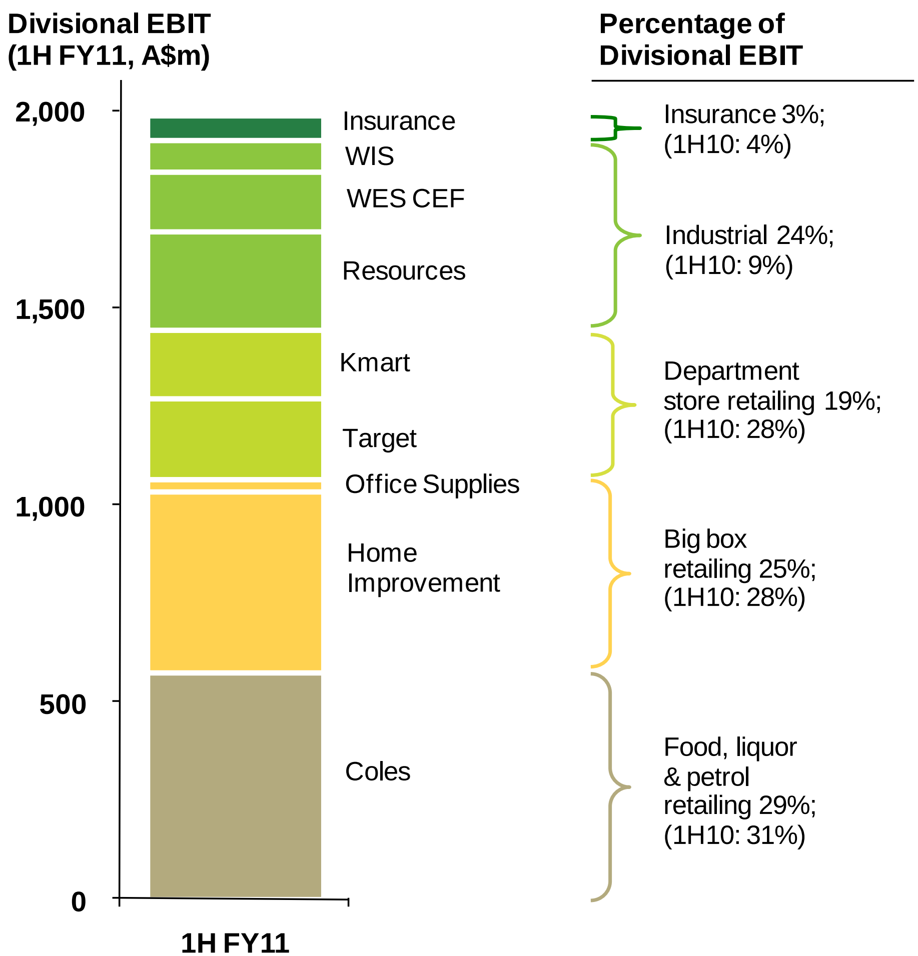
Earnings per share (EPS)

- Return to EPS growth, following impact of equity raisings on 2008 & 2009 result
- 33.3% growth in EPS reflects strong growth in earnings from Retail & Industrial businesses



WANOS: Weighted average number of shares

Diversified earnings



Half Year ended 31 December (A$m)	2010	2009	↕ %
Coles	**575**	486	*18.3*
Home Improvement	**457**	422	*8.3*
Office Supplies	**32**	27	*18.5*
Target	**206**	279	*(26.2)*
Kmart	**175**	154	*13.6*
Insurance	**65**	58	*12.1*
Resources	**250**	2	*n.m.*
Chemicals, Energy & Fertilisers[1]	**151**	69	*118.8*
Industrial & Safety[1]	**79**	65	*21.5*
Divisional EBIT	**1,990**	1,562	*27.4*
Other	**(26)**	31	*n.m.*
Corporate overheads	**(47)**	(46)	*(2.2)*
Group EBIT	**1,917**	**1,547**	*23.9*

1. 2009 restated to reflect current divisional structure

n.m. Not meaningful

Continued focus on divisional ROC

- ROC underpins long standing culture of financial discipline
- Divisional focus on growth in ROC through earnings growth & improvements in capital efficiency

Rolling 12 months to 31 December	2010			2009
	EBIT A$m	Cap Emp A$m	ROC %	ROC %
Coles	1,051	14,868	**7.1**	5.9
Home Improvement	763	2,617	**29.2**	31.2
Office Supplies	78	1,191	**6.6**	5.8
Target	308	3,287	**9.4**	12.6
Kmart	217	815	**26.6**	19.8
Insurance	129	1,333	**9.7**	6.3
Resources	413	1,205	**34.3**	20.6
Industrial & Safety[1]	152	1,287	**11.8**	9.5
Chemicals, Energy & Fertilisers[1]	280	1,315	**21.3**	10.0

1. 2009 restated to reflect current divisional structure

Wesfarmers

Operating Divisions

Coles
2011 Half-year performance

Highlights

- Food & Liquor 6.3%[1] total sales growth & comp. sales growth of 6.4%[1]
- Strong EBIT growth of 18.3%
- Seven consecutive quarters of industry outperformance
- Increased customer numbers & growth in basket size driven by fresh food participation
- Efficiency gains from systems & supply chain
  – Easy ordering live in over 600 stores
- Price investment delivering value
- Continue to build trust in Coles value, quality & service
- Scale roll-out of renewal & new concepts
  – 99 stores now live
  – Health & beauty in 677 stores
- Liquor continues to grow market share

1. For the 27 week period 28 June 2010 to 2 January 2011

Financial Performance

Half-Year ended 31 December (A$m)		2010	2009	↕ %
Coles Division	Revenue	**16,059**	15,161	*5.9*
	EBIT	**575**	486	*18.3*
	ROC (R12 %)	**7.1**	5.9	
	Safety (LTIFR YTD)	**12.0**	12.2	
Food & Liquor	Revenue[1]	**12,804**	12,028	*6.5*
	Total store sales growth %[3,4]	**6.3**	7.1	
	Comp store sales growth %[3,4]	**6.4**	6.0	
	Trading EBIT[1,2]	**524**	429	*22.1*
	EBIT margin %	**4.1**	3.6	
Convenience	Revenue[1]	**3,244**	3,121	*3.9*
	Total store sales growth %[3,5]	**1.9**	6.6	
	Comp store sales growth %[3,5]	**1.5**	4.8	
	Trading EBIT[1]	**49**	47	*4.3*

1. Excludes property. 2. Excludes non-trading items expense of 2010: nil (2009: A$6m). 3. 2010 for the 27 weeks 28 June 2010 to 2 January 2011, 2009 for the 27 weeks 29 June 2009 to 3 January 2010. 4. Includes hotels, excludes gaming revenue & property. 5. Excludes fuel.

Key strategic initiatives - update

- Turnaround on track driven by delivering better value, product quality & in-store service
- Continued focus on '*Delivering Consistently Well*'

Home Improvement & Office Supplies
2011 Half-year performance

Highlights

- Trading revenue growth of 4.4%
  - 4.1% total store sales growth (store-on-store growth of 1.7%)
  - 3.7% lift in commercial sales
  - Deflationary impact of ‘value focus’ work continued
  - Adverse weather impacts in many locations
- EBIT growth of 8.3%
  - Good merchandising execution
  - Strong focus on cost management
- Opened 16 trading locations
  - 8 new warehouse stores
  - 5 smaller format stores & 3 trade centres
- Continued strategic investment in existing store network

Financial Performance – Home Improvement

Half-Year ended 31 December (A$m)	2010	2009	↕ %
Revenue	**3,572**	3,402	*5.0*
Trading Revenue (excl. property & non-trading items)	**3,549**	3,400	*4.4*
EBIT	**457**	422	*8.3*
Trading EBIT margin (%)	**12.8**	12.4	
Net property contribution	**1**	(1)	
ROC (R12 %)	**29.2**	31.2	
Safety (R12 AIFR)	**35.2**	38.7	

Key strategic initiatives - update

- Increasing authority on lowest price & widest range
- Strategic investment in existing network & continued network expansion

Home Improvement & Office Supplies

2011 Half-year performance

Highlights

- Officeworks retail store sales growth of 7.5%
  - Underpinned by strong transaction growth
- OW Business offer continues to gain traction
- Double digit earnings growth in challenging conditions
- Focus on growth through ongoing investment & improvement
  - Seven new stores, five full store upgrades
  - One-third of stores with new layout & design
- Good progress on actions to improve operational effectiveness
  - Supply chain & system enhancements

Financial Performance – Office Supplies

Half-Year ended 31 December (A$m)	2010	2009	↕ %
Revenue	**706**	662	6.6
EBIT	**32**	27	18.5
EBIT margin (%)	**4.5**	4.1	
ROC (R12 %)	**6.6**	5.8	
Safety (R12 AIFR)	**37.7**	56.9	

Key strategic initiatives - update

- Continued focus on executing strategic agenda
  - Drive sales
  - Improve customer offer & service
  - Expand & upgrade network
  - Reduce complexity & CODB

Target
2011 Half-year performance

Highlights

- Sales results affected by a difficult retail environment
  - Significant price deflation due to strong AUD & competition
  - Summer apparel sales affected by wet & cool weather across the east coast of Australia
  - Overall increase in customer numbers & sales volumes
  - Sales growth in Intimate Apparel & Childrenswear
- Gross Margins pressured by significant deflation & discounting across the market
  - Record margin in 1H FY10 benefited from early transition to summer
- Continued investment in the in-store experience
  - 39 refurbishments completed during the half
  - Positive customer response to new store design standards

Financial Performance

Half-Year ended 31 December (A$m)	2010	2009	↕ %
Revenue	**2,120**	2,182	(2.8)
EBIT	**206**	279	(26.2)
EBIT margin (%)	**9.7**	12.8	
ROC (R12 %)	**9.4**	12.6	
Safety (R12 LTIFR)	**8.2**	9.2	
Total sales growth[1] (%)	**(3.1)**	3.5	
Comparative store sales growth[1](%)	**(3.3)**	1.7	

1. 2010 for the 27 weeks 27 June 2010 to 1 January 2011, 2009 for the 27 weeks 28 June 2009 to 2 January 2010.

Key strategic initiatives - update

- Increasing differentiation of its product offering & productivity improvements to deliver better value to customers

Kmart

2011 Half-year performance

Highlights

- Improved underlying profitability
  - 13.0% increase in profit to $174 million, driven by gross margin improvement & cost control
- Customers continue to respond well to lowest prices on everyday items & improved in-store offer
  - 1.7% increase in comparable sales[4]
  - Consistent transaction growth
  - Seven million additional transactions completed in the half
- Supply chain initiatives progressed
  - New Victorian distribution centre near completion
- Store network development
  - Continued investment in store fleet; supported by dedicated property team
  - 34 floors & fitting rooms upgraded & four refurbishments completed
- Pleasing sales & profit growth from KTAS[5]

Financial Performance

Half-Year ended 31 December (A$m)	2010	2009	↕ %
Revenue	**2,271**	2,226	2.0
EBIT[1,2]	**174**	154	13.0
EBIT margin (%)	**7.7**	6.9	
ROC (R12 %)[3]	**25.8**	19.8	
Safety (R12 LTIFR)	**8.3**	9.6	
Total sales growth[4] (%)	**1.9**	(1.2)	
Comparative store sales growth[4] (%)	**1.7**	(1.6)	

1. Excludes non-trading items expense of A$33m relating to supply chain restructuring in 2009.
2. Excludes A$1m earnings relating to Coles Group Asia overseas sourcing operations utilised by both Kmart & Target (2009: nil).
3. Excludes A$7m earnings (R12 basis) relating to Coles Group Asia (2009: nil).
4. 2010 for the 27 weeks 28 June 2010 to 2 January 2011, 2009 for the 27 weeks 29 June 2009 to 3 January 2010.
5. KTAS: Kmart Tyre & Auto Service.

Key strategic initiatives - update

- Continuing with '*Growth*' phase of turnaround offering lowest prices for families on everyday items

Insurance
2011 Half-year performance

Highlights

- Increased earnings across underwriting & broking
- Revenue in line with 1H FY10 notwithstanding underwriting portfolio remediation
- Strong underlying performance despite specific event claims from:
  - Christchurch earthquake[1]
  - Natural peril events in Australia above expectations
- Continued progress with growth opportunities including:
  - Coles Insurance offer launched nationally in July 2010 with further extensions
  - Strong growth in EDI with intermediaries (especially SME)
  - New WFI referral arrangement with Victorian Farmers Federation
- Improved investment income from higher yields on term deposits

Financial Performance

Half-Year ended 31 December (A$m)	2010	2009	↕ %
Gross Written Premium Underwritten	**659**	680	*(3.1)*
Total Revenue	**872**	868	*0.5*
EBITA Underwriting	**42**	38	*10.5*
EBITA Broking	**28**	25	*12.0*
EBITA Other	**-**	-	-
EBITA Insurance Division	**70**	63	*11.1*
EBIT Insurance Division	**65**	58	*12.1*
ROC (R12%)	**9.7**	6.3	
Safety (R12 LTIFR)	**1.0**	0.7	
Net earned loss ratio (%)	**65.2**	64.2	
Combined operating ratio (%)	**98.6**	97.0	
EBITA margin (Broking) (%)	**27.3**	25.2	

Key strategic initiatives - update

- Improving underwriting disciplines & premium growth initiatives

1. Net impact to earnings A$10.8 million

Resources

2011 Half-year performance

Wesfarmers Resources

Highlights

- Performance
  - Strong 1H FY11 financial result given difficult weather conditions
  - Curragh mine cash costs (A$/t) increased 19.9% 1H FY11 vs. 1H FY10
    - Mine cash costs (A$/t) reduced 9.2% in FY10
  - Exceptional effort by Curragh team during flood period
  - Increase in sales volumes from all mines
- Export markets
  - Strong global demand for coal in supply-constrained environment
  - Significant increase in export coal prices against previous year
- Progress on growth projects
  - Curragh: A$286 million Curragh expansion to 8.0 - 8.5mtpa export metallurgical capacity; completion expected late CY11/early CY12
  - Bengalla: A$56 million expansion to 9.3mtpa ROM

Financial Performance

Half-Year ended 31 December (A$m)	**2010**	2009	↕ %
Revenue[1]	**957**	624	*53.4*
EBITDA	**305**	61	*400.0*
Depreciation & amortisation	**(55)**	(59)	*(6.8)*
EBIT[2]	**250**	2	*n.m.*
ROC (R12%)	**34.3**	20.6	
Coal production ('000 tonnes)	**7,080**	7,278	*(2.7)*
Safety (R12 LTIFR)[3]	**0.9**	2.3	

1. Includes traded coal revenue of A$51m in 2010 (2009: A$30m) & locked-in exchange rate losses of nil in 2010 (2009: A$65m).
2. Includes Stanwell royalty expense of A$60m (2009: A$106m).
3. Curragh & Premier only.

n.m. Not meaningful.

Key strategic initiatives - update

- Major expansion projects underway at Curragh & Bengalla
- Continued focus on productivity improvements & cost control

Chemicals, Energy & Fertilisers
2011 Half-year performance

Wesfarmers Chemicals, Energy & Fertilisers

Highlights

- Increased earnings from ammonia & ammonium nitrate
  - Strong demand & plant performances
- Increased sodium cyanide sales offset by increased gas input costs & higher Australian dollar
- Record low PVC selling price relative to VCM input cost, compounded by a strong Australian dollar
- Kleenheat earnings marginally higher than previous year despite higher gas input costs & reduced LPG content in the pipeline
- Recovery in fertiliser margins following inventory writedowns & carryover of highly-priced inventory in the previous year
- Varanus Island gas disruption insurance claim now settled

Financial Performance

Half-Year ended 31 December (A$m)		2010	2009[2]	↕ %
Revenue	Chemicals	**315**	292	*7.9*
	Energy[3]	**286**	252	*13.5*
	Fertilisers	**121**	141	*(14.2)*
		722	685	*5.4*
EBITDA[1]		**199**	116	*71.6*
Depreciation & amortisation		**(48)**	(47)	*2.1*
EBIT[1]		**151**	69	*118.8*
EBIT (excl insurance proceeds)		**110**	69	*59.4*
Sales volume ('000t):	Chemicals	**392**	385	*1.8*
	Fertilisers	**244**	264	*(7.6)*
	LPG	**173**	166	*4.2*
ROC (R12 %)[1]		**21.3**	10.0	
Safety (R12 LTIFR)		**5.8**	2.9	

1. Includes insurance proceeds of A$41m in 2010 (2009: nil).
2. Restated to exclude Coregas following the merger of Chemicals & Fertilisers & Energy from 1 July 2010.
3. Includes Kleenheat Gas, enGen & ALWA.

Key strategic initiatives - update

- Focus on expansion opportunities (including AN3[1]) & improving plant performance

1. Ammonium Nitrate expansion feasibility study, expansion to 780,000tpa announced 10 November 2009

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Industrial & Safety
2011 Half-year performance

Wesfarmers Industrial and Safety

Highlights

- Strong results supported by market conditions & competitive position
  - 12.3% sales growth (1H FY10 affected by GFC)
  - 21.5% EBIT growth; EBIT improvement in all businesses
- Strengthened business portfolio
  - Transitioned Coregas into the division
  - Divested Motion Industries
  - Merged Blackwoods Paykels & Protector Safety
  - Acquired small gas detection services business
  - Opened two new stores & three gas depots; closed five small locations
- Solid sales momentum supported by strong service levels
  - Contracts, projects, services & eBusiness growth
  - Continued industry diversification
- Strong operational & capital management

Financial Performance

Half-Year ended 31 December (A$m)	2010	2009[1]	% ↕
Revenue	**774**	689	*12.3*
EBITDA	**92**	78	*17.9*
Depreciation & amortisation	**(13)**	(13)	-
EBIT	**79**	65	*21.5*
EBIT margin (%)	**10.2**	9.4	
ROC (R12 %)	**11.8**	9.5	
Safety (R12 LTIFR)	**2.7**	1.3	

1. Restated to include Coregas following the divisional restructure on 1 July 2010.

Key strategic initiatives - update

- Focus on increasing share of existing customers spend & growth in new markets

Other business performance summary

Half-Year ended 31 December (A$m)	Holding %	2010	2009	⇕ %
Associates share of profit/(loss):				
Gresham Private Equity Funds	*Various*	**(28)**	29	*n.m.*
Gresham Partners	*50*	**(1)**	2	*n.m.*
Wespine	*50*	**5**	4	*25.0*
Bunnings Warehouse Property Trust	*23*	**12**	10	*20.0*
Associates sub-total		**(12)**	45	*n.m.*
Interest revenue		**23**	29	*(20.7)*
Non-trading items		**-**	(39)	*n.m.*
Other		**(37)**	(4)	*n.m.*
Other business sub-total		**(26)**	31	*n.m.*
Group overheads		**(47)**	(46)	*2.2*
Total Other		**(73)**	(15)	*n.m.*

n.m. Not meaningful

Capital Management

Balance sheet & dividend

- Strong balance sheet provides financial flexibility
- Operating cash flows continue to provide balance sheet support
  - Working capital focus remains
  - Seasonally stronger working capital cash flows in the first half
- Credit ratings maintained
  - Standard & Poor’s BBB+ (positive)
  - Moody’s Baa1 (stable)
- Interim dividend of A$0.65 per share, fully-franked
  - Dividend investment plan; no underwrite; shares to be purchased on market
  - Dividend record date 28 February; interim dividend payable 31 March

Working capital management

- Slow down in working capital improvement as foreshadowed
  - 1H FY10 cash flows reflect supplier reset work, Kmart off-site closures, strong seasonal stock sell through & significant fertiliser price declines at CSBP
- Overall net working capital days improvement for retail operations
  - Pleasing reduction in Coles' net working capital days
  - Working capital investment due to Bunnings & Officeworks network expansion
  - Inventory well controlled & good quality due to proactive clearance activity where required
- WES CEF affected by commodity price increases & inventory build ahead of anticipated second half sales

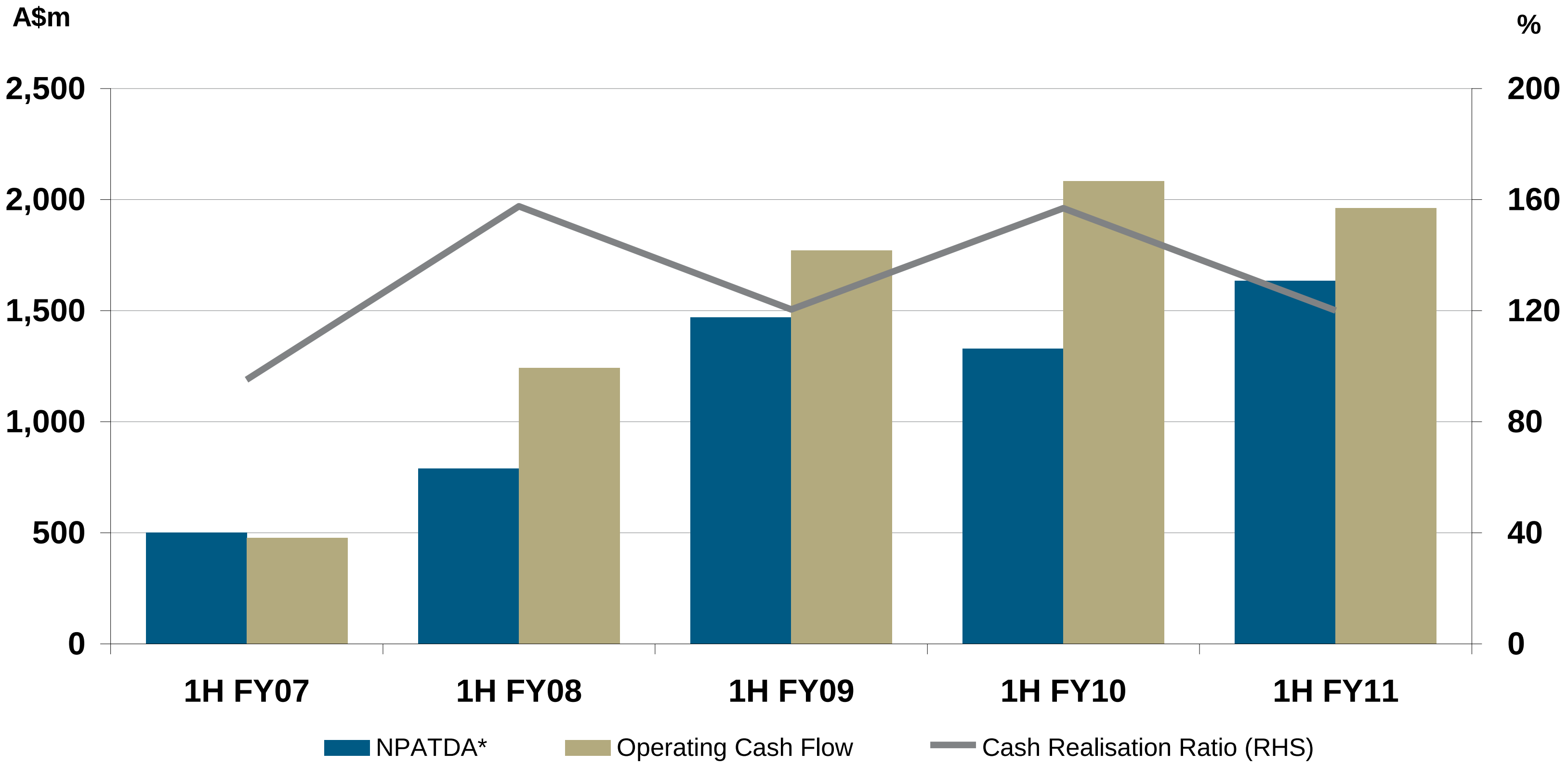
Inflow/(Outflow)[1] (A$m)	**1H FY11**	1H FY10
Retail	**113**	578
All other businesses	**(135)**	(1)
Total	**(22)**	577

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

Note: Further detail in relation to working capital movements included on slide 48 of the FY11 first half year results supplementary pack

Portfolio of strong cash generating assets

- Cash realisation ratio remained strong at 120.0%
- Seasonally stronger first half cash flows

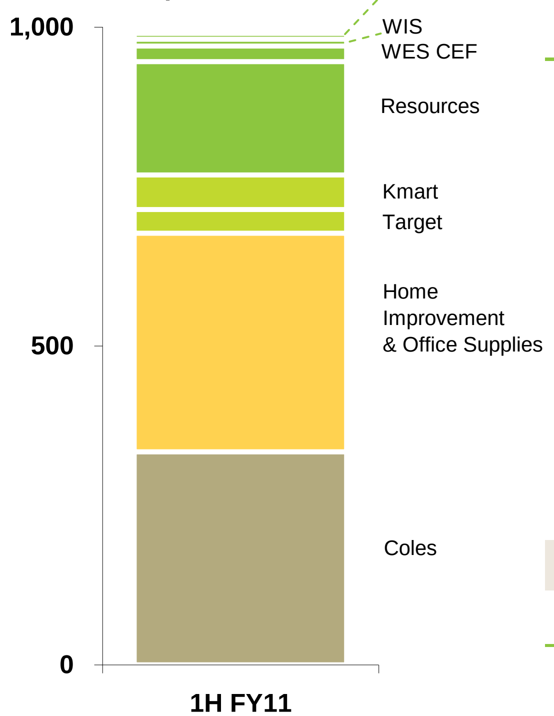


* 1H FY07 – 1H FY08 adjusted for Stanwell. 1H FY07 – 1H FY11 adjusted for significant non-cash, non-trading items

Investment expenditure (cash basis)

- Continued investment to drive future growth, including A$345 million on land & buildings
- FY11 capital expenditure estimate A$2.2 to A$2.4 billion, subject to changes in freehold property activity

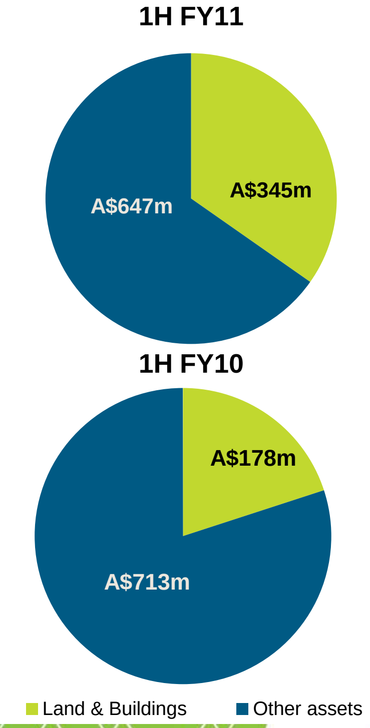
Capital Expenditure (1H FY11, A$m)



Half Year ended 31 December (A$m)	2010	2009	%
Coles	**334**	442	(24.4)
Home Improvement & Office Supplies	**343**	207	65.7
Target	**37**	47	(21.3)
Kmart	**54**	34	58.8
Insurance	**9**	11	(18.2)
Resources	**178**	108	64.8
Industrial & Safety[1]	**11**	13	(15.4)
Chemicals, Energy & Fertilisers[1]	**24**	27	(11.1)
Other	**2**	2	-
Total	**992**	891	11.3
Capex/D&A (%)	215%	198%	n.m.

1. 2009 restated to reflect current divisional structure
n.m. Not meaningful

Capital Expenditure

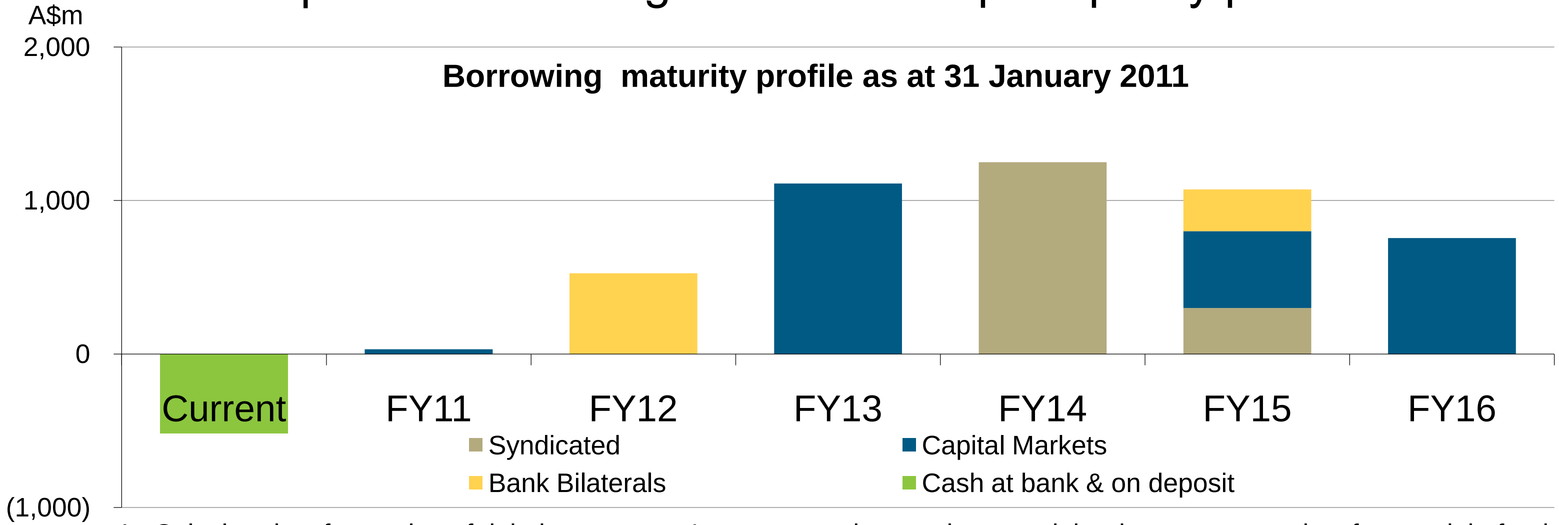


Debt financing

- Further strengthening of the Group’s liquidity position
  - Cash interest cover (R12) improved to 7.7 times
  - Fixed charges cover (R12) improved to 2.6 times
  - Net debt to equity reduced to 14.8%
- Gross debt of A$5.0 billion, net debt of A$3.7 billion
  - Established new syndicated facility in 1H FY11
- Total liquidity at 31 December of A$2.9 billion provides balance sheet capacity for divisional growth & development
- Weighted average cost of debt, including margins & fees, for 1H FY11 approximately 8.8%
- Forecast weighted average cost of debt for FY11 8.8% to 9.0%
  - 68% of gross debt hedged to December 2011

Extension of debt tenor

- Further lengthening of Group's debt maturity profile
  - Established A$2.5 billion revolving syndicated facility with equal maturities in December 2013 & December 2014
  - Proceeds used to repay A$2.5 billion of syndicated debt facility maturing in December 2011 (A$1.8 billion) & December 2012 (A$0.8 billion)
  - Weighted average term of maturity for debt extended from 2.8 years to 3.3 years[1]
  - Debt restructure provides greater flexibility
- Continued pro-active management of Group's liquidity position



1. Calculated on face value of debt instruments. Improvement is stated over weighted average maturity of gross debt for the previous corresponding period, being as at 31 December 2009.

Outlook

Wesfarmers

Flood & storm events
(Post 31 December 2010)

- Second half earnings will be negatively affected by severe flood & storm events, including cyclone Yasi, experienced in Q3 FY11
- The financial impact, estimated to date, on the Group's retail businesses includes:
  - Writedown of damaged plant, equipment & inventory of A$40 to A$50 million
  - Business interruption costs of A$30 to A$40 million
- Replacement of damaged assets & additional costs associated with disruption to operations are subject to an insurance recovery process
- The Insurance division has experienced higher than expected claims associated with the severe flood & storm events, with an expected cumulative impact of approximately A$30 to A$35 million
- As previously announced, Resources sales guidance for FY11 has been reduced to 5.8 to 6.2 million tonnes of export metallurgical coal, with production & overburden costs expected to temporarily increase

Outlook

- Strong first half result provides a solid foundation for the remainder of the financial year

Retail

- The Group's retail businesses are well placed but performance is subject to any adverse impact to consumer confidence & a competitive retail environment
- Coles will continue to implement its turnaround strategy
- Bunnings & Officeworks are well positioned for growth, enhanced by a strong property pipeline
- Department store retailing is expected to remain challenging in the short term
  - Target is focused on differentiating its product range around style, quality & value
  - Kmart is continuing to refine its repositioned product offer & to deliver strong value for customers

Outlook

Insurance

- Underwriting performance before one-off events is expected to continue to benefit from improved risk selection & portfolio remediation

Industrials

- Strong demand & increased price prospects for coal; tempered by difficult mining conditions, industry cost pressures & carryover tonnage
- Industrial businesses are well positioned to take advantage of stronger conditions in industrial markets led by the resources sector

Group

- Continuing focus on ensuring all divisions are managed for long term sustainable growth

Questions

Wesfarmers

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