



29 May 2013

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

PRESENTATION TO BE GIVEN AT STRATEGY BRIEFING DAY - SYDNEY

Following is a presentation that is to be given today at a Strategy Briefing Day in Sydney which is scheduled to commence at 6:45 am (AWST) / 8:45 am (AEST).

This briefing will be webcast and can be accessed at:

<http://www.media-server.com/m/p/tp5c3m9p%20>

Yours faithfully,

A handwritten signature in black ink, appearing to be "L J Kenyon".

L J KENYON
COMPANY SECRETARY

Wesfarmers Limited Strategy Briefing Day

29 May 2013



Agenda

8.15 – 8.45 am	Registration & Coffee
8.45 – 9.00 am	Introduction by Richard Goyder
9.00 – 9.15 am	Presentation by Terry Bowen – Capital Management
9.15 – 9.40 am	Q&A Panel: Richard Goyder & Terry Bowen
9.40 – 10.35 am	Presentation by Ian McLeod – Coles
10.35 – 11.00 am	Morning Tea
11.00 – 11.55 am	Presentation by John Gillam & Mark Ward – HIOS
11.55 – 12.20 pm	Presentation by Stuart Machin – Target
12.20 – 12.50 pm	Lunch
12.50 – 1.30 pm	Presentation by Guy Russo – Kmart
1.30 – 2.10 pm	Presentation by Stewart Butel – Resources
2.10 – 2.45 pm	Presentation by Tom O’Leary – Chemicals, Energy & Fertilisers
2.45 – 3.10 pm	Afternoon Tea
3.10 – 3.45 pm	Presentation by Olivier Chretien – Industrial & Safety
3.45 – 4.20 pm	Presentation by Anthony Gianotti – Insurance
4.20 pm	Close

Richard Goyder

Managing Director, Wesfarmers Limited



Wesfarmers

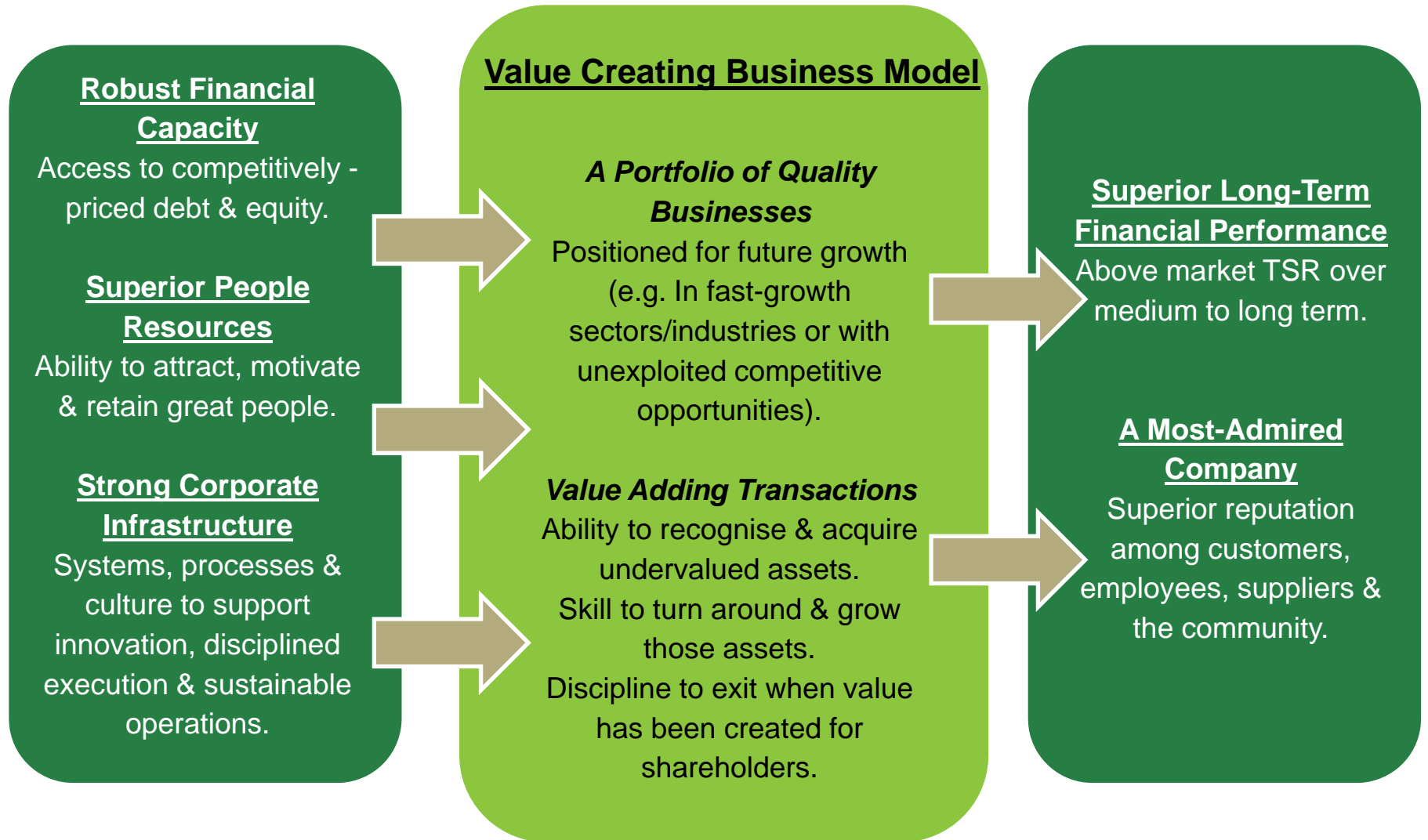
Wesfarmers: since 1914



Primary objective: To provide a satisfactory return to shareholders

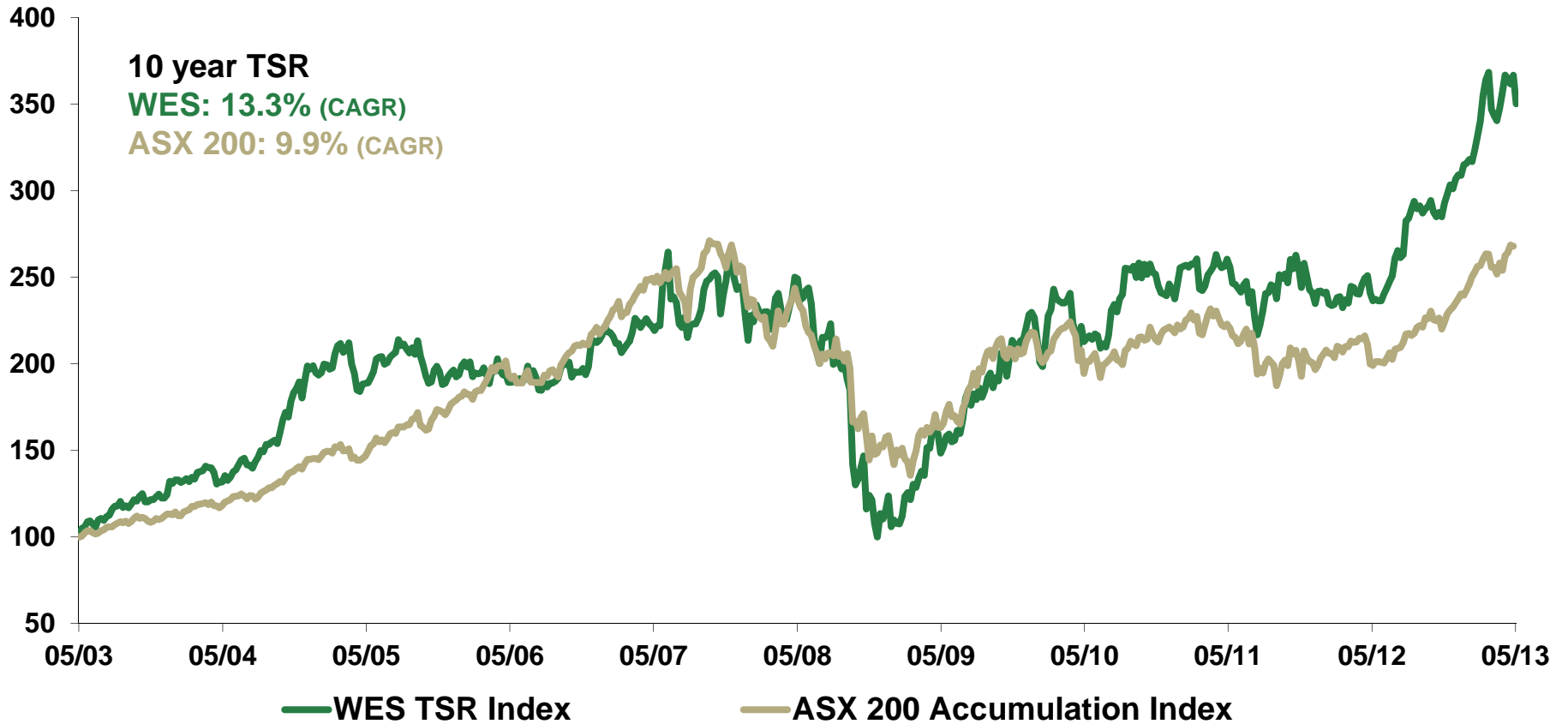


Wesfarmers' operating model



TSR outperformance

TSR Index
(May 2003 = 100)



⁽¹⁾Assumes 100% dividend reinvestment on the ex-dividend date, & full participation in capital management initiatives e.g. rights issues, share buybacks.
Source: Bloomberg



Outlook

7

Target

- Appointment of Stuart Machin to improve execution & accountability

Other Retail

- Sustained earnings growth with continued investments in value, service, store network & productivity initiatives

Insurance

- Strong underwriting disciplines & a focus on operational efficiencies
 - Improvement in underwriting, in the absence of a high number of catastrophe events

Industrial businesses

- Low export coal prices & high exchange rate to continue to provide headwinds
- Solid demand for chemicals expected to continue; Fertilisers earnings dependent on seasonal break
- Subdued demand & competitive market expected in the near term in Industrial & Safety

Group

- Manage the portfolio to deliver satisfactory returns to shareholders
- Continue to improve capital efficiency
- Maintain strong balance sheet & access to capital
- Continue to leverage & build human resource capability

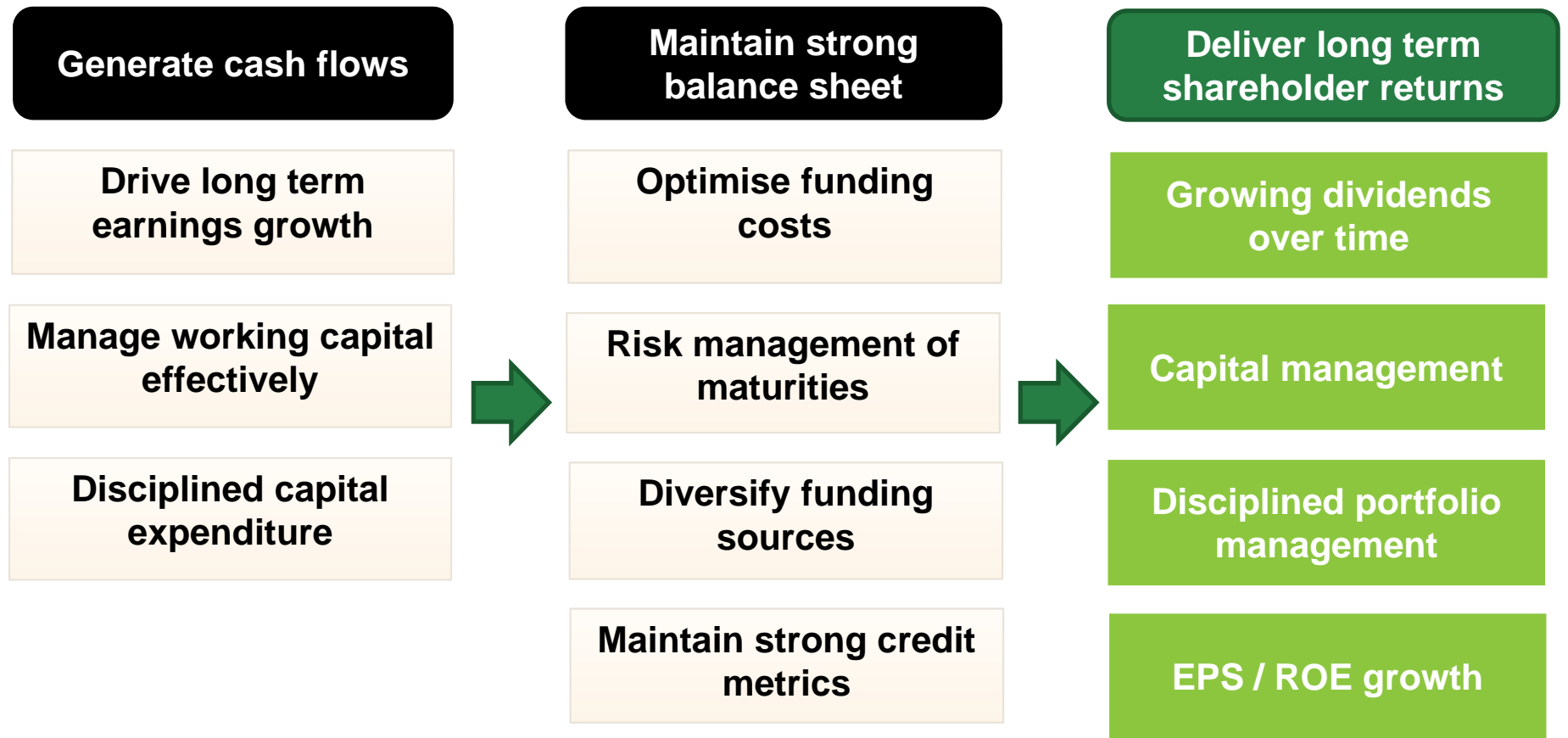
Terry Bowen

Finance Director, Wesfarmers Limited

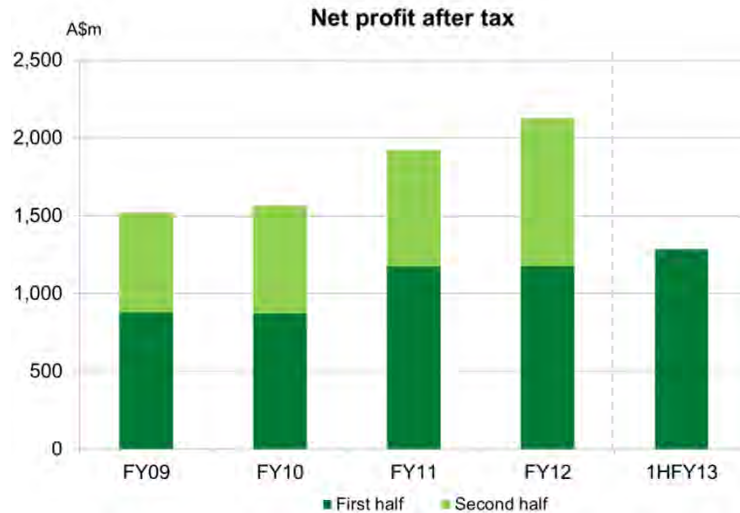


Wesfarmers

A focused approach to delivering long term shareholder returns



Drive long term earnings growth



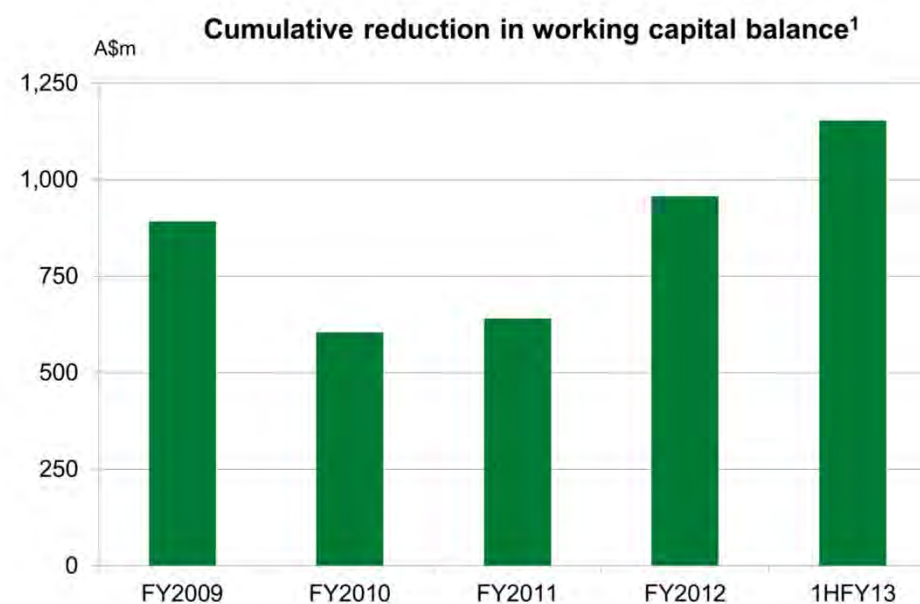
Year ended 30 June (\$m)	2012	2009	% growth
Revenue	58,080	50,982	13.9
EBIT	3,549	2,947	20.4 1
Finance costs	(505)	(950)	46.9 2
Tax expense	(918)	(474)	(93.8) 3
Net profit after tax	2,126	1,522	39.7 4

- 1** Retail turnarounds & growth of Bunnings driving strong earnings performance
- 2** Interest halved due to equity raising & refinancing activities
- 3** Effective tax rate has increased to approximately 30% (Coles acquisition reduced tax rate post acquisition)
- 4** Profit growth three times sales growth



Manage working capital effectively

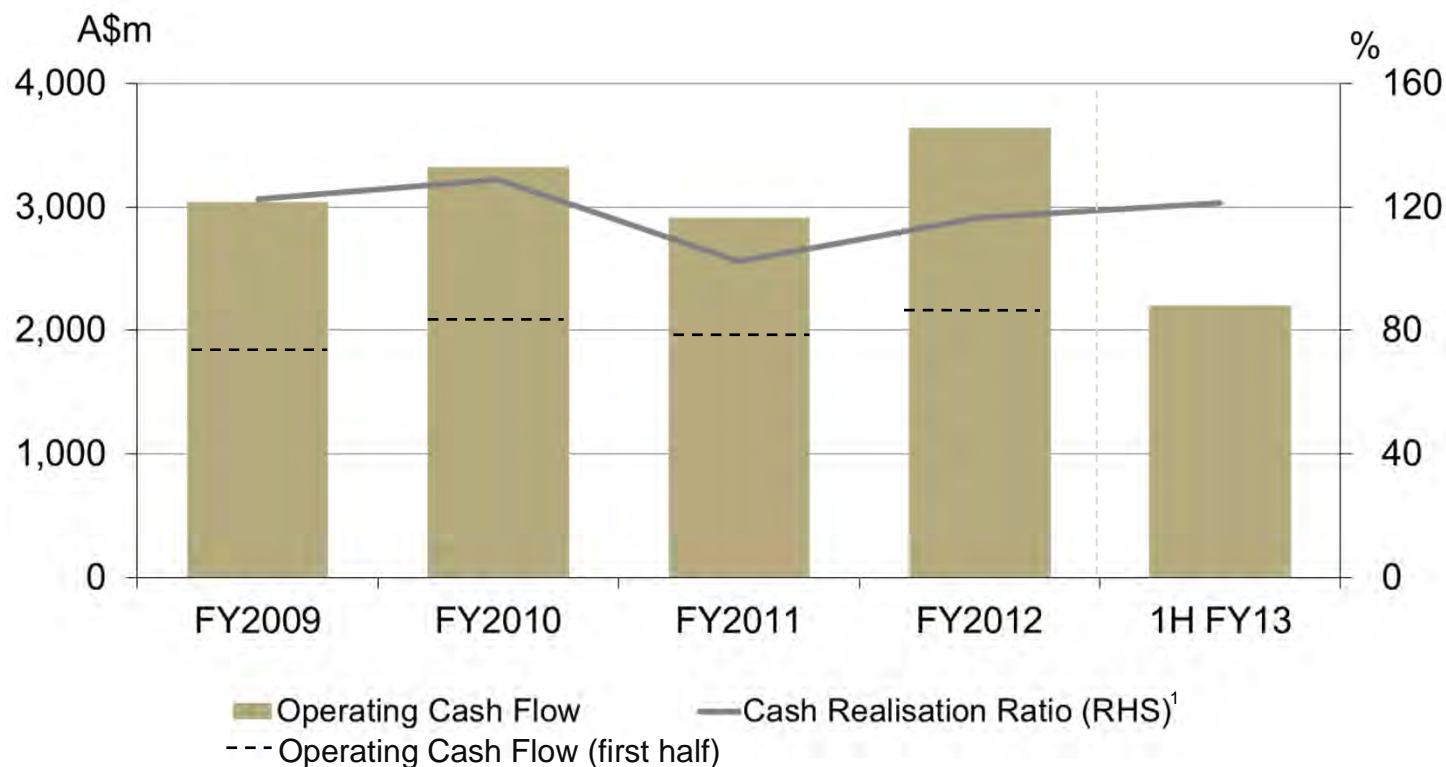
- Strong cumulative working capital release whilst accommodating strong business growth
- Good progress in retail divisions
 - Supply chain improvements
 - Improved sourcing arrangements
- Ongoing focus



¹ Balance sheet movement relating to inventories, trade & other receivables & trade & other payables.

Existing portfolio yielding strong cash flows

- Strong operating cash flows through earnings growth & effective working capital management
- Cash realisation strong



¹ FY09 – FY10 adjusted for significant non-cash, non-trading items.



Disciplined capital investment

- Strong investment in future growth
 - Majority of expenditure in retail
 - AN3 & Resources expansion
- Strong phase of retail growth capital expenditure
 - Network expansions (Coles & HIOS)
 - Network refurbishments (Coles)
- FY13 net capital expenditure estimate \$1.5 to \$1.7 billion
 - Proceeds from PP&E disposals expected to exceed \$700 million

\$m	Total FY09 - 1HFY13
Total net capex.	8,385
Depreciation & Amortisation	(4,222)
Net capex. less D&A	4,163
Growth capital expenditure	
Net property ¹	1,907
Store network (Coles & Bunnings) & Other	1,721
Coal expansions ² & AN3	535
	4,163

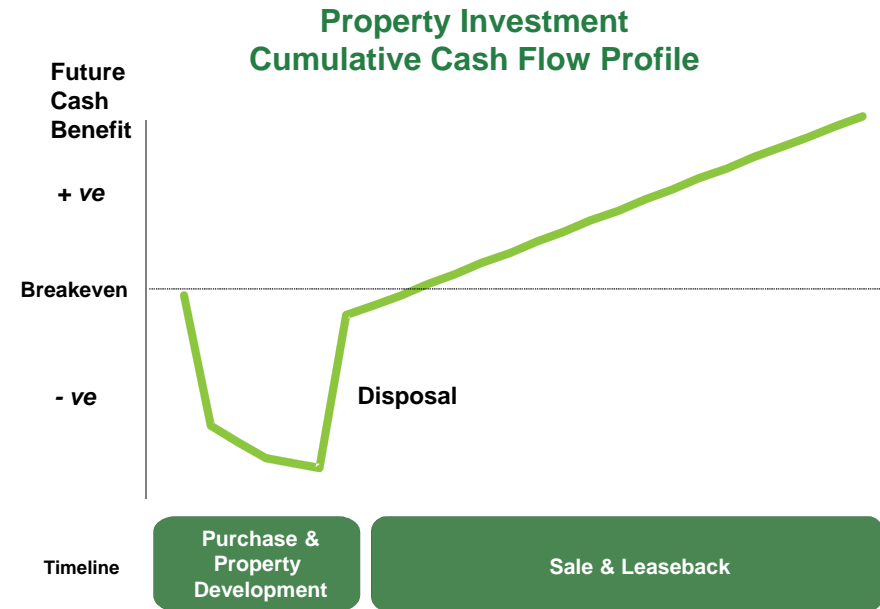
⁽¹⁾ Property acquisitions less PP&E disposals

⁽²⁾ Includes Curragh mine expansion to 8.0 to 8.5mtpa metallurgical coal export, Blackwater creek diversion project & Bengalla expansion to 9.3mtpa ROM

Freehold property development strategy

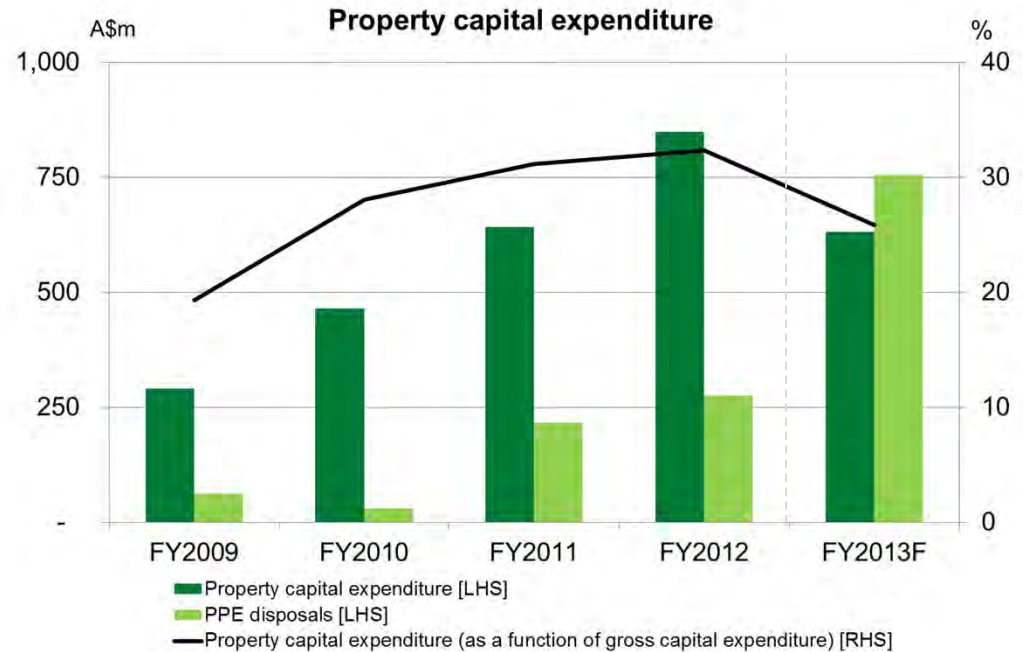
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- Benefits of freehold development
 - Gain access to quality sites
 - Development control
 - Improved lease terms
- Established property strategy
 - Conservative business cases
 - Long history of active portfolio management
 - Focus on optimising lease terms & not development profits

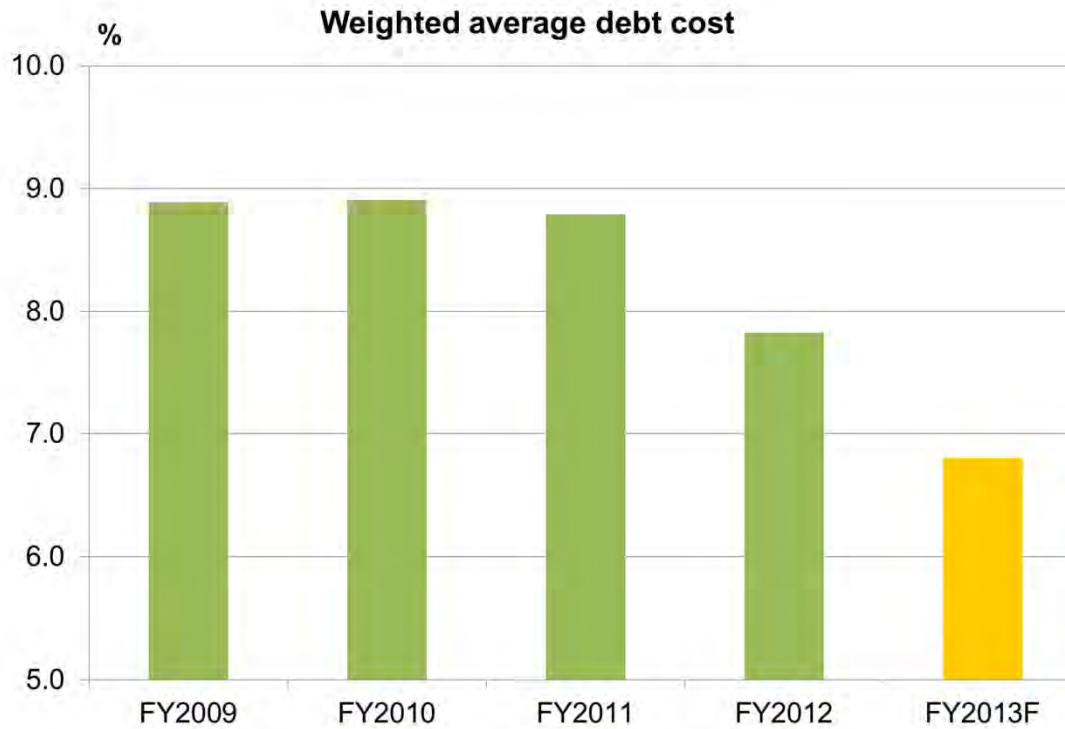


Property recycling increased

- Focus on ROC drives active management
- Innovative structures supporting traditional sale & leaseback (e.g. ISPT joint venture)
 - Flexibility
 - Retention of property development & management rights
 - Potential future pipeline funding
 - Partial exposure to potential future capital gains



Optimise funding costs



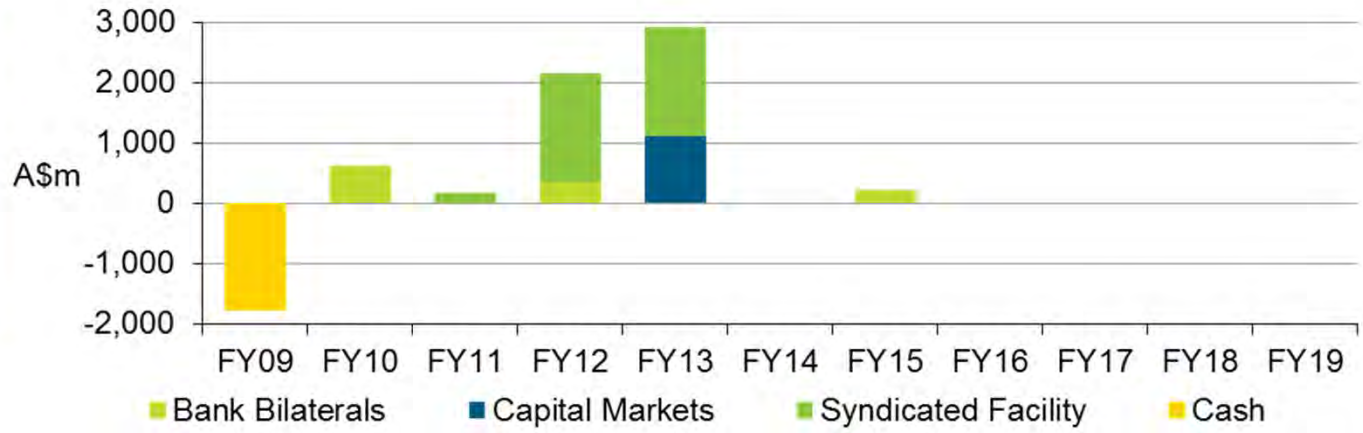
- Weighted average debt cost significantly reduced to 6.8% (FY13F)



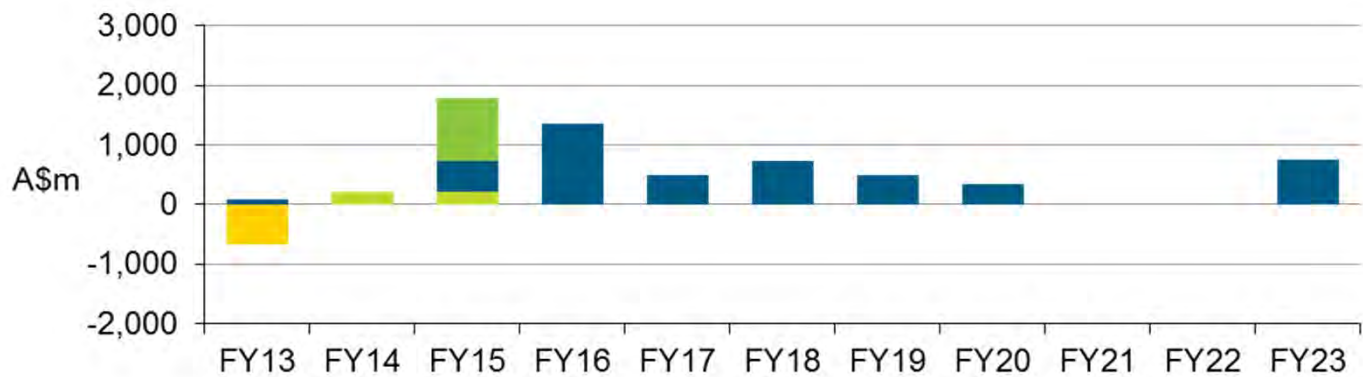
Risk management of debt maturities

- Debt maturity profile & tenor improved

Debt as at 30 June 2009



Debt as at 31 December 2012 (pro-forma)¹

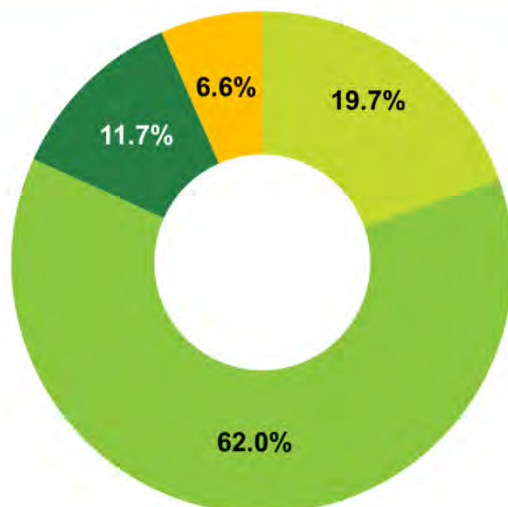


⁽¹⁾ 31 December 2012 position adjusted for A\$350 million of unsecured fixed rate medium term notes issued in March 2013 (maturing in March 2020), US\$750 million five year US bond issued in March 2013, & repayment of US\$711 million of bonds maturing in April 2013

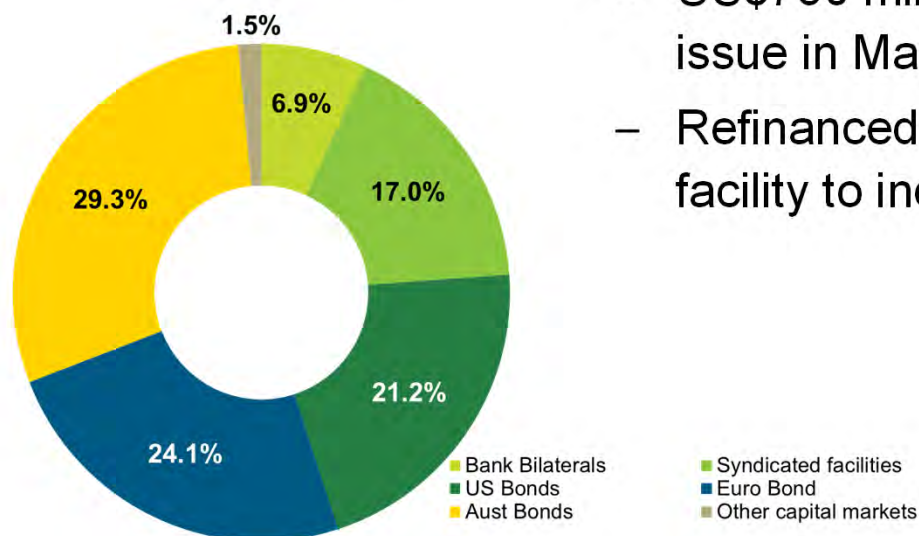


Diversifying funding sources

Debt as at
30 June
2009



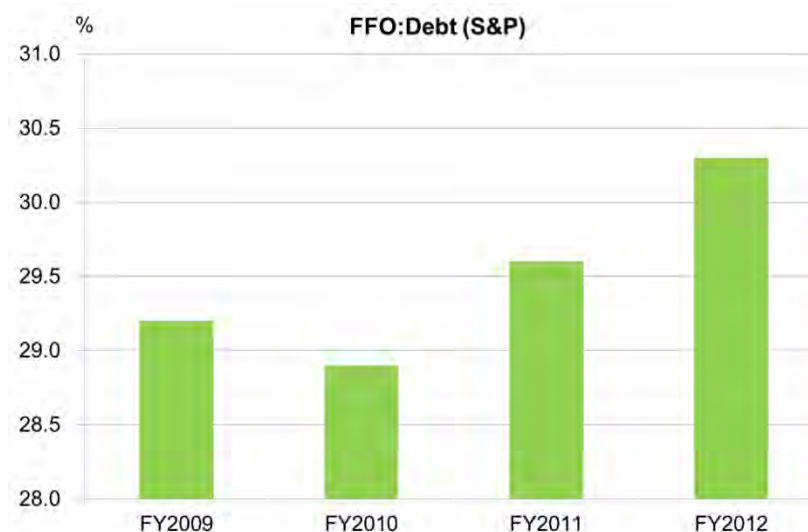
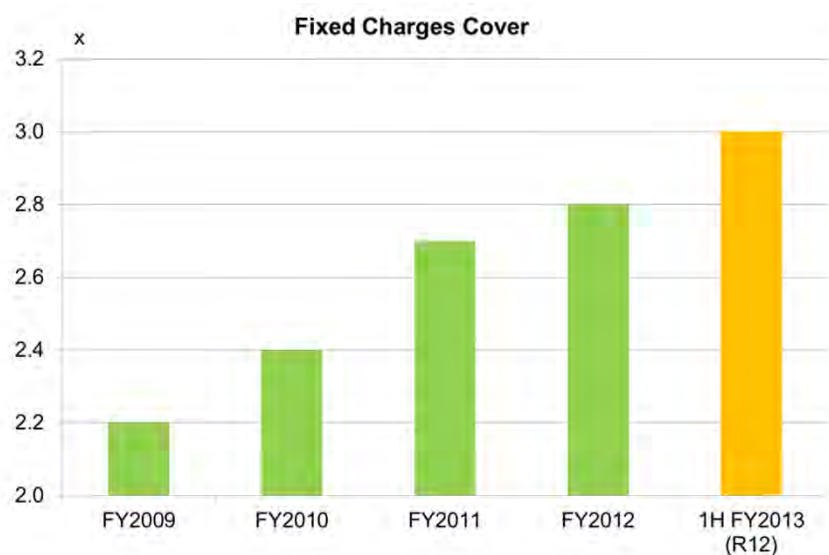
Debt as at
31
December
2012 (pro-
forma)¹



- Strategy to pre-fund maturities, diversify sourcing & extend maturity profile
- Most recent activity:
 - €650 million 10-year bond in August 2012
 - A\$350 million seven-year medium term notes in March 2013
 - US\$750 million five year US bond issue in March 2013
 - Refinanced Tranche A syndicated facility to individual bilaterals

⁽¹⁾ 31 December 2012 position adjusted for A\$350 million of unsecured fixed rate medium term notes issued in March 2013 (maturing in March 2020), US\$750 million five year US bond issued in March 2013, & repayment of US\$711 million of bonds maturing in April 2013

Maintaining strong credit metrics



- Solid improvements in credit metrics
 - Fixed charges cover improved to 3.0 times (1H13)
 - FFO:debt improved to 30.3% (FY12)
- Strong credit ratings
 - Moody's upgraded from Baa1 (positive) to A3 (stable)
 - Standard & Poor's A- (stable)

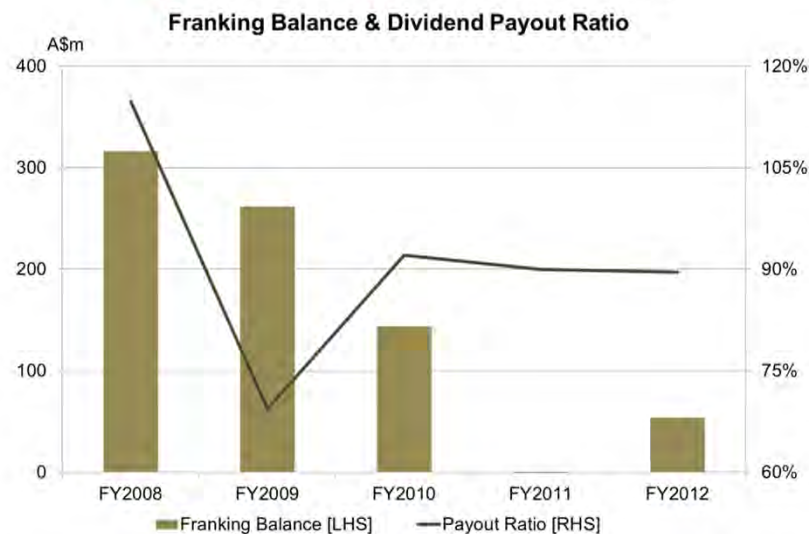
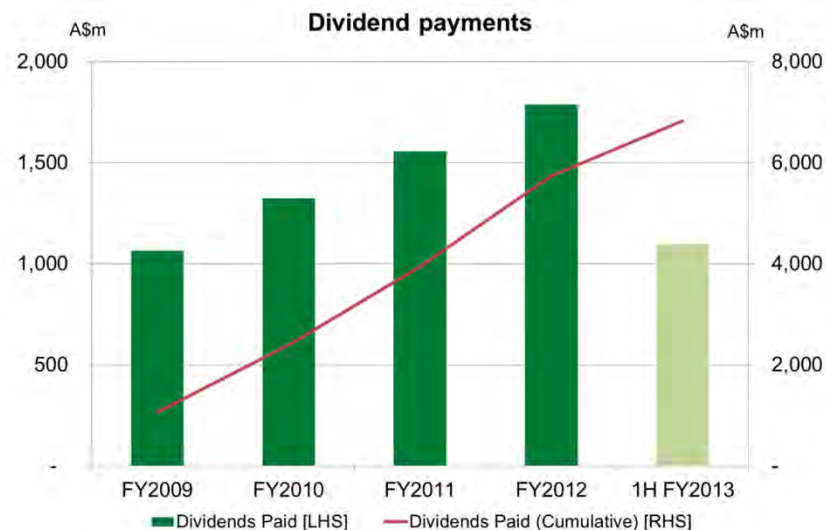
Note:

Fixed Charges Cover = (EBITDA + Rental Expense) / (Rental Expense + Finance Costs – Discount rate adjustment)

FFO:Debt (S&P) = (NPATDA + Depreciation adjustment for capitalisation of non-cancellable operating lease) / (Gross Debt + Present Value of future operating lease commitments)

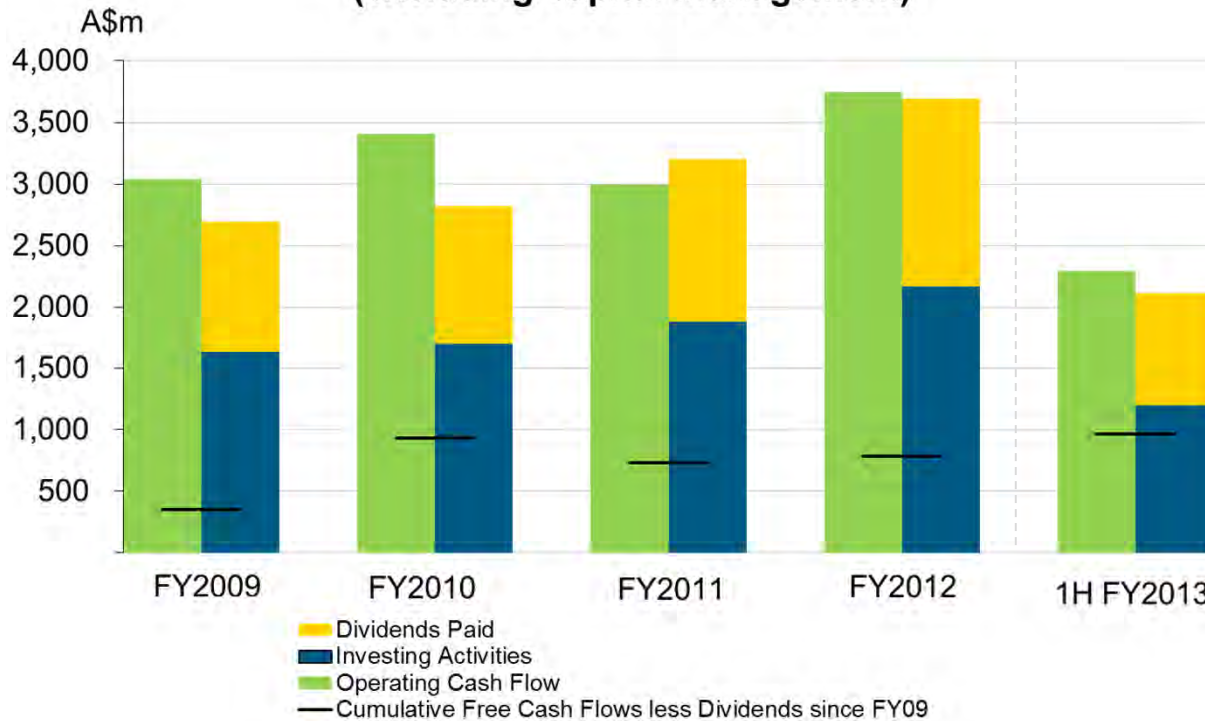
Growing dividends over time

- Seek to deliver stable & growing dividends over time
- Considerations include:
 - Current earnings & franking credit availability
 - Current liquidity position & credit rating
 - Forecast free cash flow generation
- Strong payout ratio & dividend growth
 - Dividend distribution (>\$6.5 billion) since FY09
 - Seek to return franking credits to shareholders



Cash flows have supported strong investment phase & dividend growth

**Net cash flow composition
(excluding capital management)**

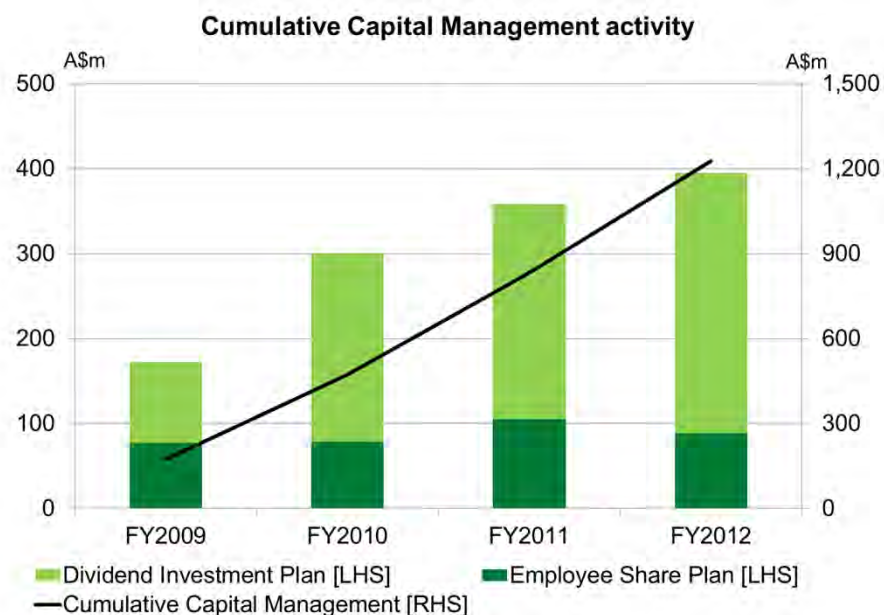


- Cumulative net cash flow has already allowed some capital management



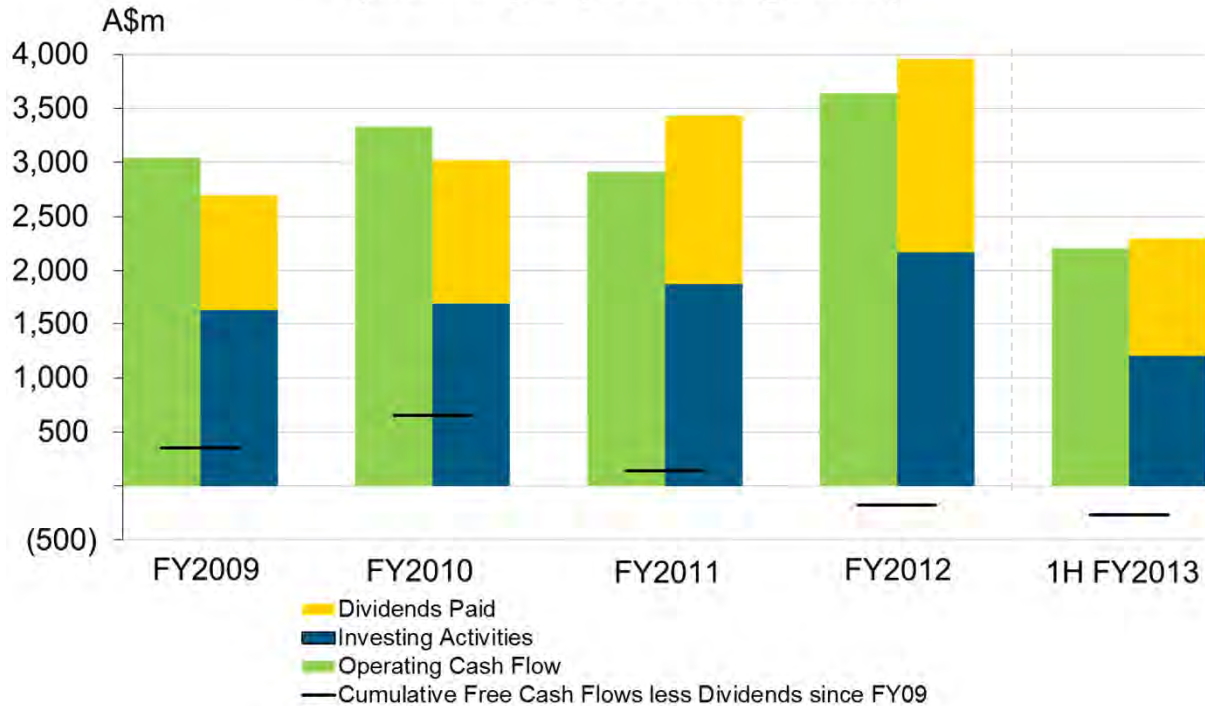
Capital management since FY09

- Capital management has exceeded \$1.2 billion over four years
 - Full neutralisation of Dividend Investment Plan
 - Shares purchased for Employee Share Plan



Cash flows have supported strong investment phase & dividend growth

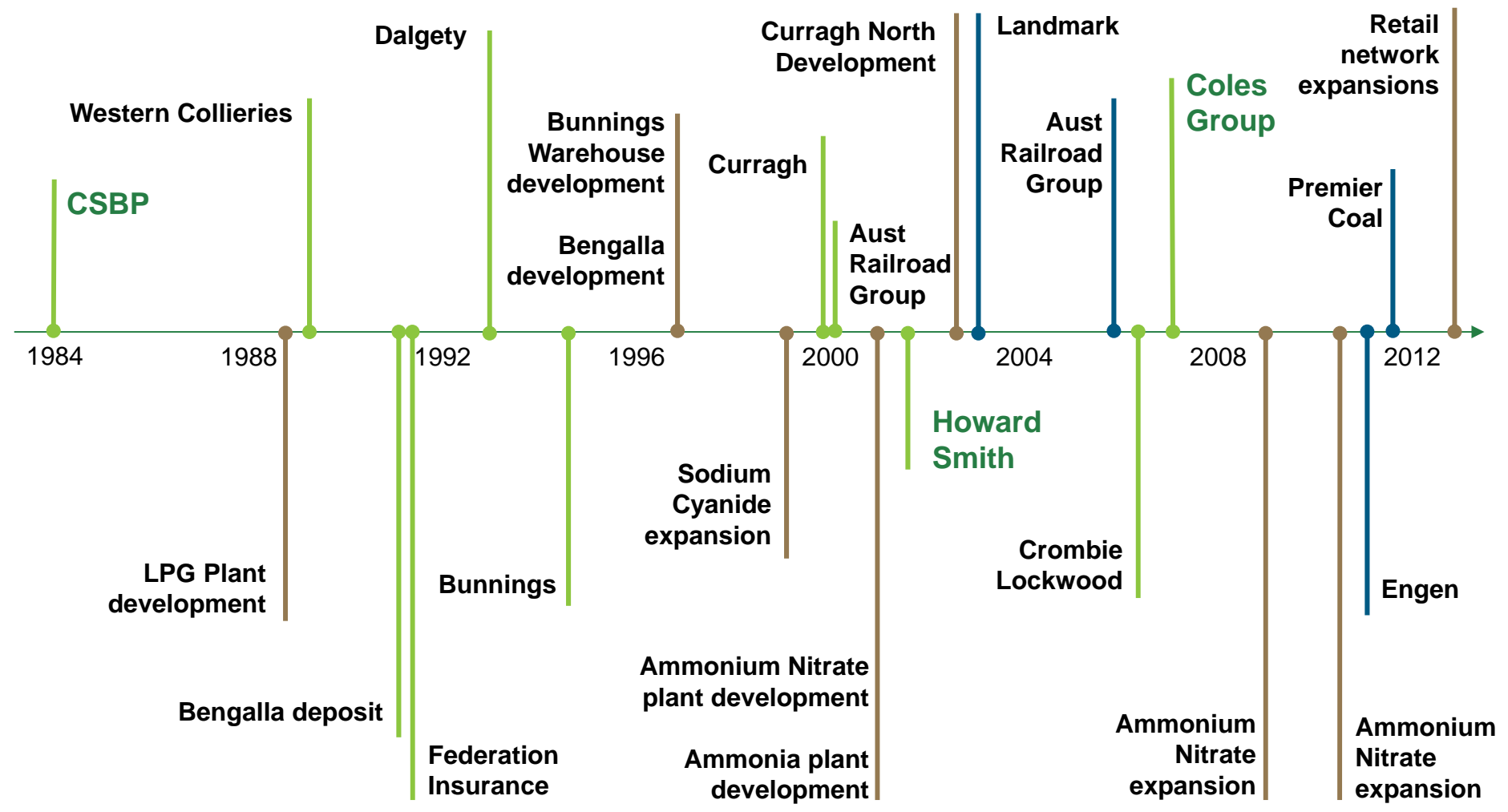
**Net cash flow composition
(including capital management)**



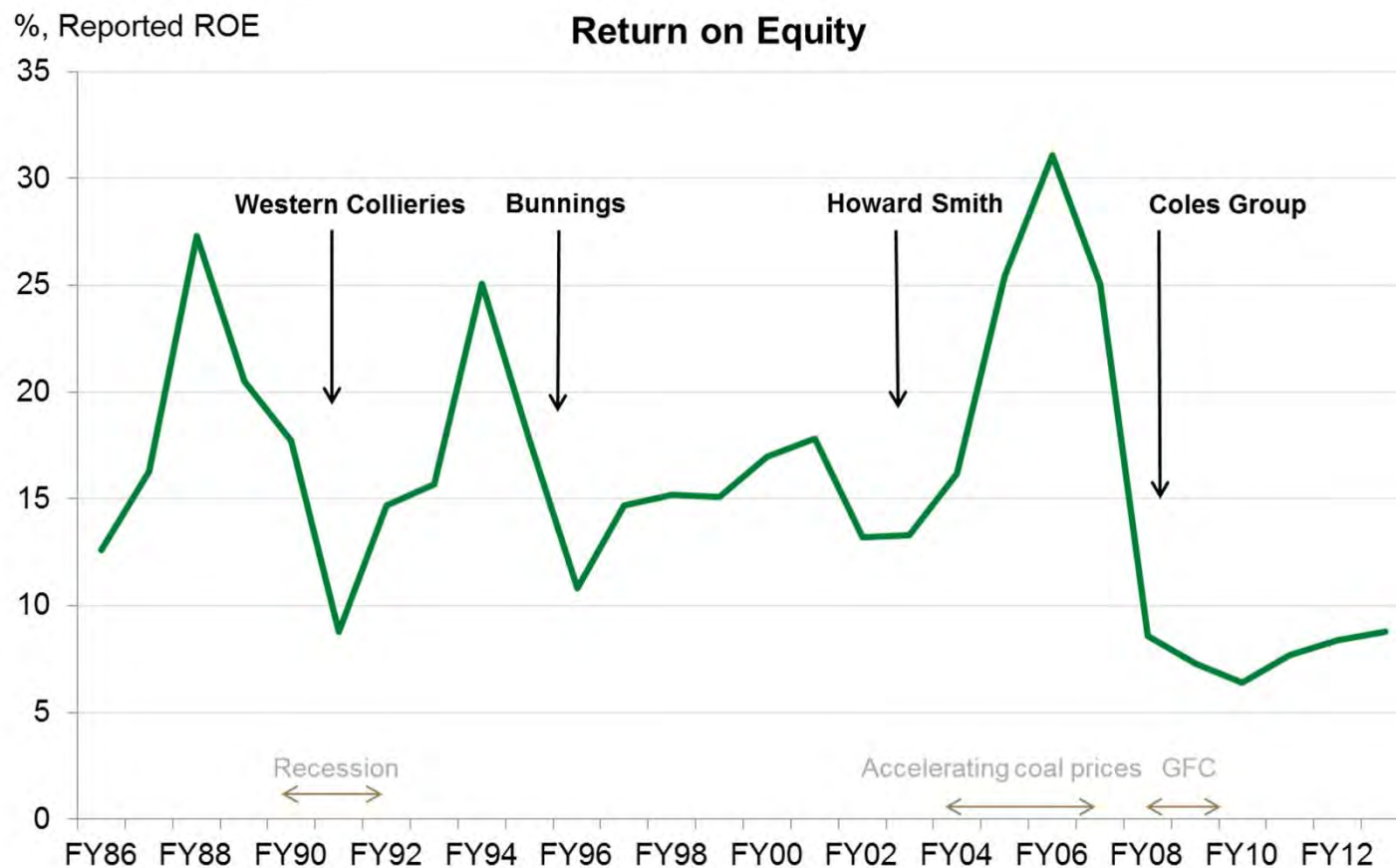
- Net cash flows have accommodated capital management
 - Credit metrics have strengthened concurrently



Disciplined portfolio management



Wesfarmers' value-creating acquisitions have seen RoE diluted post transformative acquisitions



Q & A

Richard Goyder
Managing Director, Wesfarmers Limited

Terry Bowen
Finance Director, Wesfarmers Limited



Wesfarmers

Coles
Ian McLeod
Managing Director

coles



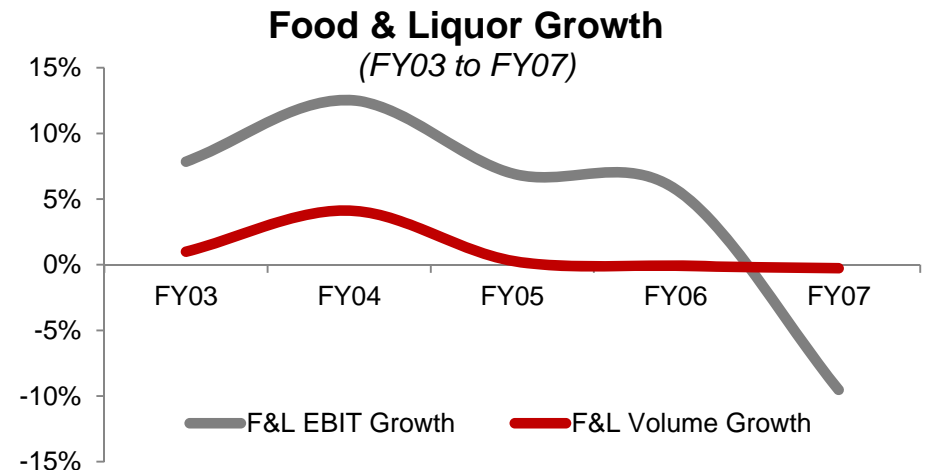
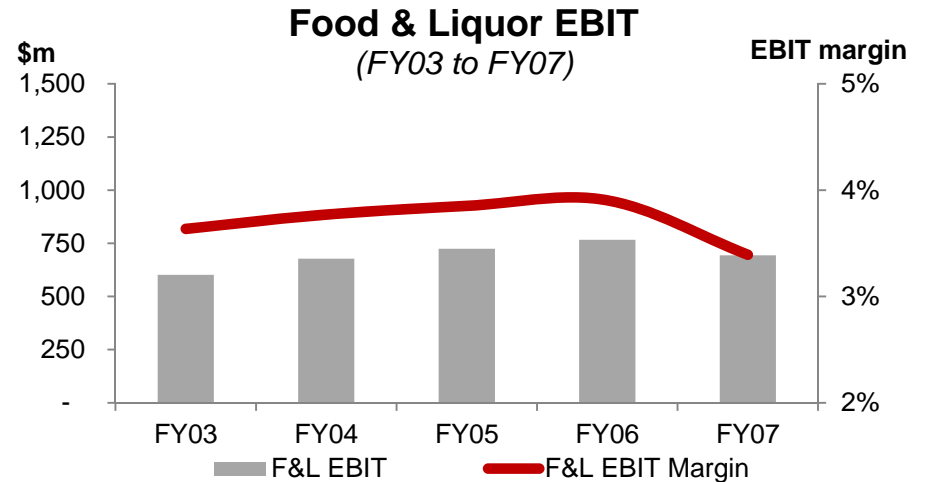
coles **HELPING AUSTRALIA GROW**


Wesfarmers



We inherited a business in decay

- Volume growth at 1%
- Inflation fuelled sales growth
- 5 year EBIT CAGR only 1.9%
- EBIT margin declining
- Sporadic cost control
- Key metrics moving in the wrong direction!





Underinvested stores



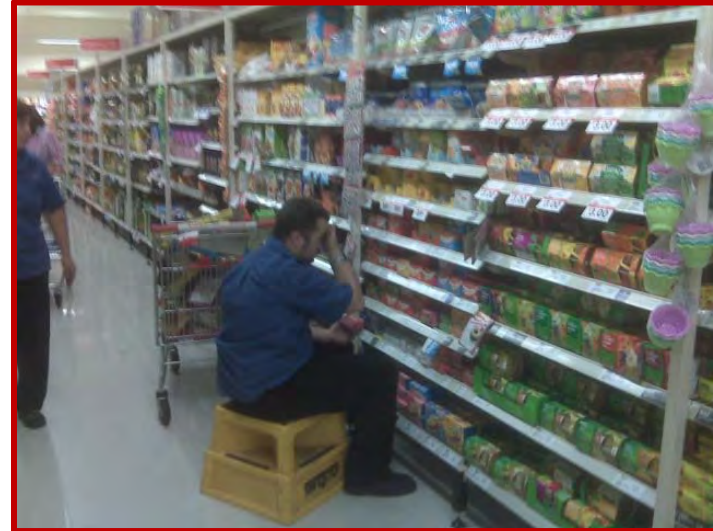
coles **HELPING AUSTRALIA GROW**



“We operate in ‘Old School’ fashion - management by fear, conflicting agendas, heavy political undercurrent”

“Until recently, the divisions across Supply Chain, Merchandise & Operations created a poisonous environment of mistrust & blame”

“I find it hard to convince even my wife to shop at Coles”



Key FY08 statistics

Store Team Member absenteeism
= 5.5%

>4,000 ‘Head Office Workers’

40% Store Team Member Turnover

A sense of purpose

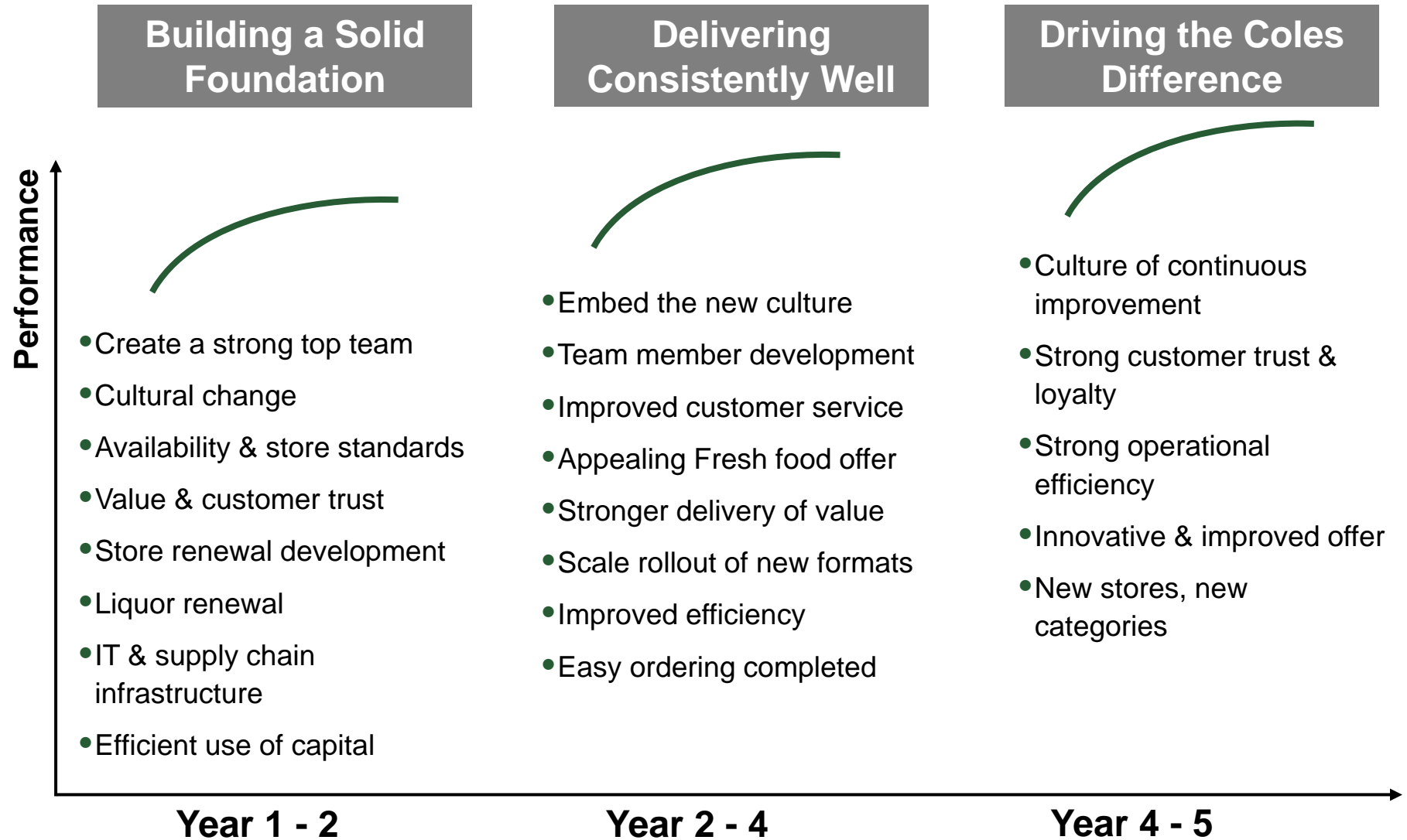
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“To give the people of Australia a shop they trust, delivering quality, service and value.”

Strategic simplicity



A 5 year plan in 3 phases





Saving consumers over \$1bn a year

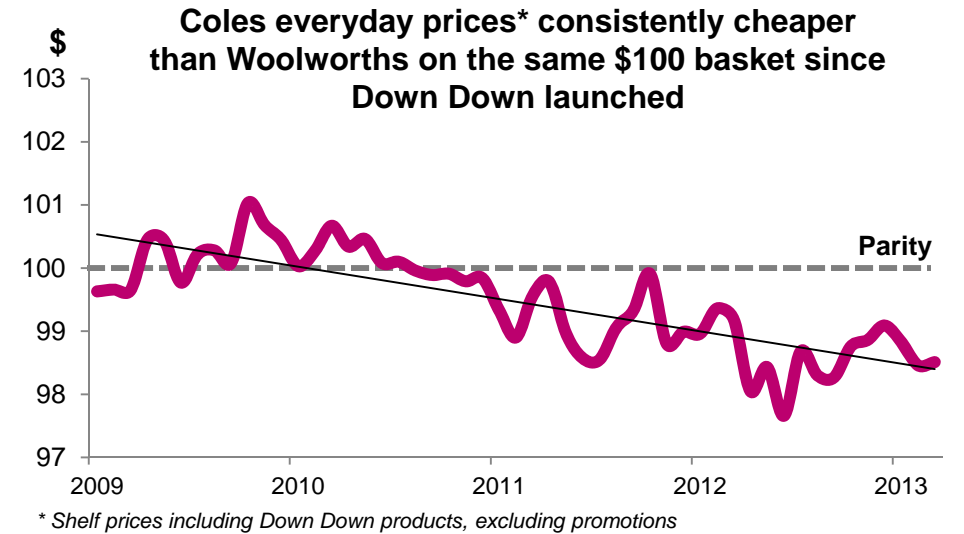
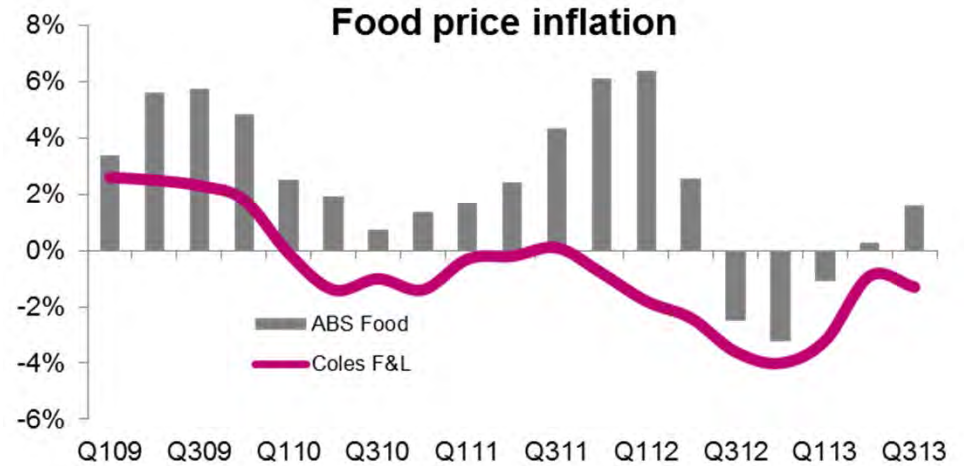
Value & customer trust
State-wide pricing, rigorous review of supplier input costs



Stronger delivery of value
Dollar Dazzlers, Multi-buys, Feed Your Family, Down Down



Stronger customer trust & loyalty
flybuys relaunch, Coles brand innovation, enhanced fuel discount





Investment & innovation driving quality

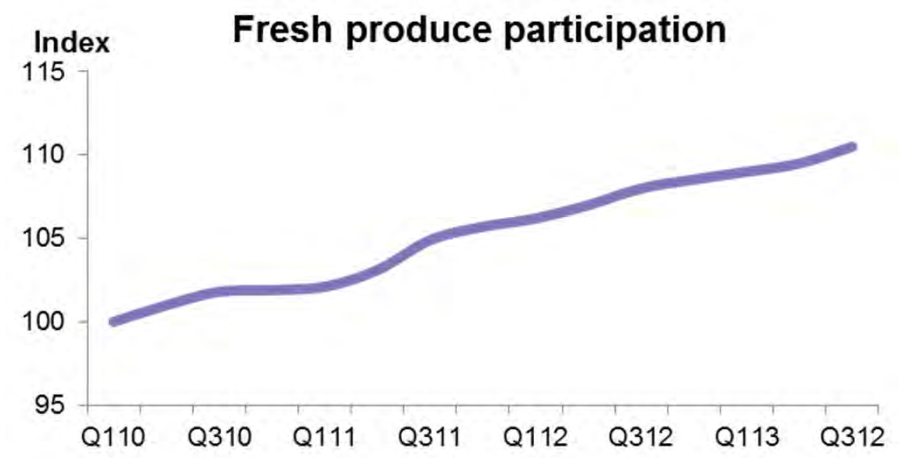
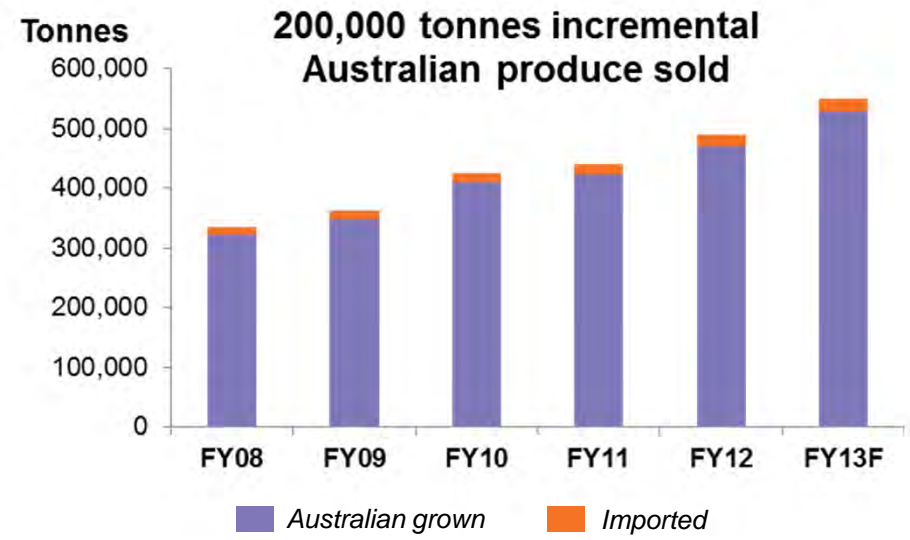
Availability & standards
 In-store standards, raised, material quality control improvement, better forward planning



Appealing fresh food offer
 Team member training, radical reduction in transactional sourcing, craft skills development, ethical sourcing



Innovative & improved offer
 4,000 redeveloped Coles brand, innovation leadership, category expansion



Efficient use of capital

Fixing the basics, operational efficiency, return on capital focus



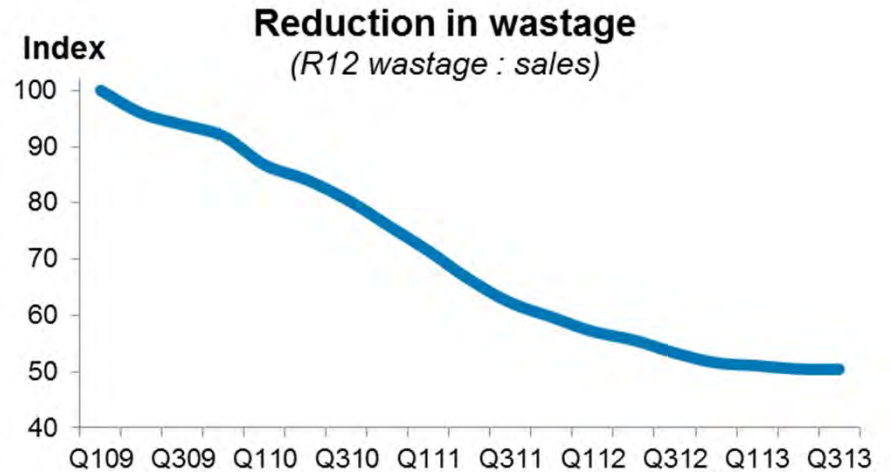
Improved efficiency

Operational effectiveness, supply chain pace, in-store controls, stock loss & goods not for resale focus



Strong operational efficiency

Cultural change, better training support, ways of working introduced





Improving end-to-end efficiency

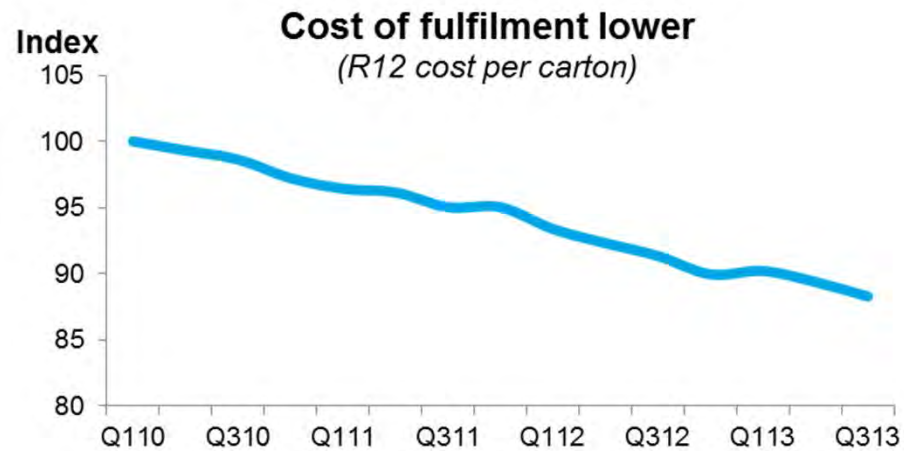
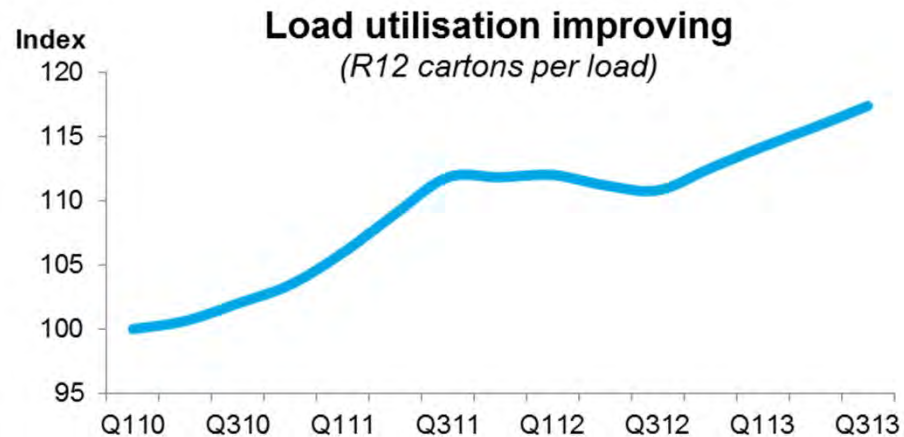
Supply chain infrastructure
 Revitalised DC network, IT systems investment



Easy Ordering completed
 Automated replenishment, smoother demand patterns

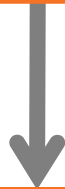


Strong operational efficiency
 Transport optimisation begun, DC process efficiency programs, greater control of network



Store renewal development

Best in-store experience, focus on service, store footprint reduction



Scale roll-out of new formats

Flexible & low-cost model, renewal run-rate at ~100 p.a., >40% fleet renewed



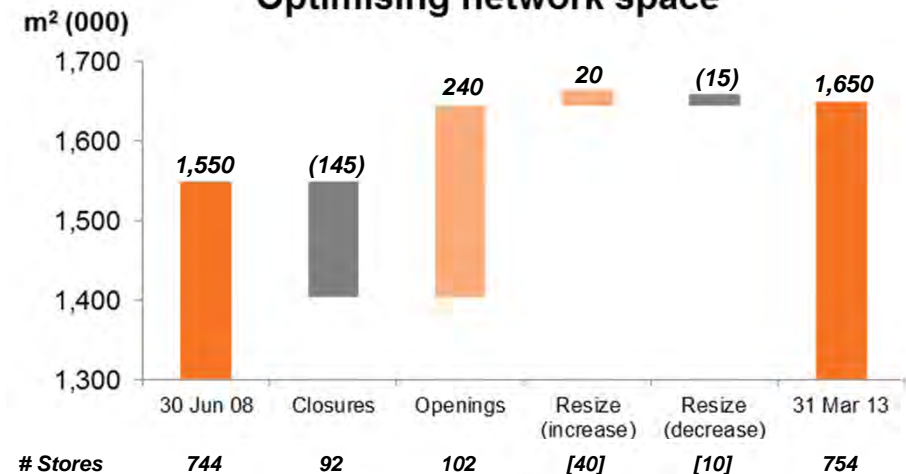
New stores, new categories

10 superstores opened, trial formats in Southland & Raine Square, recycled capital

19 quarters of density gains
(R12 sales per m²)



Optimising network space



Sold and served with personality

More engaging, compelling & unique

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Sold and served with personality

More engaging, compelling & unique

40



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Coles TV ad in 2007



31% recalled seeing this ad

Only 42% **thought** it was Coles

Coles TV ad in 2013



65% recalled seeing this ad

93% **knew** it was Coles

Create a strong top team / cultural change

70% change of top 100, 600+ store managers new to role, increased permanency in stores



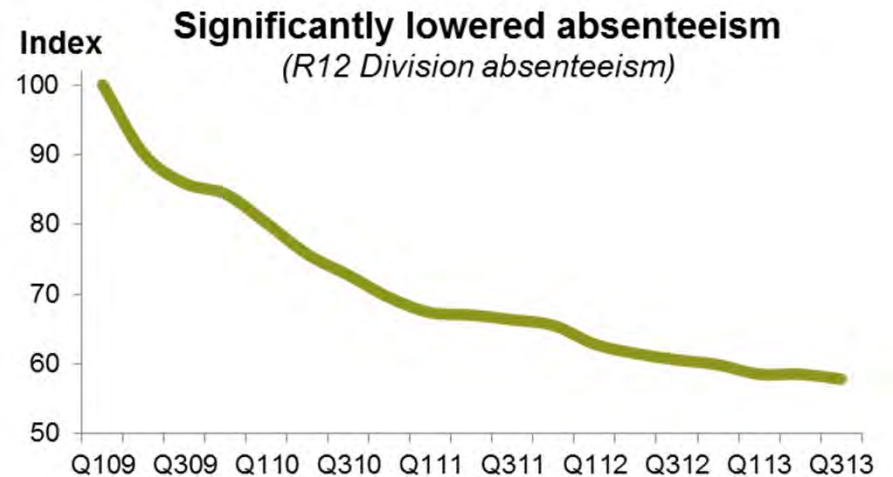
Embed the new culture / team member development

Leadership program developed, store-based retail leaders program, step changed communications



Culture of continuous improvement

Career & leadership development programs, support young talent

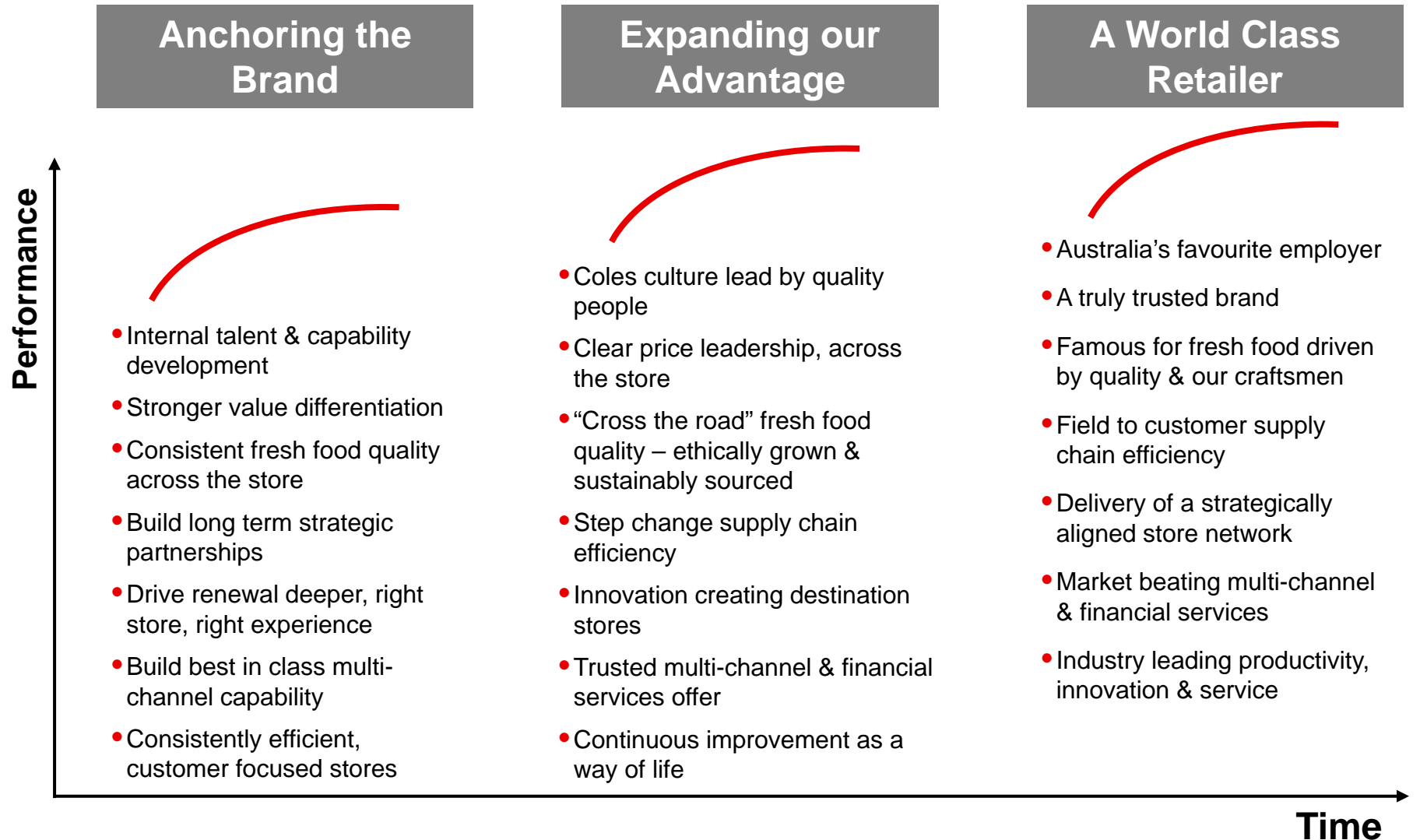


The next 5 years – a growth transformation

- Clear leadership on price & value
- Stunning quality, fresh food
- Accelerate space growth with quality, returns focus
- Increased focus on new business & innovation
- Cost reductions above store to continue
- Constantly striving to do better!



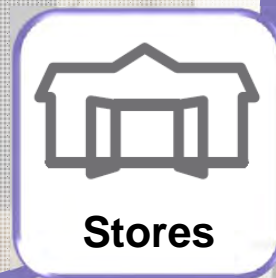
The second wave of transformation





Consistent quality, across the store

- Australian first
- Responsible sourcing
- Direct sourcing supply partnerships
- Better quality, more choice
- Coles brand innovation & value
- Local & ethnic ranging



- Faster throughput
- Store ready packaging
- Category consolidation
- Fast, efficient replenishment
- Teams with technology
- Craft skills focus



Long term, strategic supplier partnerships

Maffra Cheese Company Owners
Ferial Zekiman & Sam Riggall

- Strong relationships key to future success
- More innovation
 - Category development
 - Product innovation
- Greater freshness
 - Locally sourced
 - Ethically farmed
- Partnership security
 - Strong volume growth
 - Support investment
 - Length of tenure

Category	2008 Rank <i>(out of 15)</i>	2012 rank <i>(out of 16)</i>
Business relationships	15	3
Personnel / Organisation	14	5
Category / Business Development	13	2
Retail Execution	9	4
Supply change management	10	2
Overall Performance	14	4

Source: Advantage Group



New growth categories

Flybuys

- Invaluable source of insight for core business
- Direct relationship with customers
- *“The most popular loyalty program in Australia” – B & T magazine*

coles Insurance

- Developing a sizeable challenger brand
- Integrated into core business
- 200,000 policies & growing



coles MasterCard®

- A trusted, front-of-wallet card
- Fastest way to save
- Extension beyond current card to broader financial services

Mix

- Evolving the offer, operating model & in-store experience
- Kids & Baby launched with wider range planned
- Investment in wider store roll-out



Stronger value differentiation

In-store value – available to everyone



- Down Down
- Multi-buys
- Super specials
- Coles brand
- Fuel discounts

Targeted offers in-store



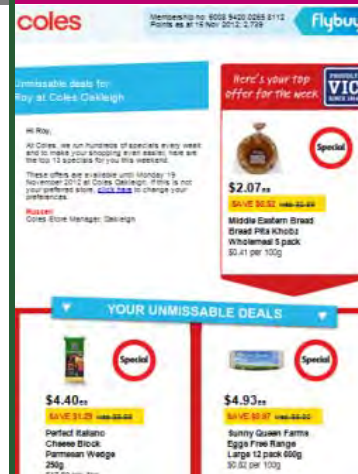
- ‘Docket Deals’ providing targeted value at the checkout
- Vouchers delivered via in-store Coles ATMs

Innovative use of open access offers



- Online-only offers
 - Social media
 - Online advertising
- Reduced reliance on catalogue over time

Targeted offers delivered remotely



- Targeted offers electronically via flybuys
- Targeted offers via flybuys mailed statements



Innovating multi-channel opportunities

Absolute customer focus

- Time saving – by easier shopping
- Inspiring – from great content
- Rewarding – through flybuys

Clear product focus

- Grocery (Coles)
- Liquor (Liquorland, 1st Choice, VC)
- Financial Services (Insurance, CC)

Best shopping experience

- Desktop
- Tablet
- Mobile

Efficient & rewarding fulfilment

- Productive & accurate
- flybuys integration
- Two-way dialogue

Great customer service

- Home delivery
- Click & Collect at Coles
- Remote Click & Collect

Constant innovation

- Evolving proposition
- Technology advancement
- Customer choice & personalisation





Consistent, efficient & customer focused

- Increased automation in & above stores
- Enhanced productivity scheduling
- IT system optimisation / upgrades
- Broad efficiency improvement programs
- Great customer service becoming a way of life
- Continuous improvement embedded in our DNA

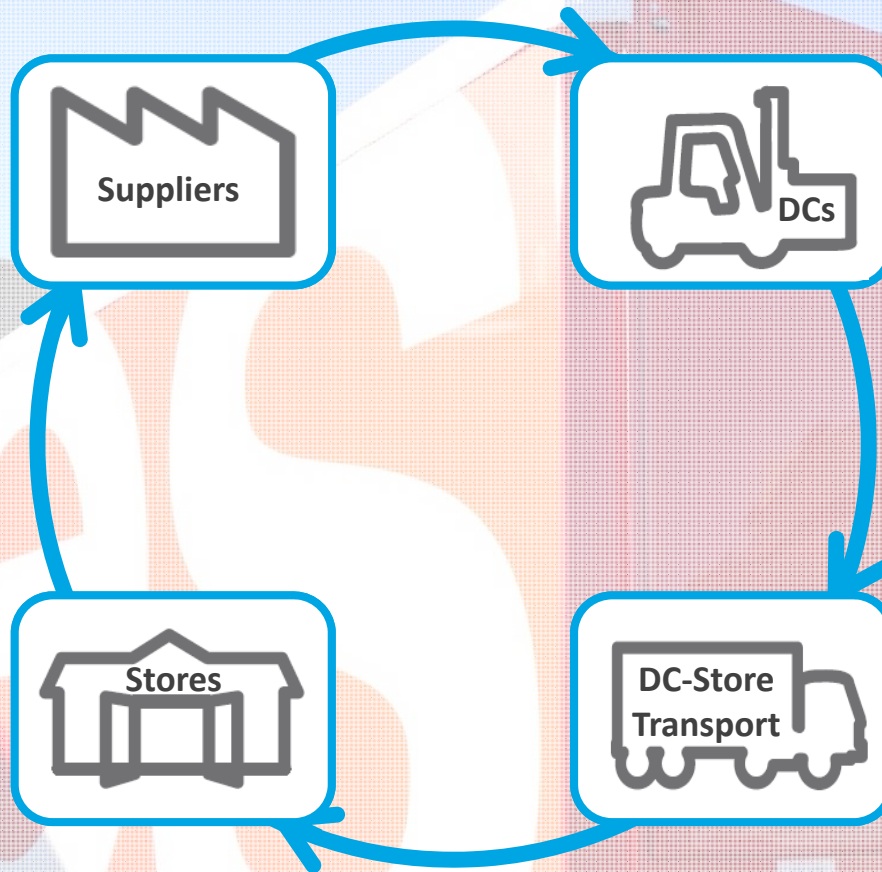




Step change supply chain efficiency

Better supplier collaboration

- Fewer, stronger suppliers
- Forecast visibility
- Active collaboration



Optimised DC network

- Highly efficient
- Category consolidation
- Stronger productivity

Streamline replenishment

- Optimised ordering systems
- Optimised scheduling
- Store specific layouts

Transport optimisation

- Load optimisation
- Stronger service levels
- Third party partnerships

The best customer experience

Strategically aligned store network

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Larger stores

Easy parking

Growth suburb

Co-located Liquorland

Complimentary speciality retailers

Co-located Express



Quality sites delivering superior return on capital

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Innovation through bigger, better stores

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coles

Next Generation - Southland

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Sold and served with personality

A truly trusted & admired brand



Saving consumers over \$1 billion a year



Sustainable volume benefits for suppliers



Forging careers for over 100,000 Team Members



Annual contributions to communities in excess of \$22m

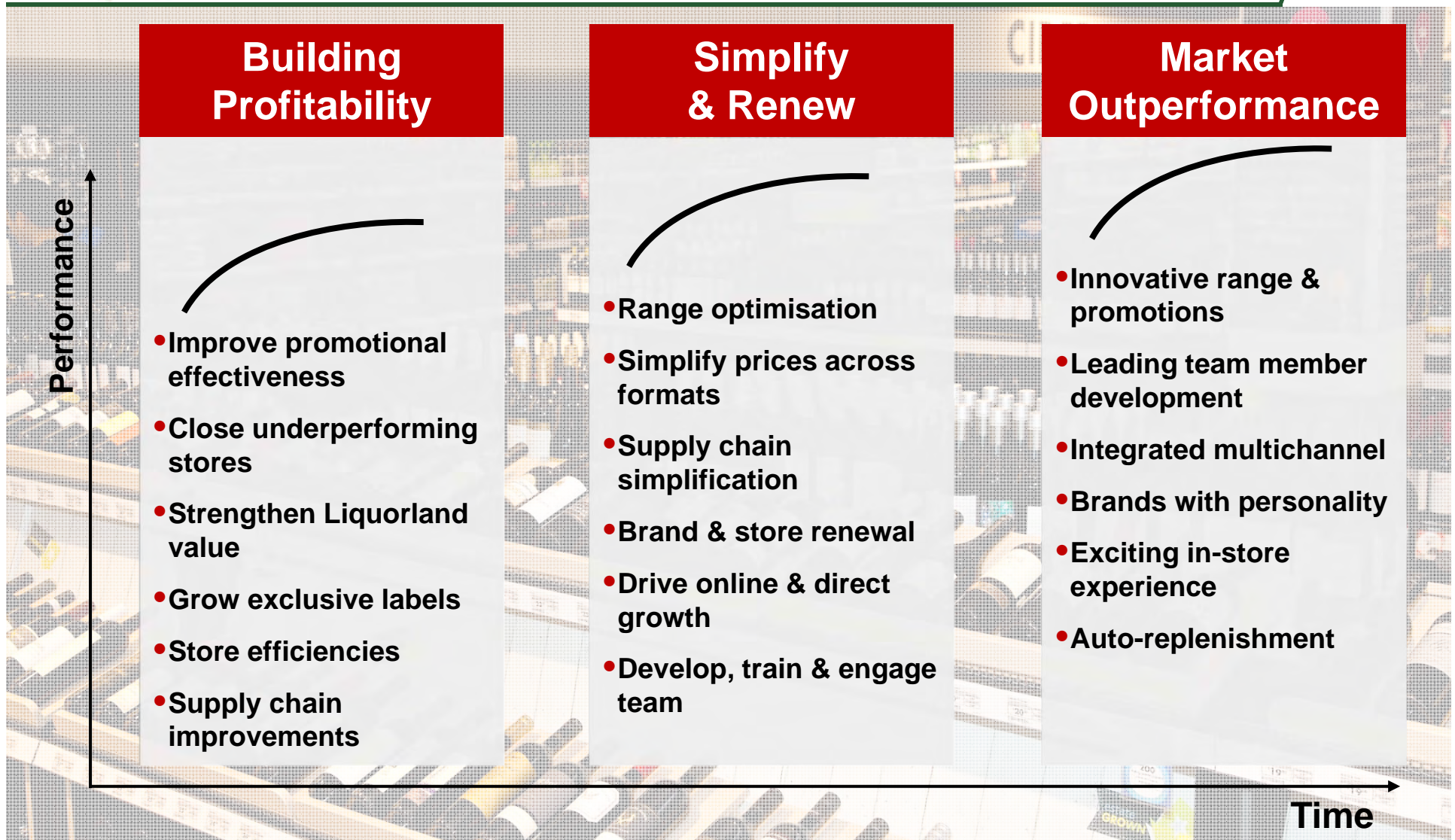
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Wesfarmers

Growing craft skills & careers

- Investing in the return of traditional craft skills
 - Better quality
 - Better service
 - Greater job satisfaction
- Accelerating cultural change
 - Recognising, rewarding & developing internal talent
 - Collaboration across the company
- Becoming Australia's favourite employer!





- Growth in site network
 - Focus on co-location & network gaps
 - Shell Alliance & Coles-owned
- Focus on fuel
 - Maximise availability
 - Optimise mix
- Better store offer
 - Improved ranging
 - Trusted pricing
- Improved operational efficiency
- Stronger IT support



Delivering sustainable transformation

- Turnaround successful so far
- Investing in further opportunities to grow
- Value to remain at the heart of what we do
- Strength & depth in building an innovative & dynamic culture
- Coles will stay committed to its core beliefs & goal
- Determined to do even better & serve our customers even stronger!



Questions



coles **HELPING AUSTRALIA GROW**



Home Improvement & Office Supplies

John Gillam / Mark Ward



Agenda

1. Bunnings



2. Officeworks



3. Q&A





Bunnings Warehouse

Brand promise

Home Improvement &
Office Supplies

63

LOWEST PRICES.



WIDEST RANGE.



BEST SERVICE.



Wesfarmers

Long-term value creation



1. A winning offer to customers
2. An engaged, focused & committed team
3. Business behaviour that builds trust
4. Sustainable satisfactory shareholder returns



Market evolution

ADDRESSABLE MARKET EXPANDED BY EVOLUTION

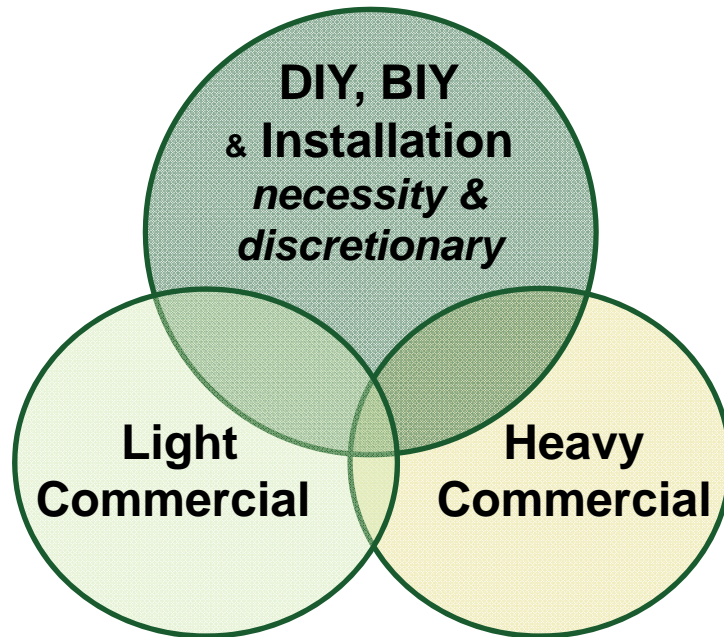


BUNNINGS




Wesfarmers

Market structure & drivers



Multiple Drivers

- Household disposable income
- Renovation activity
- Housing
 - churn, value & formation
- Weather
- Lifestyle / demographic trends
- Government activity
- Technology

Wide array of competitors

- dual consumer / commercial focus prevalent
- most participants of scale “vertically capable”



Competitive landscape



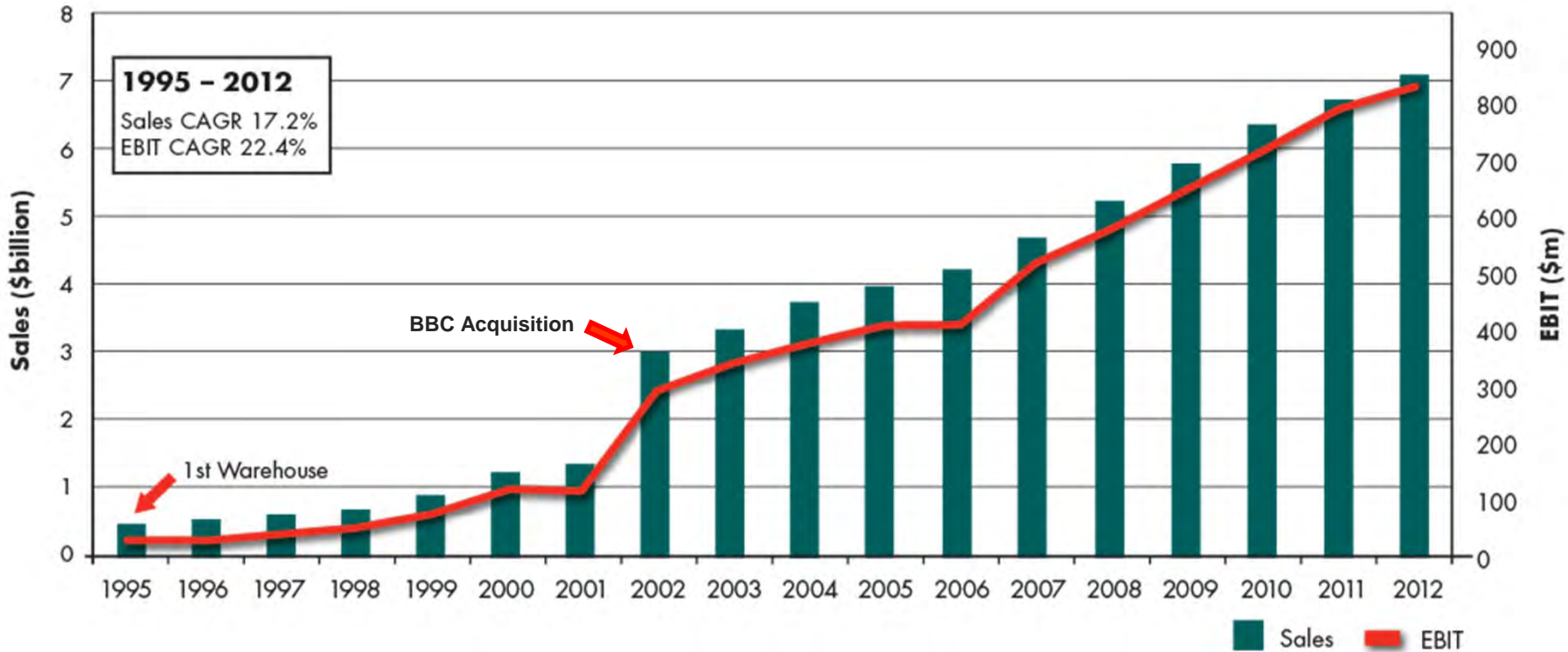
Varied Formats

- 1. Category specialists
- 2. Hard goods mass merchants
- 3. Traditional hardware
- 4. Suppliers direct-to-market
- 5. DDS & supermarkets
- 6. HIOL category killer

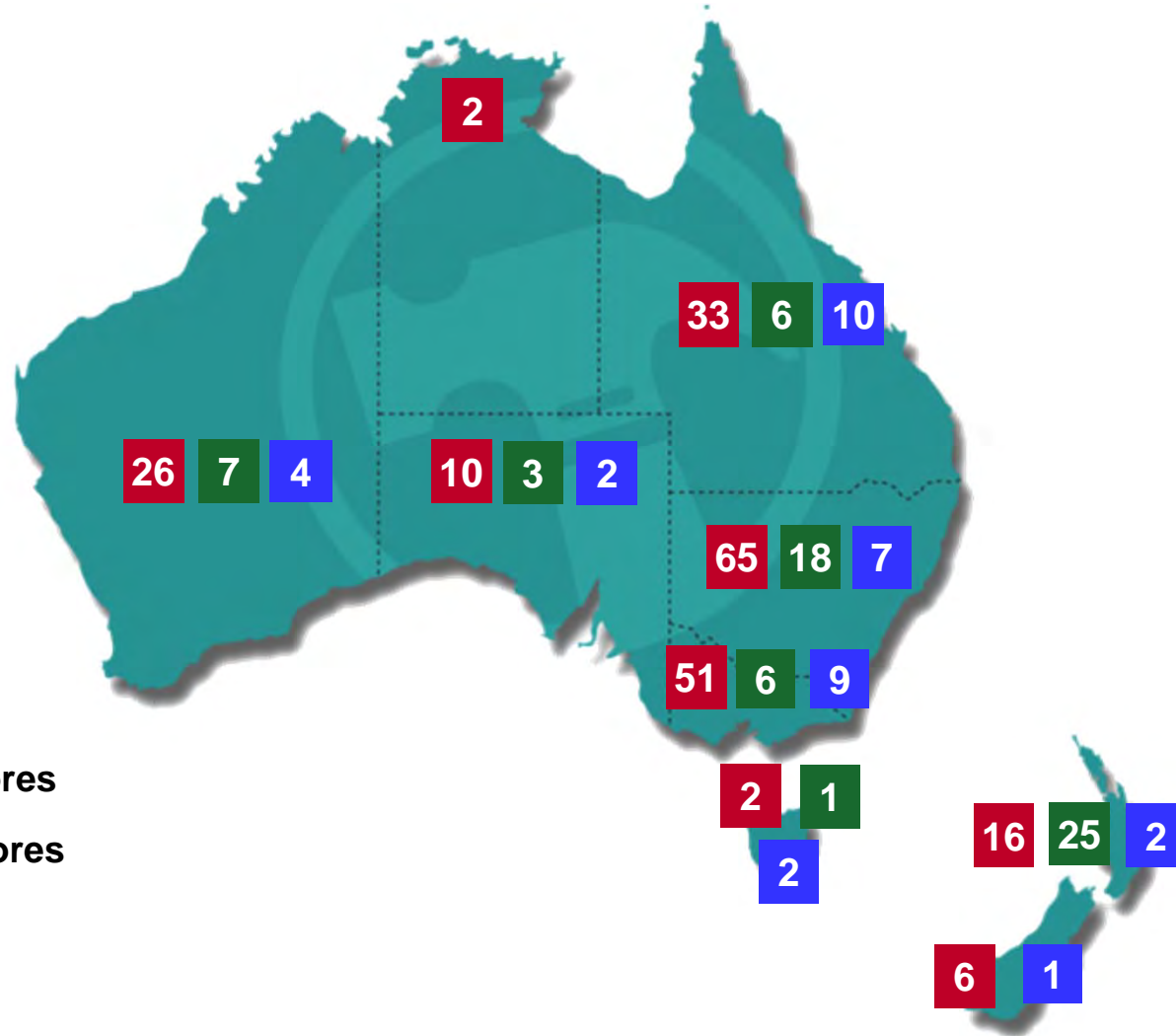
nb: online activity prevalent in all formats



Bunnings: sales & EBIT growth



Bunnings: network



At May 2013

- 211 Warehouse stores
- 66 Small format stores
- 37 Trade Centres

BUNNINGS

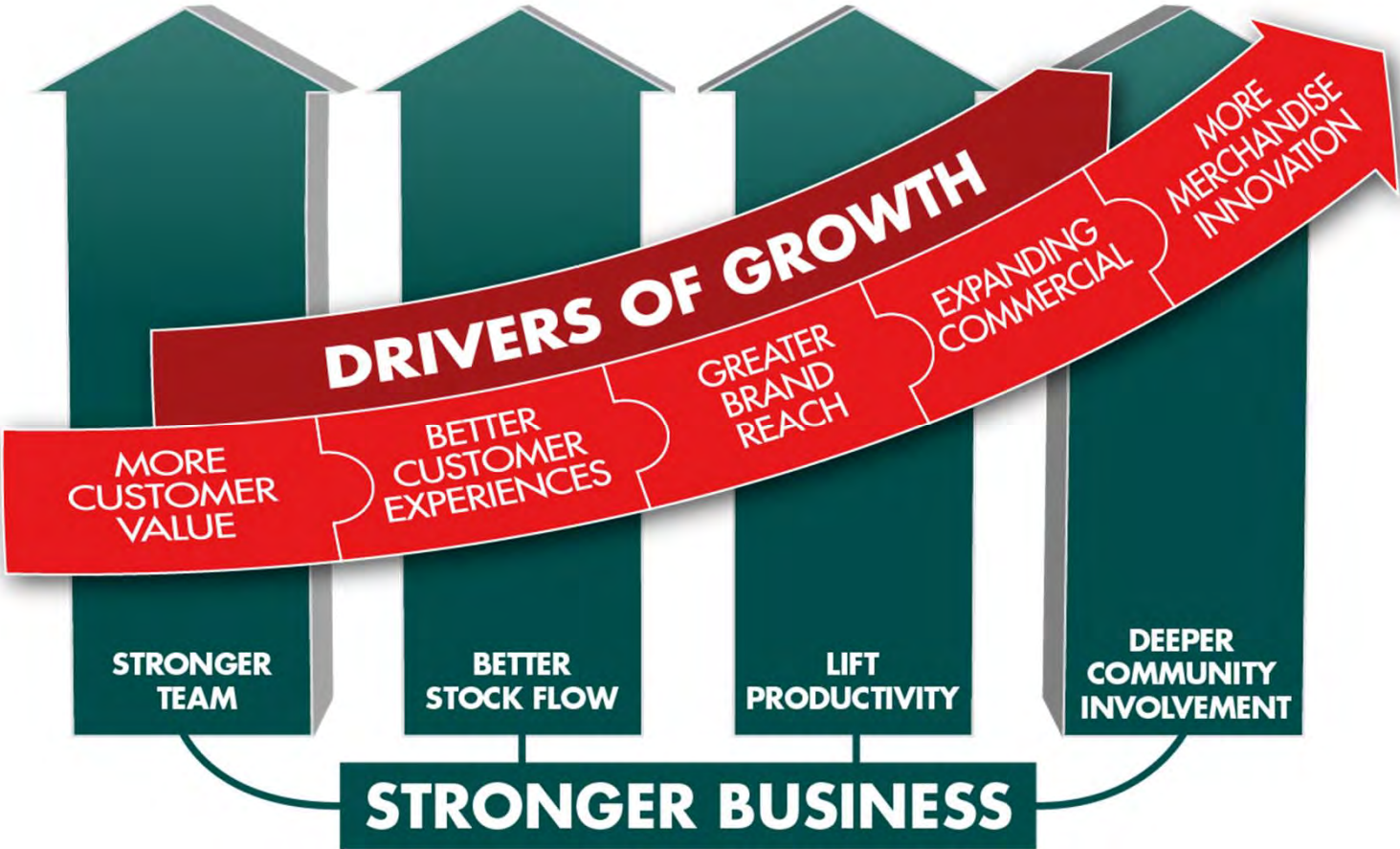


Wesfarmers



Strategic agenda

*conscious choices across all activities
to give customers the best offer*

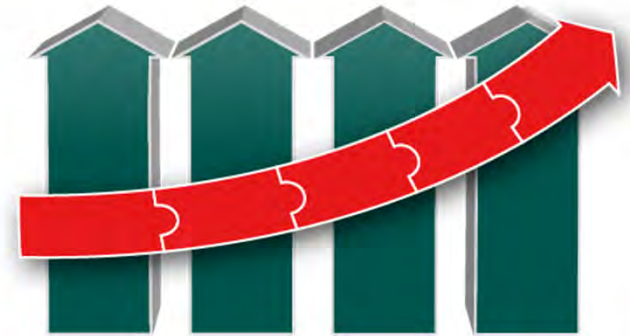


Strategic agenda

Today's discussion focused on
"drivers of growth"

"Stronger business" strategies
underpin growth & long-term success

- Significant outcomes being achieved
 - Material gains for customers, team, suppliers, CODB & brand trust
 - Further benefits expected in FY14
- Summary of key actions provided



BUNNINGS



Wesfarmers

Drivers of growth

1. More customer value

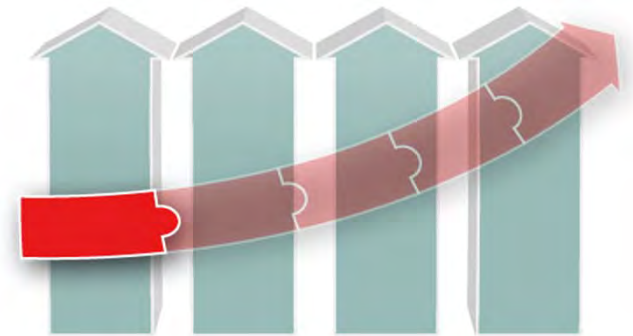
MORE
CUSTOMER
VALUE

73

Lowest prices ...
... cornerstone of a winning offer

Ongoing focus on creating
“breathtaking value”

Funded by productivity & cost
actions



BUNNINGS




Wesfarmers

Drivers of growth

2. Better customer experiences



Better consistency in service basics

- Pleasing research & feedback trends

Higher customer centricity

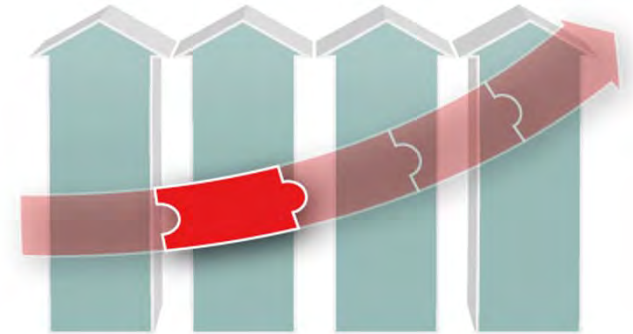
- In-store, online, in-home

Deeper customer engagement

- More pre-shop, post-shop & services
- Experiential consistency

More investments

1. Know-how & intensity
2. Digital
3. Services



Drivers of growth

3. Greater brand reach



Accelerating brand reach

- More stores, more digital, more in-home

Faster network expansion

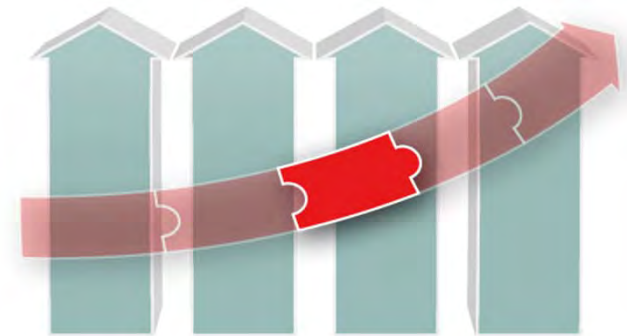
- Site pipeline built-up from 2008
- Spike in store openings doubles growth rate of net selling space

Targeted store reinvestment

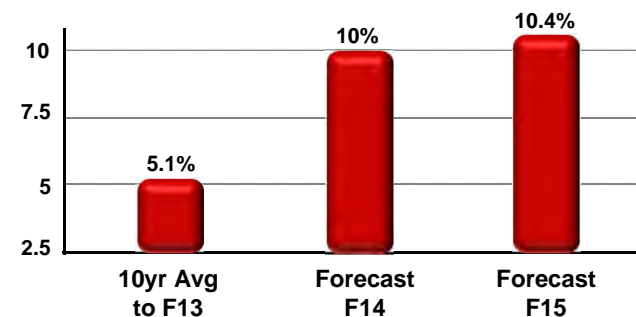
- Faster take-up of best opportunities
- Reinvigorate existing network

Long term opportunity for more stores

- Increased by format innovation



Net Floor Space % Added pa



Drivers of growth

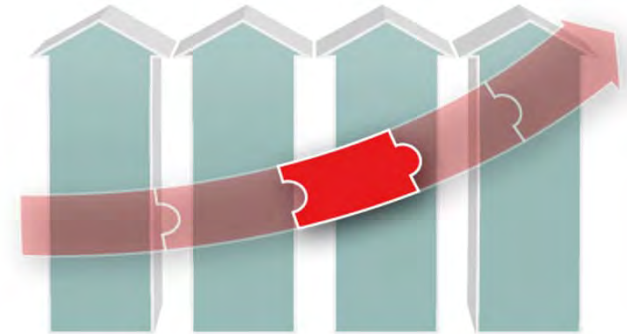
3. Greater brand reach



Network
Format
Overview



- Large format
- Cornerstone brand
- 3 core footprints + multi-levels
- Retail & commercial customers
- 211 in network at May 2013
- Open 20+ pa for next 3 years
- Open 10 to 14 pa longer term
- Current pipeline 90+ sites



Drivers of growth

3. Greater brand reach

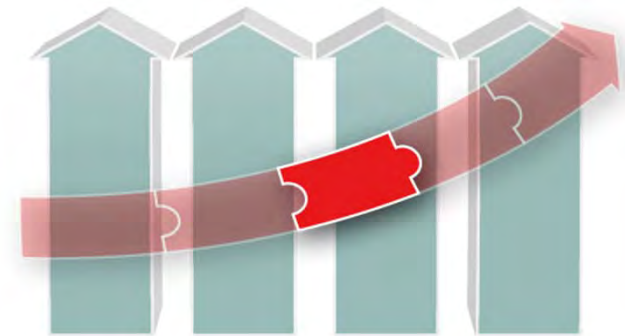


77

Network Format Overview



- Smaller format, highly flexible
- Regional & metro markets
- Retail & commercial customers
- 66 in network at May 2013
- Open 2 to 4 pa longer term
- Greenfield & acquisition



BUNNINGS



Wesfarmers

Drivers of growth

3. Greater brand reach

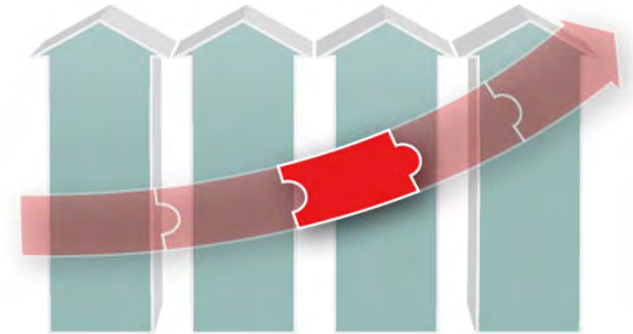


78

Network Format Overview

BUNNINGS TRADE

- Specialised 'DIFOT' format
- Narrow & deep ranging
- Lowest cost
- Commercial customers
- 37 in network at May 2013
- Open 2 to 4 pa longer term
- Key elements now being incorporated into some large Bunnings Warehouses



BUNNINGS



Wesfarmers

Drivers of growth

4. Expanding commercial



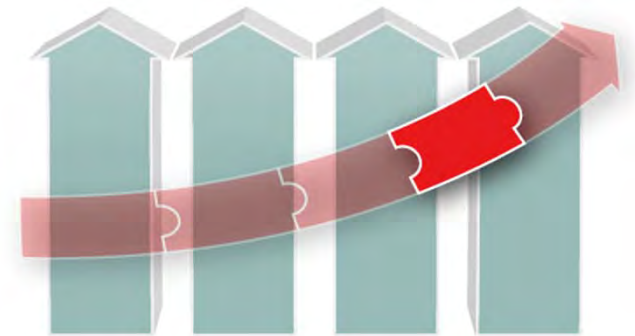
Leveraging strength of network & brand

Total market capability

- Stores, trade centres, in-field, online

Two work areas

1. Light commercial
 - Better value, ranges, service & services
 - Enhanced direct marketing
2. Heavy commercial
 - Deeper customer relationships
 - Lifting service & value disciplines



Drivers of growth

5. More merchandising innovation

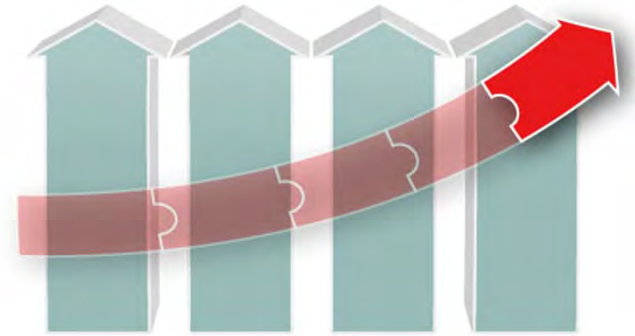


80

Evolution & innovation creates growth via new product & range expansion

- Create, leverage & respond to lifestyle trends, environmental & economical changes
- Product & project innovation with DIY focus to expand whole market
- Core merchandising team capability

Leveraging the worlds' leading & Australia's best brands



BUNNINGS



Wesfarmers

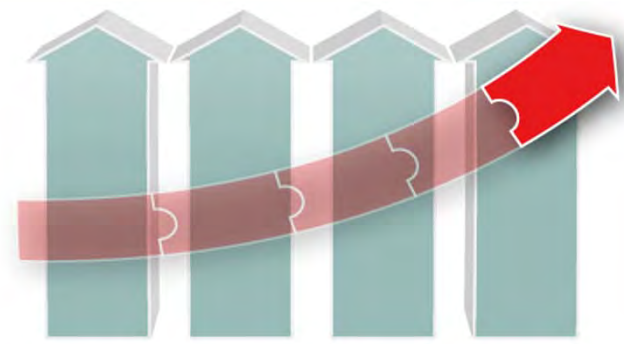


Drivers of growth

5. More merchandising innovation



Leading Brands At Warehouse Prices



Stronger business

1. Stronger team

STRONGER TEAM

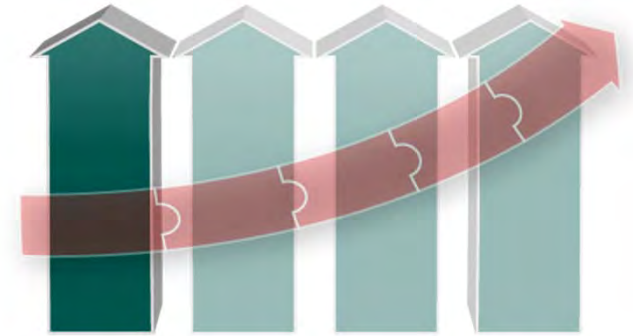
83

Continued investments in the best team

- Product & project knowledge
- Career development
- Safety

Achieving high team member engagement & retention

- Strong Bunnings connection
- Build greater inclusion



BUNNINGS



Wesfarmers

Stronger business

2. Better stock flow



Best outcomes from hybrid model

- Diverse stock types & sources

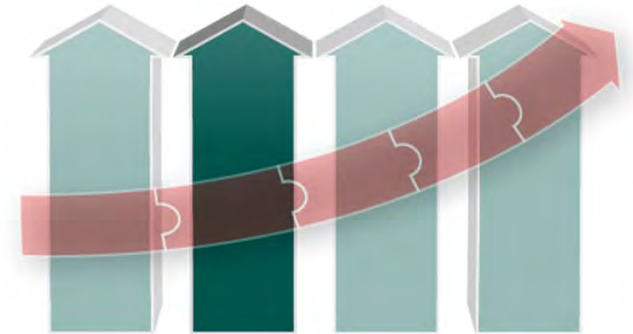
Whole-of-chain productivity gains

- Planned across all components
- Cost & GMROI improvements

Higher in-stock levels a priority

Investing to upscale DC's

- New DC's in Qld, NSW & Vic



Stronger business

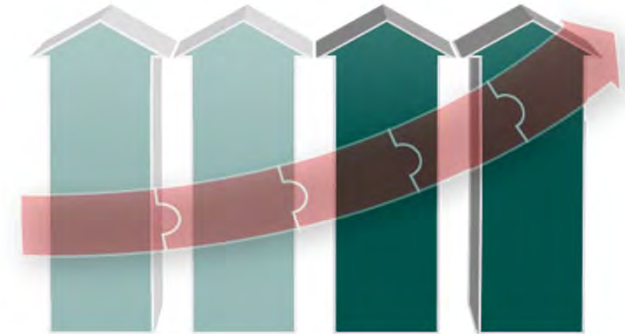
3. Productivity & 4. Community



85

Lift productivity

- Focus on faster & easier core processes
 - better for customers; lift team availability
- Reduce cost



Deeper community involvement

- Essential for customers & team
 - “what we sell, what we do & what we say”
- Sincere, localised & meaningful actions
- Less energy, less waste, less water = less cost



BUNNINGS

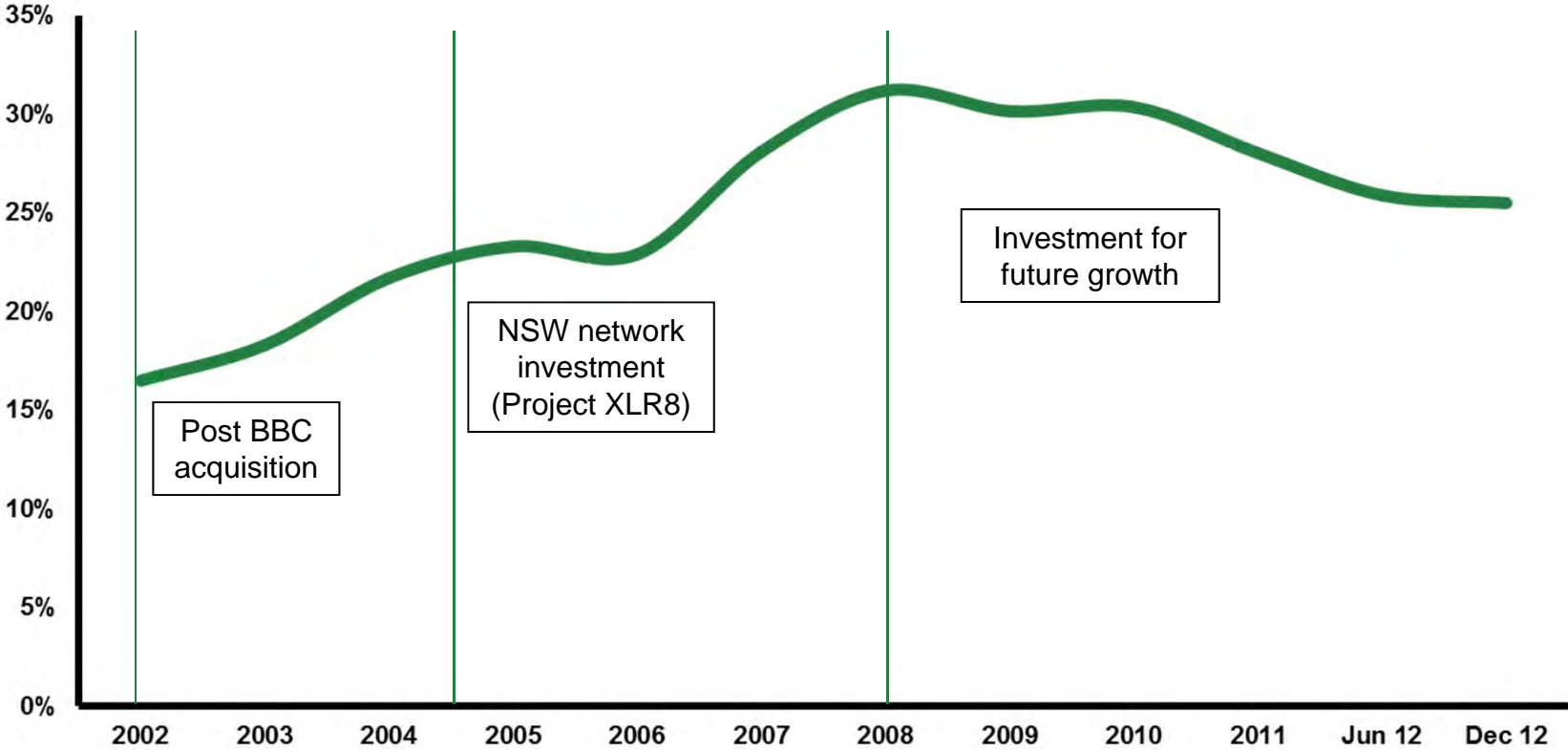



Wesfarmers



Capital Management

R12 Return on Capital FY01 to Dec 2012



Positioned for continued growth

Lots of runway in +\$42b Aust. market
... similar position in NZ

Strong customer loyalty & brand trust

Team members engaged, focused,
committed & energised

“Drivers of growth” generating &
capitalising on multiple opportunities

“Stronger business” agenda underpins
growth & business health



*winner most trusted retail
brand for past 7 years*

BUNNINGS



Wesfarmers



Agenda

1. Bunnings



2. Officeworks



3. Q&A





Strategic Platform



Officeworks



LOWEST PRICES
EVERYDAY



Background

1994	2003	2004	2005	2007
				
First store opened in Richmond Victoria	Officeworks acquires Viking	Harris Technology becomes part of Officeworks	Officeworks online business and Viking merged	Wesfarmers acquires Officeworks

1990s	By end of 2007	2008 - 2013
<ul style="list-style-type: none"> • Big box office supplies • B2B focused • EDLP 	<ul style="list-style-type: none"> • Strategy off track • Deep 'hi-lo' pricing • Smaller store sizes • Compromised range • Losing customer trust 	<ul style="list-style-type: none"> • Category killer focus • EDLP position • Rebuilding trust • Wider customer base • Every channel focus

Market Trends & Environment

- Evolving industry / market
 - Subdued growth in core market
 - Highly commoditised product set
 - Continued deflationary headwinds
 - Competitive environment (e.g. price transparency, global choice)
- Changing consumer behaviour
 - Increased use of technology to shop any time, any place
 - Stronger understanding of relative value
- Officeworks is focused on executing strategic agenda to deliver customers a compelling offer in a challenging environment



Market Structure & Drivers

Household Customers



Business
Customers

Education
Customers

Multiple Drivers

- Consumer sentiment
- Household disposable income
- Business confidence & cash flow
- Lifestyle / demographic trends
- Seasonal factors
 - Back-to-School / Uni / Work
 - Tax time
- Competitor behaviour
- Policy environment

Market Size, Growth & Penetration

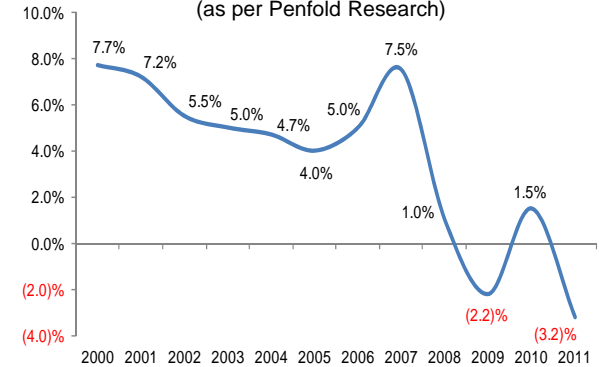


* Market Size 2011 (2012 – 2014 Office Products in Aust, Penfold Research)

** Officeworks 'estimate

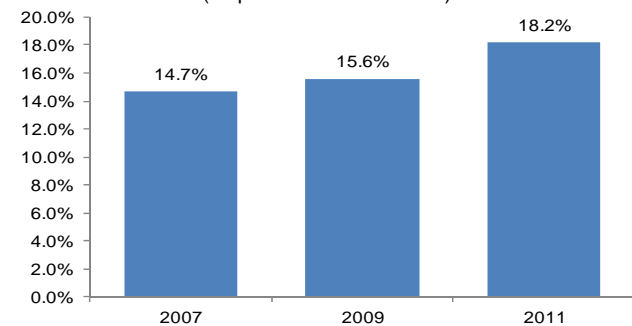
Office Products Market Growth Rate

(as per Penfold Research)



Officeworks Market Penetration

(as per Penfold Research)



Officeworks



**LOWEST PRICES
EVERYDAY**



Market Participants



- Highly fragmented
- Multiple competitors
- Commoditised products
- Variety of formats
 - Pure play online
 - Category specialists
 - DDS / Supermarkets
 - Category killers
 - Direct to market suppliers

Officeworks

LOWEST PRICES
EVERYDAY


Wesfarmers

Every Channel Capability



Customer Engagement



Internet



Social Media



'Traditional Media'
(e.g. TV, catalogues,
etc)



Digital Media
(e.g. EDMs, etc)



Apps



Call Centre Team
Members



Store Team
Members



B2B Sales Reps /
Account Managers



Every Channel Convergence

Online



Stores

- Seamless customer experience:
 - One price
 - Click & collect
 - Print & copy
 - In-store kiosks
 - In-store stock availability online
 - Returns policy
 - 30-day account
 - B2B account managers
- Wherever, Whenever, However customers like to shop



Every Channel Uniqueness

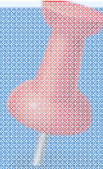


- Face-to-face service
- Services (e.g. print & copy)
- Convenience / immediacy
- Interactivity / classes
- Kids area, meeting rooms
- Click & collect
- Community involvement
- Convenience / ease of use
- Free same day delivery⁽¹⁾
- No hidden fees
- Mobile sites
- Social media
- Tailored websites
- Online visibility of store stock on hand
- Personal contact
- Guidance & help
- Convenience

¹ Order > \$55 before 11:00am

Every Channel Capability

Officeworks



Officeworks Store Network

LOWEST PRICES
EVERYDAY



- Well known & trusted brand
- 149 stores - 3 core footprints
- Retail & business customers
- 6 – 8 new stores per annum
- Ongoing store renewal / upgrade
- Format innovation

Officeworks



LOWEST PRICES
EVERYDAY


Wesfarmers

Every Channel Capability

Officeworks



www.officeworks.com.au

LOWEST PRICES
EVERYDAY



- Largest trading 'store'
- Mobile & social media enabled
- Continued investment driving:
 - 20 million visitors per year
 - Retail & B2B customer growth
 - Sales > \$150m per annum

Officeworks

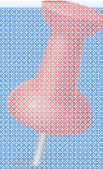


LOWEST PRICES
EVERYDAY


Wesfarmers

Every Channel Capability

Officeworks



Ph. 1300 OFFICE (633 423)

LOWEST PRICES
EVERYDAY



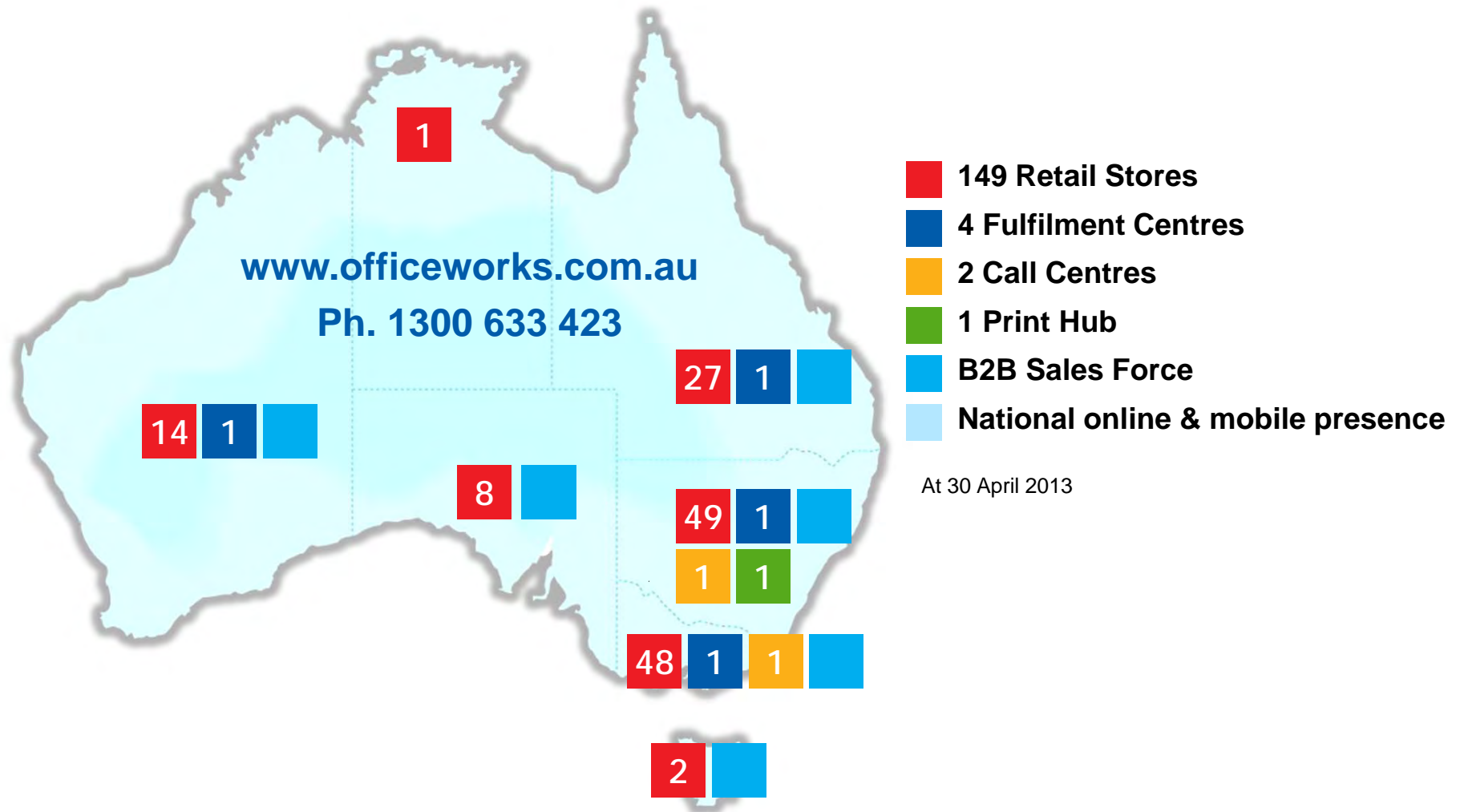
- Call centres
- Focus on outbound sales
- Rapidly expanding sales force:
 - Micro / small business
 - Medium-size business
 - Education

Officeworks



LOWEST PRICES
EVERYDAY

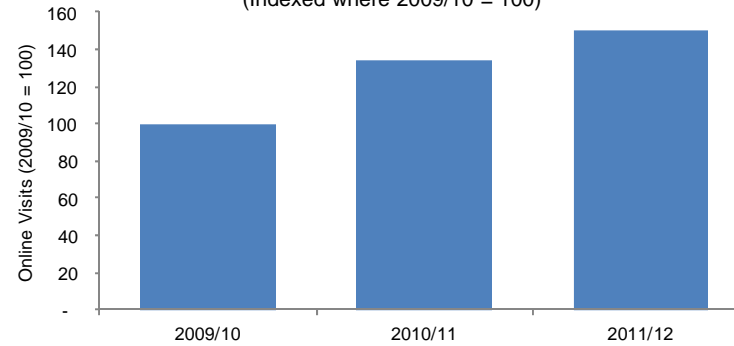
Every Channel Presence



Every Channel Performance

Online Visits

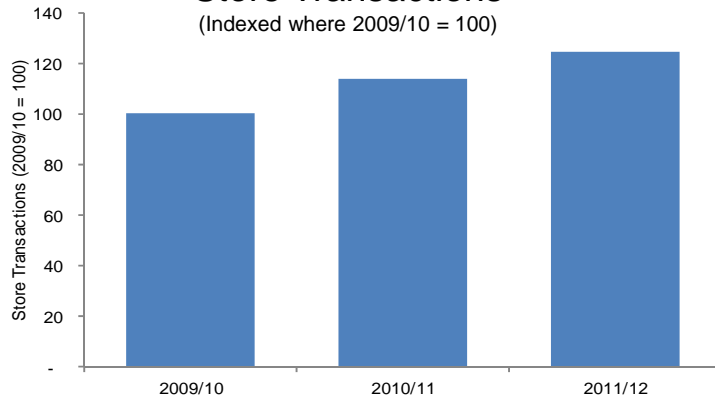
(Indexed where 2009/10 = 100)



Online Visits CAGR: 24.9%

Store Transactions

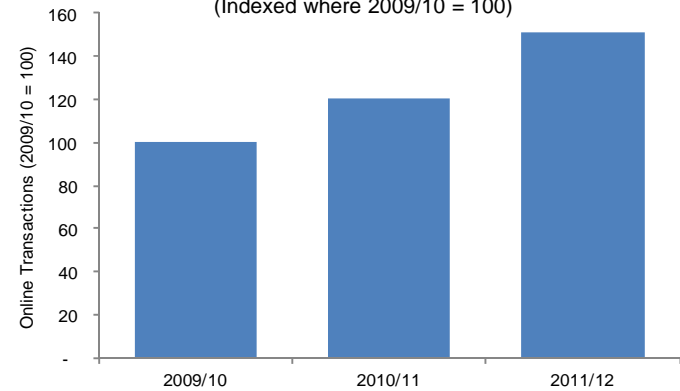
(Indexed where 2009/10 = 100)



Store Transactions CAGR: 12.1%

Online Transactions

(Indexed where 2009/10 = 100)



Online Transactions CAGR: 25.5%

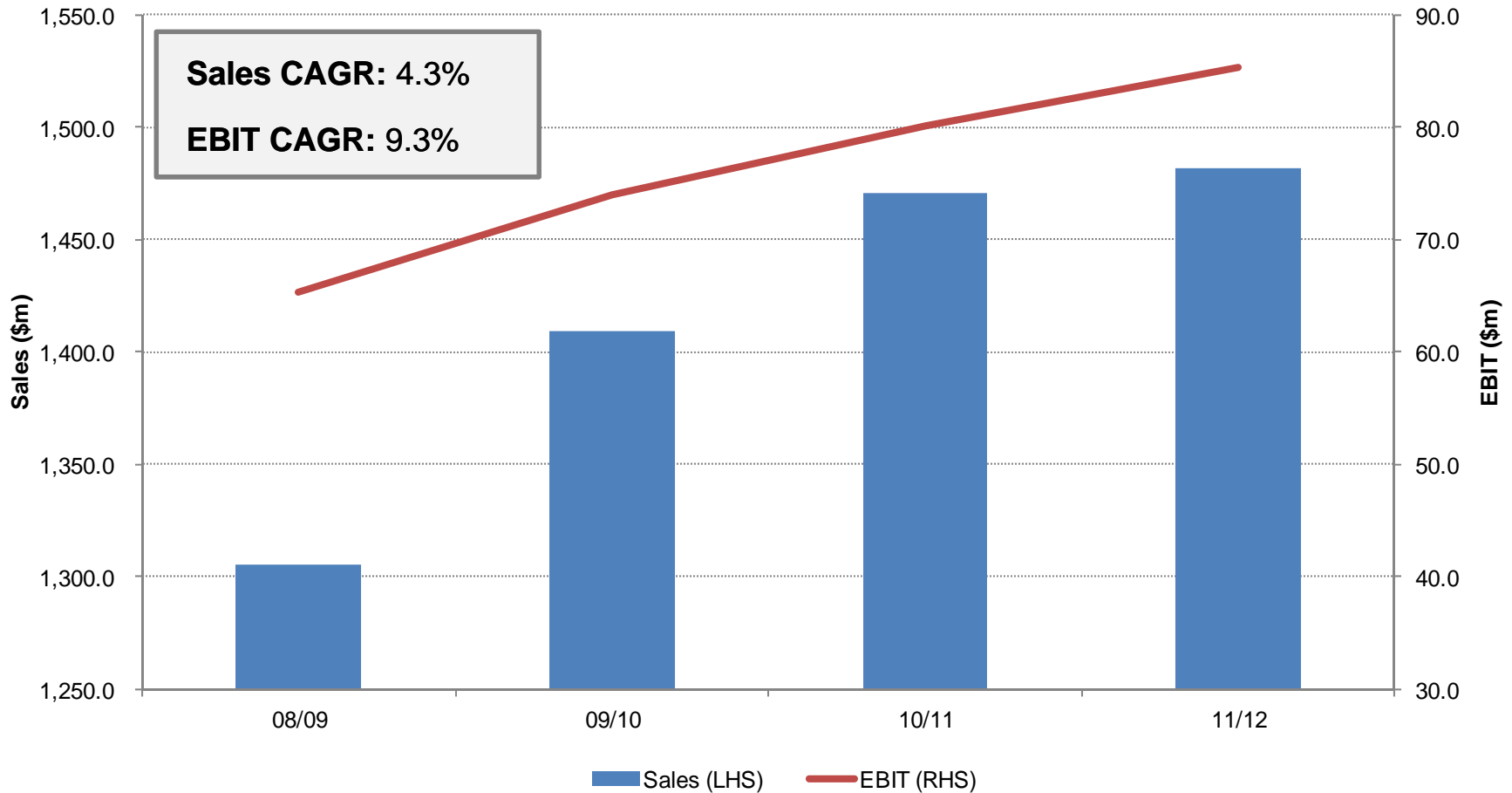
Officeworks



LOWEST PRICES
EVERYDAY


Wesfarmers

Sales & Earnings Growth



Return on Capital	5.7%	6.3%	6.7%	7.1%
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Strategic Agenda Update

- Continually enhance our customer offer
- Improve our customer service
- Team development & engagement
- Reduce complexity & CODB
- Drive profitable sales growth



Enhance our Customer Offer

- Extend reach in new & existing categories
 - Fashion stationery
 - Art & craft
 - Cabling
 - Mobile phones
 - Loose pens
- Improved merchandise flow in stores
- Enhance / expand Print & Copy
- Improve & grow furniture offer
 - Business furniture range
- Extend price leadership
- Store format innovation enabling better shopping experience



Improve our Customer Service

- Expand B2B service
 - Account Managers
- Further improvement in stores
 - Productivity enhancements
 - 'Doing more with what we've got'
 - Specialist knowledge in key categories (e.g. Print & Copy)
 - Right team, right time
 - Small-to-micro business focus



Team Development & Engagement

- 'Gain share' philosophy
- Targeted talent management
 - Career / succession planning
 - Future leaders program
 - Senior leaders development
- Safety, health & wellbeing focus
- Diversity programs



Reduce Complexity & CODB

- Incremental supply chain improvements
- Investment in stock management systems
- Back office cost savings & process improvements
- Re-invest hours saved into customer service
- Ongoing focus on removing costs & complexity

Drive Profitable Sales Growth

- Continued 'every channel' enhancement
 - Ongoing work to extend reach & ensure seamless integration
 - Network enhancement / expansion
 - Online investment
- Expected growth categories
 - Catering & cleaning
 - Tablets & smart phones
 - Furniture
 - Services
 - Print solutions & services



Trading Update

- Q3 Headline sales growth of 0.5%, with year to date sales growth of 0.4%
 - Strong transaction & unit growth
 - Good results given deflation & Q3 trading day anomalies
- First half EBIT growth of 11.8%
- Eleven new stores opened to the end of April
- Fifty per cent of the store network now trading under new format



Outlook

- Challenging market conditions
 - Continued uncertainty weighing on customer sentiment / business confidence
 - Competitive pressure on sales & margin
- Focus on
 - Executing strategic agenda
 - Growth opportunities to build sustainable satisfactory shareholder returns

Questions



Target

Stuart Machin
Managing Director





What we are going to do:
Make Target (*Tar-jay*) great again



Trading update

Target / 119

- Continuing to clear high inventory levels from the end of the third quarter
- EBIT for 2013 financial year expected to be between \$140 million & \$160 million
- Earnings affected by
 - Excess inventory
 - Late start to winter
 - Higher than expected shrinkage
 - Continued restructuring costs & CODB increases



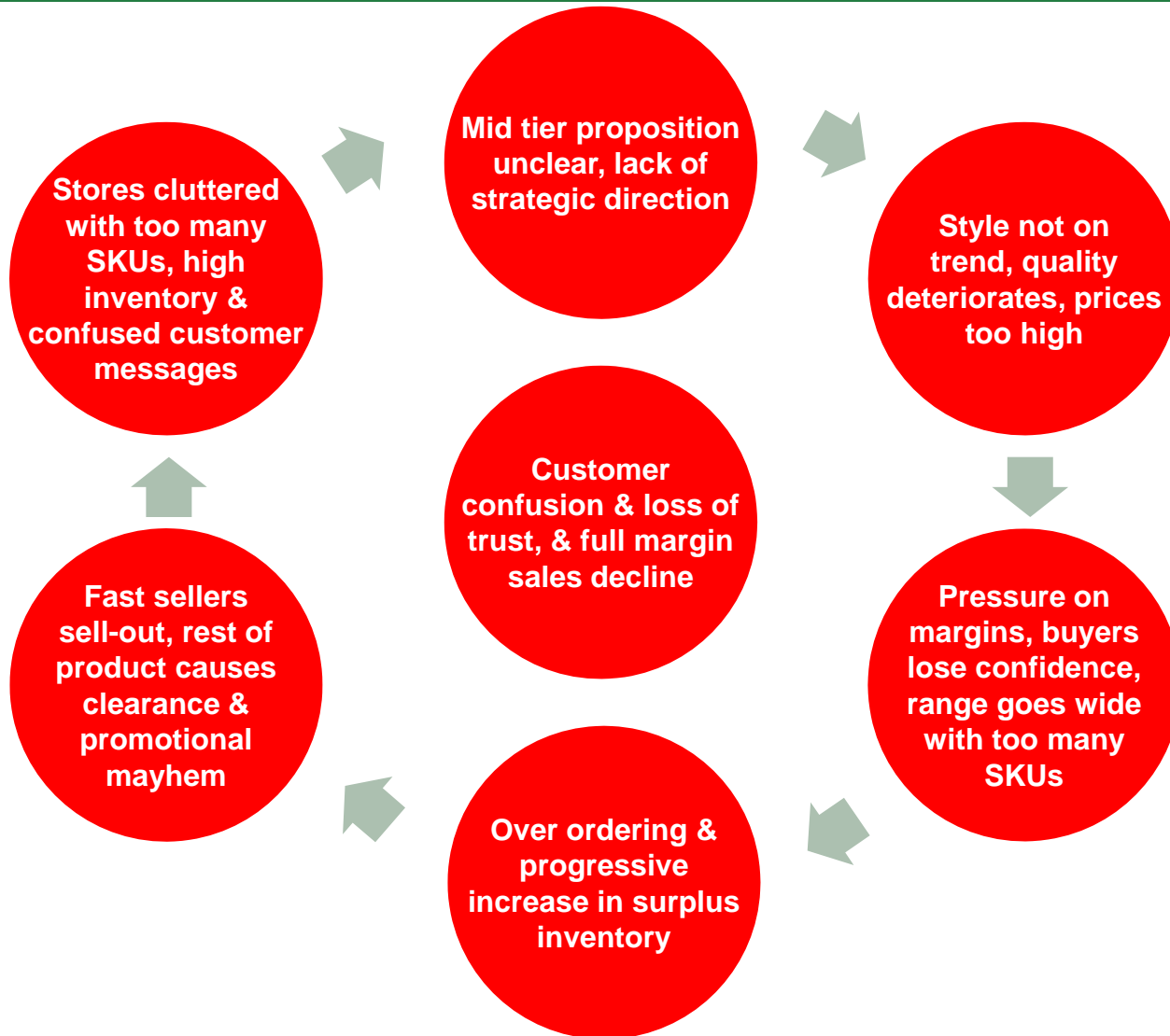
First six weeks: listening, learning & discovering

Target 120

- Shop floor walks & product reviews completed with all buyers
- Listened to hundreds of customers
- Met over 500 team members & every store manager
- Leadership team & buyers worked in a store for a week
- Reviewing inventory backlog line by line
- Assessing organisational capability



Current situation



The good news



- Iconic Australian brand
- Universal appeal: a store for every Australian
- Passionate team members
- Strong network of existing stores
- Online platform
- Increased direct sourcing



Strategy in development

Goal: 'Every Australian can love shopping at Target'

Mission: 'Delivering style & quality everyday at prices our customers trust'

Circle for success



Current Focus

People

- Turnaround team
- Organisational structure
- Stop consulting spend
- Engage with Suppliers

Product

- Inventory management
- Christmas & January sale
- Product review
- SKU reduction



Shops

- Clean up shops
- No queues
- Improved execution

Profit

- Pricing architecture
- Space & product profitability
- Continue development of supply chain & direct sourcing

Development of 5 year strategy

Questions



**Making Target
Great Again**

Kmart

Guy Russo



OUR VISION

Kmart 127



Where families come first
for the **lowest prices**
on everyday items

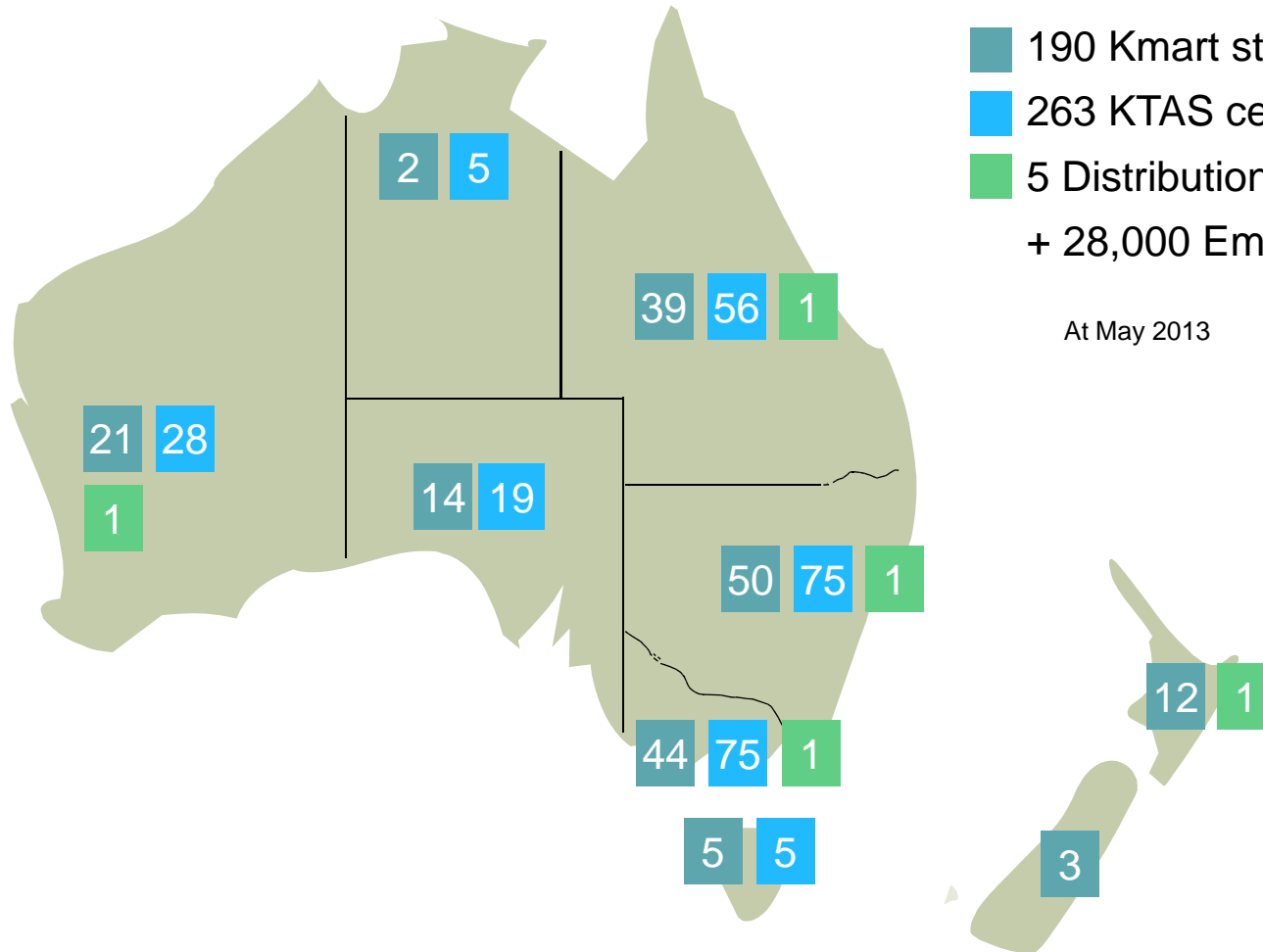


Kmart Today

Quick Facts

- 190 Kmart stores
- 263 KTAS centres
- 5 Distribution centres
+ 28,000 Employees

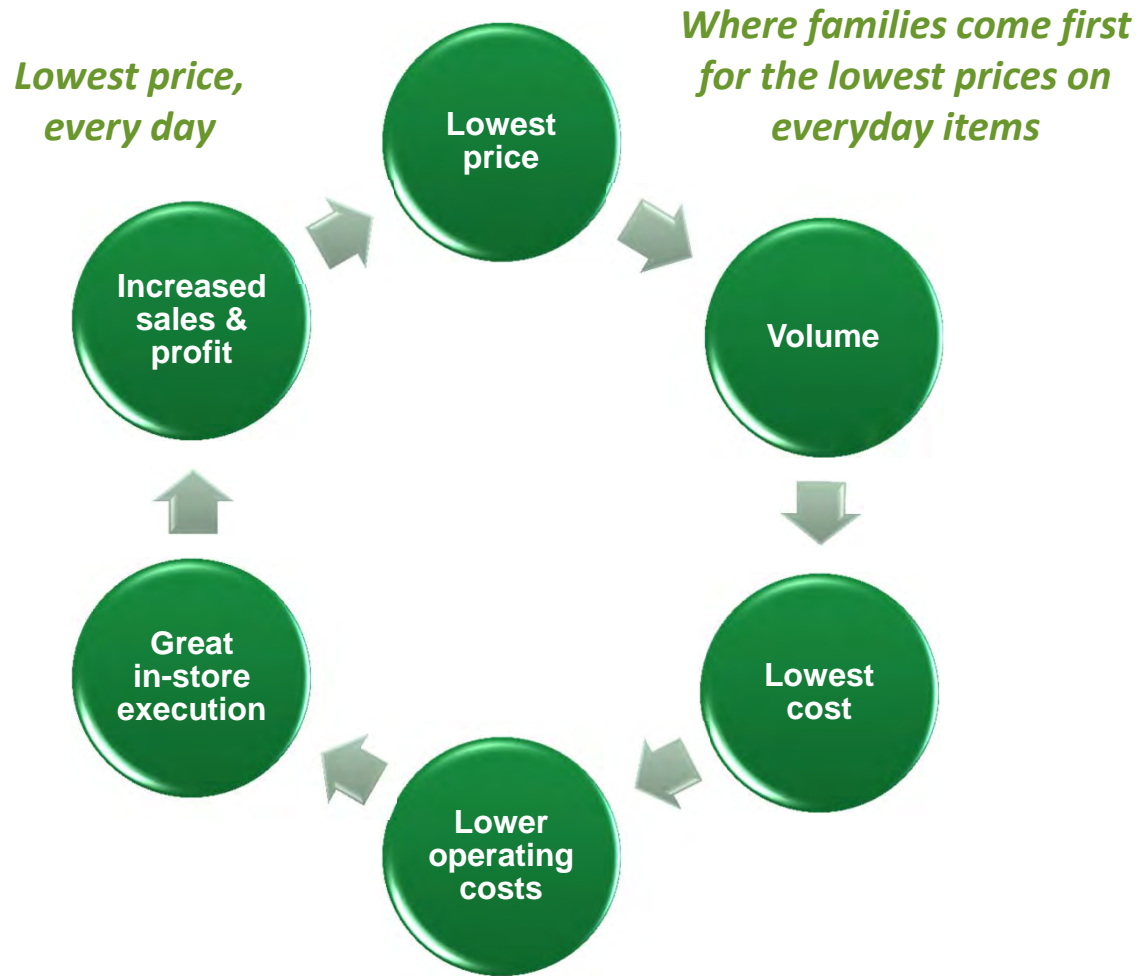
At May 2013



Kmart Strategy



Value Creation Model



2009/2010

- Reduced & simplified ranges
- Lower inventory
- Clear aisles
- Fewer promotions
- Tidier stores

2010/2011

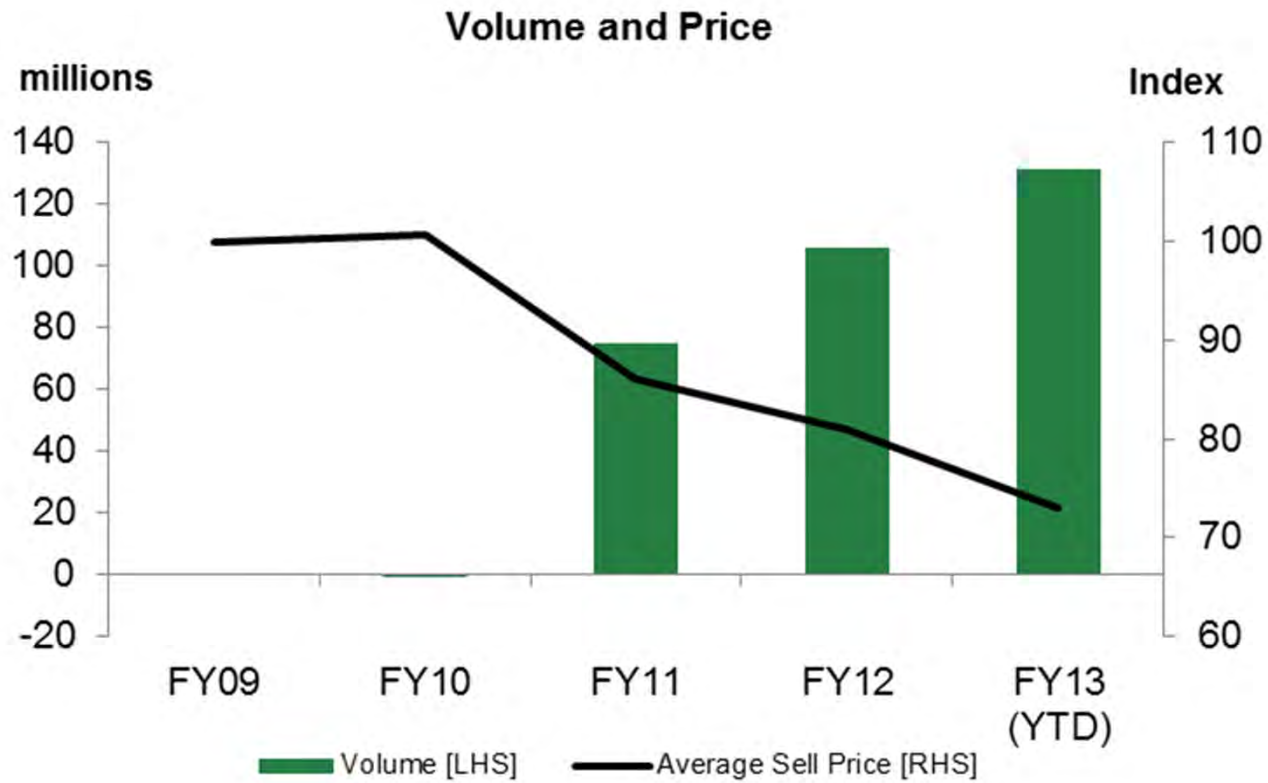
- Safety focus
- More disciplined execution
- Cleanliness
- Communicated to mum & family
- Expanded direct sourcing capability
- Dropped prices

2012/2013

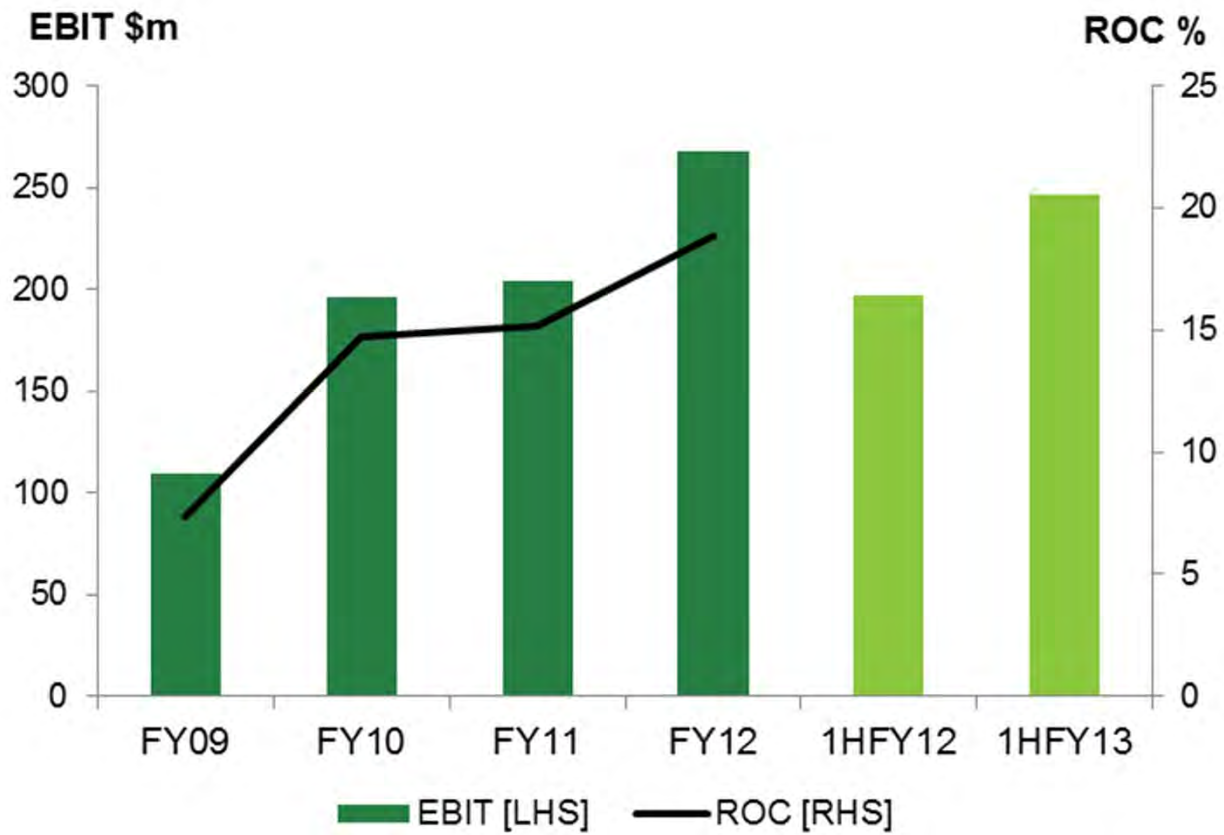
- Safety leadership
- Volume retailer
- Adaptable stores
- Operational excellence
- High performing culture
- Dropped prices

Move towards growth...

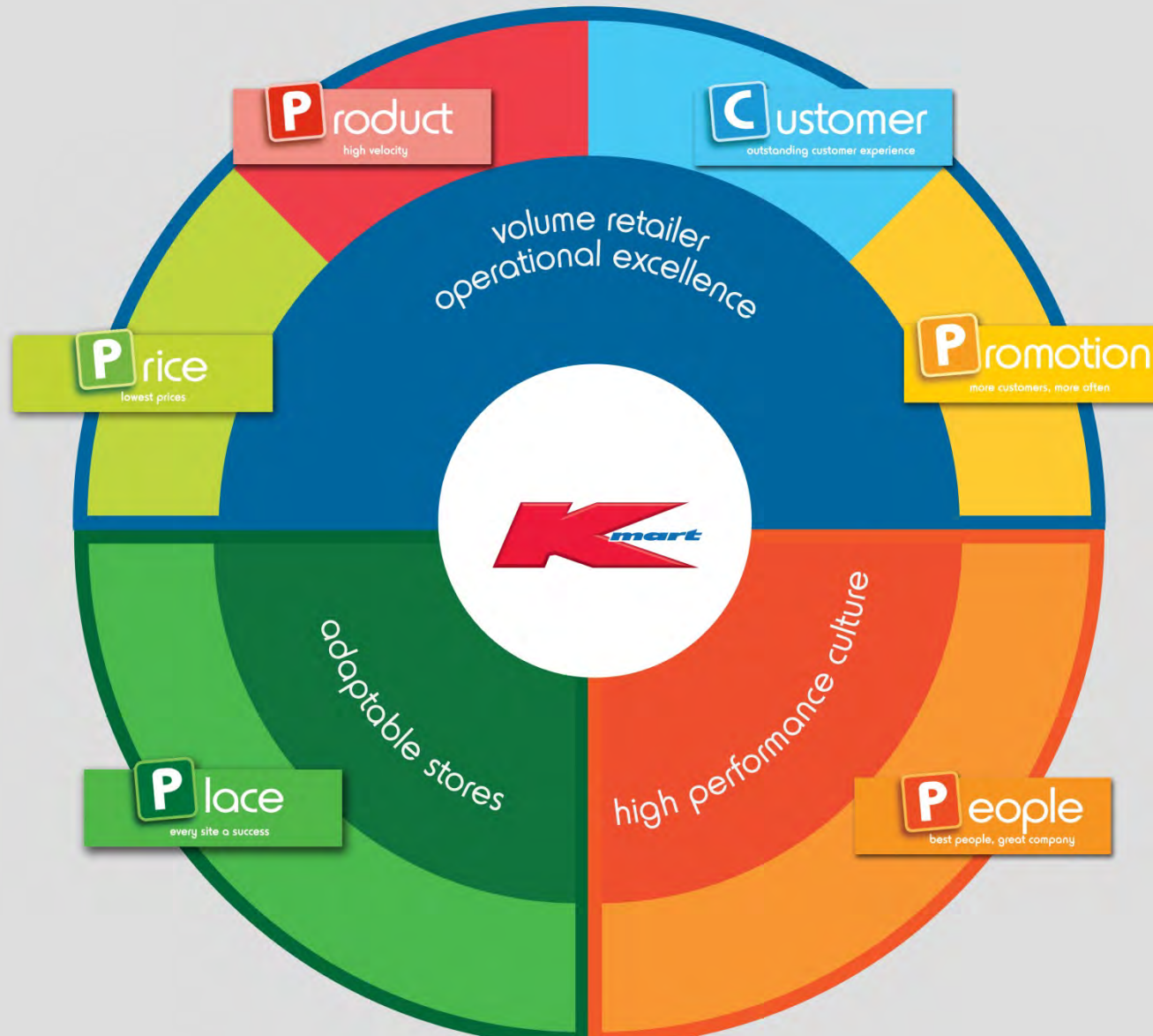
Cumulative customer metrics

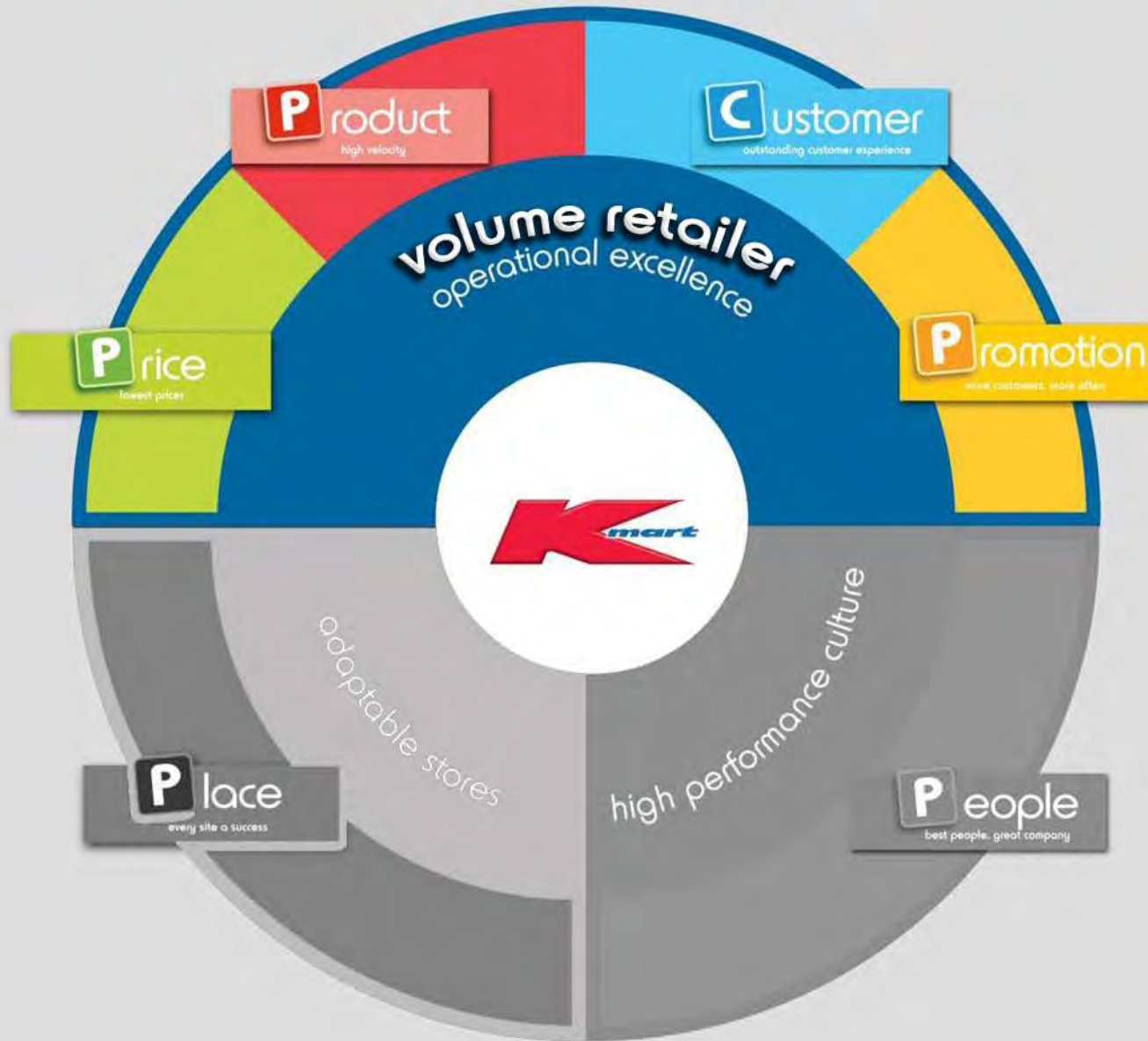


EBIT & ROC



Our Growth Strategy





Volume Retailer...



More desirable, own branded products



Expand growth categories



Continued focus on low prices & value



Kmart Australia Sourcing – 260 team members, five offshore offices



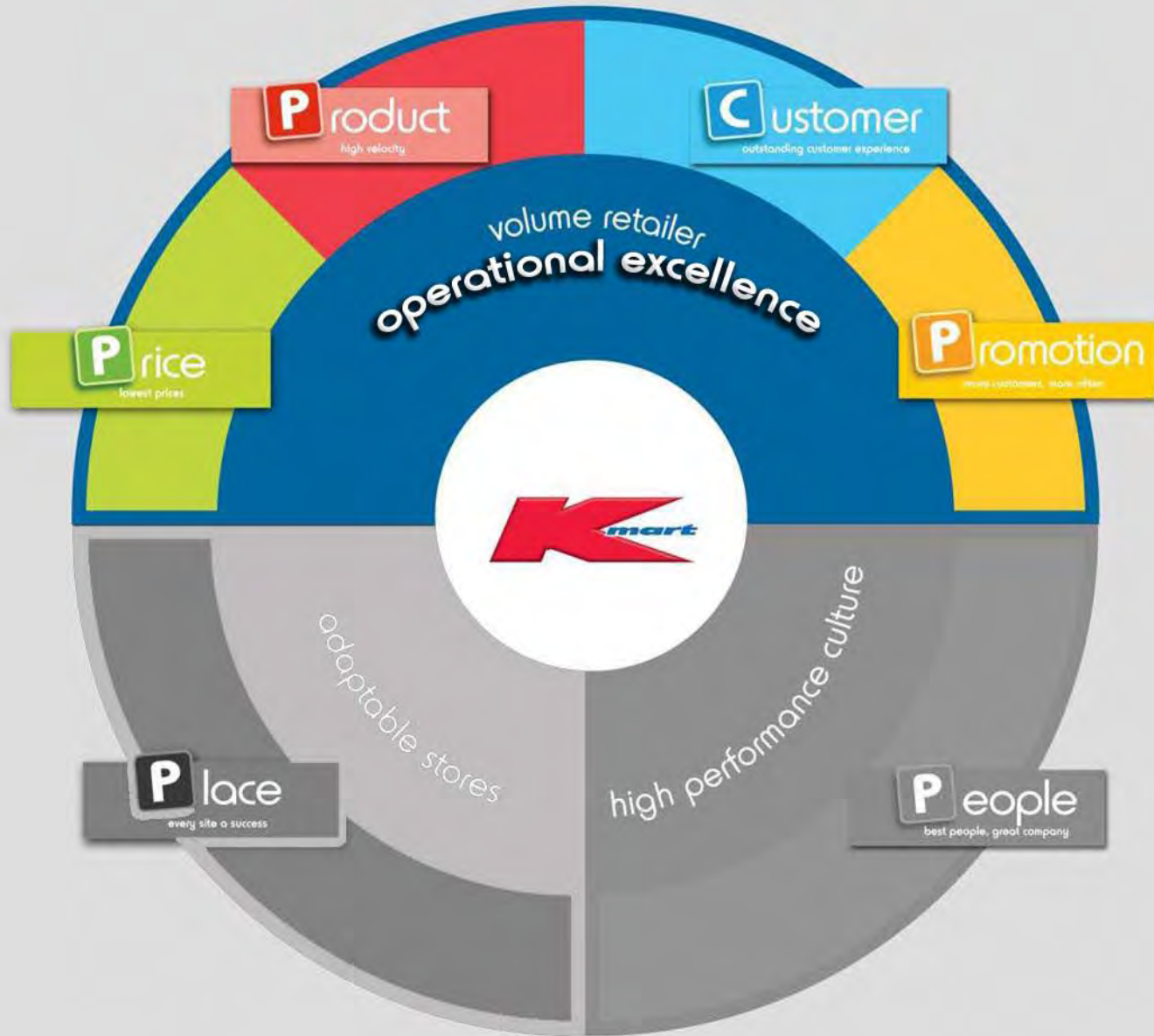
Sourcing

- Offshore team fully integrated into buying department
- Our retail prices & sourcing costs are internationally competitive
- Growth in volume has enabled access to suppliers of high volume international retailers
- Always looking for new markets
- Our codes of conduct & ethical sourcing & anti-bribery policies are directed at compliance with local laws on issues such as child labour, wages & benefits, working hours, health & safety & bribery



Connecting customers to Kmart



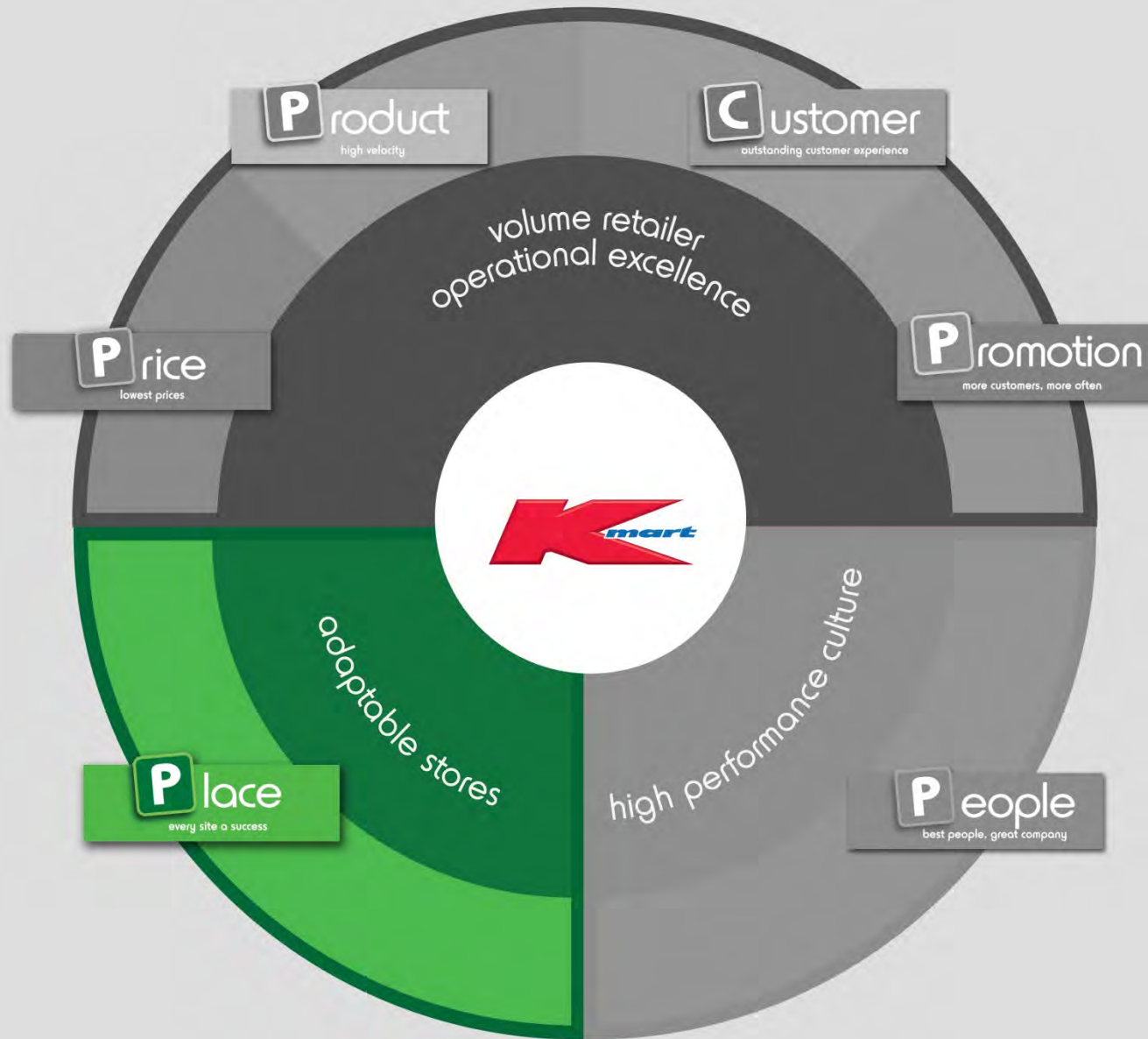


Execute the basics well



Improved productivity initiatives





Adaptable stores...



Single minded focus



Kids

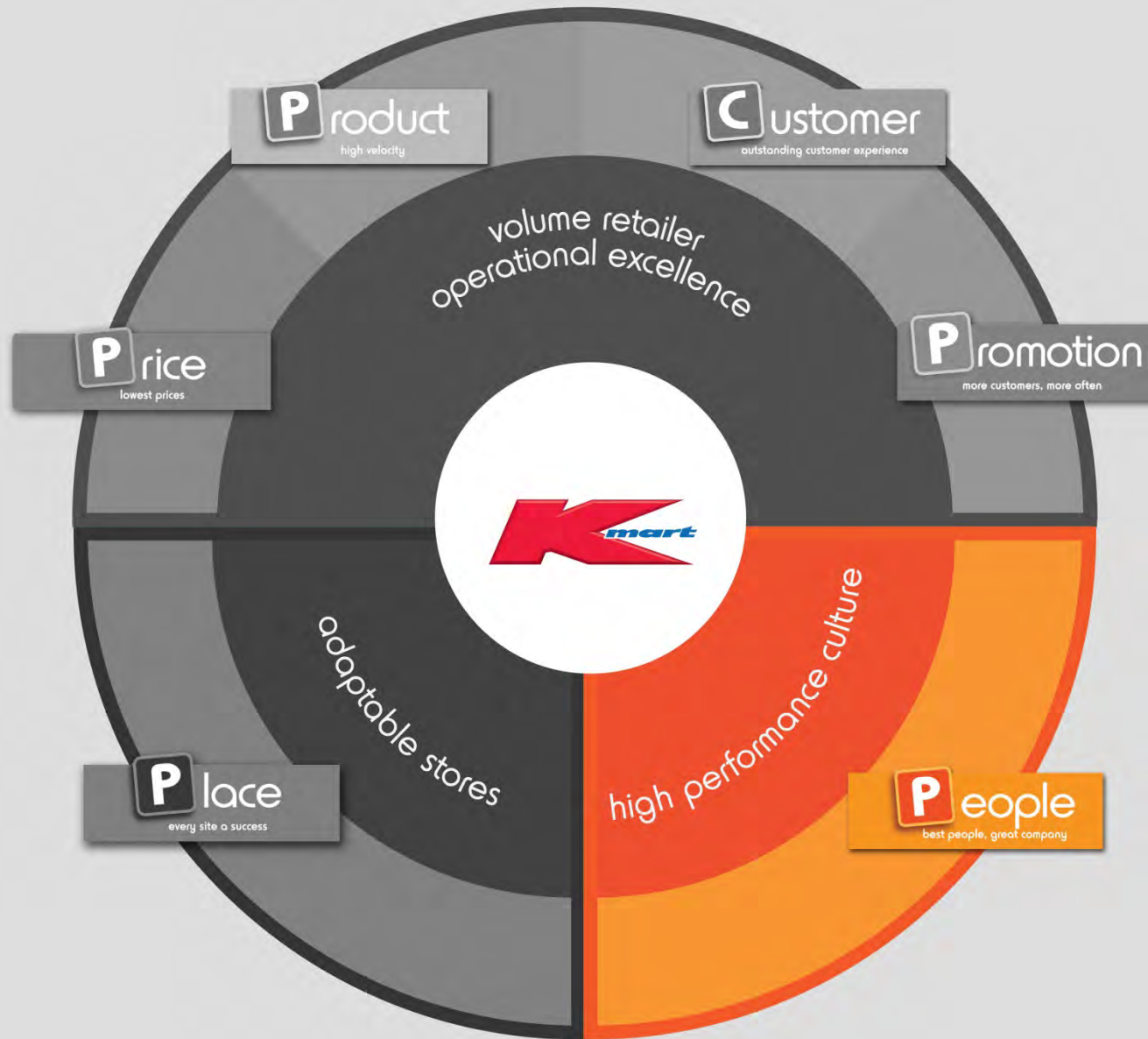


Home



Clothing





A high performance culture



Priscilla

Jen



Team members who thrive!



A great corporate citizen - Community

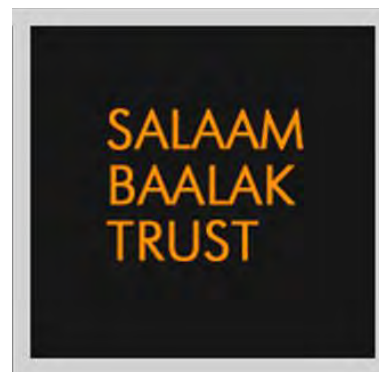
Australia



Global



China



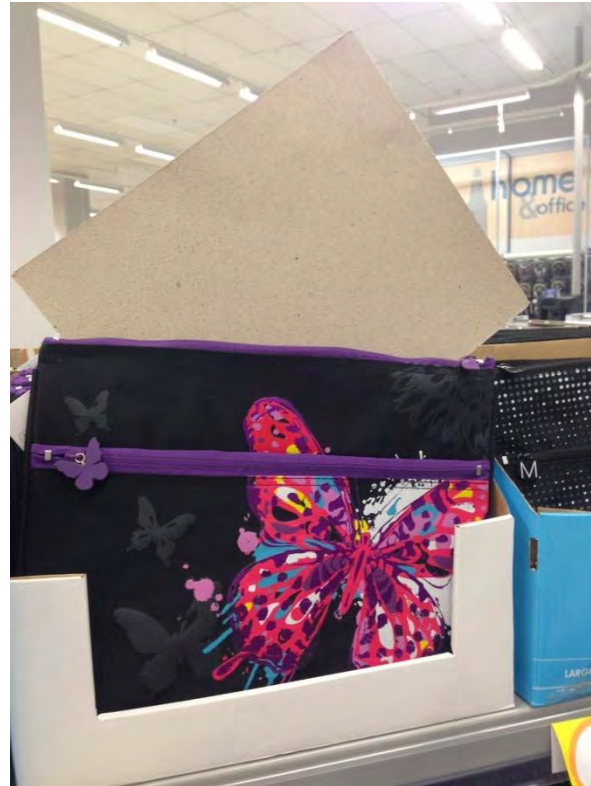
India



Bangladesh



A great corporate citizen - Environment





Our new kids event



Customer Insight : Available Everyday



Kmart Tyre & Auto Service

- Australia's largest retail automotive service, repair & tyre business
- Network of more than 263 stores & 1,300 team members
- Recently completed store reimage program
- Strong growth in car servicing
- Corporate Fleet opportunity



- Continue to connect customers with the new Kmart
- Lead on price & value
- Continue to source at lowest cost
- Improve stock flow & availability
- Drive a low cost culture
- Always focus on team safety



We've come a long way





Thank You !



Questions



Resources

Stewart Butel
Managing Director



Wesfarmers Resources - Overview

- Two world-scale coal mines
- Global markets with majority of exports to Asia
- Curragh QLD (100%)
 - Metallurgical coal for off-shore steel-making
 - Steaming coal for domestic power generation
- Bengalla NSW (40%)
 - Export steaming coal for Asia

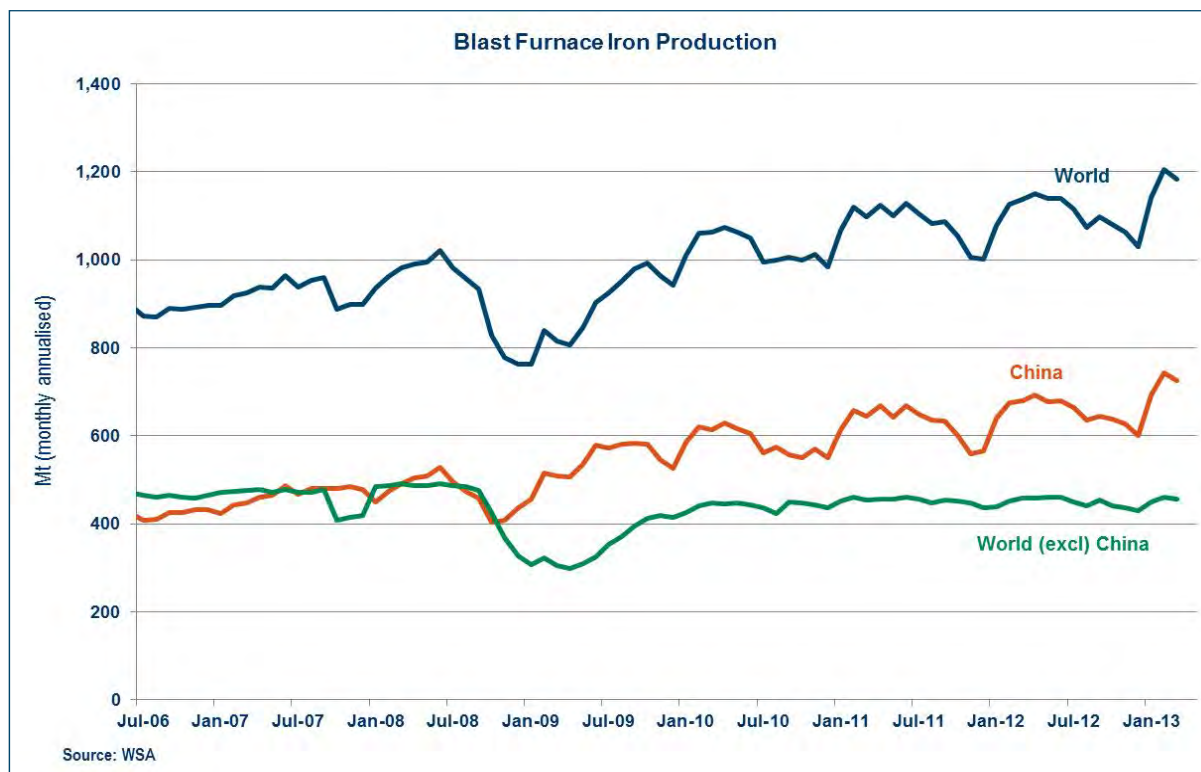


Global environment

- Continued challenging global trading conditions for steel mills
- Metallurgical coal supplies currently exceed steel production levels
 - Japan benefitting from weaker Yen
 - Growth in China & India moderating
 - Continuing poor demand in Eurozone
- Spot prices declined since April - June 2013 quarter pricing settlement
- Continued trend from steel makers towards lower quality coals
- US\$:A\$ exchange rate remains high
- Long-term metallurgical coal outlook fundamentals do, however, remain sound
 - Driven by demand growth in India & China

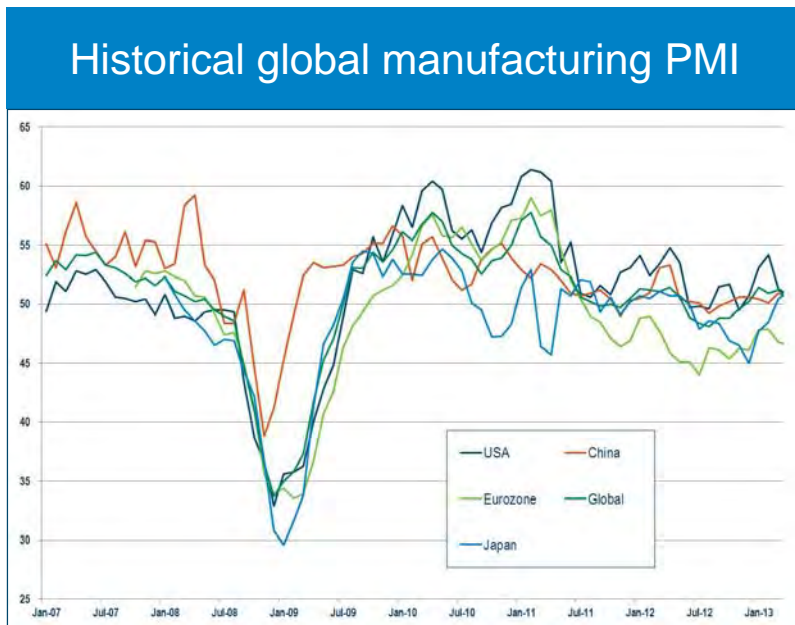
Steel manufacturing growth but challenges remain

- Global & Chinese steel production increasing
- Challenging global market conditions continue for steel mills

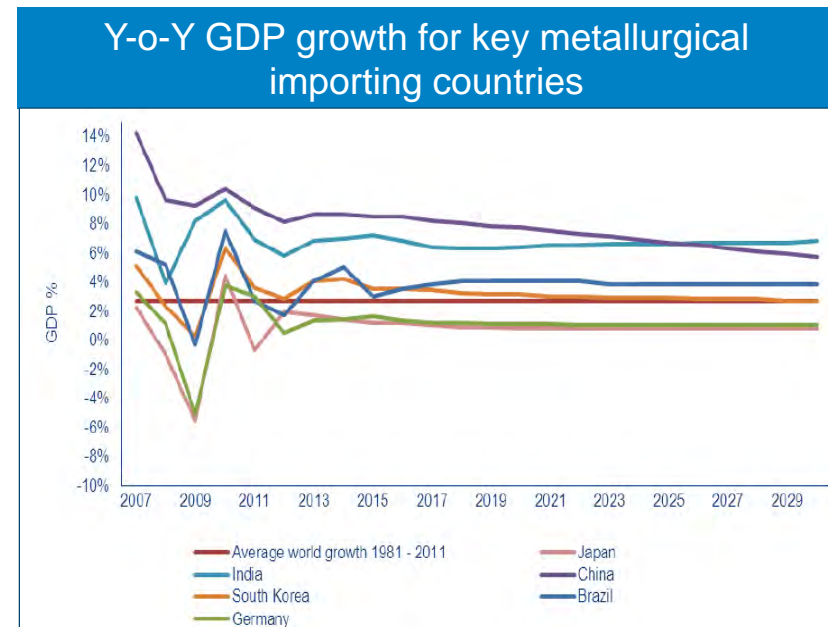


Near term indicators moderating, but strong long-term growth rates forecast

- Global forward indicators remain subdued – recent declines in Purchasing Managers Index
- Very strong long-term growth rates still expected for developing economies, notably China & India



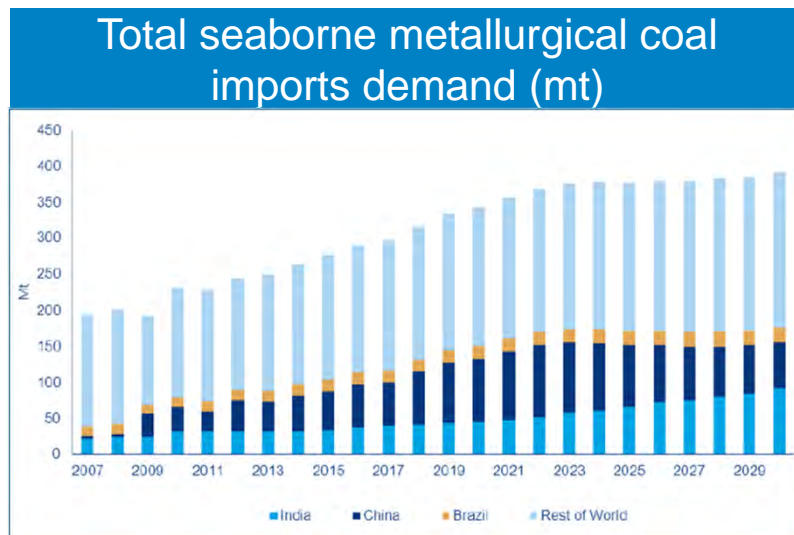
Source: Macquarie Research



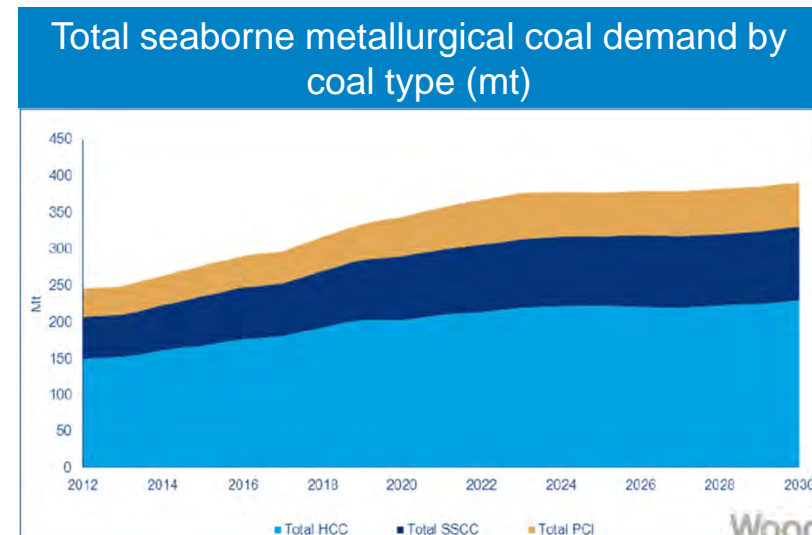
Sources: Wood Mackenzie, Macroeconomics

Metallurgical coal demand outlook to 2030

- Growth in emerging economies to drive steel demand
- Consequential metallurgical coal demand increase
 - China's seaborne demand forecast to peak at 100 million tpa in 2022
 - India's imports forecast to grow to 94 million tpa in 2030
- Growth across all product types

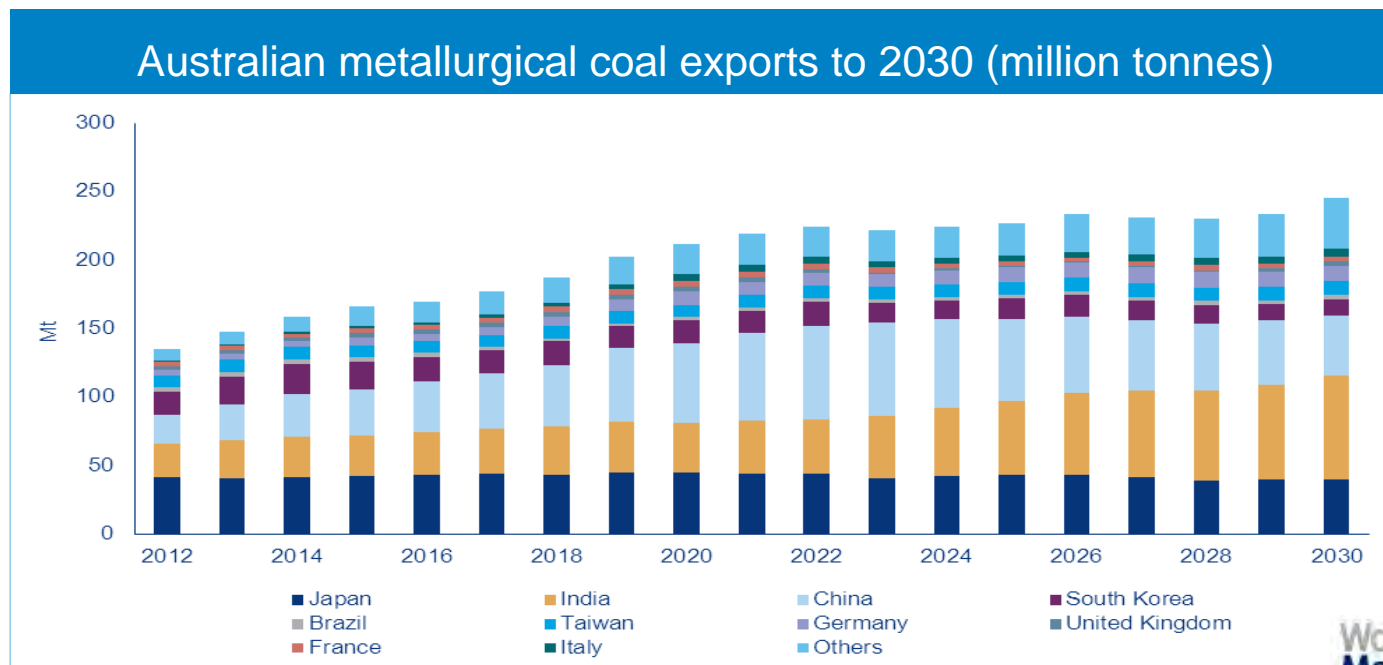


Source: Wood Mackenzie Coal Market Service



Metallurgical Coal – Australian export outlook to 2030

- Australian export growth of 115mt anticipated between 2012 & 2030
- Most significant volume increases into China & India
- Forecast assumes sustained Australian international cost competitiveness & infrastructure expansion

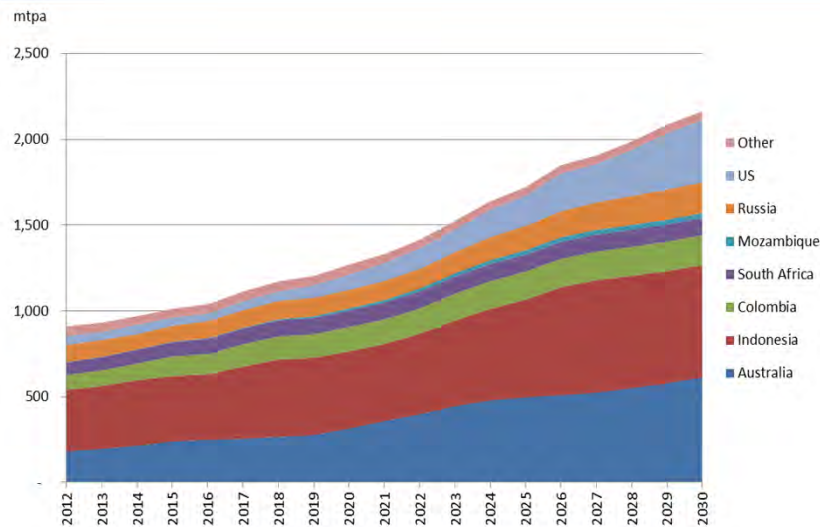


Source: Wood Mackenzie Coal Market Service

Steaming coal outlook to 2030

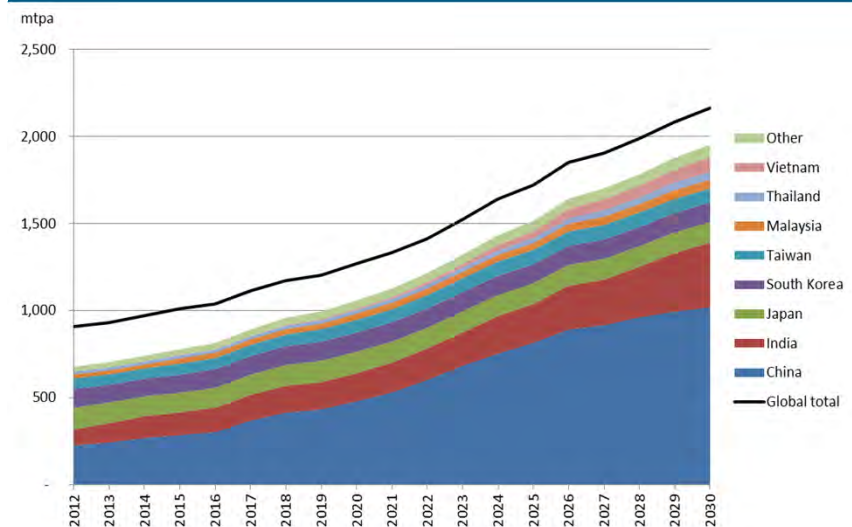
- Continued import demand growth anticipated from China & India
- Subdued demand expected from Taiwan, South Korea & the Eurozone
- Australian & Indonesian producers expected to compete as major suppliers

Global Thermal Coal – Export Projections



Source: Wood Mackenzie Coal Market Service

Asian Thermal Coal – Import Projections



Source: Wood Mackenzie Coal Market Service

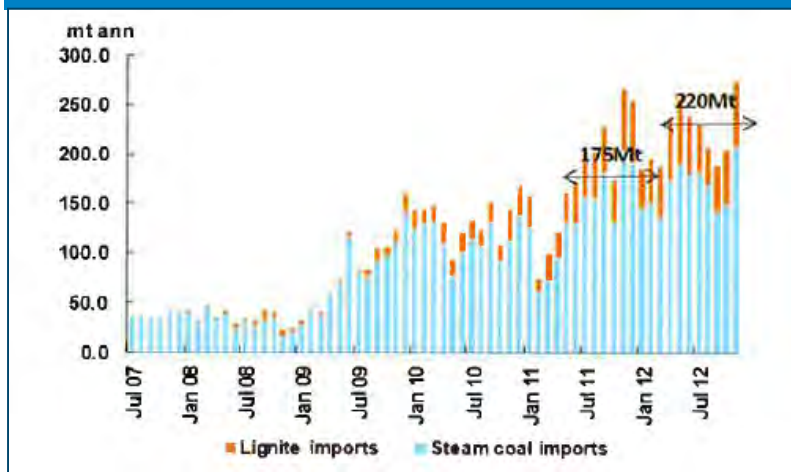
Wood
Mackenzie

Wesfarmers

China impact on coal market

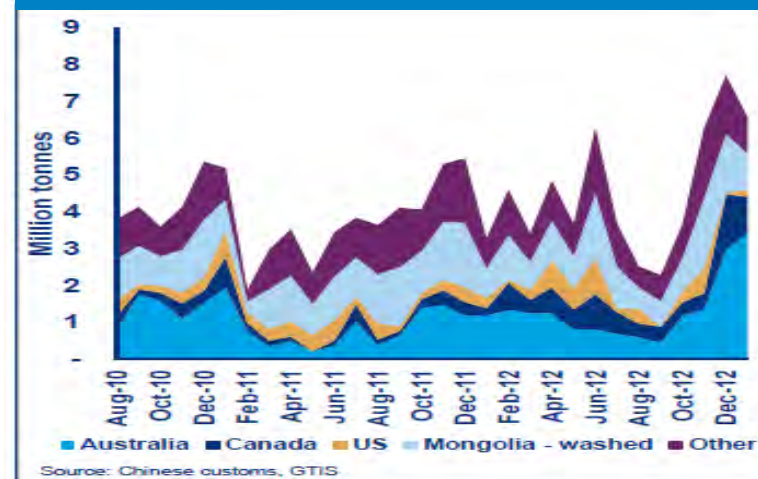
- China a key 'swing buyer' in the seaborne market
- Chinese demand is a major influence on floor spot prices for both steaming & metallurgical coal
- Chinese coal imports
 - Metallurgical 50mtpa
 - Steaming ~200mtpa

Chinese steaming coal imports



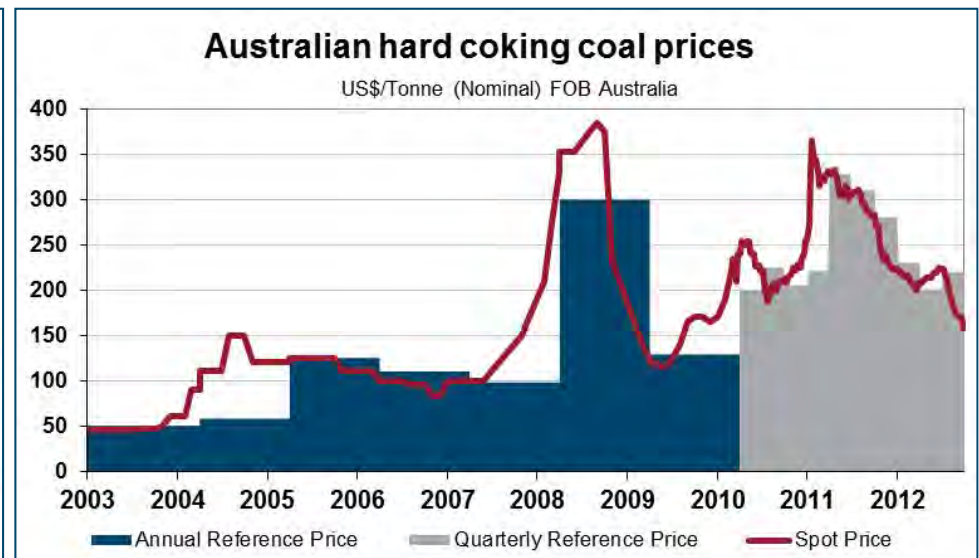
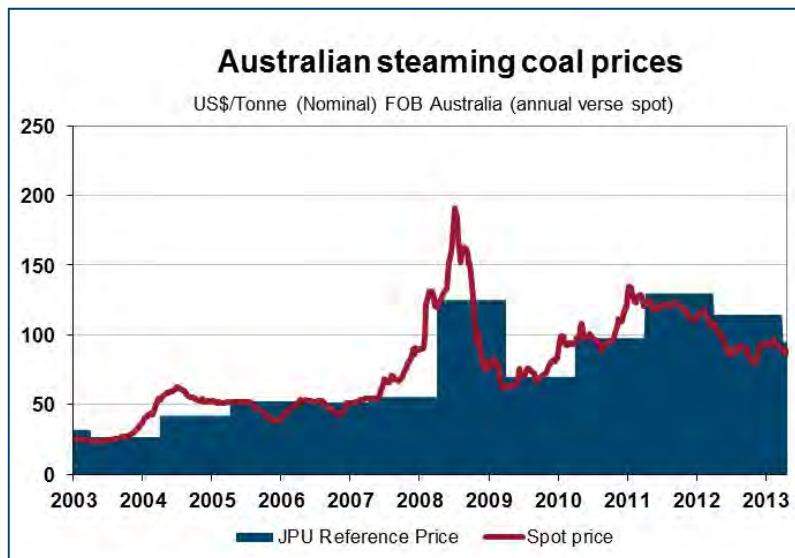
Sources: Macquarie Research, Sxcoal, McCloskey

Chinese metallurgical coal imports



Australian coal market prices

- US\$ coal prices have significantly weakened since 2011
- Impact exacerbated by continued high US\$:A\$ exchange rate
- Spot prices have declined since the April - June 2013 quarter pricing settlement



Cyclone Oswald January 2013 - Impact on Curragh coal flow

- FY13 export sales forecast to be between 7.2 to 7.6 million tonnes
 - Production constrained by rail/port outage & stockpile capacity
 - Four weeks direct impact on rail capacity & reduced availability thereafter
 - Record met coal stockpile build at site – 380,000 tonnes
 - Recent Curragh North conveyor availability issues



Curragh mine stockpiles: February 2013

Resources – FY13 outlook

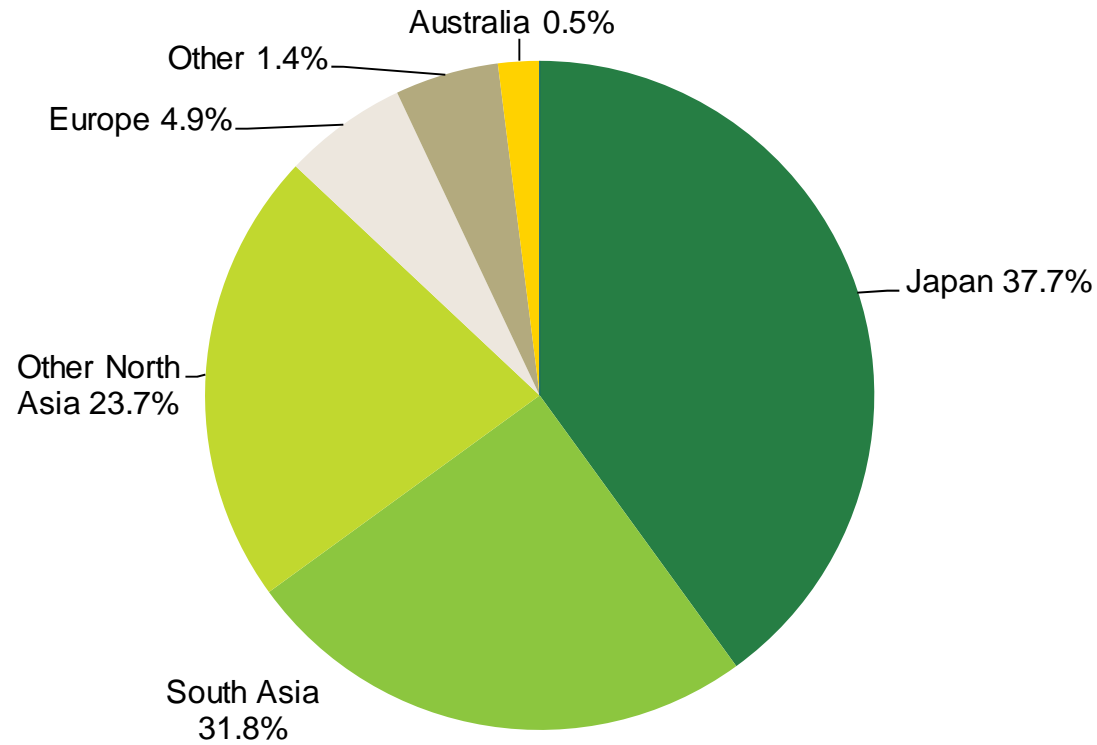
- Forecast Curragh metallurgical coal sales of 7.2mt – 7.6mt
- Estimated full year sales mix (Hard 41%; Semi-Hard 29%; PCI 30%)
- Continuing strong mine cash cost focus
- Full-year Stanwell royalty estimate of \$150 - 160 million at US\$:A\$ of 1.00

Coal production volumes to 31 March 2013

Mine	Beneficial Interest	Coal Type	YTD ended ('000 tonnes)	
			Mar-13	Mar-12
Curragh, QLD	100%	Metallurgical	5,402	4,872
		Steaming	2,395	2,174
Bengalla, NSW ⁽¹⁾	40%	Steaming	2,194	1,576
Total⁽¹⁾			9,991	8,622

¹ Wesfarmers attributable production

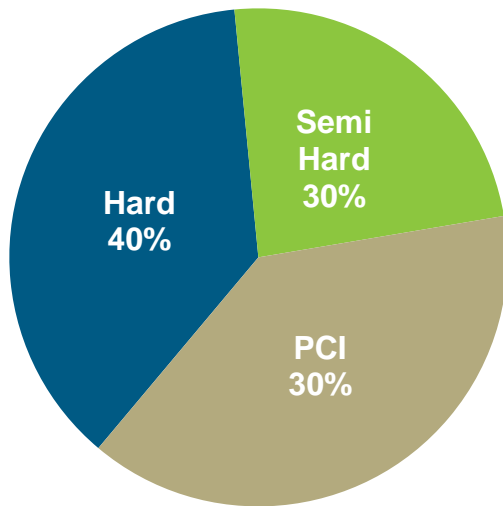
Metallurgical coal sales by destination FY13¹



¹ Forecast for the 12 months to 30 June 2013

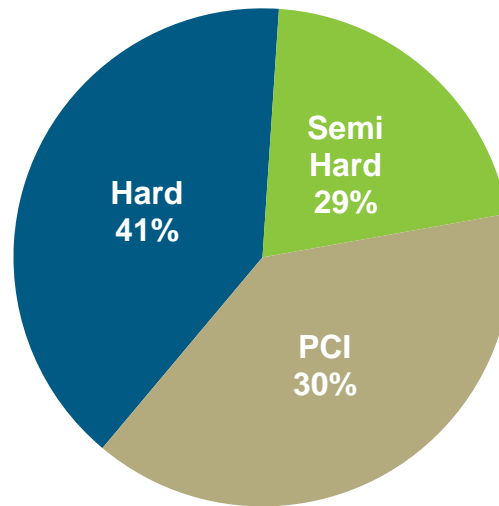
Curragh export metallurgical sales product mix

- Product mix affected by steel mill preference for lower quality coals



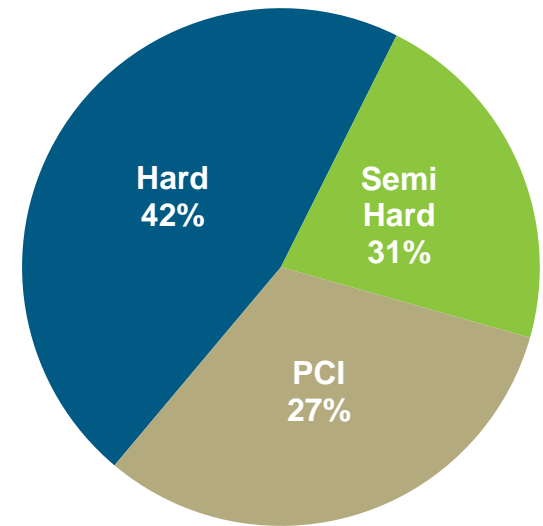
FY12

9 months to 31 March



FY13 forecast

7.2 – 7.6 million tonnes



FY14 outlook

7.5 – 8.5 million tonnes



FX hedging profile: 17 May 2013

CURRAGH			BENGALLA		
Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate	Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2014	741	0.91	2014	158	0.90
2015	394	0.87	2015	120	0.87
2016	242	0.90	2016	88	0.89
2017	30	0.87	2017	15	0.87

- Incremental hedging activity is continuing in line with market conditions

Strategy	Comments
<p>PRODUCTIVITY & MINE OPTIMISATION Maximise shareholder value from reserves over time</p> <ul style="list-style-type: none"> • cost control • mine optimisation 	<p>Curragh</p> <ul style="list-style-type: none"> • 8.0 - 8.5mtpa export capacity <p>Bengalla</p> <ul style="list-style-type: none"> • 9.3mtpa ROM capacity • Sustained international cost competitiveness is key • Target of sustainable lowest cost quartile mine cost structures for both HCC (Curragh) & export steaming coal (Bengalla)
<p>MINE EXPANSION Expand existing mines</p>	<p>Next-stage expansion options for both mines, with feasibility studies completed</p> <ul style="list-style-type: none"> • Curragh: expandable to 10mtpa export capacity • Bengalla: expandable to 10.7mtpa ROM capacity <p>Investment subject to market conditions & improved outlook</p>
<p>PRODUCT EXTENSION & MARKET REACH</p>	<ul style="list-style-type: none"> • Evaluate acquisitions that offer economies of scale or downstream benefits • Counter-cyclical investment timing may present opportunities
<p>SUSTAINABILITY</p>	<ul style="list-style-type: none"> • Improved safety performance • Environmental performance • Community engagement



Productivity – Sustained focus on mining cost reduction initiatives at Curragh

Resources

183

- Focus on internal drivers of mining costs
 - Operational efficiency/productivity improvements across all of overburden, coal mining, CHPP & maintenance activities
 - Supplier & contractor rationalisation
 - Resource optimisation & coal flow
 - Minimisation of work-in-advance ahead of coal exposure
- External impacts
 - Tight labour market conditions & broader industry cost pressures easing
 - Offsite costs impacted by:
 - State royalties (Queensland rates increased in FY13)
 - Carbon tax (commenced FY13)

OVERBURDEN
REMOVAL



COAL
MINING

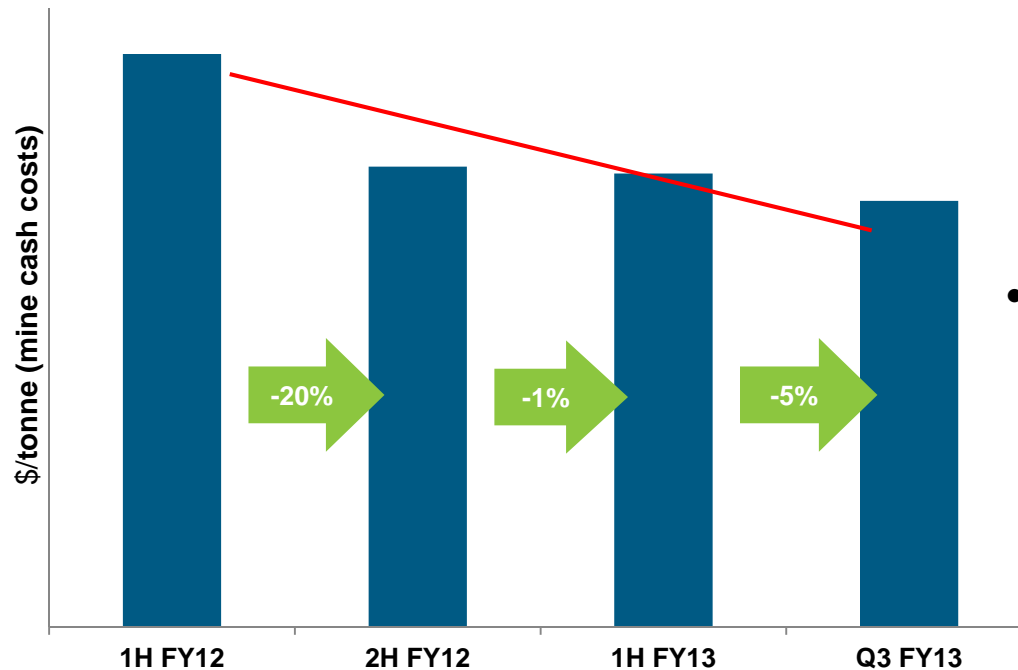


COAL
PROCESSING



Curragh mine cash costs – progress update

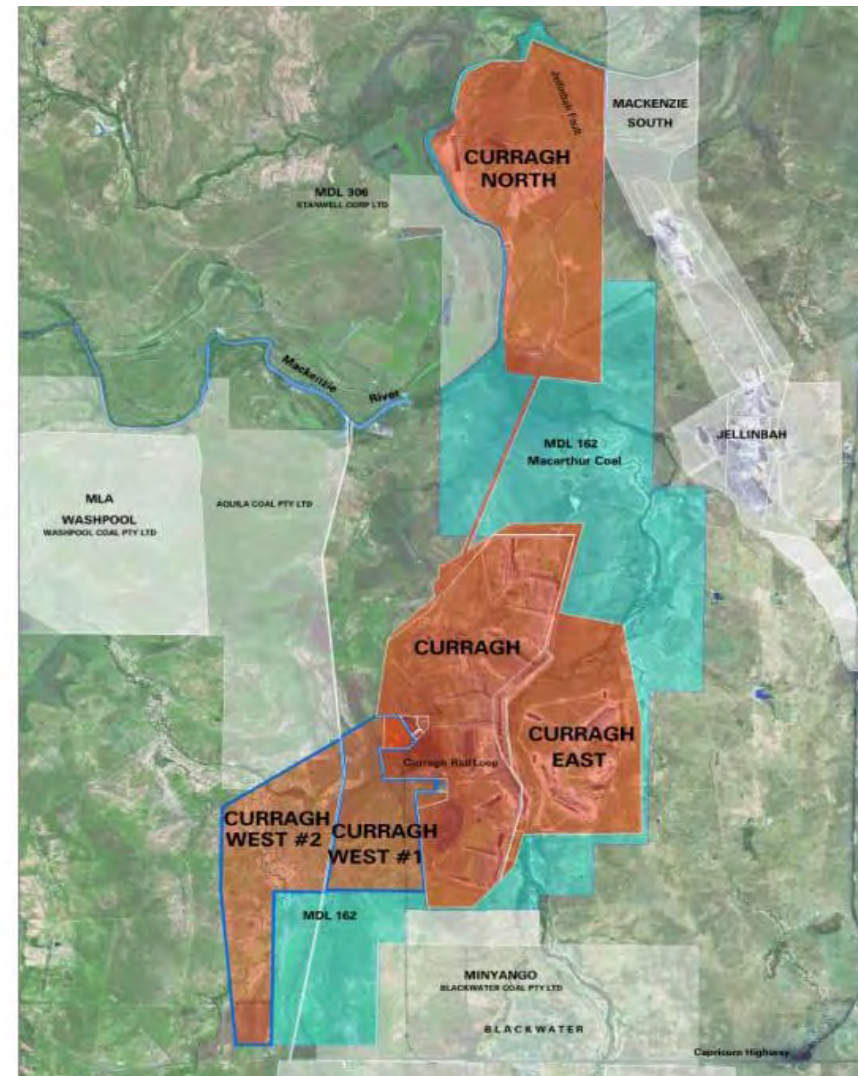
- Achieved unit mine cash cost reduction exceeding 25% in Q3 FY13 (from 1H FY12 peak)
- Targeting a FY14 cost profile that embeds a 20% reduction (from 1H FY12 peak)



- Cost reductions achieved by:
 - Cycling of flood related costs (increased truck & shovel overburden removal, water pumping etc)
 - Deferral of overburden activity in advance
- FY14 cost reduction sustained by:
 - Reduced contractor activity
 - Optimised mine design planning
 - Operational flexibility/productivity post commissioning of second CHPP
 - Engagement with all mine suppliers

Curragh expansion to 10mtpa

- Investment decision & timing will depend on market conditions
- Feasibility study (FS) complete
 - Mining & CHPP studies
- Potential to expand Curragh to 10mtpa export capacity
 - Wiggins Island port capacity secured
 - Additional rail capacity secured
 - Additional overburden removal & coal mining capacity required



Curragh – Wiggins Island export terminal

- Construction of Stage 1 of WICET (27mtpa) underway
- Commissioning forecast for 1H CY2015
- Curragh share of capacity is 1.5mtpa
- Curragh above & below track rail capacity secured
- Capacity underpins potential expansion of Curragh to 10mtpa export capacity



Bengalla expansion to 10.7mtpa ROM

- Investment decision & timing will depend on market conditions
- Stage 2 expansion to 10.7mtpa ROM
 - Feasibility study completed
 - Rail & port capacity secured
 - Utilises surplus CHPP capacity constructed as part of Stage 1 expansion



Note: 10.7mtpa Run-of-Mine ("ROM") production is on 100% basis;
Wesfarmers' share of JV is 40%

- Export markets
 - Global economic uncertainty resulting in variable short term metallurgical coal demand
 - Impact on Australian producers exacerbated by high A\$:US\$ exchange rate
 - Continued low export coal prices anticipated in 1H FY14
- FY14
 - Forecast Curragh metallurgical sales of 7.5 – 8.5mtpa (HCC 42%; Semi-Hard 31%; PCI 27%)
 - Stanwell royalty anticipated to be in the order of A\$115 - \$125 million assuming A\$:US\$ parity
 - Continuing & prioritised focus on cost minimisation

Outlook (cont.)

- Near term outlook remains challenging but strong mine fundamentals
 - Long life mines with excellent infrastructure
 - Long term rail & port access in place
 - Long term customer relationships
- Growth
 - Feasibility studies for mine expansions complete
 - Investment decision & timing will depend on market conditions
 - Continue to evaluate counter-cyclical opportunities

Questions











Chemicals, Energy & Fertilisers

Tom O'Leary
Managing Director



Business overview

	Business	Geography	Sector	Key Customers
	Ammonia	WA	Nickel, internal	BHPB, Minara, AN, SC, Fertilisers
	Ammonium Nitrate (AN)	WA	Iron Ore, Gold	Dyno Nobel, Downer, Rio Tinto, Orica
 (50%)	Ammonium Nitrate (AN)	Qld	Coal	BMA, AngloCoal, Rio Tinto
 (75%)	Sodium Cyanide (SC)	WA/Global	Gold	Newmont, Barrick, AngloGold
	PVC Resin / Specialty Chemicals	Vic/Aust	Construction	Iplex, Vinindex, Pipemakers
	Energy Retailing, Gas Production & Distribution	WA/Aust	Residential, Transport, Industrial	Gas distributors, resources, engineering, residential, leisure, autogas, transport, power generation
 (40%)	Gas Production & Distribution	WA/NT	Industrial & commercial	Tronox, BHP Nickel West, BOC, oil & gas, gold mining
	Fertilisers	WA	Agriculture	Landmark, independent distributors

Health, safety & the environment

Health & Safety

- Improved health & safety performance through strong investment in equipment & training
- New approaches to safety leadership & culture in place
- Continued focus on importance of process safety

Environment

- Continued investment in abatement technology in AN plants (CO2 equivalent emissions)
- Improvements in energy efficiency & minimisation of water use across all businesses



SAFE 
PERSON • PROCESS • PLACE
Be a safe person, use a safe process, create a safe place.

Market update – Chemicals

Ammonium Nitrate

- Iron ore production continues to drive growth in demand for Explosive-grade Ammonium Nitrate (AN) in Western Australia (WA)
 - 13% p.a. over past five years
- Medium to long term outlook for iron ore production remains strong
- Flexibility to place excess production, when available, into export market or fertilisers (Flexi-N)



Market update – Chemicals

AN3 expansion

- Construction well advanced to expand current production capacity from 520ktpa to 780ktpa
- On track to be operational during H1 CY14
 - All modules on site & in place
 - Major lift program complete
 - Structural steel, equipment, vessels, heat exchangers & piping being erected
 - Electrical work progressing to schedule
 - Majority of connections to existing plants complete



Market update – Chemicals



May 2012

Site as at May 2013

- *Nitric acid tank*
- *Absorber tower*
- *Cooling tower*



Market update – Chemicals



Scrubber, Prill Tower



Absorber tower

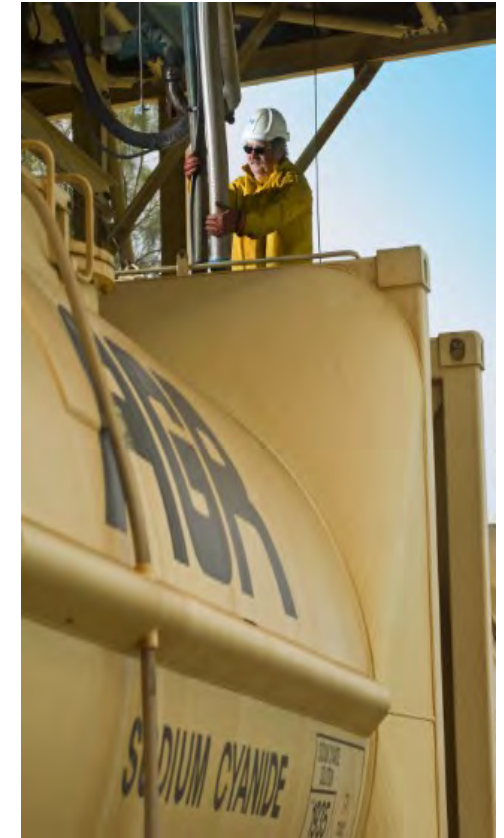
Market update – Chemicals

Ammonia

- Stable demand from nickel customers, notwithstanding low nickel price & high AUD, with excess product consumed by AN business
- Increasing leverage to international ammonia pricing

Sodium Cyanide

- Demand for solution from WA based gold producers remains strong
- Work has commenced on expansion of Kwinana plant
 - Increase solution capacity from 64,000 tpa to 78,000 tpa & solids capacity from 34,000 tpa to 45,000 tpa
 - Projected completion 1H CY14



Market update

Kleenheat Gas

- Domestic market conditions for LPG remain subdued
- LPG production economics remain challenged
- Launched natural gas retail business in Southwest WA
 - Low cost business model designed to deliver price savings to customers
 - Performance since launch in-line with expectations



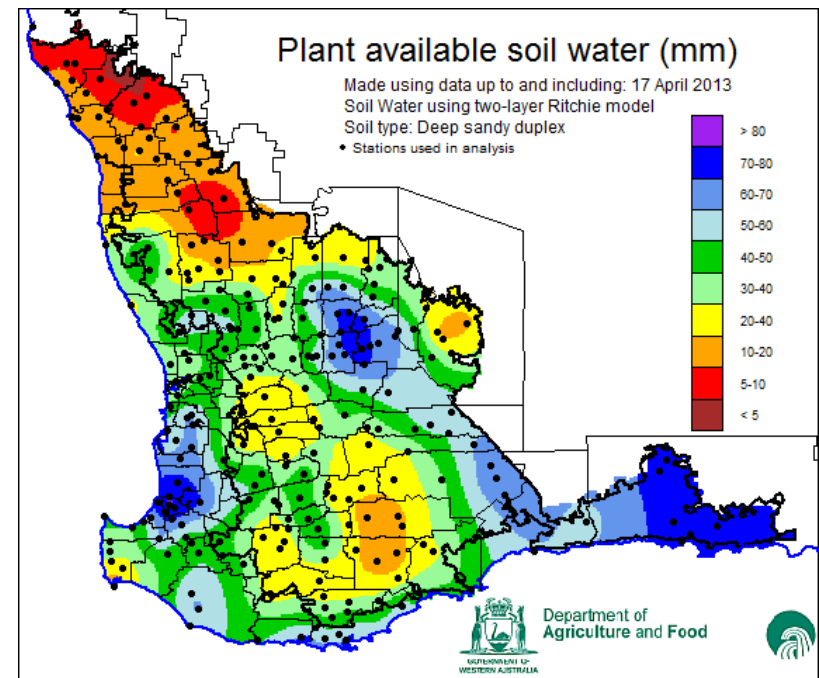
*10% off the usage component of the standard tariff. Term 24 months. Only available online. Other terms, conditions, fees and charges apply. See turntokleenheat.com.au

 **Kleenheat Gas**
turntokleenheat.com.au

Market update

Fertilisers

- Poor 2012 harvest for much of WA, with stronger grain prices offset by high AUD
- Global grain prices recovering on weather concerns for many growing areas
 - Fertilisers affordability favourable with low indicator pricing
- Good sub-soil moisture following rains received in March & good break to the season in May
- Livestock economics continue to be challenging



Key strategies update

	Strategy	Update
CHEMICALS	AN3 Expansion	<ul style="list-style-type: none"> • Board approval received in December 2011 • On track to commence production in 1H CY14 • On track to deliver on time & on budget (\$550 million budget plus capitalised interest)
	Growth	<ul style="list-style-type: none"> • SCN expansion approval received December 2012 (\$22 million budget) • On track for completion 1H CY14
	Continuous improvement	<ul style="list-style-type: none"> • Continued focus on cost & process efficiency / utilisation of assets & business processes
KLEENHEAT	Growth	<ul style="list-style-type: none"> • Launch of natural gas retailing business • Market share position improved in a soft market • LNG sales growth into heavy duty vehicle market – APG¹ trials, east coast refuellers & power generation markets
	Returns from existing businesses	<ul style="list-style-type: none"> • Cost & productivity improvement programs underway across production & distribution in LPG

¹ American Power Group

Key strategies update

	Strategy	Update
FERTILISERS	Business efficiency	<ul style="list-style-type: none"> Investment in systems consolidation & enhancements
	Growth	<ul style="list-style-type: none"> Logistics & operational efficiencies Improved pricing analysis & contract management Implementation of fertiliser use efficiency technologies
	Business model	<ul style="list-style-type: none"> Market share maintained Further customer segmentation & target marketing
DIVISION	Culture	<ul style="list-style-type: none"> Continued investment in Health, Safety & Environment culture & in the attraction, development & retention of an engaged & diverse workforce
	Growth	<ul style="list-style-type: none"> Evaluate opportunities to grow in existing & new markets
	Sustainability	<ul style="list-style-type: none"> Community acceptance & regulatory compliance Successful implementation of abatement technology in AN Remediation & sale of surplus land (Bayswater)



Sustainability initiatives

- The importance of our people
 - Ongoing investment in leadership development & skills capability growth
 - Continued focus on talent management & retention of an engaged & diverse workforce
- Strong positive community partnerships
 - Ongoing investment in the communities in which we operate: Youth Focus; The Salvation Army; Clontarf Foundation; Regional Junior Cricket Program (WA)



Outlook

- Well placed to benefit from continuing strong demand for chemical inputs to the resource sector
 - Potential for oversupply offset by strong key customer relationships & growth from existing projects
- LPG earnings dependent on LPG production economics & global prices
 - LPG domestic market outlook remains challenging
- Satisfactory seasonal outlook for fertilisers
 - Follow up rains & improvement in terms of trade required for optimal performance
 - Continue to hold market share in competitive market

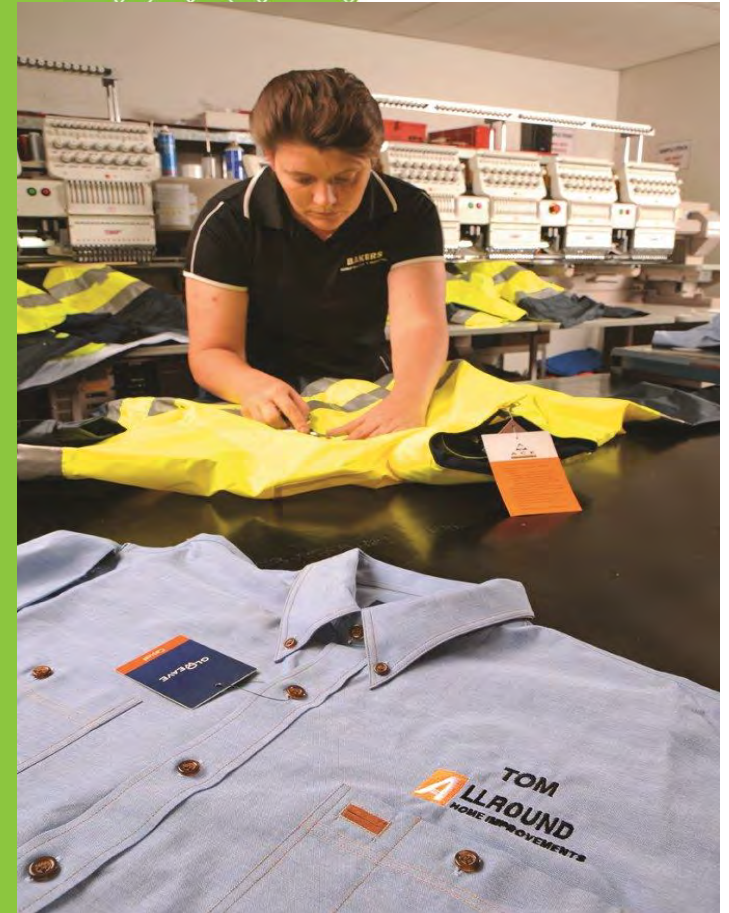


Questions



Industrial & Safety

Olivier Chretien
Managing Director



Our business portfolio

Generalists

*'All your workplace needs'
one-stop-shop*



Blackwoods Protector
One stop for industrial and safety

Safety specialists

*'Protecting employees
everyday through innovative
solutions'*



Industrial specialists

*'Technical expertise for
customers' complex
requirements'*



Our value proposition

***The trusted provider of industrial & safety solutions
to enable our customers to seamlessly & cost efficiently
run, maintain & grow their businesses***

**Broad & competitive
“one-stop-shop” range**

**Value-add services &
eBusiness solutions**

**Security of supply &
service performance**

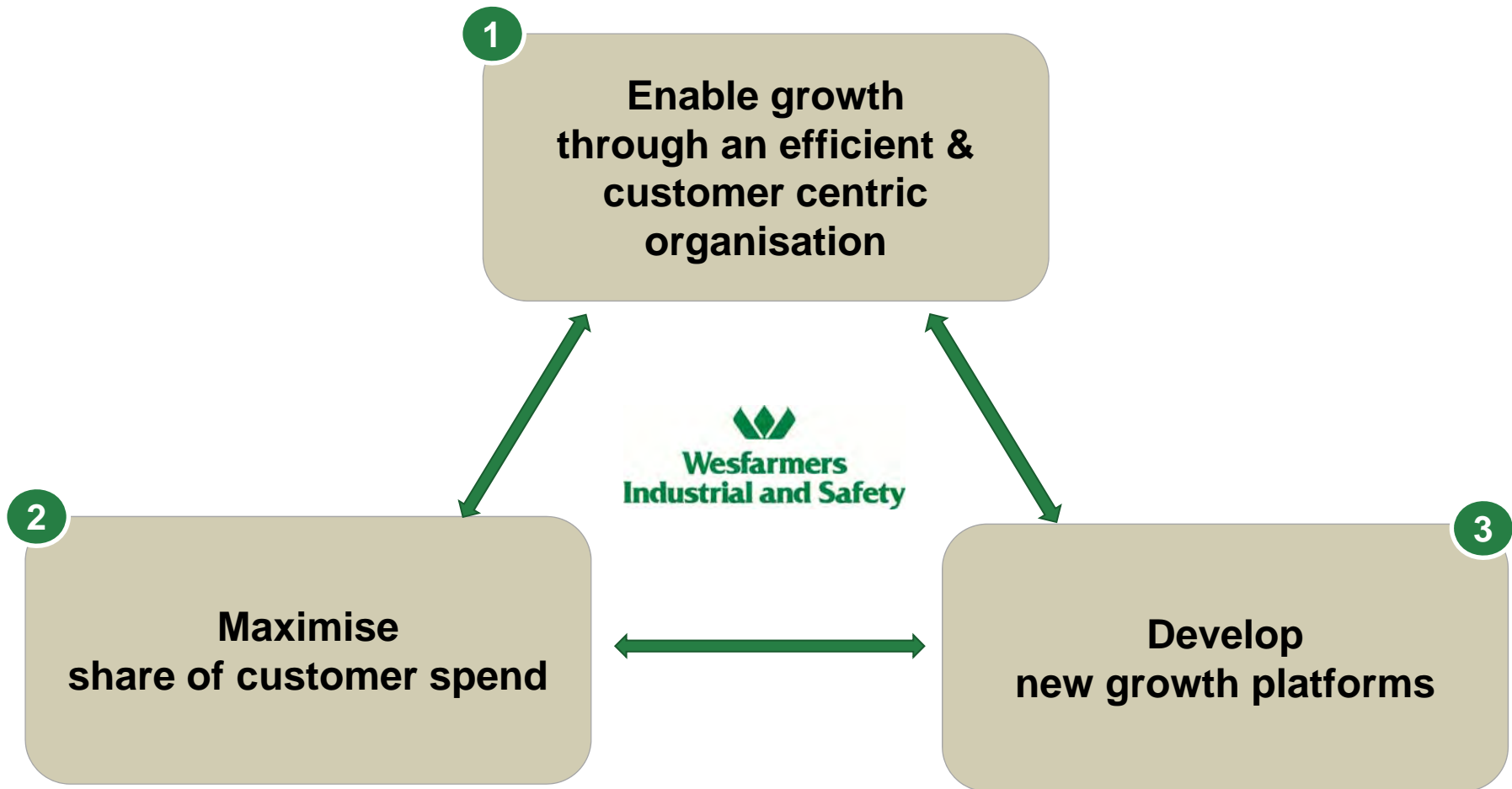
**Technical expertise
& market knowledge**

**Strong Key Account &
contract management**

**International sourcing &
supply chain expertise**

Strong ethical, safety & sustainability standards

Our strategic agenda



Progress on key strategies

1

Enable growth through an efficient & customer centric organisation

- ✓ Improved safety (LTIFR<2)
- ✓ Realigned business portfolio
- ✓ Initiated cost reduction program
- ✓ Expanded international logistics (new Shanghai DC)
- ✓ eBusiness up to 28% of sales in Blackwoods

2

Maximise share of customer spend

- ✓ Resilience in challenging market environment
- ✓ Strong contract retention & basket expansion
- ✓ Expanded range including own brands
- ✓ DIFOT¹ at 95%, improved footprint in larger centres

3

Develop new growth platforms

- ✓ Further diversified customer base
- ✓ Expanded custom sourcing & logistics capability
- ✓ Expanded exports

¹ Delivery In Full On Time

1 Efficient Customer Centric Organisation



Align Organisation

- Core safety & sustainability platforms
- Customer / industry focus
- Increased investment in people, greater diversity

Lift Technology

- Invest in new ERP¹
- Enhance enabling capabilities & automation / digital

Reduce Cost to Serve

- Optimise business portfolio & networks
- Drive cost reduction & productivity program

¹ Enterprise Resource Planning

- Shared Value Framework (stakeholders, community & company)
- Safety & People
 - Behaviour based leadership
 - Enhanced risk management framework
 - Workforce diversity & talent investment
- Customer & Suppliers
 - Ethical sourcing
 - Sustainable range
- Community
 - Aboriginal strategy & Fred Hollows Foundation partnership
- Environment
 - Carbon fund investments into energy efficiency, packaging & waste
 - New Blackwoods Karratha branch to reach 5 star green rating



1 Aligned organisation



1 Technology agenda

- Automated Warehousing
 - Perpetual inventory at key sites
 - More automated Sydney DC (May 2014)
- Purchasing Automation
 - Automated stock replenishment exceeds 30%
 - Online purchases exceeds 50%
- Customer Engagement
 - Customer service telephony upgrade
 - Sales force tools
 - Scanning & vending services
- ERP
 - Initiated RFQ¹ work for significant system upgrade



¹ Request For Quote

1 Cost & productivity program

Implemented to Date

- Network reviews & resizing
- Workforce flexibility, reduced overtime
- Restructured businesses
- Freight tendering
- Discretionary cost control

Next Steps

- Supply chain optimisation
- Support & fixed cost review
- Process simplification
- Continued productivity reviews
- Automation



2 Maximise share of customer spend



Meet customer needs

- Increase National KAM resourcing by industry
- Customer service excellence program
- Develop stronger customer data analytics

Broaden offer

- Rollout core range
- Grow breadth of range & own brands
- Expand on-site & safety service offering

Enhance service

- Lift DIFOT through technology (including eBusiness)
- Align footprint to customers' growth profile

2 Projects: LNG



Pilbara – Wheatstone (Chevron)



Darwin - Ichthys (INPEX)



Gladstone - Australia-Pacific LNG (Origin Energy, ConocoPhillips, Sinopec)



- Committed / Under construction
- Operating

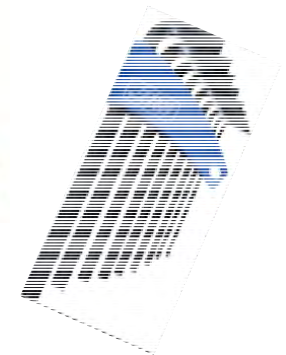


Surat Basin – QLD Curtis LNG (QGC, CNOOC)

Source: APPEA

2 Range development

- Core range
 - ‘Good-Better-Best’ strategy
 - Blackwoods core range deployment underway
 - Availability & competitive pricing focus
- Own brands
 - Growing customer appeal
 - Range extension in key categories
- Marketing
 - Multi-channel, supporting range positioning
 - Category team restructure to align with key markets



2 Expanding service portfolio

Onsite Services	Stores Management	Safety Training & Accreditation	Customised Products Services	Specialised Business Services
<p>Temporary Mobile Warehousing</p> <p>Satellite Stores</p> <p>Vending Solutions</p>	<p>Vendor Managed Inventory</p> <p>Shutdown Services</p> <p>Scanning Solutions</p>	<p>Safety Training Programs</p> <p>Audits & Certification Services</p> <p>Accreditation of Lifting & Rigging</p>	<p>Embroidery & Outfitting</p> <p>Customised Tool Kit Assembly</p> <p>Testing for Industrial Gases</p>	<p>Custom Sourcing & Engineered Product Solutions</p> <p>Export Services</p> <p>Reporting & Custom Catalogues</p>



2 Footprint

224 owned branches + 139 additional gas distribution points

Generalists 100



Safety Specialists 68



Industrial Specialists 56



Note: Blackwoods includes Bakers & Migomag, Coregas includes 8 owned branches & 139 gas distribution points (as at 30 April 2013)

3 Develop new growth platforms



Expand Reach

- Continued Industry diversification
- SME¹ segment (MRO, welding, gas & online)
- Selective offshore expansion

New Business Models

- Integrated supply services
- Service aggregator
- Online businesses

Expand Scope

- New product ranges & services
- Acquisitions in adjacent spaces
- Partnerships with market leaders

¹ Small to Medium Enterprises

3 Industry diversification

Construction



Defence



Utilities



Food



Logistics



Retail



Hospitality

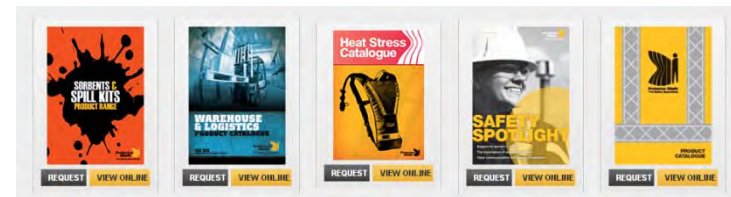
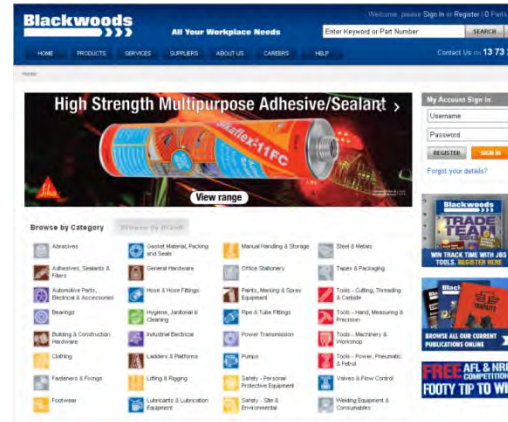


Healthcare



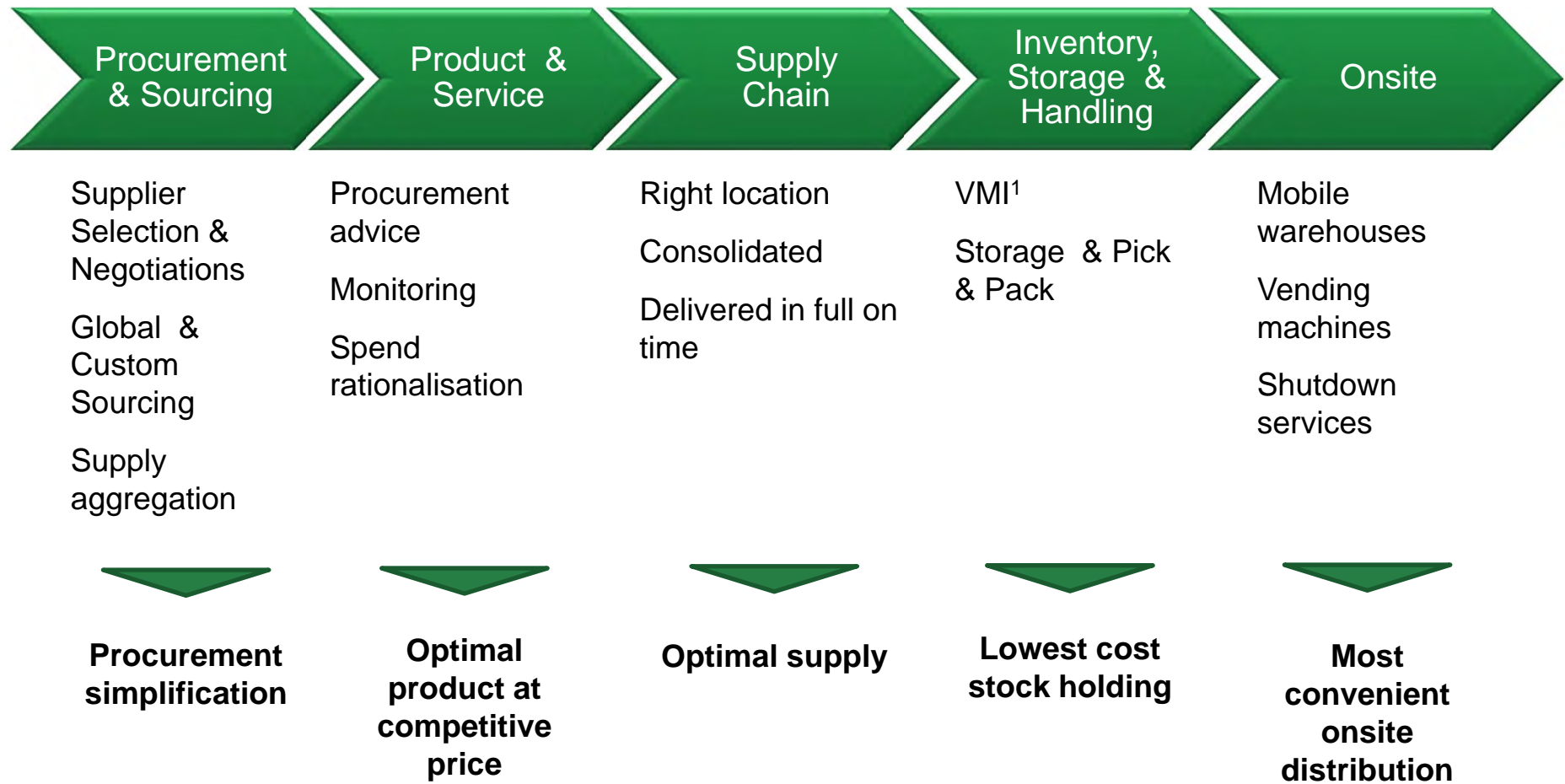
3 SME / Online growth

- Evolve existing presence
 - Next generation websites
 - Mobile apps
 - Telesales
- New targeted business models
 - Dedicated sites & offers
 - Welding & gas
 - Targeted services
- Online community
 - Reason to visit every day
 - Loyalty



3 Enhanced services scope

Integrated Supply Services



¹ Vendor Managed Inventory

Strategic agenda - summary

1

Enable growth through an efficient & customer centric organisation

- Safety, sustainability & talent platform
- Align organisation to customer focus
- Reduce cost to serve
- Lift technology

2

Maximise share of customer spend

- Proactively meet customer needs
- Broaden product & services offer
- Enhance DIFOT & optimise footprint

3

Develop new growth platforms

- Further diversify industry exposure
- Develop online & new business models
- Expanding scope through acquisitions

- Industrial & Safety's strategic agenda set against backdrop of a challenging market environment
 - Resources investment plateauing while traditional markets remain subdued
 - Increased customer focus on costs intensifying margin pressures
- Focus continues to be on building an efficient & customer centric organisation
 - Technology enabling better customer service & lower cost to serve
 - Creating more value & growing share of customer spend
 - Develop new growth platforms, including through acquisitions
- Medium to long term outlook remains positive



Questions

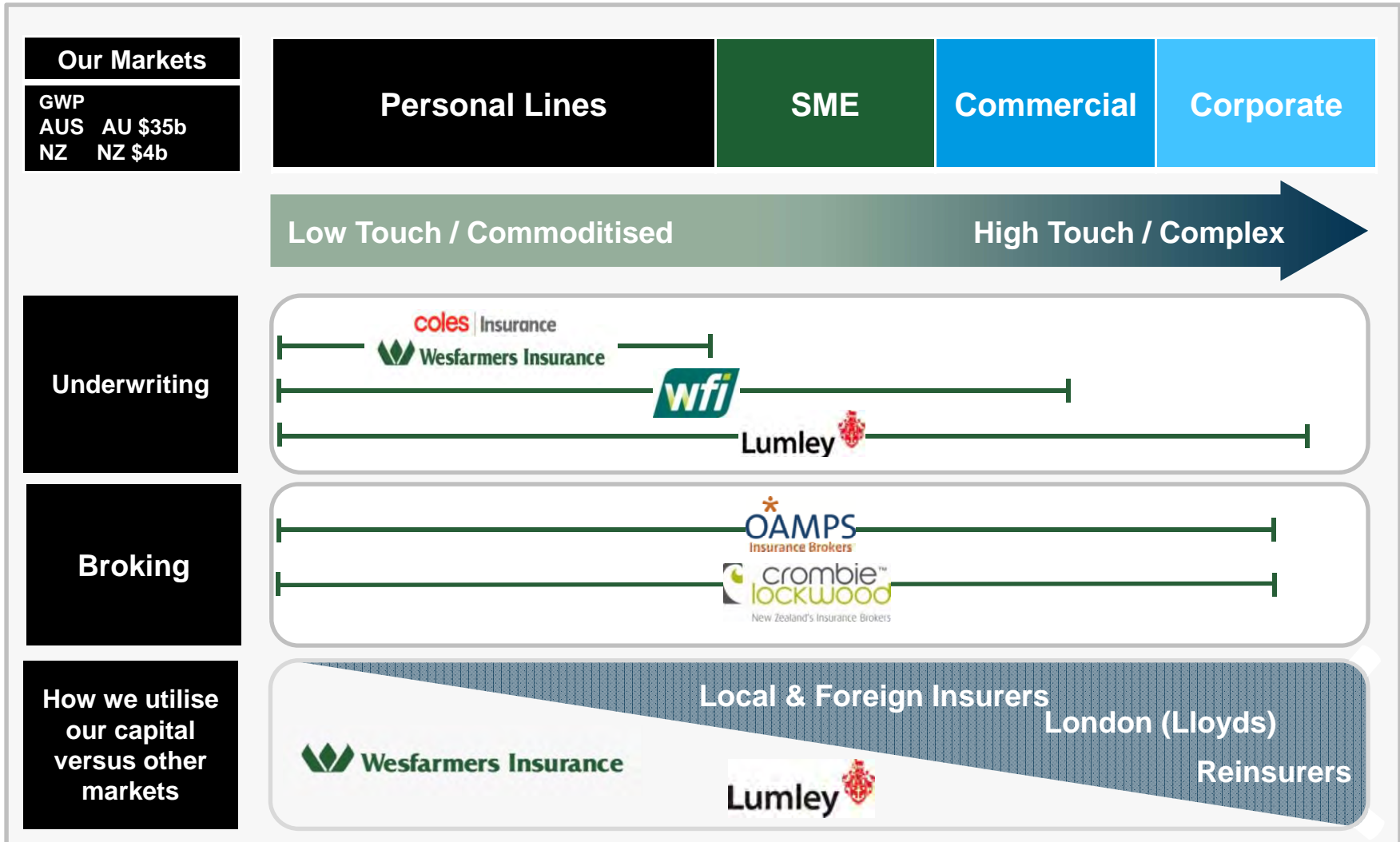


Insurance

Anthony Gianotti



Wesfarmers Insurance



Market conditions

- Premium rates:
 - Rate increases continue in Australian property classes, albeit at more modest levels
 - Some signs of softening of premium rates in New Zealand
- Lower interest rate environment affecting investment income
- Challenging trading conditions in the Australian SME sector
- Increased capacity & profitability in reinsurance markets likely to provide stable risk-adjusted pricing on renewal
- Regulation & public policy:
 - LAGIC & RBNZ standards now in place
 - Removal of FSL in Victoria
- Affordability remains high on consumers' agenda

Trading update

Underwriting

- Strong performance in the year to date, benefiting from:
 - Improved loss ratios through disciplined underwriting practices
 - Flow through of premium rate increases achieved in FY12 & 1HFY13, with more modest increases continuing into 2HFY13
 - Favourable claims experience in most portfolios, partially offset by deterioration in Builders' Warranty run-off
- Claims from natural perils in line with internal expectations
- New Zealand earthquake claims 'program of works' ahead of market with 78.0% of commercial property claims & 48.0% of domestic property claims settled

Broking

- Challenging conditions in the Australian SME sector impacting revenue growth
- Higher expenses from investment in broking systems resulting in lower broking margin

Strategic priorities



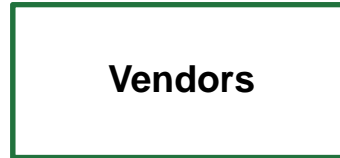
1 Growth in distribution | broking

Developing market-leading propositions



Clients

- Customer Service Standards
- Live NAS Scores
- Policy Wordings
- Strengthened Corporate capabilities



Vendors



- Acquirer of Choice
- Employee value proposition
- Training & development



People

- Broker incentive models - My Book
- Structured career pathways



Insurers



- Growth in distribution
- National claims capability



Regulators

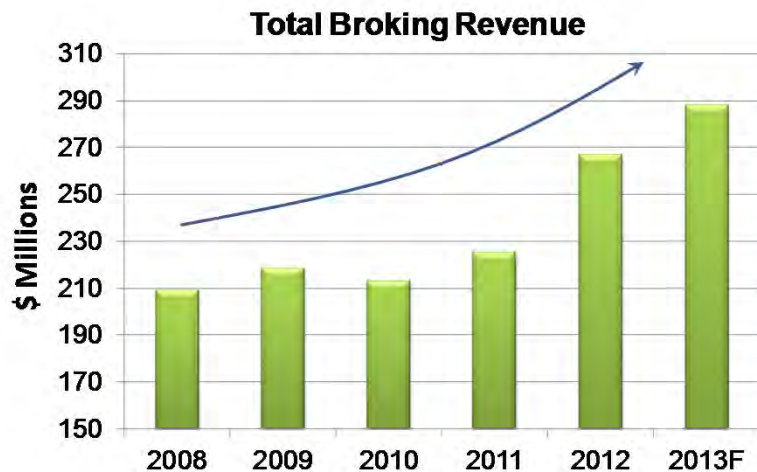
- Branch audit program
- Technical training



Operational Excellence



- Core systems replacement (NZ)
- Process improvement
- Technology optimisation



1 Growth in distribution | underwriting

Coles Insurance

- Accelerated growth of Coles personal lines

WFI

- Continued expansion of rural market footprint
- Growing SME metropolitan portfolio

Retail Warranty

- Increased distribution, new products & partners

Lumley New Zealand

- Continued partnership with Westpac Bank



Direct & Affinity distribution



Lumley Australia

- Launch of new 'making things easy' campaign
- Segmented broker proposition

Lumley New Zealand

- Distribution opportunities facilitated by improved broker connectivity
- New small business facility improving penetration in this segment



Intermediated distribution



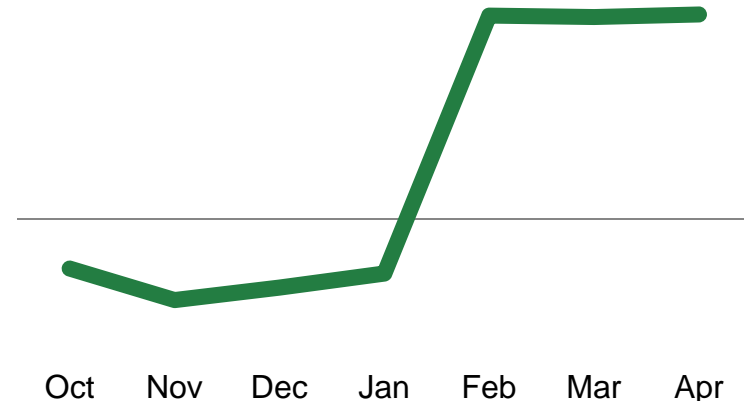
1 Growth in distribution | Coles Insurance

Accelerated growth in Coles personal lines with scalable & differentiated offer:

- Strong response to current above the line marketing campaign - 'little red quote'
- Policies in force now over 200,000
- National partnered repair network (PRN) has over 180 smash repairers Australia-wide
- 50% of sales through market-leading online experience
- Focus on customer experience:
 - Online innovation: webchat
 - Call centre open 7 days
 - NAS scores & aligned customer training
- Strong take-up of flybuys loyalty discount with further plans to enhance member benefits
- Continued focus on strong risk selection & pricing capability



Strong improvement in Net Advocacy Score



② Improve & grow underwriting margin

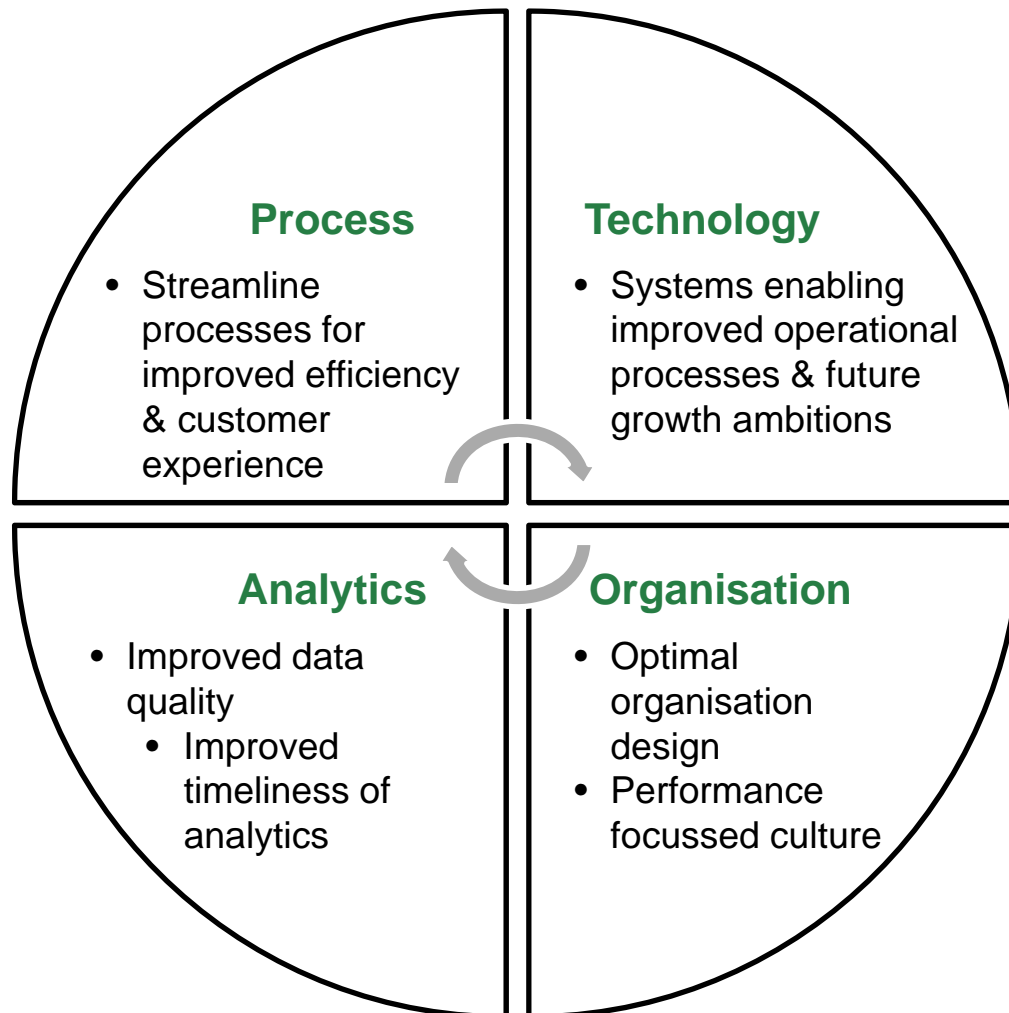
- Good progress in pricing & exposure management in Australia & New Zealand
- Continuing to leverage pricing capabilities across the Australian underwriting businesses
- Claims optimisation in Australia driving ongoing improvements in claims costs & claims handling expense
 - Aligned approach to home/motor claims across all brands (WFI, Lumley, Coles Insurance)
 - Centralised motor lodgements & recoveries
 - National PRN – supported by Motor Traders' Association
- Enhanced WFI flood product planned for year-end launch
- Core system replacement completed in Lumley New Zealand enabling opportunities for improved risk selection, pricing & operational efficiency
- Lumley's new 'full policy lifecycle' system improves data capture, risk assessment & pricing for property & liability portfolios

3 Outstanding customer experience

- Division-led customer strategy roll-out underway:
 - Real-time NAS scores
 - Targeted customer service training
 - Direct feedback loops to training, product, marketing & customer proposition
- Increased focus on improving customer experience through digital tools, including mobile & self-service
- WFI winner of Roy Morgan 'Business Insurer of the Year' award for the second year in a row



4 Lean & efficient operations



Lower expense ratio through:

- Process simplification, improvement & automation initiatives underway across underwriting businesses
- NZ: Leveraging core system replacement (Guidewire)
- OAMPS Australia: Process & technology 'streamline' initiatives
- Crombie Lockwood: Broker system replacement
- Digital & multi-channel delivery initiatives underway

5 High performing team

- Further improvement in employee engagement scores
- Continue to embed WI Charter & Employee Value Proposition through:
 - Formal talent management strategy & development planning
 - Enhanced performance management training for leaders
 - Improved incentive structures for high performers
 - Women in Leadership Forums
 - Systems to improve the visibility of job vacancies & career opportunities
 - Continued investment in our leadership development curriculum
 - Increased focus on technical training
 - Visibility of sustainability & community involvement activities
- Continued downward trend in voluntary turnover

Underwriting

- Performance remains sound following strong half year performance
- Lower interest rate environment impacting investment returns
- YTD claims from natural perils in line with internal allowances
- Expectation of stable risk adjusted reinsurance rates on renewal at 1 July 2013
- Continued strong growth in personal lines offer – Coles Insurance

Broking

- Earnings broadly in line with prior year - impacted by challenging revenue growth in Australia & higher costs from upgrade & investment in broking systems
- Continue to assess & pursue bolt-on broking acquisitions



Questions





Wesfarmers

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