2012 Full-Year Results
Debt Investor Update

August 2012

Wesfarmers

Group Performance Highlights

Group performance highlights

- Operating revenue of $58.1 billion, up 5.8%
- Earnings before interest & tax of $3,549 million, up 9.8%
- Net profit after tax (NPAT) of $2,126 million, up 10.6%
- Operating cash flows of $3,641 million, up 24.8%
- Free cash flows of $1,472 million, up 41.4%
- Fully-franked final dividend of $0.95 declared, up 11.8%, taking full-year dividend to $1.65

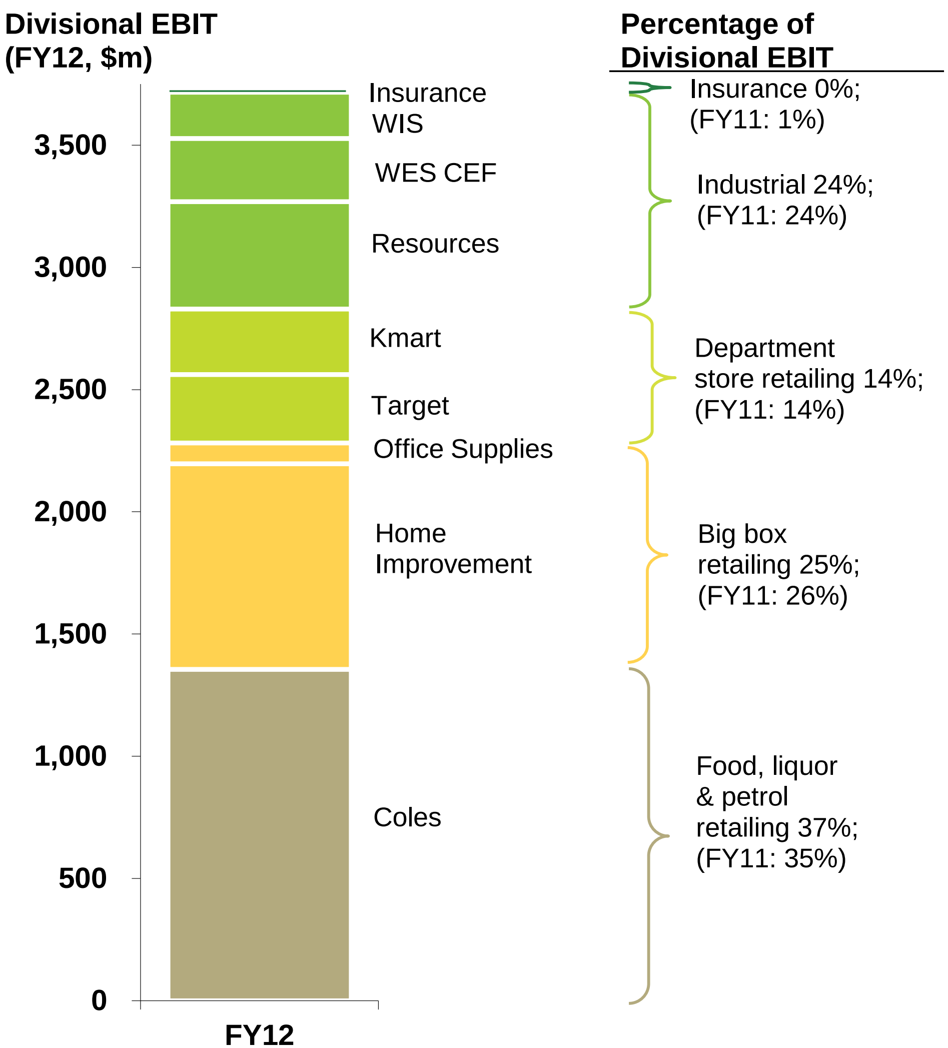
Group performance highlights (cont)

- Strong growth in retail earnings
  - Continued price reinvestment supported by operating efficiencies
  - Improvements in value, offer & service driving strong transaction growth
  - Store network improvements, in particular by Coles & Bunnings
  - Improvements in range, product sourcing & stock management continued to drive efficiencies at Kmart
  - Strong working capital performance
- Insurance underwriting result affected by increased reserves for 22 February 2011 Christchurch earthquake; underlying performance solid
- Resources’ export coal mine expansions completed; higher export coal prices & production partially offset by one-off costs & higher royalties
- Sustained demand for industrial & chemical products & strong operating performance increased WES CEF & WIS earnings

Group performance summary

Year ended 30 June ($m)	2012	2011	↕ %
Revenue	**58,080**	54,875	*5.8*
EBITDA	**4,544**	4,155	*9.4*
EBIT	**3,549**	3,232	*9.8*
Finance costs	**(505)**	(526)	*4.0*
Net profit after tax	**2,126**	1,922	*10.6*
Operating cash flows	**3,641**	2,917	*24.8*
Cash interest cover	**10.8**	9.5	*13.7*
Net debt to EBITDA	**1.1**	1.0	*10.0*
Fixed charges cover	**2.8**	2.7	*3.7*

Strength through diversified earnings



Year ended 30 June EBIT ($m)	2012	2011	↕ %
Coles	**1,356**	1,166	*16.3*
Home Improvement	**841**	802	*4.9*
Office Supplies	**85**	80	*6.3*
Target[1]	**244**	280	*(12.9)*
Kmart	**268**	204	*31.4*
Insurance[2]	**5**	20	*(75.0)*
Resources	**439**	369	*19.0*
Chemicals, Energy & Fertilisers[3]	**258**	283	*(8.8)*
Industrial & Safety	**190**	166	*14.5*
Divisional EBIT	**3,686**	3,370	*9.4*
Other	**(36)**	(36)	*0.0*
Corporate overheads	**(101)**	(102)	*1.0*
Group EBIT	**3,549**	**3,232**	*9.8*

[1] 2012 includes a restructuring provision of $40 million.

[2] 2012 includes additional reserves of $108 million relating to the 22 February 2011 Christchurch earthquake.

[3] 2011 includes $42 million in insurance proceeds relating to the 2009 Varanus Island gas outage.

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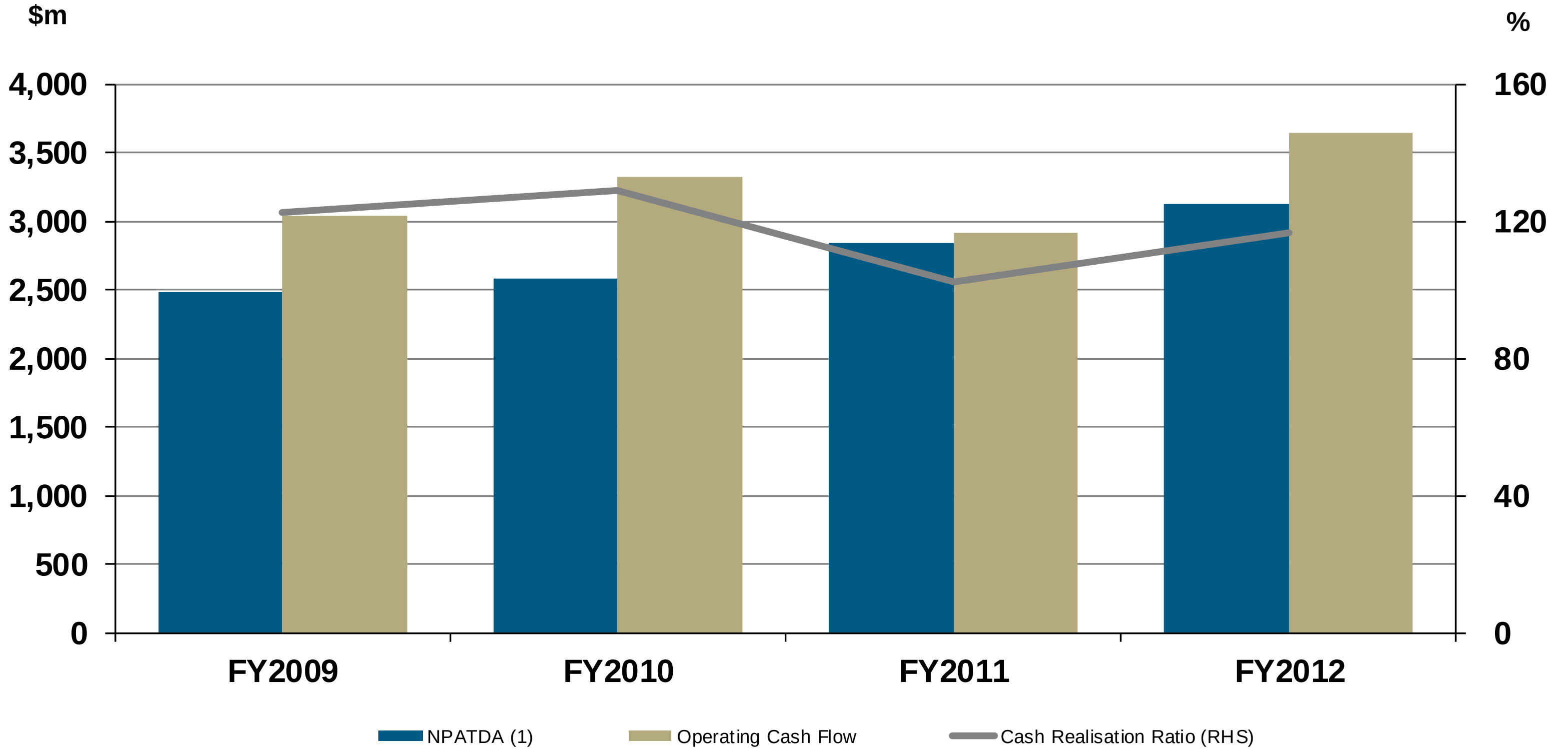
Portfolio of strong cash generating assets

- 24.8% growth in operating cash flows through strong earnings growth & effective working capital management



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

Working capital management

- Disciplined working capital management supporting strong growth in operating cash flows
- Reduction in retail working capital
  - Focus on inventory management
  - Improved sourcing
- Increased receivables
  - Higher Insurance premium funding
  - Higher Curragh sales volumes

Cash Movement ($m) Inflow/(Outflow) [1]	Year ended 30 June 2012	2011
Inventory	(16)	(347)
Payables	274	396
Receivables	(362)	(312)
Net working capital	**(104)**	**(263)**
Net working capital consists of:		
Retail	63	(281)
Other	(167)	18
Net working capital	**(104)**	**(263)**

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

Strong capital investment phase underway

- Investment in retail portfolio
  - Improvement in the Bunnings store network
  - Strong investment in improving Coles network and, in particular, the store renewal program
  - Kmart NSW DC
- Industrial expansion projects to drive long term growth
  - Export coal mines
  - Ammonium nitrate
- Proactive management of freehold property portfolio
  - Proceeds from sale of PPE of $275 million in FY12
- FY13 net capex estimate of $1.7 to $2.1 billion, subject to net property investment

Year ended 30 June ($m)[1]	2012	2011	%
Coles	**1,193**	761	*56.8*
HI & OS	**587**	613	*(4.2)*
Target	**65**	87	*(25.3)*
Kmart	**134**	105	*27.6*
Insurance	**34**	24	*41.7*
Resources	**392**	372	*5.4*
Industrial & Safety	**49**	32	*53.1*
WES CEF	**167**	63	*165.1*
Other	**5**	5	*0.0*
Total capex	**2,626**	2,062	*27.4*
Sale of PP&E	**(275)**	(216)	*27.3*
Net capex	**2,351**	1,846	*27.4*

Year ended 30 June ($m)[1]	2012	2011
Total net capex.	2,351	1,846
Maint. capex = D&A	(995)	(923)
Net capex. less D&A	**1,356**	**923**
Major capex.		
Net property acquisitions	574	426
Coal expansions & AN3	230	167
	804	593
New store fit-out, Coles renewal & Other	552	330

[1] Capital investment provided on a cash basis.

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Divisional Performance

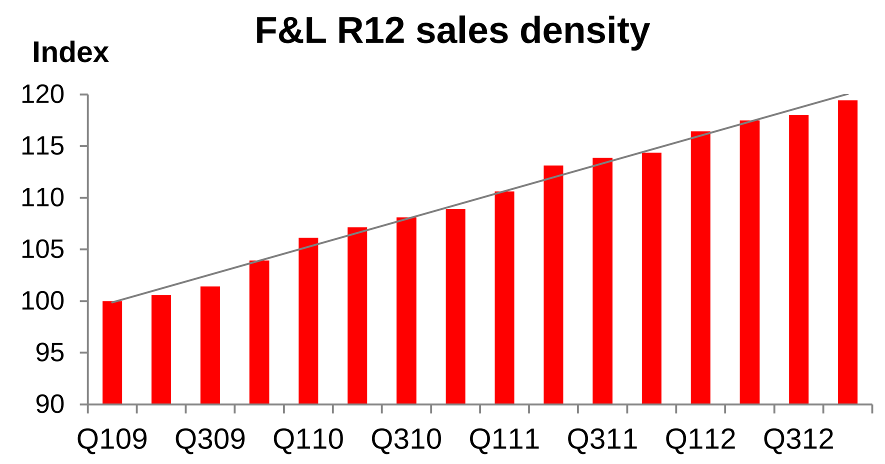
Coles performance summary

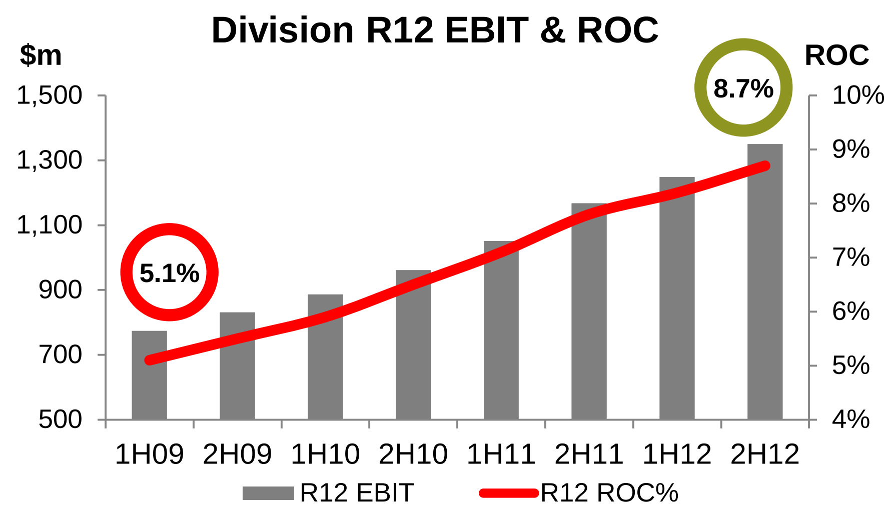
Year ended 30 June ($m)		2012	2011	↕ %
Revenue		**34,117**	32,073	*6.4*
EBIT		**1,356**	1,166	*16.3*
Food & Liquor	Revenue[1]	**26,561**	25,282	*5.1*
	Total store sales growth %[2,3]	**4.6**	6.3	
	Comp store sales growth %[2,3]	**3.7**	6.3	
	Trading EBIT[1]	**1,232**	1,071	*15.0*
	EBIT Margin %	**4.6**	4.2	
Convenience	Revenue	**7,556**	6,791	*11.3*
	Total store sales growth %[2,4]	**0.2**	2.0	
	Comp fuel volume growth%[2]	**2.8**	2.3	
	Trading EBIT	**124**	95	*30.5*

[1] Includes Property.
[2] 2012 for the 52 weeks 27 June 2011 to 24 June 2012, 2011 for the 52 weeks 28 June 2010 to 26 June 2011.
[3] Includes hotels, excludes gaming revenue & property.
[4] Excludes fuel.

Sustained turnaround momentum

- Outperformed the Food & Liquor market for last three years
  - 16 consecutive quarters of sales density improvement
  - Strong underlying transaction & volume growth
- Strong improvement in financial performance
  - 20% EBIT CAGR[1]
  - 120bps EBIT margin expansion[1]
  - 360bps ROC expansion[1]
- Platforms developed for second wave of transformation





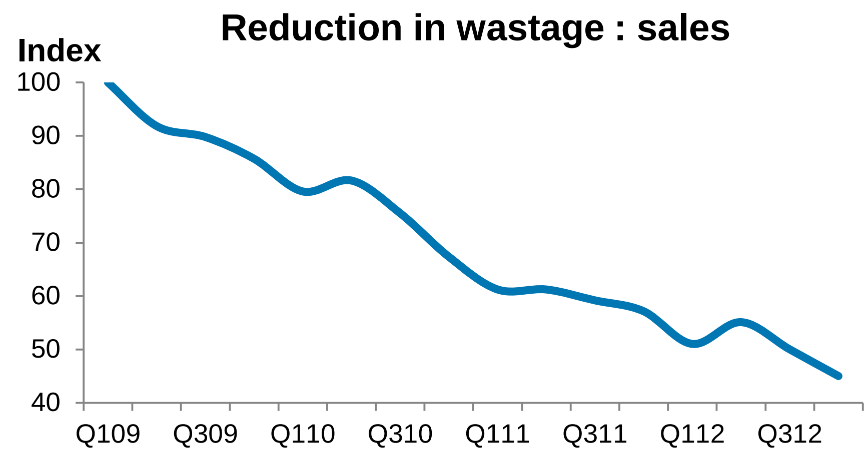
[1] Growth over last four financial years.

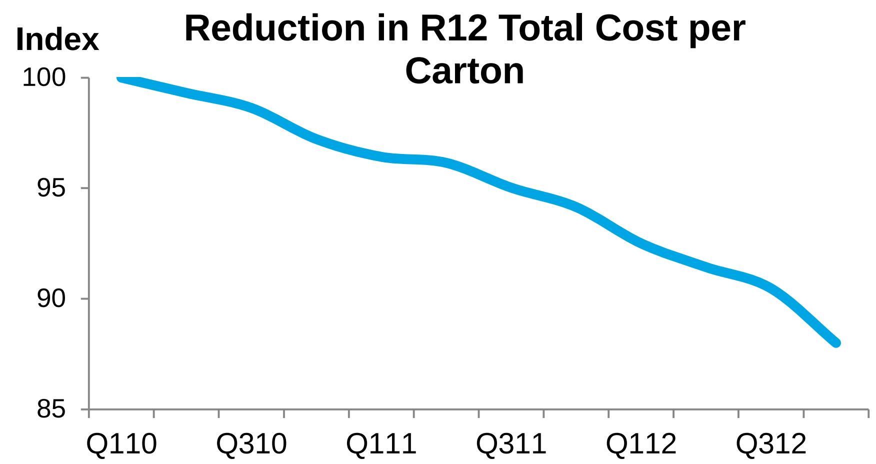
Working smarter stores

Excellent availability

Ongoing efficiency gains

- Sustainable efficiencies in store operations
  - $400 million reduction in waste over last four years with more progress expected
  - Automated ordering and receiving of deliveries
- Supply chain transformation continuing
  - Easy Warehousing complete
  - Improved DC productivity
  - Availability at three-year high, but much more still to do





Sold and served with personality

The best customer experience

Our customers come first, always

- Expanding & renewing the store network
  - 2% additional net selling area in FY12
  - Strong pipeline to secure >2% net selling area growth per year
  - 108 more stores in the renewal format in FY12; target ~100 for FY13
  - Format to evolve further in FY13

- Improving customer service
  - Customer service training for almost 30,000 Team Members
  - Craft skills training programs for >5,000 Team Members
  - ‘Tell Coles’ customer surveys providing store specific feedback
  - Absenteeism at four-year low

HIOS performance summary

Year ended 30 June ($m)		2012	2011	↕ %
Revenue	Home Improvement	**7,162**	6,780	*5.6*
	Office Supplies	**1,482**	1,471	*0.7*
		8,644	8,251	*4.8*
EBIT	Home Improvement	**841**	802	*4.9*
	Office Supplies	**85**	80	*6.3*
		926	882	*5.0*

HIOS highlights

Home Improvement

- Trading revenue growth of 5.6%
  - 5.3% consumer sales growth, store-on-store growth of 3.9%
  - 6.9% lift in commercial sales
- Opened 16 trading locations -13 new warehouse stores and one smaller format store and two trade centres
- Ongoing investment in property pipeline & existing stores - total capital investment of $563 million

Office Supplies

- Sales & earnings growth in challenging conditions
- Improved margin performance with strong cost control
- Network expansion & enhancement - six new stores & six full store upgrades

Target performance summary

Year ended 30 June ($m)	2012	2011	↕ %
Revenue	**3,738**	3,782	*(1.2)*
EBIT	**244**	280	*(12.9)*
EBIT (excluding restructuring provision)[1]	**284**	280	*1.4*
EBIT[2] margin (%)	**6.5**	7.4	
Total sales growth[3] (%)	**(1.8)**	(1.2)	
Comparative store sales growth[3] (%)	**(2.1)**	(1.2)	

[1] Excluding restructuring provision of $40 million.
[2] 2012 EBIT margin, excluding the $40 million restructuring provision is 7.6%.
[3] 2012 for the 52 weeks 26 June 2011 to 23 June 2012, 2011 for the 52 weeks 27 June 2010 to 25 June 2011.

Target highlights

- Earnings affected by $40 million provision for future supply chain restructuring
- Improvements in underlying performance
  - Focus on profitability of promotions & clearance activity
  - Introduction of ‘Target Essentials’ range
  - Promotions which focus on quality, style & experience, not just price, to define value
  - Investment in service levels
  - Encouraging growth in online sales & profitability; continued enhancement of range & functionality
- Net inventory days improvement; strong cash generation
- Investment in the store portfolio; 12 new stores

Kmart performance summary

Year ended 30 June ($m)	2012	2011	↕ %
Revenue	**4,055**	4,036	*0.5*
EBIT[1]	**266**	201	*32.3*
EBIT margin (%)	**6.6**	5.0	
Total sales growth[2] (%)	**0.0**	0.4	
Comparative store sales growth[2] (%)	**0.0**	0.3	

[1] 2012 excludes $2 million earnings relating to Coles Group Asia overseas sourcing operations utilised by both Kmart & Target (2011: $3 million).

[2] 2012 for the 52 weeks 27 June 2011 to 24 June 2012, 2011 for the 52 weeks 28 June 2010 to 26 June 2011.

Kmart highlights

- Strong EBIT growth & margin improvement
  - Improved product sourcing
  - Better stock management
  - Everyday core range performing well
- Connecting more Australian & New Zealand families with the new Kmart
  - 10 consecutive quarters of growth in customer transactions & units sold
  - Strong growth in units across all key categories; sales affected by ongoing investment in lower prices
  - ‘Lower than Ever’ everyday price drops driving further value for customers
- Ongoing focus on inventory management resulting in improved working capital performance
- Investment for future growth
  - Six Kmart stores refurbished & 238 Kmart Tyre & Auto stores re-imaged
  - Strong new store pipeline

Insurance performance summary

Year ended 30 June ($m)	2012	2011	↕ %
Total Revenue	**1,915**	1,739	*10.1*
EBITA Underwriting	**(58)**	(29)	*(100.0)*
EBITA Broking	**79**	62	*27.4*
EBITA Other	**(4)**	(3)	*(33.3)*
EBITA Insurance Division	**17**	30	*(43.3)*
EBITA Insurance Division (excluding EQ2)[1]	**125**	30	*316.7*
EBIT Insurance Division	**5**	20	*(75.0)*

[1] Excludes $108 million one-off impact on underwriting earnings from reserve increases in 2012 in relation to the 22 February 2011 Christchurch earthquake (EQ2).

Wesfarmers Insurance

Insurance highlights

- Underwriting earnings significantly affected by $108 million increase in reserves associated with 22 February 2011 Christchurch earthquake (EQ2)
- Strong increase in earnings from Broking, reflecting the successful integration of acquired businesses & solid sales growth in core businesses
- Strong premium rate increases providing improvement in underlying earnings from underwriting operations after allowing for:
  - Above allowance catastrophe events ($32 million)
  - Adverse impact on reserves of lower government bond yields ($23 million)
  - Impact of higher reinsurance costs from 1 July 2011
- Strong growth in Coles personal lines

Resources performance summary

Year ended 30 June ($m)	2012	2011	↕ %
Revenue[1]	**2,132**	1,778	*19.9*
Royalties[2]	**(368)**	(229)	*(60.7)*
Mining & other costs[3]	**(1,175)**	(1,061)	*(10.7)*
EBITDA	**589**	488	*20.7*
Depreciation & amortisation	**(150)**	(119)	*(26.1)*
EBIT[4]	**439**	369	*19.0*
Coal production ('000 tonnes)[5]	**14,056**	13,599	

[1] Includes traded coal revenue of $135 million in 2012 (2011: $79 million). [2] Includes Stanwell royalty expense of $219 million in 2012 (2011: $113 million). [3] 2012 Includes one-off costs at Curragh of $55 million associated with final flood recovery & mine ramp-up ahead of expansion. [4] The divestment of the Premier Coal mine was completed on 30 December 2011; gain on sale is excluded. [5] Includes Premier Coal production of 1.6mt in 2012 (3.5mt in 2011).

Resources highlights

- Ongoing focus on safety performance
  - 42% reduction in Total Reportable Injury Frequency Rate (TRIFR) at Curragh
- Increased production volumes driven by mine expansions
  - Curragh expansion to 8.0 – 8.5mtpa metallurgical coal exports completed within budget
  - Curragh achieved record production & sales in Q4 FY12
  - Bengalla Stage 1 expansion to 9.3mtpa ROM (7.5mtpa product) completed on time & within budget
- Significant reduction in Curragh mine cash costs in H2 FY12
  - H2 FY12 mine cash costs per tonne over 20% lower than H1 FY12
- New EBA agreed with Curragh employees

Other businesses performance summary

Year ended 30 June ($m)		2012	2011	↕ %
Revenue	Chemical, Energy & Fertilisers[1]	**1,786**	1,641	8.8
	Industrial & Safety	**1,690**	1,557	8.5
EBIT	Chemical, Energy & Fertilisers[2,3,4]	**258**	283	(8.8)
	Industrial & Safety	**190**	166	14.5

[1] Includes Kleenheat Gas (KHG), ALWA, enGen prior to Aug 2011 divestment, Bangladesh LPG joint venture (BLPGJV) prior to Jan 2012 divestment & Premier Power Sales since Jul 2011. [2] 2011 includes $42 million of insurance proceeds related to Varanus Island gas outage. [3] Includes enGen & Bangladesh LPG joint venture earnings prior to divestment ($43 million gain on enGen disposal in Aug 2011 & $9 million gain on Bangladesh LPG joint venture disposal in Jan 2012 excluded) & Premier Power Sales since Jul 2011. [4] 2012 includes $9 million earnings from HIsmelt air separation unit agreement termination payment.

Other businesses highlights

Chemicals, Energy & Fertilisers

- Construction underway to expand ammonium nitrate (AN) production capacity from 520 thousand tonnes per annum (ktpa) to 780 ktpa
  - Board approval received in December 2011 for $550 million expansion
- Chemicals earnings increased due to production and pricing improvements across most products; offset by lower Kleenheat Gas earnings
- Improved Fertiliser earnings with significant uplift in volumes following good seasonal conditions

Industrial & Safety

- Strong results supported by market conditions & improved competitiveness
  - Sustained resource sector & engineering construction activity
  - High service levels, increased market share with key customers
  - Sales growth achieved by most businesses
  - Strengthened key account / contract management & eBusiness capabilities
  - Enhanced key supplier relationships & global sourcing capabilities
  - Operational efficiencies offsetting competitive margin pressures
  - Continued expansion of network capacity; opened Blackwoods Indonesia

Outlook

Outlook

Retail

- Investments in value, merchandising, service, store networks & productivity initiatives expected to drive further earnings growth
  - Sustained turnaround momentum expected in Coles, Kmart & Officeworks
  - Bunnings' solid performance expected to continue
  - New initiatives within transformation plan expected to benefit Target's performance

Insurance

- Underwriting performance expected to improve, assuming the absence of further major catastrophe related claims
  - Solid premium rate increases, disciplined risk selection & cost efficiency initiatives
- Positive long term outlook for broking

Outlook

Resources

- Recently completed mine expansions will support higher sales volumes
- Recent movements in export coal prices & the exchange rate are unfavourable, in the short term, for coal revenues
- We believe long term metallurgical coal market fundamentals remain sound

Industrial & Safety; Chemicals, Energy & Fertilisers

- Well placed to leverage investment activity in the Australian resources sector
- Solid demand for industrial products & chemicals expected to continue given production capacity increases underway across the resources & energy sectors

Debt Management

Wesfarmers

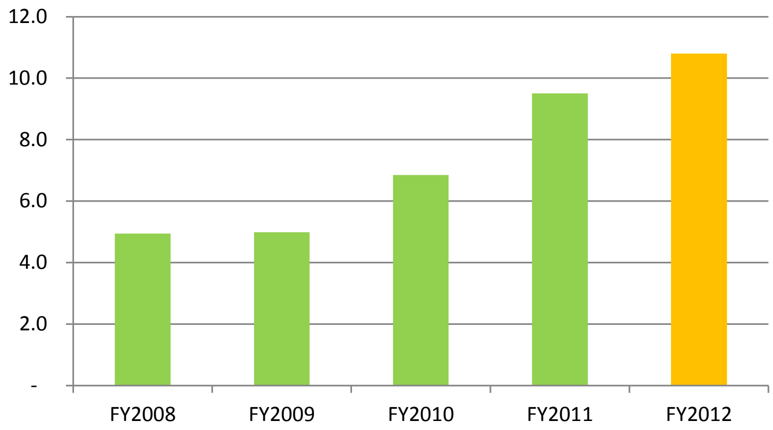
Financial discipline is core to Wesfarmers' strategy

Maintaining prudent capital structure and a A-/Baa1 credit rating is important to Wesfarmers

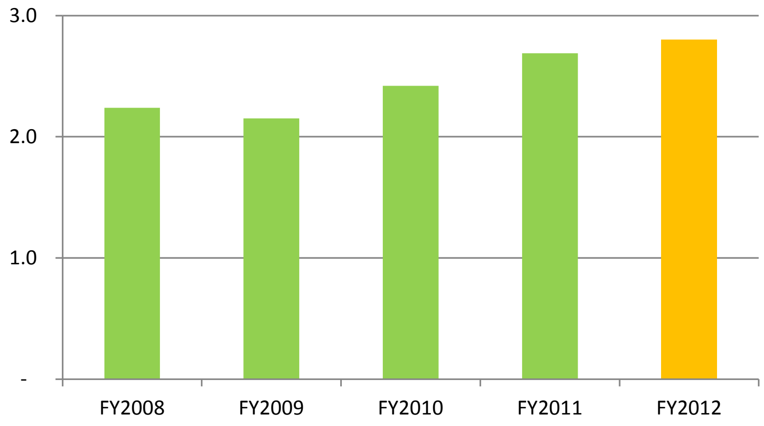
Ability to raise capital and maintain balance sheet strength	• Apr 08: A$2.6 billion equity raising and US$650 million 5 year Rule 144A bond • Feb 09: A$4.6 billion equity raising • Sep 09: A$500 million 5 year Australian domestic bond • Mar 10: €500 million 5 year Euro bond • Dec 10: A$2.5 billion revolving syndicated facility with equal maturities in December 2013 & 2014 • May 11: US$650 million 5 year Rule 144A bond • Nov 11: A$500 million 5 year Australian domestic bond • Mar 12: A$500 million 7 year Australian domestic bond • Aug 12: €650 million 10 year Euro bond • A$1.5 billion bilateral revolving credit facilities with maturities up to 2 years
Solid credit metrics	• Improved credit ratings: Standard & Poor's A- (stable), Moody's Baa1 (positive) • Continued strength in Group's debt service position - Gross debt of $5.5 billion, net debt of $4.9 billion - Strong liquidity position, supported by $2.2 billion of committed undrawn facilities - 58% hedged to June 2013 - Improvement in key ratios

Strong credit metrics

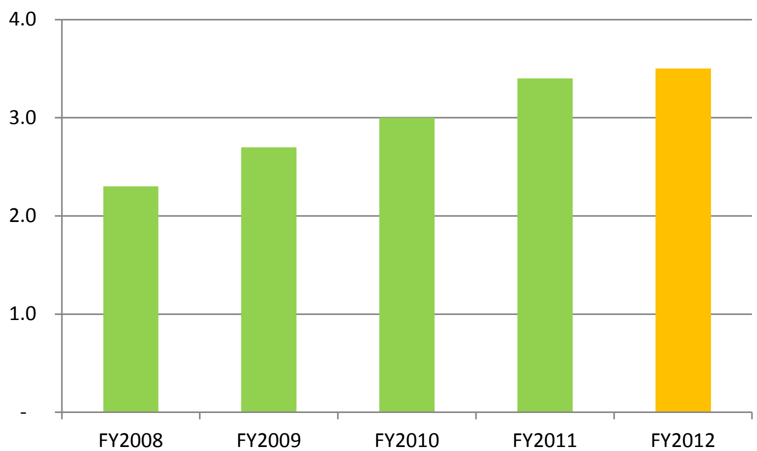
Cash interest cover ratio (times)



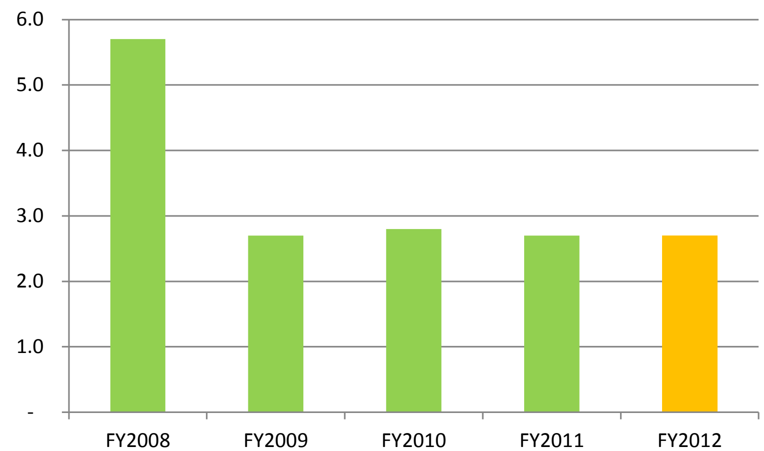
Fixed charges cover ratio (times)



S&P EBIT interest coverage - lease adj. (times)

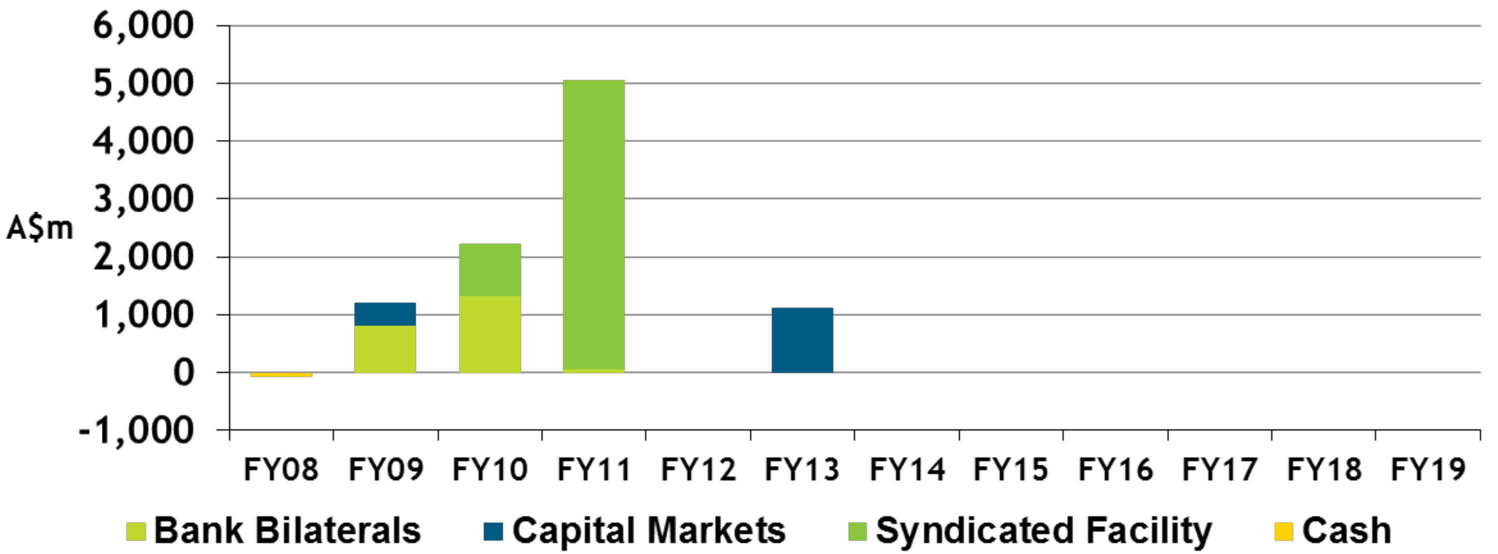


S&P Debt / EBITDA - lease adj. (times)

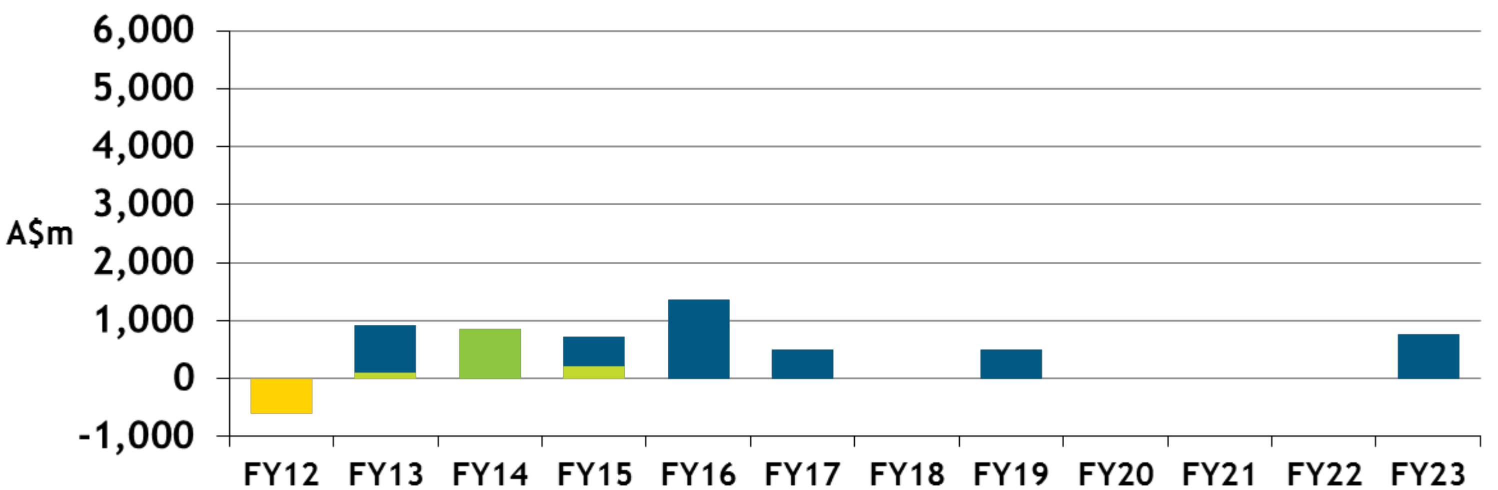


Pro-active debt management

Debt as at 30 June 2008



Debt as at 30 June 2012 (pro-forma: includes 10 year Euro bond)

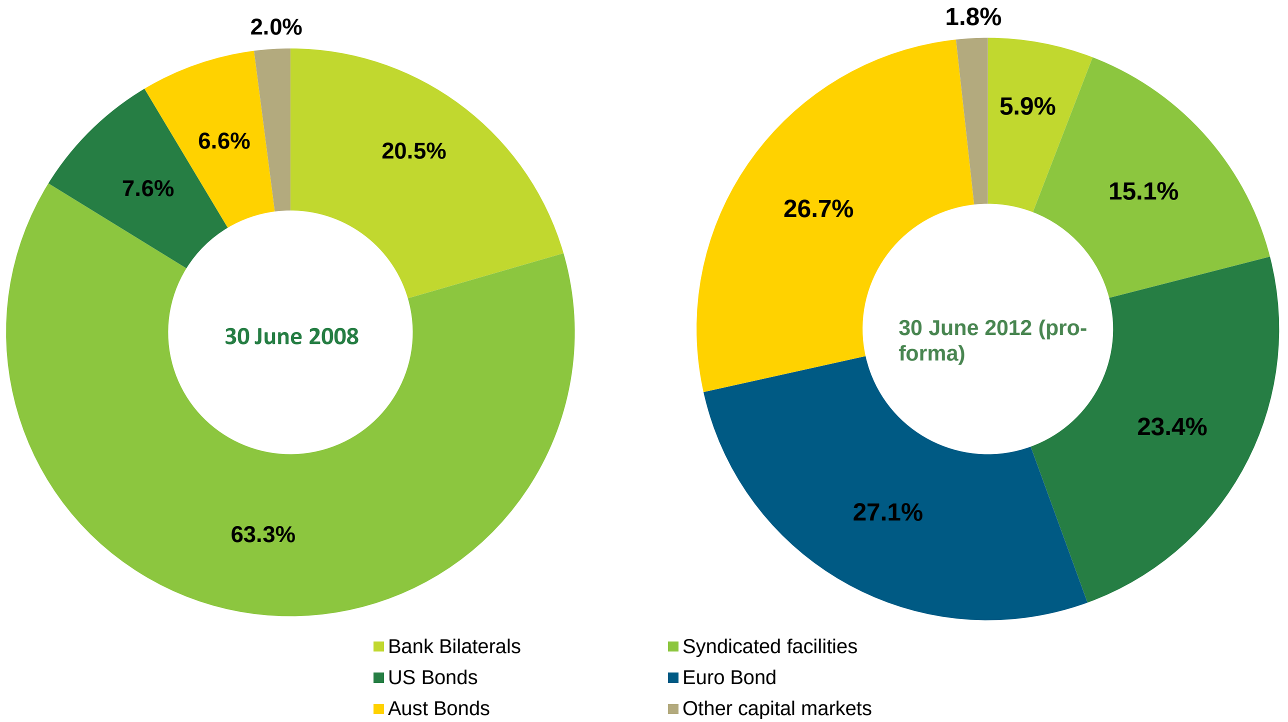


Pro-active debt management

Refinancing objectives

- Focus on extending maturity profile and maintaining liquidity headroom in revolving and bilateral facilities
- Commitment to diversity of funding sources including the domestic and international debt capital markets
- Standard terms and conditions across all DCM programmes, with a common guarantee structure that applies to all funding arrangements

Funding Diversity

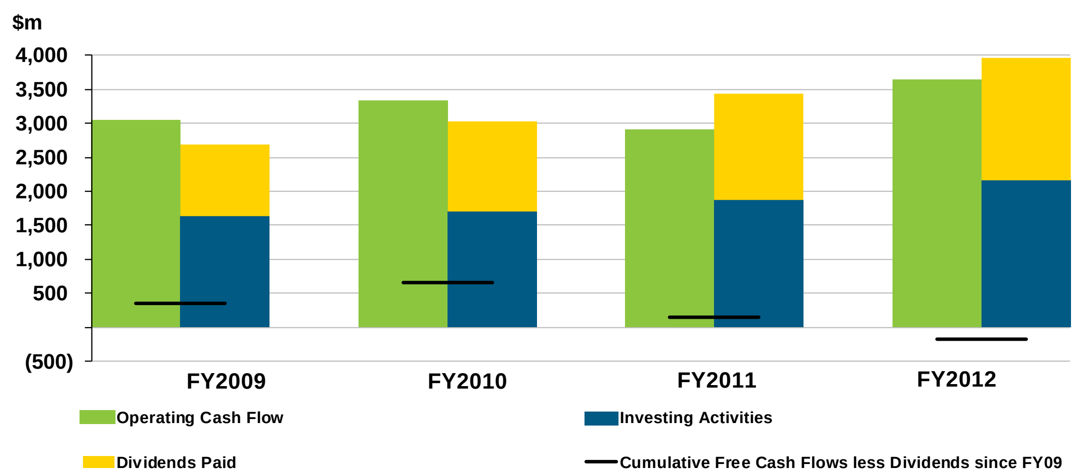


Through the cycle cash flows

Dividend policy

- Dividend policy takes into account through the cycle free cash flow requirements and debt refinancing
- Strong phase of capital expenditure led growth
- Potential cash proceeds from future asset sales
  - Retail property once development sites maximised (freehold land and buildings $2.6 billion at 30 June 2012, up from $2.1 billion at 30 June 2011, $1.6 billion at 30 June 2010 and $1.2 billion at 30 June 2009)
  - Other asset sales post 30 June 2012 (FY2012 PPE sales $275 million)
- Dividend investment plan neutralised since 2008/09 final dividend; potential to preserve cash
- Continued focus on working capital improvements
- Focus on maintaining strong credit metrics

Free cash flows



Questions

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