2012 Half-Year Results
Debt Investor Update

February 2012

Wesfarmers

Group Performance Highlights

Wesfarmers

Group financial highlights

- Operating revenue of $29,674 million, up 5.7%
- Net profit after tax of $1,176 million, up 0.3%
  - Excluding the impact of NTI's NPAT increased 5.2%[1]
  - Strong retail EBIT growth of 7.8%
- Strong operating cash flows, up 10.8% to $2,172 million
- Net capital expenditure up 29.0% to $1,263 million
- Free cash flows of $1,170 million, up 29.3%
- Strong liquidity position maintained with fixed charges cover of 2.7 times
- Fully franked interim dividend of $0.70 declared, up 7.7%

[1] December 2011 half-year excludes $27 million of post-tax non-trading items expense. December 2010 half-year excludes $29 million of post-tax insurance proceeds relating to the 2009 Varanus Island gas outage.

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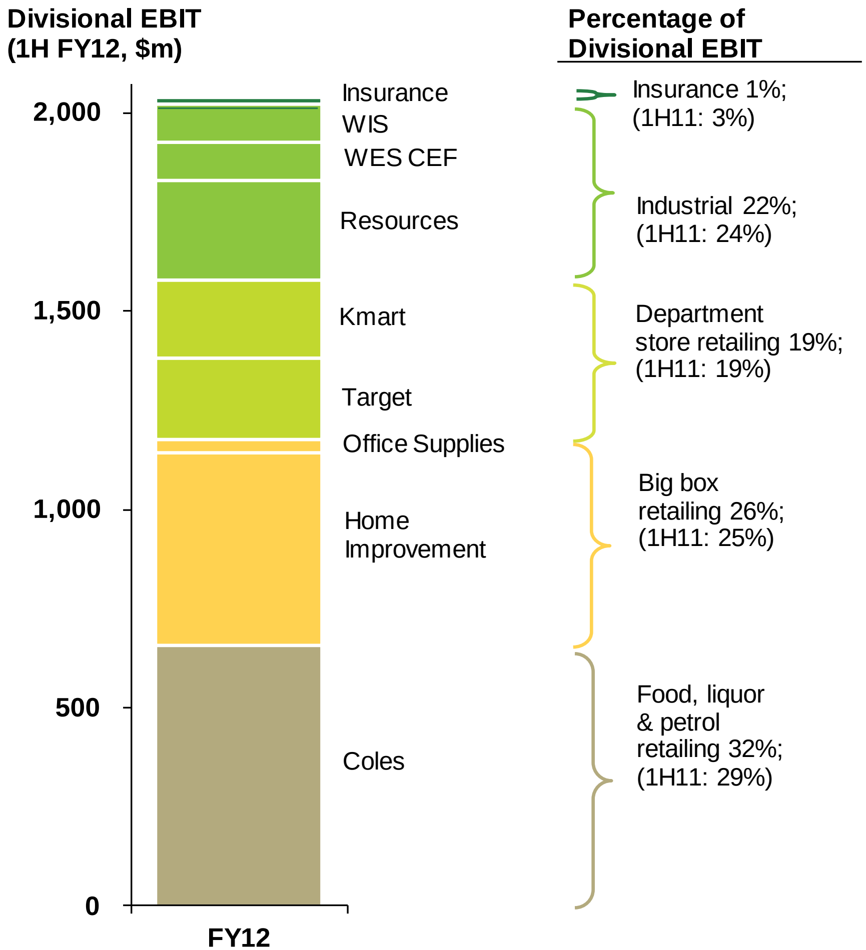
Group performance highlights

- Strong retail contribution in a tough trading environment
  - Coles sustained turnaround momentum underpinned by a strong customer response to improvements in value, quality & service
  - Continued solid performance by Bunnings
  - Transaction growth & operating efficiencies in Kmart & Officeworks
  - Target initiated improvements in its value offering
- Insurance earnings affected by high level of catastrophe claims & increase in reserves associated with February 2011 Christchurch earthquake
- Strong growth in demand for industrial & chemical products
- Resources export coal mine expansions well progressed; higher coal prices offset by higher royalties & impacts relating to expansion works & final phase of flood recovery
- “Other” contribution reflects significant non-cash & one-off items

Group performance summary

Half Year ended 31 December ($m)	**2011**	2010	↕ %
Operating revenue	**29,674**	28,074	*5.7*
EBITDA	**2,433**	2,378	*2.3*
EBIT	**1,937**	1,917	*1.0*
Finance costs	**(264)**	(272)	*(2.9)*
Net profit after tax	**1,176**	1,173	*0.3*
Operating cash flow	**2,172**	1,960	*10.8*
Cash interest cover (times) - R12 basis	**10.3**	7.7	*33.8*
Net Debt to EBITDA (times) - R12 basis	**1.06**	0.90	*17.8*
Fixed charges cover (times) - R12 basis	**2.7**	2.6	*3.8*

Strength of diversified earnings

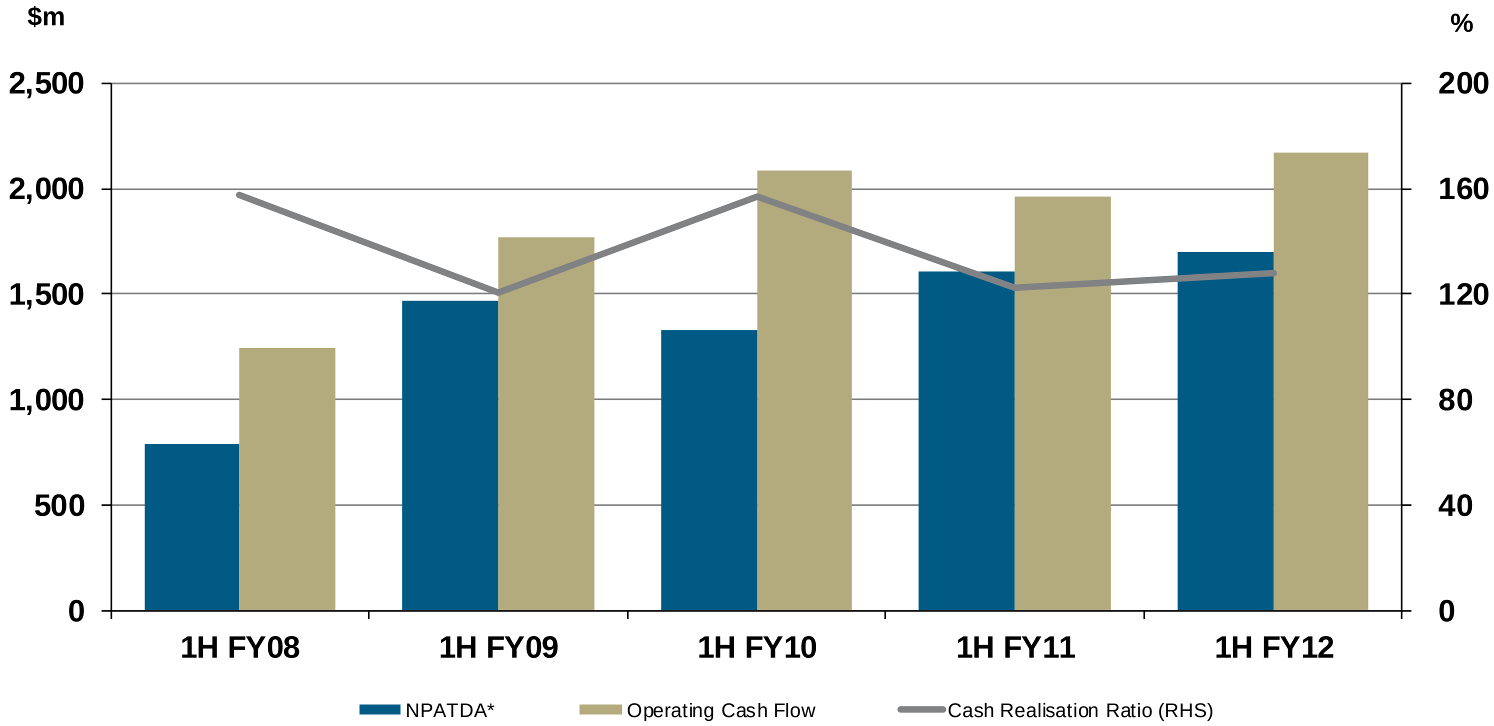


Half-Year ended 31 December ($m)	2011	2010	↕ %
Coles	**656**	575	*14.1*
Home Improvement	**485**	457	*6.1*
Office Supplies	**34**	32	*9.1*
Target	**186**	206	*(9.7)*
Kmart	**197**	175	*12.6*
Insurance	**17**	65	*(73.8)*
Resources	**250**	250	*0.0*
Chemicals, Energy & Fertilisers	**99**	151[1]	*(34.4)*
Industrial & Safety	**97**	79	*22.8*
Divisional EBIT	**2,021**	1,990	*1.6*
Other	**(31)**	(26)	*(19.2)*
Corporate overheads	**(53)**	(47)	*(12.8)*
Group EBIT	**1,937**	**1,917**	*1.0*

[1] December 2010 half-year includes $41 million of insurance proceeds relating to the 2009 Varanus Island gas outage.

Portfolio of strong cash generating assets

- Strong first half operating cash flow of $2,172 million
- Operating cash flows increased across most divisions
- Cash realisation ratio increased to 127.8% from 120.0% in the pcp



* 1H FY08 adjusted for Stanwell. 1H FY08 – 1H FY12 adjusted for significant non-cash, non-trading items.

Working capital management

- Strong operating cash flows driven by working capital improvements
- Disciplined inventory management across the retail portfolio
  - Coles 2 day reduction in net investment in inventory in past 12 months
  - Target & Kmart reduced inventory position; all inventory on hand is appropriate for trading
- Curragh stock build ahead of expansion
- Seasonal fertiliser inventory build in WES CEF

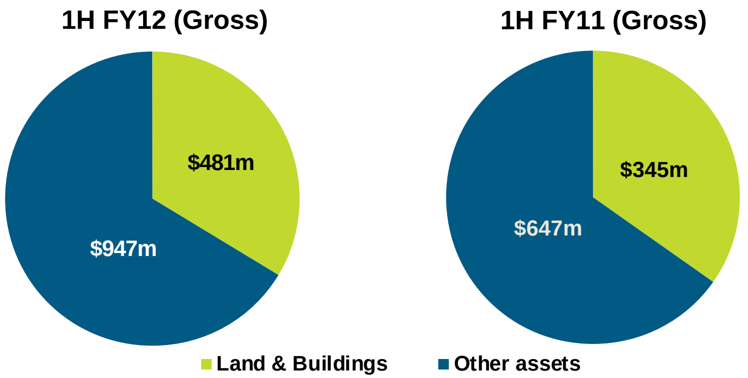
Inflow/(Outflow)[1] ($m)	1H FY12	1H FY11
Receivables	**(183)**	(252)
Inventory	**(374)**	(661)
Payables	**813**	890
Total	**256**	(23)
Retail	**557**	113
All other businesses	**(301)**	(136)
Total	**256**	(23)

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

Significant investment in organic growth

- Strong investment in retail & industrial businesses
  - Coles property & network renewal
  - Bunnings network expansion
  - Kmart refurbishments & NSW DC
  - Curragh & Bengalla expansions
  - WES CEF AN3 project
- Continued active management of freehold property portfolio
  - $165m proceeds from PP&E disposals
- FY12 net capex estimate $2.4 billion to $2.7 billion, subject to timing of property investment/disposals

Half Year ended 31 December ($m)	2011	2010	%
Coles	**625**	334	*87.1*
HI & OS	**342**	343	*(0.3)*
Target	**44**	37	*18.9*
Kmart	**88**	54	*63.0*
Insurance	**18**	9	*100.0*
Resources	**239**	178	*34.3*
Industrial & Safety	**15**	11	*36.4*
WES CEF	**54**	24	*125.0*
Other	**3**	2	*50.0*
Total capex	**1,428**	992	*44.0*
Sale of PP&E	**(165)**	(13)	*n.m.*
Net capex	**1,263**	979	*29.0*



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Divisional Performance

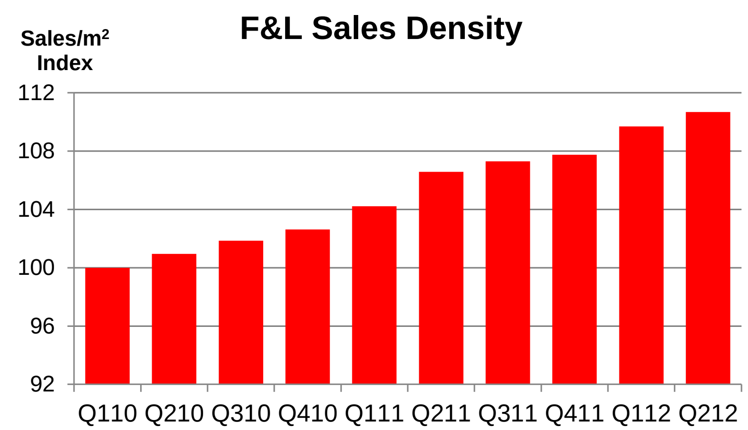
Coles performance summary

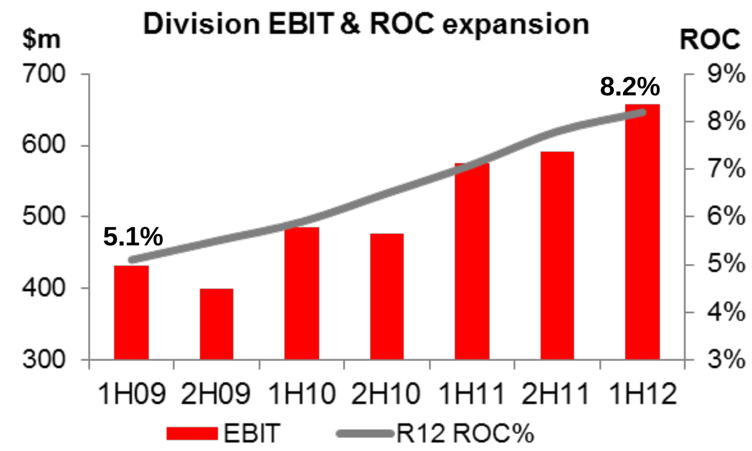
Half-Year ended 31 December ($m)		2011	2010	↕ %
Coles Division	Revenue	**17,218**	16,059	*7.2*
	EBIT	**656**	575	*14.1*
Food & Liquor	Revenue[1]	**13,423**	12,804	*4.8*
	Total store sales growth %[2,3]	**4.9**	6.3	
	Comp store sales growth %[2,3]	**4.4**	6.4	
	Trading EBIT[1]	**581**	524	*10.9*
	EBIT margin %	**4.3**	4.1	
Convenience	Revenue[1]	**3,783**	3,244	*16.6*
	Comp store sales growth %[2,4]	**(0.5)**	1.5	
	Comp fuel volume growth %[2]	**3.7**	2.1	
	Trading EBIT[1]	**65**	49	*32.7*
	EBIT margin **%**	**1.7**	1.5	

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

Sustained turnaround momentum

- More customers visiting Coles than ever before
  - Strong volume & transaction growth
  - Continued investment in quality & value
  - Improved customer service & in-store experience
- Efficiency & new format programs driving enhanced returns
  - Disciplined capital management
  - 310bps ROC expansion since 1H09





Truly better value
Stunning, quality fresh food

Better value and quality fresh food

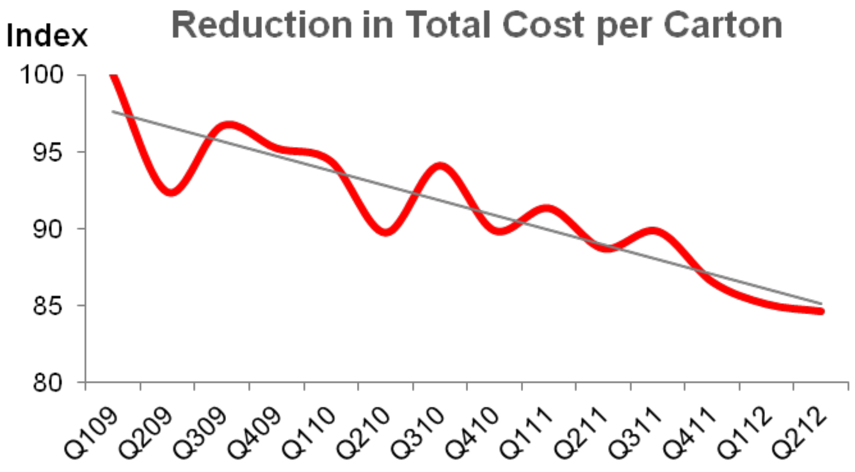
- 'Multi-faceted approach to build & reinforce customer trust
  - 'Down Down' investment in lower grocery & fresh food prices to lift customer trust in everyday value
  - Market leading promotions such as Super Specials
  - Investment in fresh produce quality
  - Christmas price promise
- Fresh food quality improvement program being rolled out
  - Developing partnerships with Australian growers to improve quality
  - Fresh food supply chain being re-engineered to maximise home shelf-life

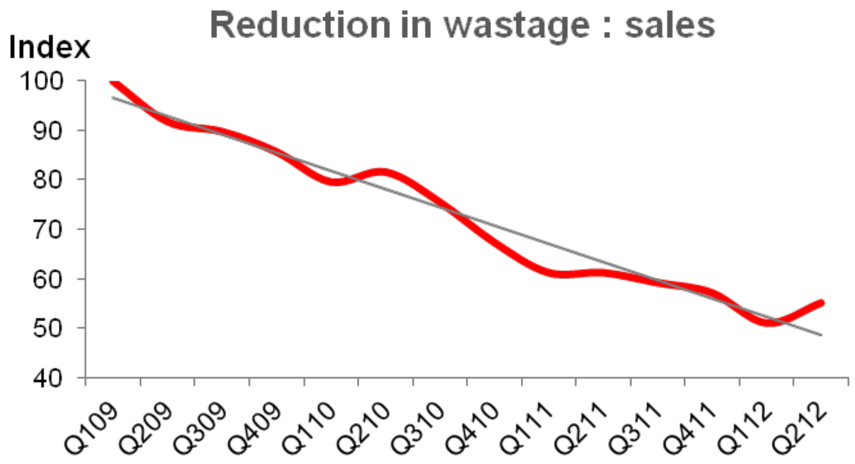
Working smarter stores

Excellent availability

Sustainable efficiency gains

- Critical supply chain efficiency platforms now in place
  - IT systems for Easy Ordering & Easy Warehousing in place
  - Fast/slow network being developed
  - 2 day reduction in net inventory in last 12 months
- Reduction in cost of store operations
  - Significant reductions in waste
  - Sales led Team Member rostering
  - Further energy efficiency gains
- Further above store savings from procurement





Sold and served with personality

The best customer experience

Improving customer experience

- Network transformation continues
  - 193 renewal format stores
  - 77 stores opened & 77 stores closed since acquisition
  - 5% increase in supermarkets space
- Focus on bigger stores with wider offer
  - 2 superstores opened in 1H FY12
  - Average store opening size of 2,700m^2 v average store closure size of 1,700m^2
- Improvements in customer service
  - 2,000 self-scan check-outs to reduce queue times
  - Better training to meet & exceed higher customer expectations

HIOS performance summary

Half-Year ended 31 December ($m)		2011	2010	↕ %
Revenue	Home Improvement	**3,797**	3,572	6.3
	Office Supplies	**710**	706	0.6
		4,507	4,278	5.4
EBIT	Home Improvement	**485**	457	6.1
	Office Supplies	**34**	32	9.1[1]
		519	489	6.1

[1] Office Supplies EBIT growth shown on an un-rounded basis.

HIOS highlights

Home Improvement

- Trading revenue growth of 6.8%
  - 7.0% total store sales growth (Store-on-store growth of 4.6%)
- EBIT growth 6.1%; Trading EBIT margin 12.7%
- Opened 7 trading locations with 16 stores under construction at 31 December
- Significant capital investment for future growth

Office Supplies

- Modest sales growth in a challenging environment – continuing price deflation
- Momentum building in B2B channel & online platform enhancements
- Focus on sustainable & profitable growth through ongoing network investment

Target performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue	**2,060**	2,120	(2.8)
EBIT	**186**	206	(9.7)
EBIT margin (%)	**9.0**	9.7	
Total sales growth[1] (%)	**(2.5)**	(3.1)	
Comparative store sales growth[1](%)	**(3.5)**	(3.3)	

[1] 2011 for the 27 weeks 26 June 2011 to 31 December 2011, 2010 for the 27 weeks 27 June 2010 to 1 January 2011.

Target highlights

- Sales affected by challenging & competitive conditions
  - Customer numbers lower than the previous period
  - Frequent promotions & clearance sales across the sector resulted in a lower proportion of regular sales
  - Positive customer response to improvements in homewares, footwear & accessories ranges, & change to marketing program
- Disciplined working capital focus
  - Significantly lower & cleaner inventory levels
  - Gross margins stronger than same time last year
- Continued expansion of online ranges
  - Sales growing in line with internal expectations
- Continued investment in the store portfolio with 8 new stores & 26 refurbishments completed

Kmart performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue	**2,236**	2,271	(1.5)
EBIT[1]	**193**	174	10.9
EBIT margin (%)	**8.6**	7.7	
Total sales growth[2] (%)	**(1.3)**	1.9	
Comparative store sales growth[2] (%)	**(1.4)**	1.7	

[1] Excludes $4 million earnings relating to Coles Group Asia overseas sourcing operations utilised by both Kmart & Target (2010: $1 million).

[2] 2011 for the 27 weeks 27 June 2011 to 1 January 2012, 2010 for the 27 weeks 28 June 2010 to 2 January 2011.

Kmart highlights

- Strong increase in earnings through improved operating model
  - Better sourcing
  - Improved pricing disciplines
  - Increased focus on stock management
- Customers responding favourably to irresistibly low prices on everything every day
  - 8th consecutive quarter of growth in customer transactions & units sold
  - Sales growth affected by deflationary impact of lower prices
  - Strong growth in units sold across all key categories
- Investment in network remains a focus
  - New NSW Distribution Centre now operational
  - 4 Kmart stores refurbished
  - 8 new Kmart Tyre & Auto stores opened & 156 stores re-imaged

Resources performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue[1]	**1,087**	957	*13.6*
Royalties[2]	**(162)**	(125)	*30.6*
Mining & other costs[3]	**(602)**	(527)	*14.2*
EBITDA	**323**	305	*5.9*
Depreciation & amortisation	**(73)**	(55)	*32.7*
EBIT[4]	**250**	250	*0.0*
Coal production (‘000 tonnes)	**7,085**	7,080	*0.1*

[1] Includes traded coal revenue of $95 million in 2011 (2010: $51 million). [2] Includes Stanwell royalty expense of $88 million (2010: $60 million). [3] Includes non-recurring costs at Curragh of approx. $55 million associated with final flood recovery & mine ramp-up ahead of expansion.[4] The divestment of Premier was completed on 30 December 2011; gain on sale is excluded.

Resources highlights

- Solid revenue growth driven by comparatively higher export coal pricing
  - Increase in royalty expenses & additional one-off costs
- Constrained production
  - Commissioning of new CHPP
  - Final phase of operational recovery following 2011 flood impacts
- Continued export growth focus
  - Curragh & Bengalla expansions scheduled for completion end of March ‘12
    - Curragh: to 8.0 - 8.5 mtpa metallurgical coal exports
    - Bengalla: to 7.5 mtpa steaming coal exports (9.3 mtpa ROM)
  - New electric rope shovel commissioned at Curragh North
- Premier[1] coal mine divested for $298 million (cash proceeds)

[1] Gain on disposal of Premier of $92 million recorded as non-trading item in ‘Other’.
CHPP: Coal handling preparation plant.
mtpa: million tonnes per annum.
ROM: Run of mine.

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Curragh - focus on cost control

- Tight labour market conditions & broader industry cost pressures
  - Australian HCC FOB cash costs have increased c. 70% since 2007[1]
- Additional cash costs of $55 million incurred in 1H FY12
  - Final flood recovery costs
  - Overburden removal, coal exposure & ROM stockpile ahead of expansion
- Continued cost control programs
  - Mining & processing practices
  - Equipment utilisation & productivities
  - Procurement optimisation on key input costs
  - Contractor usage & roles
  - Operational & cost review underway

[1] Based on industry benchmarks.

Insurance performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Total Revenue	**945**	872	*8.4*
EBITA Underwriting	**(10)**	42	*n.m.*
EBITA Broking	**35**	28	*25.0*
EBITA Other	**(2)**	-	*n.m.*
EBITA Insurance Division	**23**	70	*(67.1)*
EBIT Insurance Division	**17**	65	*(73.8)*

Insurance highlights

- Results reflect record level of catastrophe claims for CY11 (floods, earthquakes, fires & hail)
- Underwriting margins affected by higher reinsurance costs
- Underlying earnings ahead of prior comparative period
  - Solid premium rate increases & revenue /earnings growth from broking operations
- Strong customer interest & growth in Coles Insurance
- Underlying performance expected to benefit from premium rate increases, improved risk selection & systems improvements

Other businesses performance summary

Half-Year ended 31 December ($m)		2011	2010	↕ %
Revenue	Chemical, Energy & Fertilisers[1]	**775**	722	7.3
	Industrial & Safety	**843**	774	8.9
EBIT	Chemical, Energy & Fertilisers[2,3]	**99**	151	(34.4)
	Industrial & Safety	**97**	79	22.8

1. Includes Kleenheat Gas, ALWA, enGen (prior to divestment on 31 August 2011) & Premier Power Sales (since transfer on 1 July 2011). 2. 2010 includes $41 million of insurance proceeds. 3. Includes enGen earnings for the period prior to divestment on 31 August 2011 ($43m gain on sale excluded) & Premier Power Sales (since transfer on 1 July 2011).

Other businesses highlights

Chemicals, Energy & Fertilisers

- Board approval for $550 million ammonium nitrate expansion (AN3)
- Improved ammonia & ammonium nitrate (AN) earnings, despite planned ammonia shut down, due to higher sales volumes & product mix
  - Major ammonia shut down completed ahead of time & budget
- Increased sodium cyanide earnings driven by strong demand, partially offset by higher input costs
- Fertiliser earnings ahead of last year with good uptake of early orders & contracts

Industrial & Safety

- Growth reflecting positive market conditions & strong competitive position
  - Sustained resource sector activity
  - Expansion & diversification of customer base
  - Strong service levels, development of key account & eBusiness capabilities
  - Network capacity expansion underway (including opening in Indonesia)
- Strong ROC growth due to earnings & tight capital management

Outlook

Outlook

Retail

- Earnings growth expected, despite short term challenges
  - Strategic agendas to improve the customer offer, increase operational efficiency & strengthen the network
  - Continuing high levels of price deflation in 2H FY12, particularly fresh produce deflation in supermarkets
  - Customers to remain value focused

Resources

- Long term export coal market fundamentals remain sound
- Softening metallurgical coal price affected by weakness in global steel demand
- Mine expansions anticipated to complete by end of March ‘12
- Cost control programs in place to manage industry cost pressures

Outlook

Insurance

- Improved performance expected in 2H FY12
  - Growth in premium revenue and personal lines
  - Improved risk selection & exposure
  - Catastrophe events in excess of allowances & lower interest rates a potential risk

Industrial & Safety, & Chemicals, Energy & Fertilisers

- Well placed to leverage growth in the Australian resources sector
- Growth in demand for chemical & industrial products
- Continuing improvements in business performance

Group

- Continue to leverage & build human resource capability
- Robust balance sheet & strong cash generating businesses
- Significant organic capital investment phase will help drive future growth

Debt Management

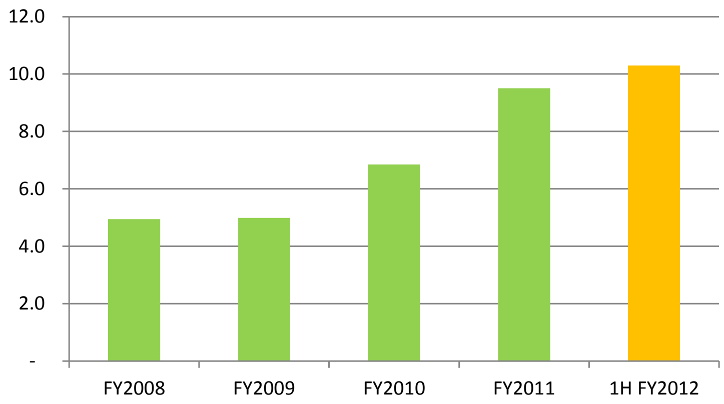
Financial discipline is core to Wesfarmers' strategy

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

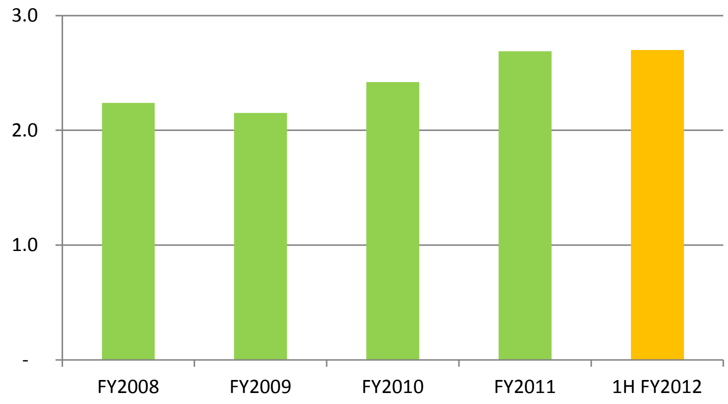
Ability to raise capital and maintain balance sheet strength	• Apr 08: A$2.6 billion equity raising and US$650 million 5 year Rule 144A bond • Jan 09: A$4.6 billion equity raising • Sep 09: A$500 million 5 year Australian domestic bond • Mar 10: €500 million 5yr Euro bond • Dec 10: A$2.5 billion revolving 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 • A$1.6 billion bilateral revolving credit facilities
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 $5.7 billion, net debt of $4.5 billion - Strong liquidity position, supported by $3.2 billion of committed undrawn facilities & cash (at bank and on deposit) - 60% hedged to December 2012 - Cash interest cover (R12) of 10.3 times, up from 7.7 times - Fixed charges (R12) cover of 2.7 times, up from 2.6 times

Strong credit metrics

Cash interest cover ratio (times)



Fixed charges cover ratio (times)



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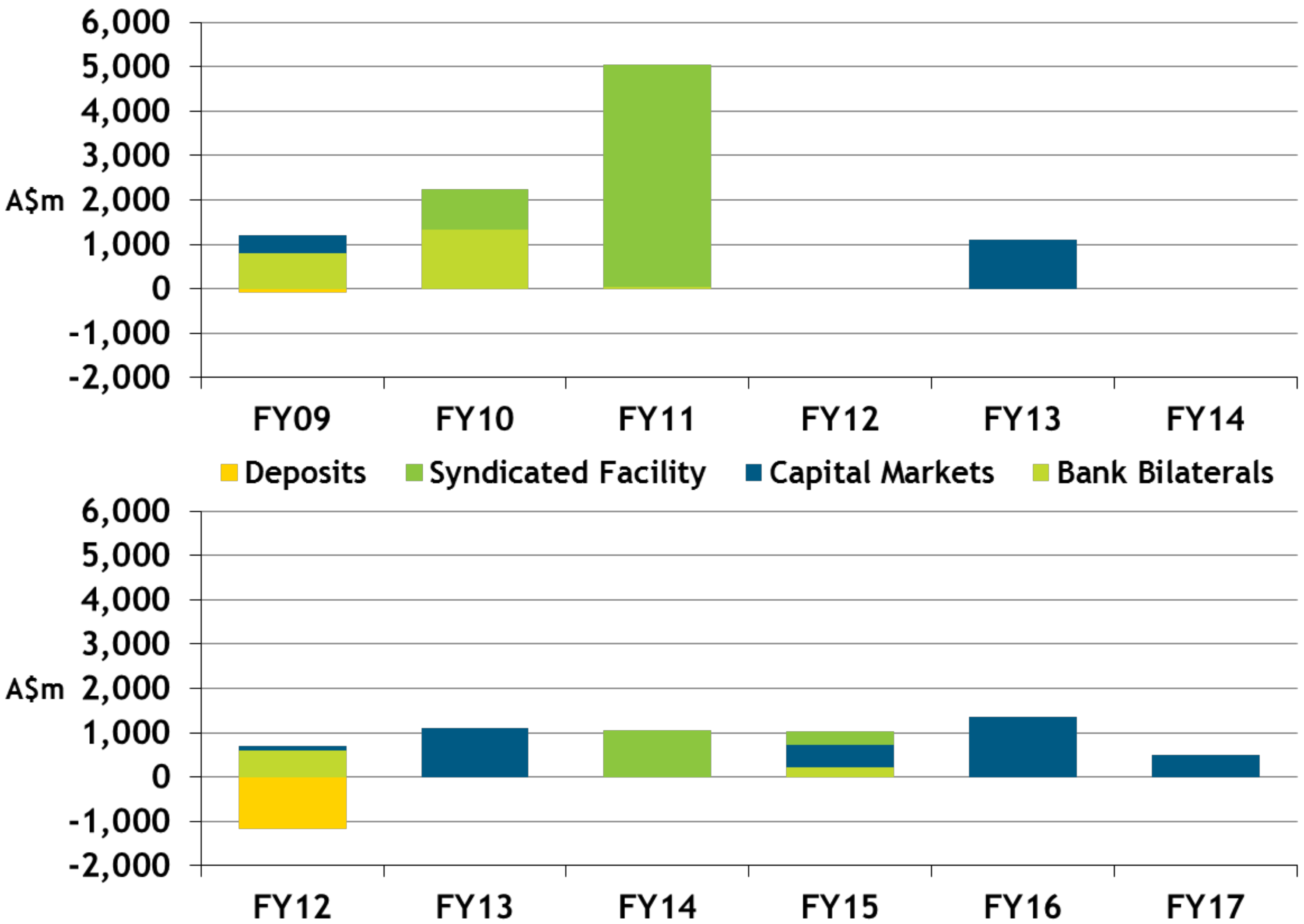
Pro-active debt management

Debt as at 30 June 2008

Debt as at 31 December 2011



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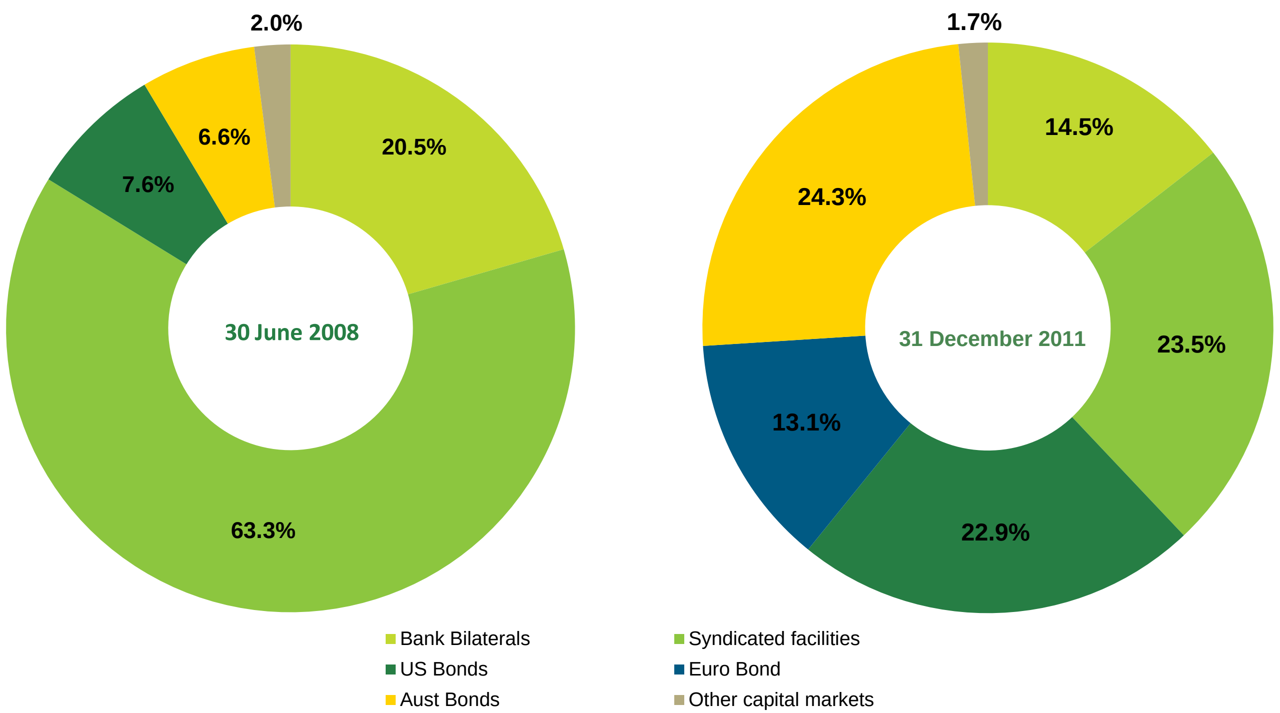
Pro-active debt management

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

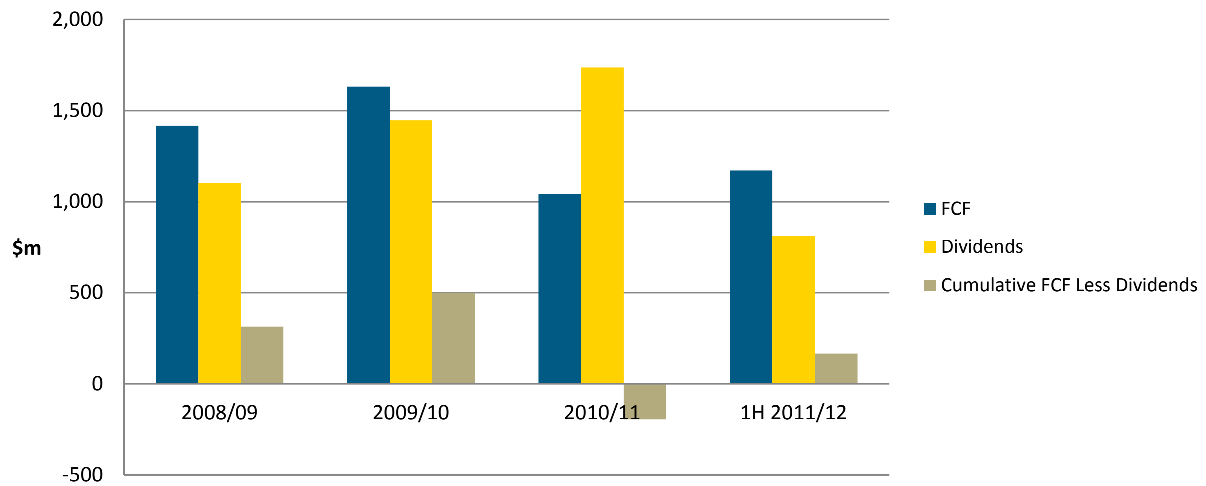


Through the cycle cash flows

Dividend policy

- Dividend policy takes into account through the cycle free cash flow requirements and debt refinancing
- Strong phase of capital expenditure led growth
  - Curragh and Bengalla expansion projects nearing completion during Q1 CY2012
- Potential cash proceeds from future asset sales
  - Retail property once development sites maximised (freehold land and buildings $2.6 billion at 31 December 2011, 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 31 December 2011
- 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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