2013 Half-Year Results
Debt Investor Update

February 2013

Wesfarmers

Group Performance Highlights

Group performance highlights

- Operating revenue of $30.6 billion, up 3.2%
- Earnings before interest & tax of $2,043 million, up 5.5%
- Finance costs of $229 million, down 13.3%
- Net profit after tax (NPAT) of $1,285 million, up 9.3%
- Earnings per share of $1.11, up 9.2%
- Net capital expenditure of $1,120 million, down 11.3%
- Moody's credit rating upgraded to A3, consistent with S&P's A- rating
- Strong liquidity position; R12 fixed charges cover of 2.9 times, up from 2.7 times
- Fully franked interim dividend of $0.77 declared, up 10.0%

Group performance highlights (cont)

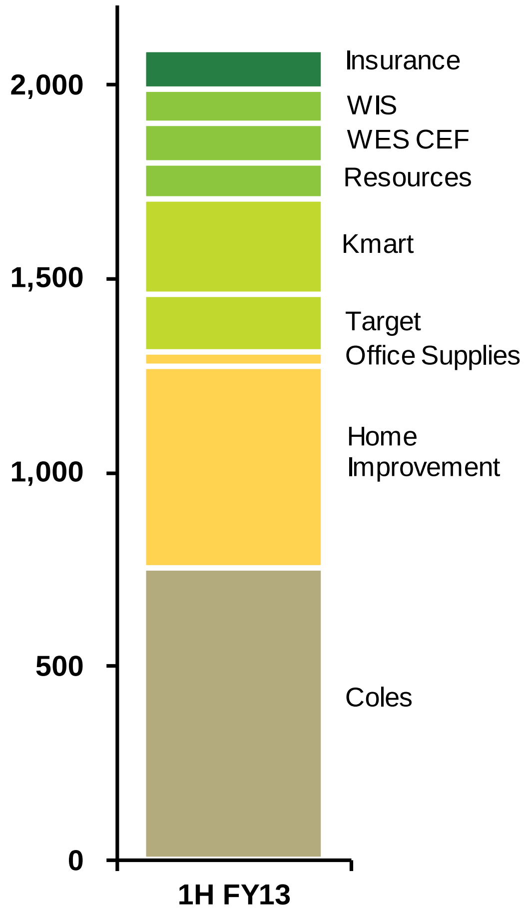
- Solid retail earnings growth
  - Turnaround of Coles & Kmart driving strong transaction & earnings growth
  - Bunnings & Officeworks performance solid despite challenging housing market & deflation in technology
  - Positive customer response to Target's transformation initiatives but earnings affected by high level of costs associated with transformation activities
- Insurance underwriting performance improved through disciplined risk management, premium rate increases & lower claims expense
- Resources revenue significantly affected by lower export coal prices & high AUD; continued focus on cost control
- WES CEF earnings benefited from strong chemicals demand & pricing; partially offset by lower Kleenheat Gas & fertiliser earnings
- Industrial & Safety earnings declined, with slowdown in resources sector activity resulting in margin pressure

Group performance summary

Half Year ended 31 December ($m)	2012	2011	%
Operating revenue	**30,614**	29,674	*3.2*
EBITDA	**2,574**	2,433	*5.8*
EBIT	**2,043**	1,937	*5.5*
Finance costs	**(229)**	(264)	*(13.3)*
Net profit after tax	**1,285**	1,176	*9.3*
Operating cash flow	**2,207**	2,172	*1.6*
Cash interest cover (times) - R12 basis	**11.8**	10.3	*14.6*
Net debt to EBITDA (times) - R12 basis	**1.1**	1.1	-
Fixed charges cover (times) - R12 basis	**2.9**	2.7	*7.4*

Strength through diversified earnings

Divisional EBIT (1H FY13, A$m)



Percentage of Divisional EBIT

Insurance 5%; (1H12: 1%)

Industrial 14%; (1H12: 22%)

Department store retailing 19%; (1H12: 19%)

Big box retailing 27%; (1H12: 26%)

Food, liquor & petrol retailing 36%; (1H12: 32%)

Half Year ended 31 December (A$m)	2012	2011	%
Coles	**755**	656	*15.1*
Home Improvement	**518**	485	*6.8*
Office Supplies	**38**	34	*11.8*
Target	**148**	186	*(20.4)*
Kmart	**246**	197	*24.9*
Insurance[1]	**104**	17	*511.8*
Resources	**93**	250	*(62.8)*
Chemicals, Energy & Fertilisers	**104**	99	*5.1*
Industrial & Safety	**88**	97	*(9.3)*
Divisional EBIT	**2,094**	**2,021**	*3.6*
Other[2]	**6**	(31)	*n.m.*
Corporate overheads	**(57)**	(53)	*(7.5)*
Group EBIT	**2,043**	**1,937**	*5.5*

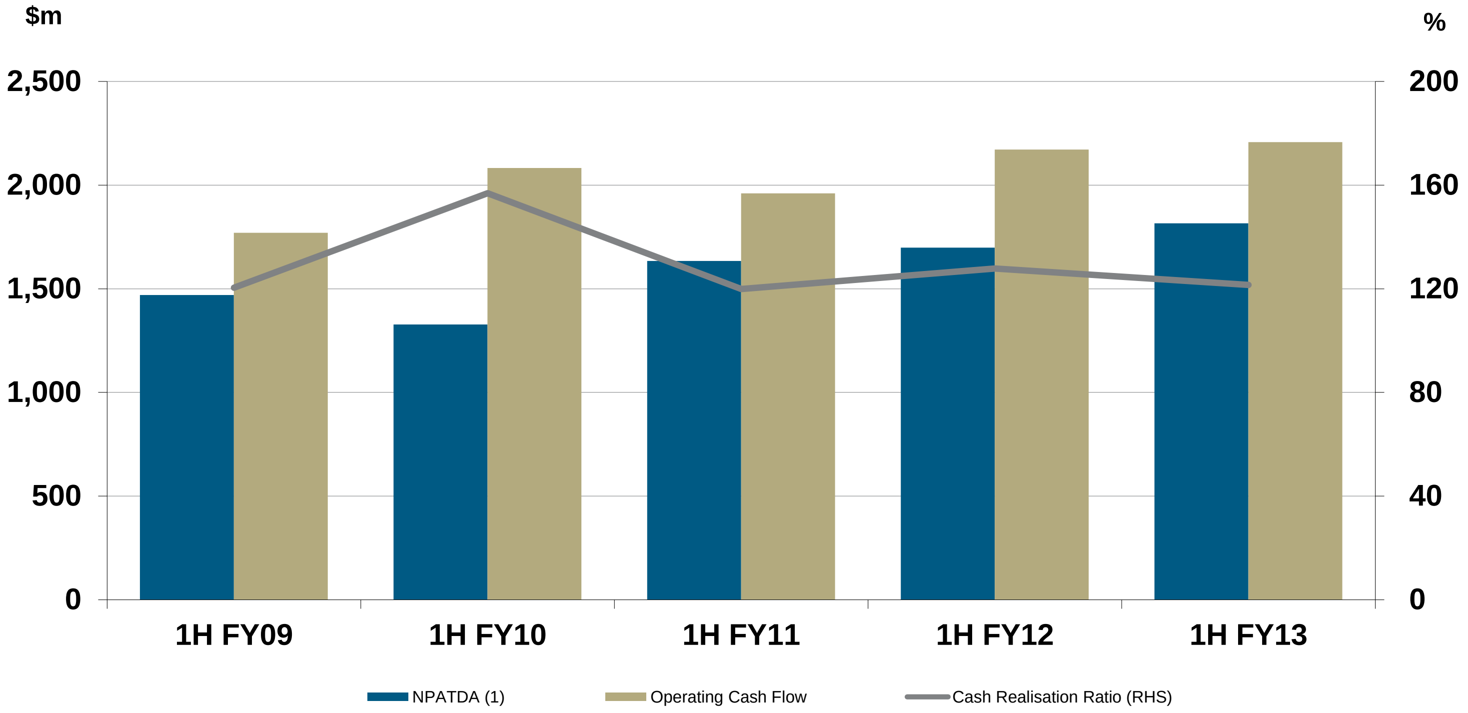
[1] 2011 includes net claims $28 million above budgeted allowances & increased reserving of $26 million relating to the February 2011 Christchurch earthquake.

[2] 2011 includes non-trading items expense of $30 million.

Wesfarmers

Portfolio of strong cash generating assets

- Solid first half operating cash flow of $2,207 million
- Strong cash realisation maintained through effective working capital management



[1] 1H FY09 to 1H FY12 adjusted for significant non-cash, non-trading items.

Working capital management

- Operating cash flow growth supported by working capital improvements
- Seasonal working capital peak
  - Retail divisions' inventory build offset by higher creditors
  - Strong inventory focus
  - Improved trading terms in Kmart
- Decline in receivables with lower Resources & Industrial & Safety sales
- Lower Resources payables as a result of cost reduction initiatives

Cash Movement ($m) Inflow/(Outflow) [1]	Half-Year ended 31 Dec. 2012	2011
Receivables	221	(183)
Inventory	(509)	(374)
Payables	653	813
Cash movement	**365**	256
Working capital cash movement:		
Retail	545	557
Other	(180)	(301)
Total	**365**	256

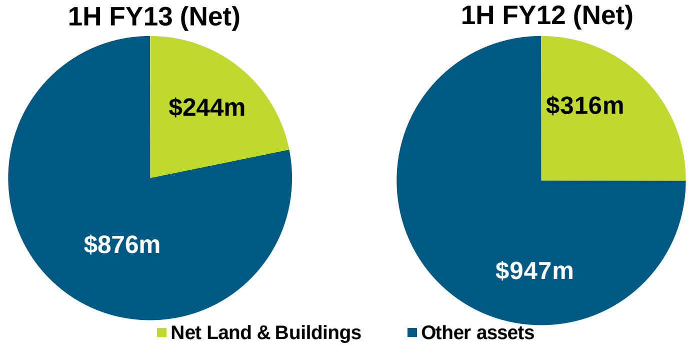
[1] Cash movement relating to inventories, trade & other receivables, prepayments & trade & other payables.

Strong investment in organic growth

- Continued strong investment in Coles & Bunnings store networks
- AN3 expansion well progressed & on track to be completed within budget
- Proactive management of freehold property portfolio
  - Proceeds from sale of PPE of $203 million
- FY13 net capital investment $1.5 to $2.0 billion, subject to property investment

Half Year ended 31 December ($m)[1]	2012	2011	↕ %
Coles	**665**	625	*6.4*
HI & OS	**357**	342	*4.4*
Target	**51**	44	*15.9*
Kmart	**49**	88	*(44.3)*
Insurance	**12**	18	*(33.3)*
Resources	**52**	239	*(78.2)*
Industrial & Safety	**18**	15	*20.0*
WES CEF	**118**	54	*118.5*
Other	**1**	3	*(66.7)*
Total capex	**1,323**	1,428	*(7.4)*
Sale of PP&E	**(203)**	(165)	*23.0*
Net capex	**1,120**	1,263	*(11.3)*

[1] Capital investment provided on a cash basis.



Divisional Performance

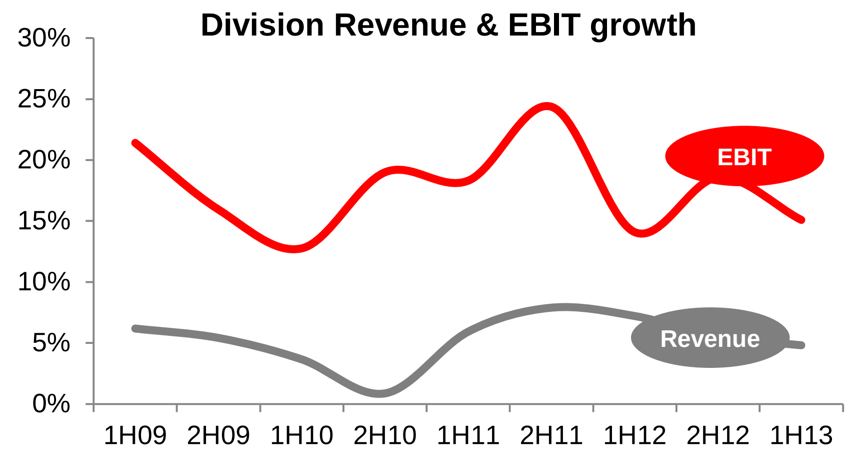
Coles performance summary

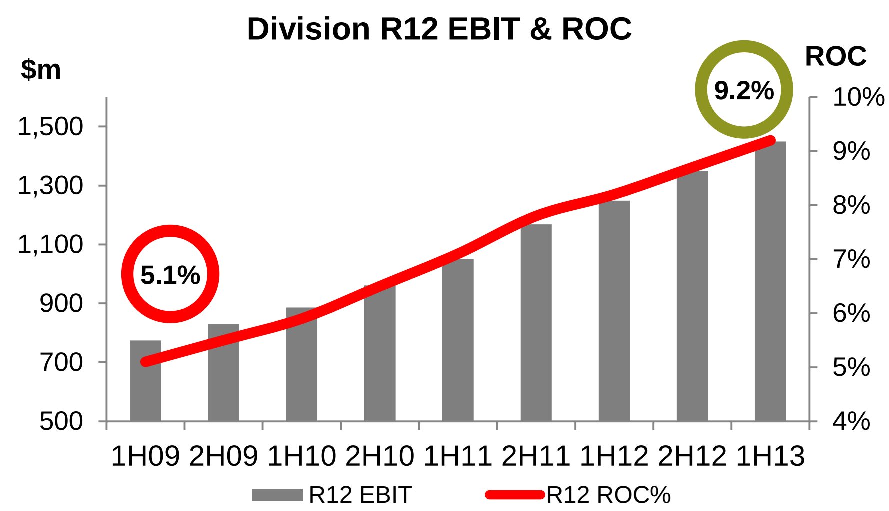
Half-Year ended 31 December ($m)		2012	2011	↕ %
Coles Division	Revenue	**18,047**	17,218	*4.8*
	EBIT	**755**	656	*15.1*
Food & Liquor	Revenue[1]	**14,104**	13,435	*5.0*
	Total store sales growth %[2,3]	**5.0**	4.9	
	Comp store sales growth %[2,3]	**3.8**	4.4	
	EBIT[4]	**677**	591	*14.6*
	EBIT margin %	**4.8**	4.4	
Convenience	Revenue	**3,943**	3,783	*4.2*
	Comp store sales growth %[2,4]	**(2.2)**	(0.5)	
	Comp fuel volume growth %[2]	**2.0**	3.7	
	EBIT	**78**	65	*20.0*
	EBIT margin **%**	***2.0***	*1.7*	

1 Includes property revenue 2012 $15 million, 2011 $12 million.
2 2012 for the 27 weeks 25 June 2012 to 30 December 2012, 2011 for the 27 weeks 27 June 2011 to 1 January 2012.
3 Includes hotels, excludes gaming revenue & property.
4 Includes property EBIT 2012 $14 million, 2011 $11 million.

Profit growth faster than sales

- Four years of market outperformance
  - Strong underlying volume growth
  - Record transaction numbers of 21 million in Christmas week
- Strong ROC improvement over 4½ years
  - EBIT growing three times faster than sales
  - 160bps EBIT margin expansion
  - 410bps ROC expansion



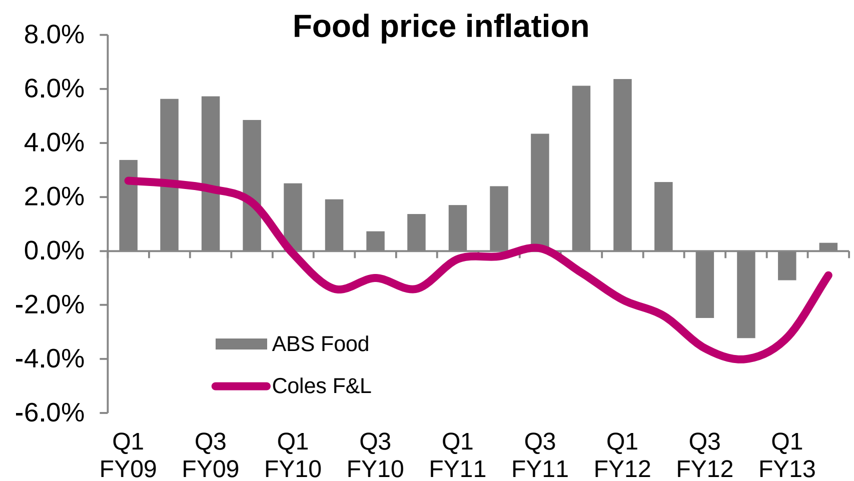


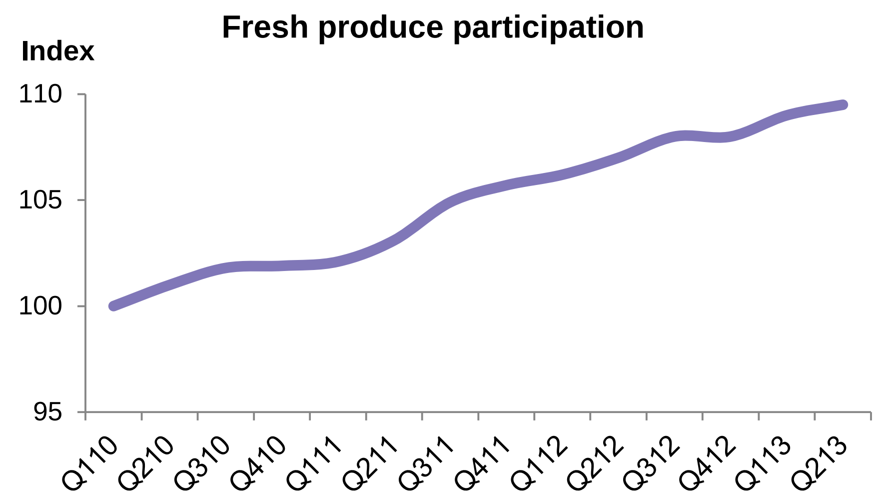
Truly better value

Stunning, quality fresh food

Value, quality & innovation

- Increasing customer trust in Coles value driving volume growth
  - State-based pricing in place for three years
  - Two years of Down Down supporting price deflation
  - Investment in Coles brand
- Growing customer confidence in Coles fresh food
  - Fresh produce fastest growing category
  - Strongest fresh food Christmas
  - Commitment to longer term sourcing with Australian farmers & food manufacturers



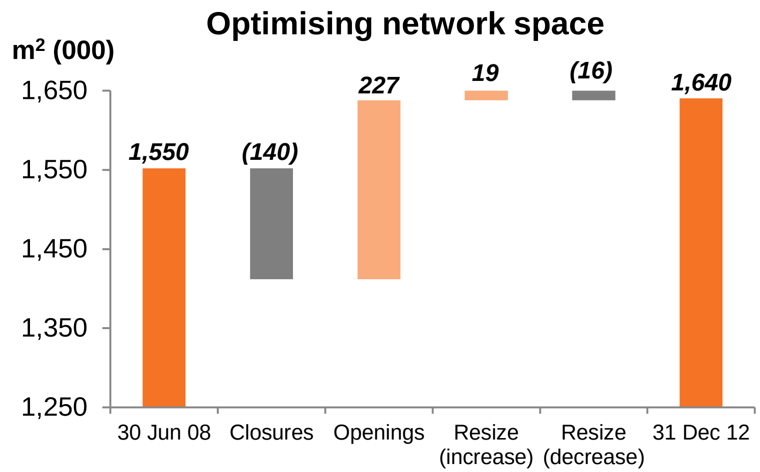


The best customer experience

Sold and served with personality

Growth across all channels

- Store development initiatives progressing well
  - 1.8% increase in selling area in last 12 months
  - Three new superstores in H1 FY13
  - New fresh format in Southland, Melbourne
- Multichannel plans progressing well
  - flybuys continuing to grow with circa half of sales from members
  - Coles Online re-platforming developing as planned
  - Increasing market share for Coles Insurance & Coles MasterCard



Second phase of transformation

Driving the Coles Difference

- Culture of continuous improvement
- Strong customer trust & loyalty
- Strong operational efficiency
- Innovative & improved offer
- New stores, new categories

Year 4 - 5

Second phase of transformation

- Renewed investment in value
- Integrated CRM & loyalty platform
- Stronger supplier partnerships
- Improved quality & simpler range
- Improved category management
- Coles brand & new ranges
- New categories
- Support centre efficiency
- Leveraging supply chain
- Investment in Team Members
- New & bigger stores
- Further innovation in the shopping experience
- Multi-channel integration & financial services expansion

Year 5 - 10

Performance

HIOS performance summary

Half-Year ended 31 December ($m)		2012	2011	↕ %
Revenue	Home Improvement	**4,017**	3,797	*5.8*
	Office Supplies	**712**	710	*0.3*
		4,729	4,507	*4.9*
EBIT	Home Improvement	**518**	485	*6.8*
	Office Supplies	**38**	34	*11.8*
		556	519	*7.1*

HIOS highlights

Home Improvement

- Revenue growth of 5.8%
  - 6.0% total store sales growth (store-on-store growth of 3.4%)
  - 8.1% lift in commercial sales
- EBIT growth of 6.8%
- Good outcomes in key growth drivers
  - service, merchandising, commercial, value & productivity
- Opened 15 trading locations with 11 sites under construction

Office Supplies

- Modest sales growth in a challenging environment
- Strong earnings growth with improved margin performance
- Continuing to build presence & capability in business markets

Target performance summary

Half-Year ended 31 December ($m)	**2012**	2011	↕ %
Revenue	**2,070**	2,060	*0.5*
EBIT	**148**	186	*(20.4)*
EBIT margin (%)	**7.1**	9.0	
Total sales growth[1] (%)	**1.2**	(2.5)	
Comparative store sales growth[1](%)	**(1.8)**	(3.5)	

[1] 2012 for the 27 weeks 24 June 2012 to 29 December 2012, 2011 for the 27 weeks 26 June 2011 to 31 December 2011.

Target highlights

- Encouraging improvement in trading performance
  - Better sourcing & improved promotional effectiveness
- Target's mid-tier positioning strengthened
  - Positive customer response to Target Essentials
  - Successful pilots conducted in a number of key categories
  - Reinforced Target's fashionability with 'Designers for Target' programs
- Continued expansion of online store
  - Three-fold increase in items available driving strong sales growth
  - Significant system capability upgrade
- Continued investment in the store portfolio
  - Nine new stores & nine refurbishments completed
- Significant investment incurred in support of transformation plan
  - Not expected to repeat in future periods

Kmart performance summary

Half-Year ended 31 December ($m)	2012	2011	↕ %
Revenue	**2,299**	2,236	*2.8*
EBIT[1]	**246**	197	*24.9*
EBIT margin (%)	**10.7**	8.8	
Total sales growth[2] (%)	**3.5**	(1.3)	
Comparative store sales growth[2] (%)	**3.0**	(1.4)	

[1] Includes $1 million earnings relating to Coles Group Asia overseas sourcing operations (2011: $4 million). As at 31 December 2012 Coles Group Asia is no longer utilised by Target.

[2] 2012 for the 27 weeks 27 June 2012 to 1 January 2013, 2011 for the 27 weeks 27 June 2011 to 1 January 2012.

Kmart highlights

- Customers continue to respond well to Kmart's strategy of providing the lowest prices on everyday items for families
  - 12 consecutive quarters of growth in transactions & units sold
  - Strong performance of seasonal & everyday core ranges
- Solid return on capital & double digit earnings growth
  - Continued improvements through sourcing
  - Stronger seasonal trade with less mark down activity
- Strong cash realisation
  - Focus on inventory management maintained
- Continued investment in the network
  - Opened six new Kmart stores & four new Kmart Tyre & Auto stores
  - Completed six full Kmart store refurbishments

Resources performance summary

Half-Year ended 31 December ($m)	2012	2011[1]	↕ %
Revenue	**826**	1,087	*(24.0)*
Royalties[2]	**(148)**	(162)	*8.6*
Mining & other costs	**(517)**	(602)	*14.1*
EBITDA	**161**	323	*(50.2)*
Depreciation & amortisation	**(68)**	(73)	*6.8*
EBIT[2]	**93**	250	*(62.8)*
Coal production (‘000 tonnes)[3]	**7,017**	7,085	*(1.0)*

[1] 2011 includes Premier which was divested on 30 December 2011.
[2] Includes Stanwell royalty expense of $91 million (2011: $88 million).
[3] Includes Premier production of 1.6mt in 2011.

Resources highlights

- Continued improvement in safety performance
- Lower export prices & continued high US$:A$ exchange rate resulted in a significant decline in export revenue
- Increased production volumes driven by recent mine expansions
  - Curragh production up 24.2% to 5,529kt
  - Bengalla production up 46.9% to 1,488kt
- Operational changes at Curragh in response to market conditions
  - Reduced contractor usage & partial mine shutdown in December
  - Significant reduction in mine cash costs
    - Unit rate >20% lower than 1H FY12

Insurance performance summary

Half-Year ended 31 December ($m)	2012	2011	↕ %
Total Revenue	**1,035**	945	*9.5*
EBITA Underwriting	**72**	(10)	*n.m.*
EBITA Broking	**38**	35	*8.6*
EBITA Other	**0**	(2)	*n.m.*
EBITA Insurance Division	**110**	23	*378.3*
EBIT Insurance Division	**104**	17	*511.8*

Insurance Highlights

- Strong Underwriting performance
  - Good momentum in underwriting performance with improved loss ratios through better risk pricing, exposure management & claims efficiencies
  - Higher earned premiums resulting from changes to reinsurance arrangements & the flow through of premium rate increases achieved in FY12; modest rate increases continuing into FY13
  - Favourable claims experience in most portfolios
  - Continued growth in personal lines through Coles and OAMPS
- Continued income & earnings growth in Broking
- No increase to NZ Earthquake reserves from 30 June

Other businesses performance summary

Half-Year ended 31 December ($m)		2012	2011	↕ %
Revenue	Chemical, Energy & Fertilisers[1]	**775**	775	0.0
	Industrial & Safety	**837**	843	(0.7)
EBIT	Chemical, Energy & Fertilisers[2]	**104**	99	5.1
	Industrial & Safety	**88**	97	(9.3)

[1] Includes Kleenheat Gas, ALWA, enGen (prior to divestment in August 2011) & Bangladesh (prior to divestment in January 2012).

[2] Includes enGen & Bangladesh earnings for the period prior to divestment in August 2011 & January 2012 respectively ($43 million gain on sale of enGen excluded).

Other businesses highlights

Chemicals, Energy & Fertilisers

- Construction progressing well to expand ammonium nitrate (AN) production capacity from 520ktpa to 780ktpa (est. completion 1H CY14)
- Higher Chemicals earnings driven by good plant performances & stronger pricing
- Lower Kleenheat Gas earnings, despite higher Saudi CP pricing, due to deterioration in feedstock LPG content & margin pressures
- Lower Fertilisers earnings due to a later & poorer harvest affecting sales volumes & margins

Industrial & Safety

- General slowdown in business activity (particularly resources & construction sectors)
- Focus on continued performance improvement
- Solid ROC supported by strong inventory management & targeted network investment

Outlook

Outlook

Retail

- Sustained earnings growth to be supported by continued investments in value, merchandising, service, store network, online channel & productivity initiatives

Insurance

- Strong underwriting disciplines & a focus on operational efficiencies expected to further improve underwriting performance, in the absence of a high number of catastrophe events
- Modest growth in broking earnings expected, with challenging conditions in SME sector

Resources

- Low export coal prices & high exchange rate expected in the near term
- Ongoing cost reduction focus
- Long term export coal market fundamentals remain sound

Outlook

Chemicals, Energy & Fertilisers

- Solid demand for chemicals expected to continue, supported by good plant performances
- Kleenheat Gas outlook remains challenging

Industrial & Safety

- Subdued demand & competitive market conditions expected to continue in the near term
- Division well placed to respond to recovery

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

Debt Management

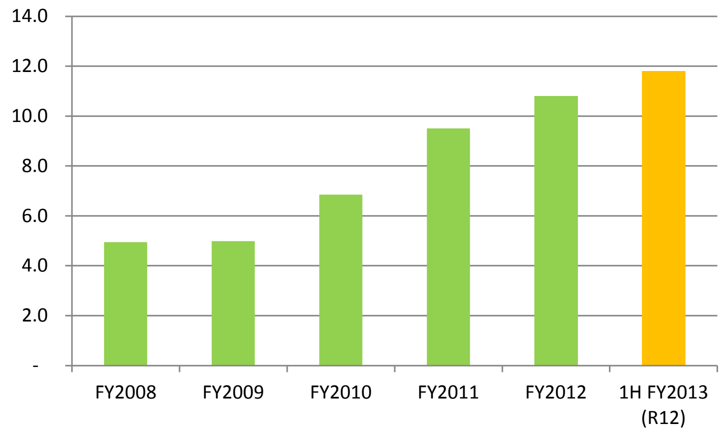
Financial discipline is core to Wesfarmers' strategy

Maintaining prudent capital structure and A-/A3 credit rating is important to Wesfarmers

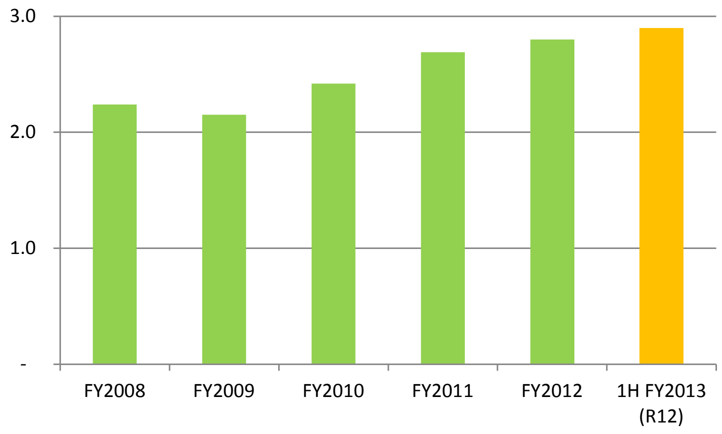
Ability to raise capital and maintain balance sheet strength	• Apr 08: A$2.6 billion equity raising and US$650 million 5 year Rule 144A bond • Feb 09: A$4.6 billion equity raising • Sep 09: A$500 million 5 year Australian domestic bond • Mar 10: €500 million 5 year Euro bond • Dec 10: A$2.5 billion revolving 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$1.4 billion bilateral revolving credit facilities with maturities up to 2 years
Solid credit metrics	• Improved credit ratings: Moody's credit rating upgraded to A3 (stable), consistent with Standard & Poor's A- (stable) rating • Continued strength in Group's debt service position - Gross debt of $5.8 billion, net debt of $5.1 billion - Strong liquidity position, supported by $2.5 billion of committed undrawn facilities - 65% hedged to December 2013 - Improvement in key debt service ratios

Strong credit metrics

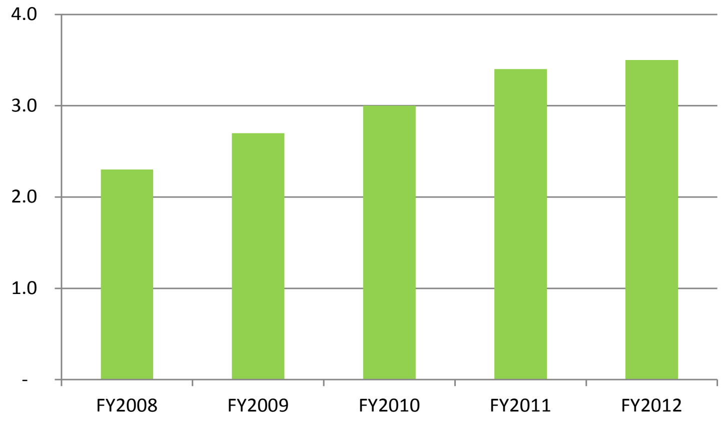
Cash interest cover ratio (times)



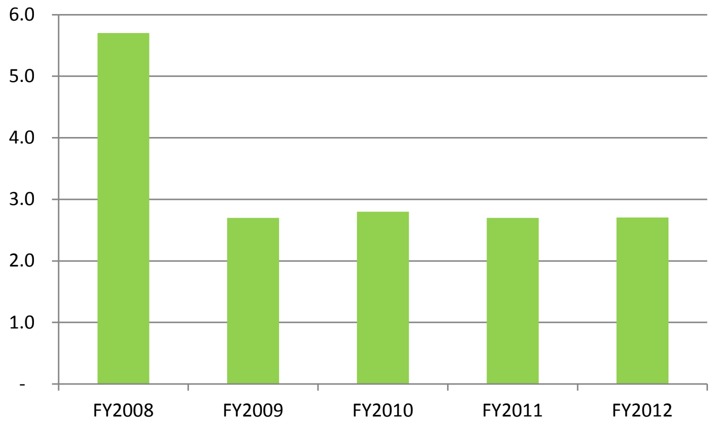
Fixed charges cover ratio (times)



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

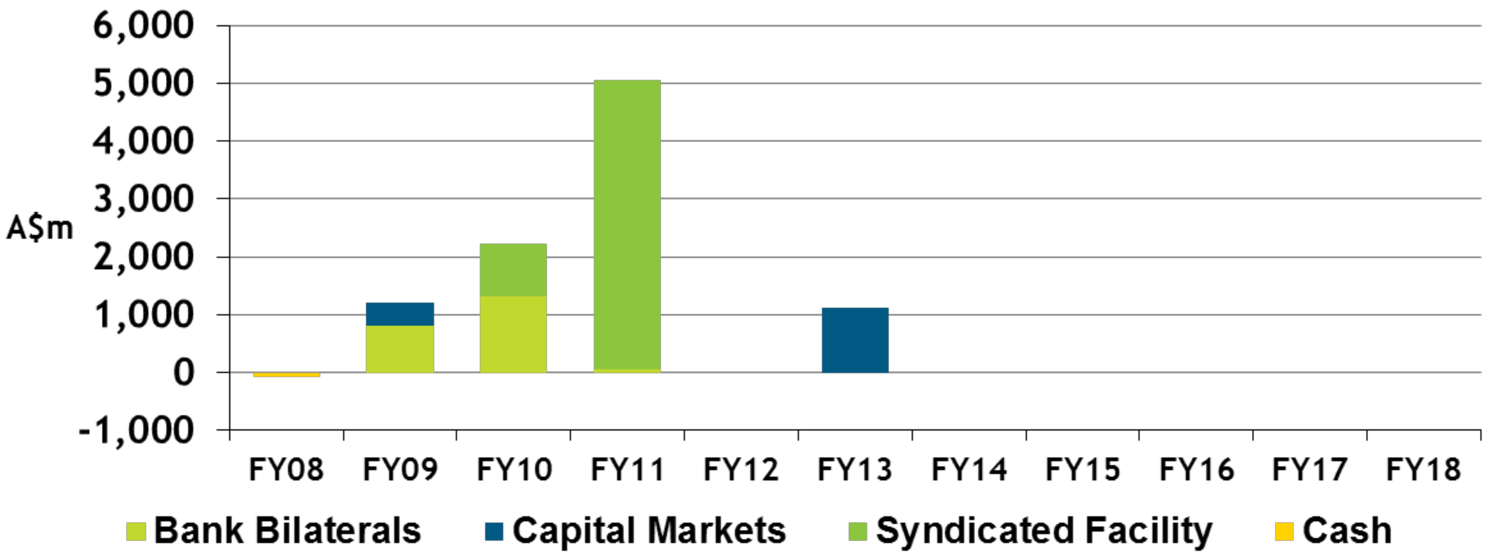


S&P Debt / EBITDA - lease adj. (times)

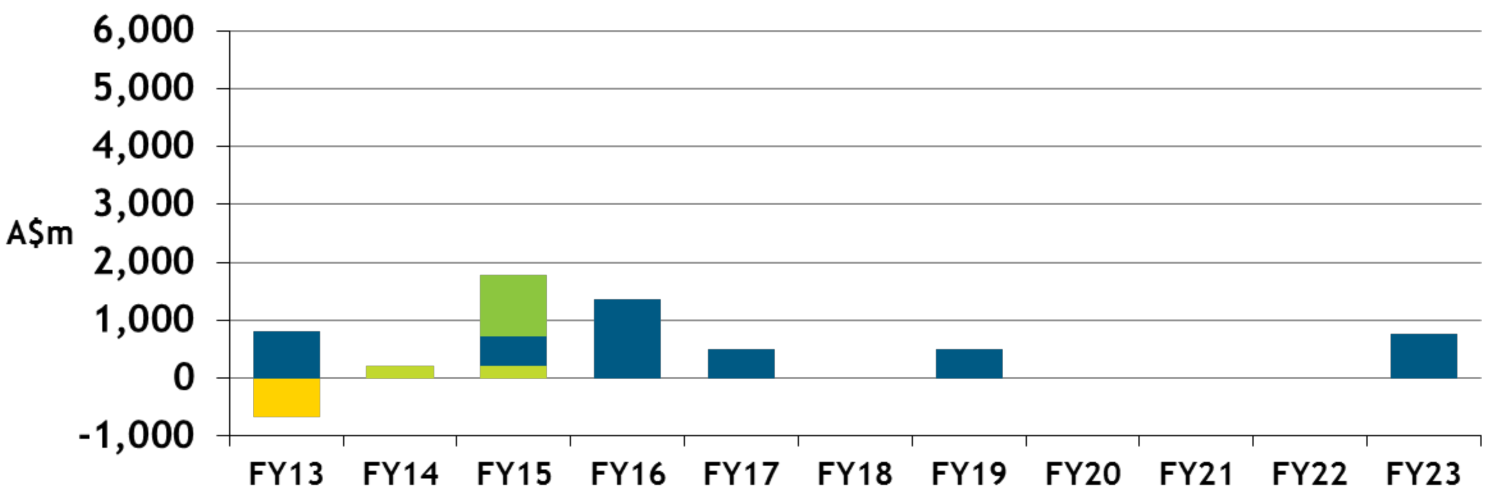


Pro-active debt management

Debt as at 30 June 2008



Debt as at 31 December 2012

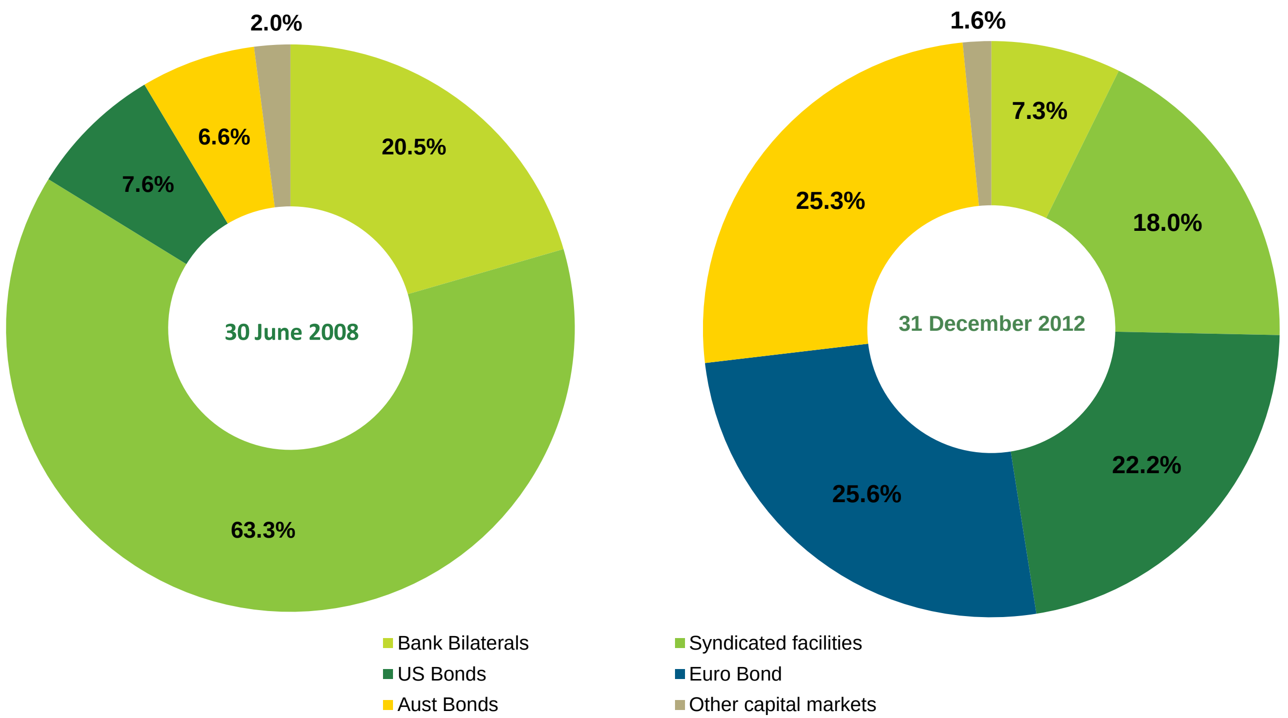


Pro-active debt management

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

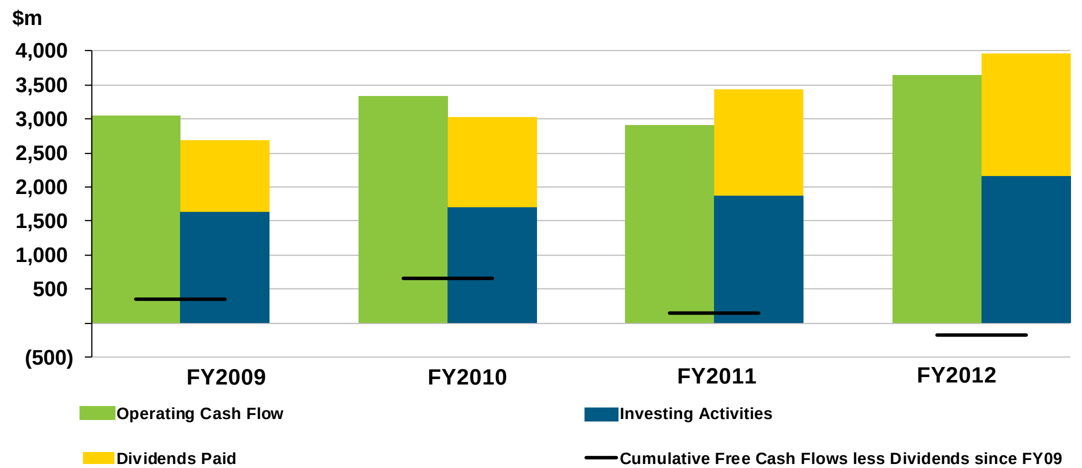


Through the cycle cash flows

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 sites are developed (freehold land and buildings $3.0 billion at 31 December 2012). Recycling capital via property monetisation is a current focus for the Group
  - Other asset sales post 31 December 2012 (1HFY2013 PPE sales $203 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

Wesfarmers

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