

Investment Conference
Philosophy, Performance and Direction

Macquarie Australian Investment Conference

Sydney

5 May 2010

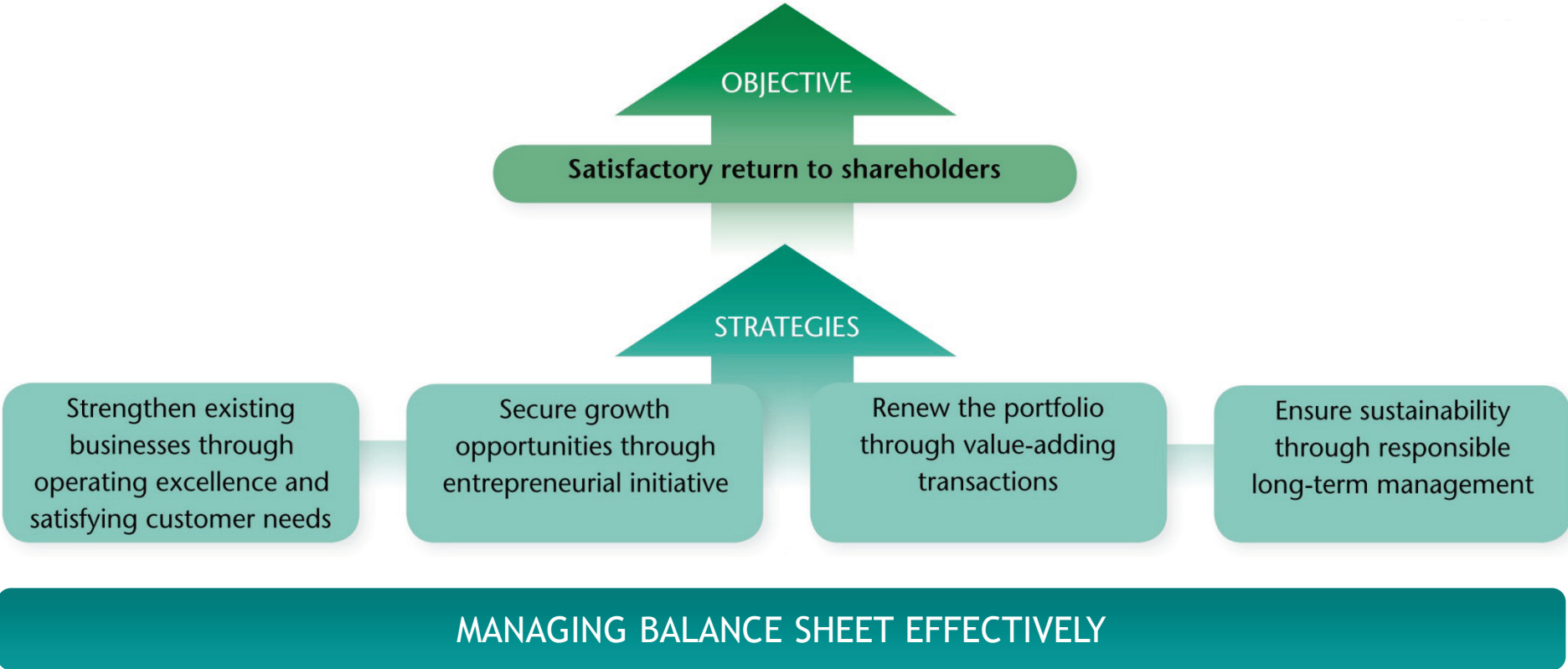




Philosophy Based On A Single Focus

Satisfactory Returns To Shareholders

Long-term, consistent strategies



The Wesfarmers Way...

Portfolio of High Performing Quality Assets
Value creating business model

Autonomy

Stand alone businesses
High calibre leadership teams with operational control
Lean corporate office

Outstanding People

- Incentives aligned to generate shareholder value
- Retain & recruit quality people
- Cultural values: Integrity, Openness, Accountability & Boldness

Accountability

- Delegation of decision making authority
- Accountability for performance
- Accountability for corporate reputation

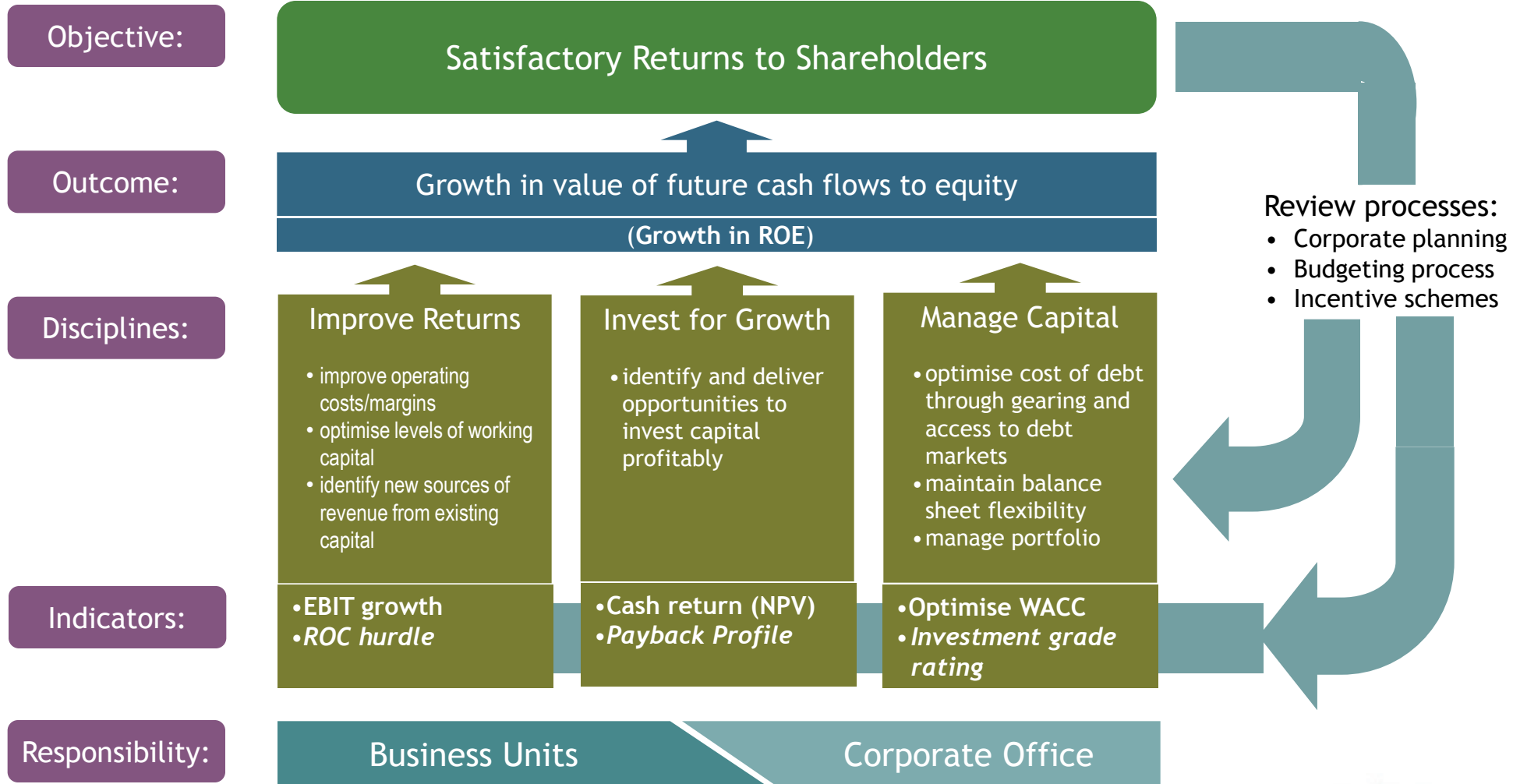
Reporting Systems

- Divisional Boards
- Established integrated management systems
- Argenti process
- Project evaluation methodology

Delivering Results

- Set targets & monitor performance
- Improve Returns
- Invest for Growth

Providing satisfactory returns over time



Group Results



Group Performance Summary

Half Year ended 31 December (\$m)	2009	2008	↕ %
Operating revenue	26,533	26,363	0.6
EBITDA*	1,996	2,160	(7.6)
EBIT*	1,547	1,737	(10.9)
Net profit after tax*	879	871	0.9
Operating cash flow	2,083	1,770	17.7
Earnings per share (excl. employee res. shares)^*	76.3	103.6	(26.4)
Earnings per share (incl. employee res. shares)^*	76.0	102.9	(26.1)
Cash flow per share (incl. employee res. shares)	180.0	219.7	(18.1)
Dividends per share	55	50	10.0
Return on shareholders' funds (R12) (%)	6.5	7.4	(0.9)pt

^ 2008 restated for 2009 rights issues in accordance with AIFRS

* 2008 restated for change in accounting policy for Stanwell rebate payments



Divisional EBIT

Half Year ended 31 December (\$m)	2009	2008	↑ ↓ %
Coles	486	431	12.8
Home Improvement	422	370	14.1
Office Supplies	27	25	9.0
Target	279	215	29.8
Kmart	154	75	105.3
Resources*	2	664	(99.7)
Insurance	58	67	(13.4)
Industrial & Safety	51	68	(25.0)
Chemicals & Fertilisers	27	4	575.0
Energy	56	30	86.7
Other^	31	(138)	n.m.
Divisional EBIT	1,593	1,811	(12.0)
Corporate overheads	(46)	(74)	37.8
Group EBIT	1,547	1,737	(10.9)

^ Includes \$39m (2008:\$148m) (pre tax) of non-trading costs

* 2008 restated for change in accounting policy for Stanwell rebate payments



Operating Divisions



Coles

- Comprehensive transformation underway
- Strong progress in building a solid foundation
- Significant work remains to extract full value



Strategies

1. Building a solid foundation
2. Delivering consistently well
3. Driving the Coles difference

Qtr3 FY10 Sales Update

- Food & Liquor headline sales growth of 3.9% (Qtr 3), 6.1% (YTD)
- Food & Liquor comp sales growth of 3.8% (Qtr 3), 5.3% (YTD)
- Deflation consistent with 1st half FY10 at around 1.0%
- Focus on quality, service and value driving strong customer growth
- Easy Ordering in 100 stores, targeting 200 by June 2010
- Self check-out in 75 stores
- Renewal development continuing with 46 stores trading at March 2010



Coles - Strategy

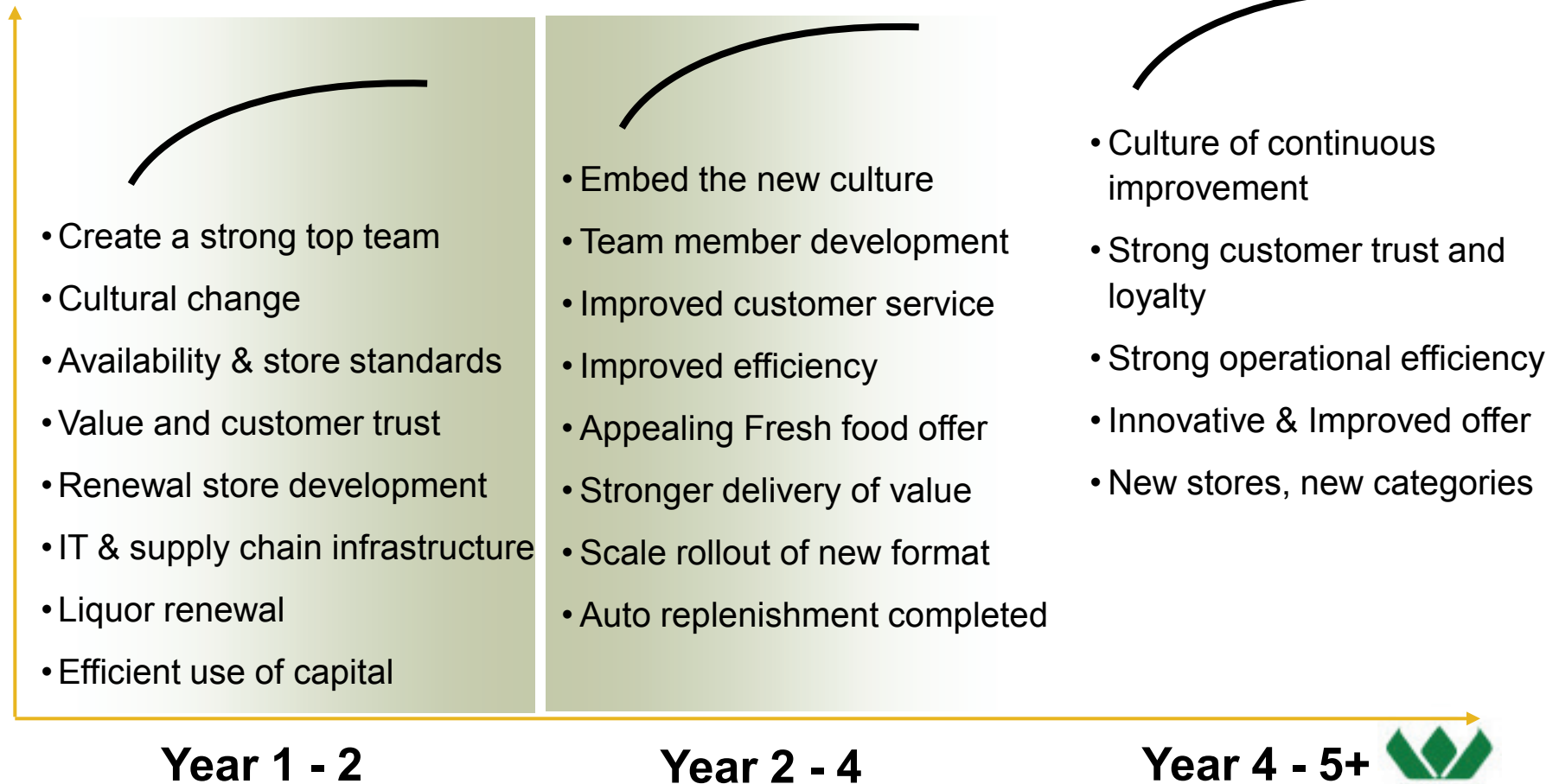
5 years - 3 phases of recovery

Building a Solid Foundation

Delivering Consistently Well

Driving the Coles Difference

Performance



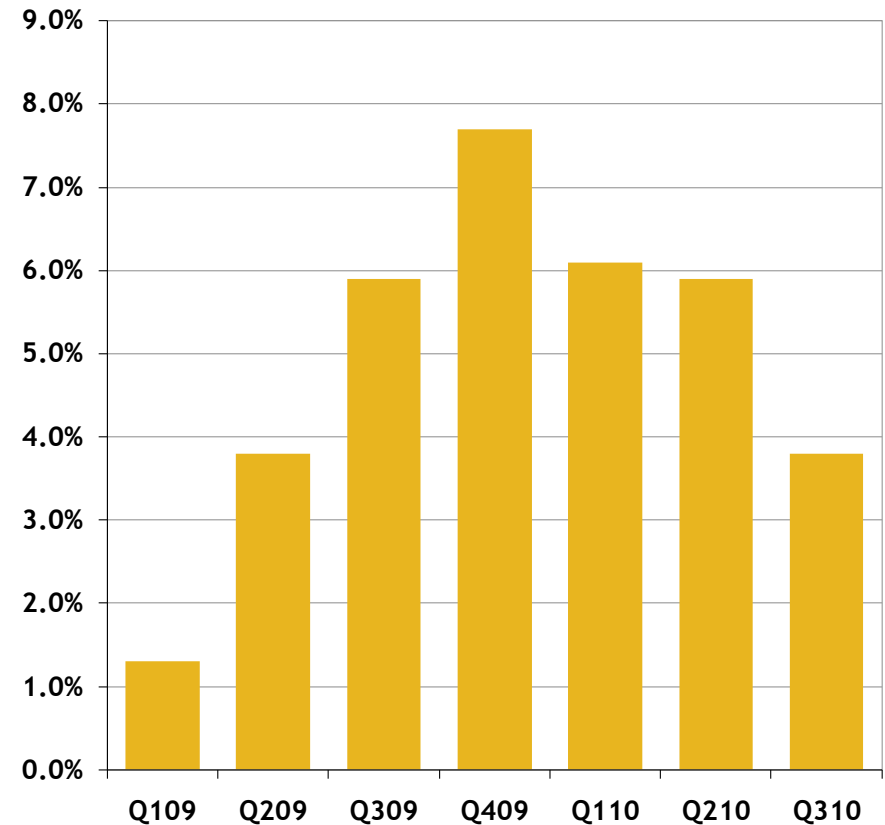
Coles - Q310 Sales Performance

- Six consecutive quarters of solid comps growth for Food & Liquor
- Good transaction growth
- Strong underlying volume growth

New supermarket at Flemington (Vic)



F&L Comp Sales Growth



Home Improvement and Office Supplies

Bunnings

- Maintain focus on strengthening the customer offer and improving operational efficiency
- Network expansion
 - Strong development pipeline

Strategies

1. Profitable sales growth
2. Better stock flow
3. Engaging and developing a strong team
4. Lifting effectiveness and efficiency
5. Sustainability focus

Qtr3 FY10 Sales Update

- Headline sales growth of 7.9% (Qtr 3), 11.4% (YTD)
- Qtr 3 cash sales growth of 7.2%, with cash sales store-on-store growth of 3.9%
- 12.7% lift in trade sales (Qtr 3), 8.9% (YTD)
- Strong progress on strategic agenda
- Opened 1 new warehouse, 1 smaller format and 3 trade centres



Home Improvement and Office Supplies

Officeworks

- Good progress on improving operational effectiveness
- Strong progress on delivering turnaround program

Strategies

1. Improving the customer offer
2. Improve customer service
3. Team development & engagement
4. Make things simple & reduce costs
5. Drive sales & profitability

Qtr3 FY10 Sales Update

- Officeworks retail store sales growth of 7.1% (Qtr 3), 10.5% (YTD)
- Strong transaction growth of 12.4% (YTD)
- Ongoing store network expansion & re-investment
- 1 new store and 4 refurbishments completed



Target

- Strong focus on the customer and offer



Strategies

1. Focus on fundamentals
2. Brand reinforcement
3. Differentiation
4. Store network development
5. Customer service
6. Team member development
7. Business improvements

Qtr3 FY10 Sales Update

- Flat headline sales (Qtr 3), up 2.6% (YTD)
- Comp sales decline of 2.0% (Qtr 3), 0.7% growth (YTD)
- Third quarter impacted by cycling strong prior period assisted by government stimulus
- Customers continue to look for value and significant incentives to purchase
- 3 refurbishments completed



Kmart

- Continue to re-set Kmart for renewal and growth
- “Expect Change” program launched in Q3



Strategies

1. Outstanding customer experience
2. Ranges customers want
3. Great value everyday
4. Clear communication
5. Every site a success
6. Best people, great company

Qtr3 FY10 Sales Update

- Headline sales growth of 4.0% (Qtr 3), 0.1%(YTD)
- Comp sales growth of 4.0% (Qtr 3), decline of 0.1% (YTD)
- Strong investment in value, with initial customer response positive
- Continue to test and refine offer to find the right platform for the future
- 11 floor and fitting room upgrades in the quarter, with over 40 stores now complete



Resources

- Works commenced for Curragh expansion (to 8.0mt - 8.5mt per annum)
- Forecast Curragh metallurgical sales for FY10 at lower end of 6.3mt – 6.8mt range



Strategies

1. Maximise export sales and optimise sales mix
2. Cost reduction programs
3. Expansion opportunities
4. Extend product and market reach
5. Sustainability

Qtr3 FY10 Production Update

- Curragh - wet weather impact
 - 2,160 kt for Qtr 3, 5.9% below Qtr 2
 - total YTD production of 6,785 kt
- Premier - reduced demand
 - 670 kt for Qtr 3, 2.9% below Qtr 2
 - total YTD production of 2,162 kt
- Bengalla (40%) - less productive mining sequence
 - 491 kt for Qtr 3, 14.5% below Qtr 2
 - total YTD production of 1,652 kt

Pricing Update

- 70% increase on current weighted average prices for quarterly pricing
- 78% increase on current weighted average prices for annual pricing
- Curragh HCC price for April to June quarter settled at ~ US\$200 per tonne



Insurance

- Strong focus on Lumley business improvement initiatives
- Bolt-on acquisitions continue to be assessed



Strategies

Underwriting

- Stronger partnerships
- Disciplined underwriting and pricing
- Building a culture of achievement
- Managing claims effectively

Broking

- Client focused
- Develop engaged and highly capable team
- Develop new sales opportunities

Trading Update

- Underlying earnings improvement in first half after adjustments*
- Economic conditions and lower interest rates constrained broking income in first half
- Continue to progress underwriting business improvements
- Significant weather events impacting insurance industry in second half

* Adjustments relate to:

- Impact of lower interest rates on investment income (\$19m)
- Losses associated with builders warranty run-off (\$6m)



Chemicals, Energy & Fertilisers



- Divisional restructure announced April 2010 to combine Chemicals & Fertilisers and Energy businesses
- Combination allows for stronger growth focus



Strategies

1. Growth through expansions
2. Optimise cost and capital
3. Sustainability
4. Improve capabilities and people development



Strategies

1. Improve - existing businesses
2. Expand - deliver projects
3. Evaluate - new opportunities



Industrial & Safety

- Improving industrial business activity following global financial crisis
- Pipeline of resources and infrastructure projects expected to benefit longer term
- Transfer of Coregas business to Industrial & Safety to better leverage common customer relationships



Strategies

1. Increase sales to existing customers
2. Invest in higher growth sectors
3. Increase SME penetration
4. Managing margin
5. Improve competitiveness



Capital Management

Capital Management

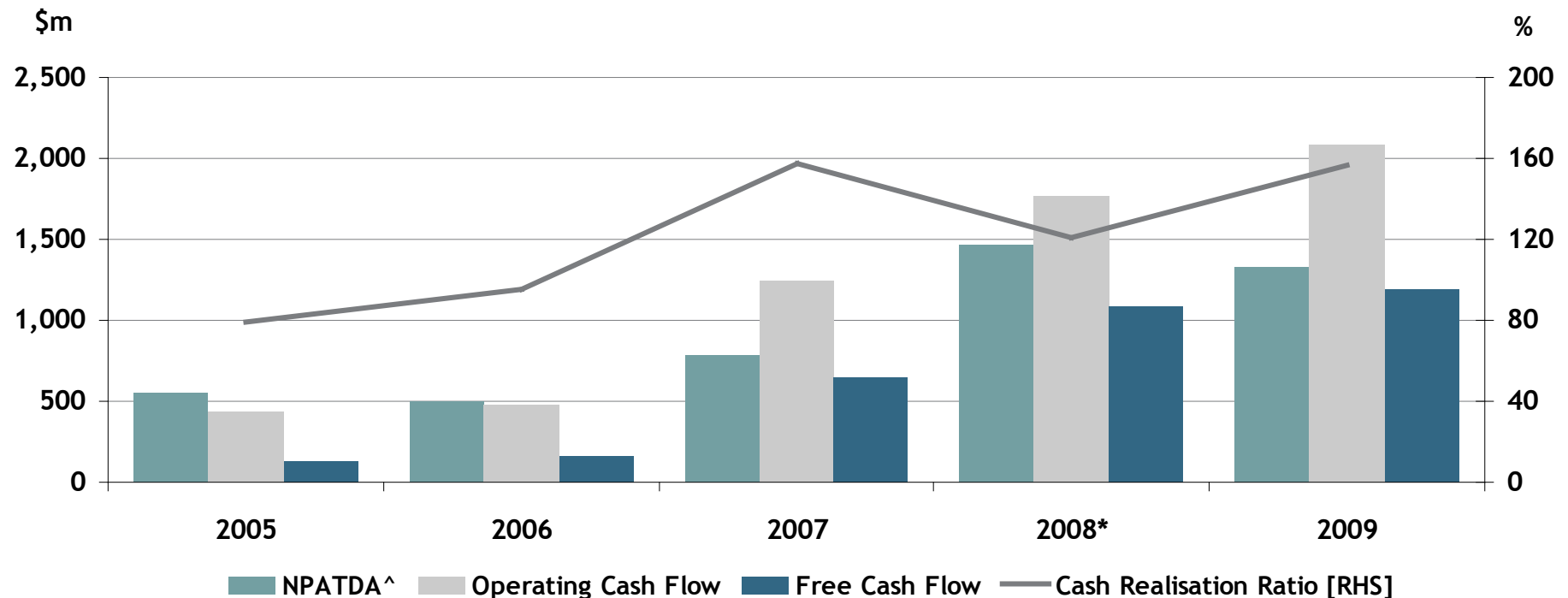
- First half balance sheet strengthened through strong cash generation
- Net Debt to Equity of 15.5% at 31 December 2009
- Cash Interest Cover Ratio of 6.6 times (R12 basis) at 31 December 2009
- Net debt to R12 operating cash flow of 1.1 times at 31 December 2009
- March 2010
 - EURO 500m (approx AU\$755m) raised via European Medium Term Note
 - Proceeds applied to existing shorter term borrowings
 - c.\$40m brought forward interest costs in 2009/10 (early close of ineffective hedges)



Cash Flow - First Half

(6 months to 31 December)

- Total capital expenditure of \$891 million
- Improved cash flow despite significant reduction from Resources



^ adjusted for significant non-cash asset write downs and provisions

* restated for change in accounting policy treatment for Stanwell rebate payments



Outlook

- Remain cautious on the near-term Australian retail environment given:
 - retailers trading without the assistance of prior year government stimulus
 - impact of interest rate rises and higher petrol prices on household income
- Optimistic about longer term outlook of the retail businesses
- Outlook currently positive for export metallurgical coal
 - Curragh's April to June 2010 quarter pricing increased by 70% on prior corresponding period
- Industrial businesses and Insurance positioned to benefit from any further economic improvement





Wesfarmers

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