WESFARMERS LIMITED
ANNUAL GENERAL MEETING – 10 NOVEMBER 2009
CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S ADDRESS

CHAIRMAN'S ADDRESS

Introduction

Welcome ladies and gentlemen to the 28th Annual General Meeting of Wesfarmers Limited.

I'm delighted to be here today at my first AGM as Chairman of this great company.

We're going to start our meeting a bit differently this year.

Last night, Wesfarmers launched its first Reconciliation Action Plan.

This Plan outlines the commitment we are making to ensure that, wherever there's a Wesfarmers presence, those places will be welcoming of Aboriginal and Torres Strait Islander people, whether they be with us as employees, as customers or simply as citizens of Australia.

As a leading Australian company, we have a role to play in wiping out the unacceptable gap that exists between the descendants of this country's original inhabitants and the wider community.

We're focusing our Action Plan on employment opportunities that can be provided across our 200,000-strong workforce.

But symbolic acts of recognition and acknowledgement also play an important part in the reconciliation process.

Therefore, today, we will begin proceedings by making a link between this place where we are gathered and the history of the ancient land on which it is located.

I think it very appropriate for a company like Wesfarmers, with such a strong and long connection to the land, to take the time to extend that connection even further.

We've done this by inviting a distinguished representative of the Nyoongar people, Dr Richard Walley OAM, to perform a Welcome to Country ceremony.

Dr Walley was Chair of the Australia Council's Aboriginal and Torres Strait Islander Arts Board for 12 years and is one of Australia's leading indigenous performers and writers. He has taken Nyoongar culture to 32 countries and performed for more than one million people with the Middar Aboriginal Theatre.

Ladies and gentlemen, please welcome Dr Richard Walley.

Activities Report

I hope you enjoyed that brief report on some of the activities undertaken by Wesfarmers in the 2008/09 financial year.

It is truly a great honour for me to stand here today as Chairman, very conscious of the trust placed in me by shareholders and my Board colleagues.

And I very proudly follow in the footsteps of great former occupants of this position – in most recent times the late Harry Perkins and, of course, my immediate predecessor, Trevor Eastwood, who made such a wonderful contribution to our company over 45 years.

It is very good to see Mrs Margaret Perkins here today and Trevor and Judy Eastwood. A special welcome to you from all of us.

Tomorrow a milestone in Wesfarmers' history will be celebrated. It is the 25th anniversary of the public listing of the company. I take this opportunity to pay tribute to everyone who has contributed to the company's tremendous growth and success over this period.

It's worth just for a moment recalling some of the vast change that's occurred over those 25 years.

At the end of June 1985, Wesfarmers had 41 million shares on issue. That number's now close to 1.2 billion!

The share price then was $2.50. At close of business last night it was $26.69.

The dividend paid in the 1984/85 financial year was 14 cents and there was a total dividend payout of $6.2 million. For the 2008/09 year, as you know, we paid a dividend of $1.10 for a total return to shareholders of $1.1 billion.

Other measures that illustrate the extent of the company's growth include total revenue of $722 million then rising to about $51 billion now; an after tax profit of $14 million in 1984/85 as against last year's $1.5 billion; and total assets of $378 million 25 years ago compared to around $39 billion today.

Finally, $1,000 invested at the time we listed would be worth around $153,000 today. By comparison, had that investment been made in the shares of companies that make up the ASX's All Ordinaries Index, it would now be worth around $11,723.

And our almost 3,000 employees then are somewhat dwarfed by today's workforce of more than 200,000.

And one thing that certainly wasn't around in 1984/85 was the wonder of the internet.

In that context I'd like to welcome those following today's meeting via the webcast. I hope that, whatever your location, you will find the proceedings of interest.

Introduction of Directors

I'd like now to introduce you to my fellow directors here with us today.

You'll be hearing briefly from those directors standing for re-election or election at a later stage today but for the time being I'd just like each of my colleagues to stand up as I call out their names.

First off, David White, a director since 1990.

Next, James Graham, a member of the Board since 1998.

Charles Macek, who has been with us since 2001.

Colin Carter, who became a non-executive director of Wesfarmers in 2002.

Next, Patricia Cross, a member since 2003.

Tony Howarth, who came on the Board in 2007 and has been Chairman of the Audit Committee since October last year.

And finally, among the non-executive directors, Diane Smith-Gander. Diane is a very recent appointment having attended her first meeting in September. A very special welcome to you, Diane.

Our Managing Director, Richard Goyder, is of course up here on stage.

The other executive member of the Board, and I'd ask him to stand now, is the Finance Director, Terry Bowen who replaced Gene Tilbrook in May after a stint as Finance Director at Coles and, immediately before that, as Managing Director of the Industrial and Safety division.

I'd like to take this opportunity to put on record my appreciation, and that of the entire Board, for the wonderful service Gene Tilbrook gave Wesfarmers over his long and distinguished career with the company. Anyone who knew or worked with Gene will attest to his enormous capacity for work, his great intellect and his total commitment to the company's best interests. So, thank you Gene, and every best wish from us for a happy and stimulating retirement.

In the audience, also, today are the Group's senior executives, including the Managing Directors of the divisions and, on your behalf, I welcome them and thank them for their efforts during the year.

I should also point out that we have at the venue today representatives from all the retail businesses – Coles, Bunnings, Officeworks, Target and Kmart – who would be very happy to provide you further information about their activities or to answer any questions. So if you do have particular matters you wish to raise that go to the detail of any of those retail operations, and which most likely neither I nor Richard Goyder would be able to answer during Question Time, please do make contact with those people in the foyer outside the auditorium.

Meeting Format

As you'd be aware from the Notice of Meeting, there are three items of business to be discussed when we move into the formal part of the meeting.

But before that I'll make some general observations about the last 12 months or so and what lies ahead.

Then Richard Goyder will comment in more specific terms on the company's business activities and after that I will return to open the formal proceedings.

The Year in Review

I'd like to start my remarks today by referring briefly to the extraordinary global economic tumult of the past 12 months or so.

A year ago when Trevor Eastwood stood here there'd been dramatic developments in the United States' financial sector with the collapse of Lehmann Bros and the onset of a fearsome credit crunch.

The financial virus spread to Europe and the rest of the world, including Australia, and at the start of this calendar year the outlook was pretty grim.

Lending had dried up and many hundreds of thousands of jobs were being shed across the world.

You'll recall that the Australian government introduced its second stimulus package in February – a $42 billion boost to the economy to supplement the $10 billion package announced in the previous October.

As we look back on those very troubled times it's at least some comfort to note that despite the trauma – and what it cost us as individuals - Australia as a whole has pulled through remarkably well.

This says a lot about the underlying strength of our resource-based economy, which is linked so directly to the powerhouse that is China, and the fundamental soundness of the Australian financial sector, particularly the major banks.

The Rudd Government also deserves praise for its timely and decisive action. While there've probably been some glitches in the way in which the stimulus measures are being managed on the ground, I don't meet many people who argue against the need for the action that was taken.

I should say here, too, that obviously our company's retail operations have benefitted to some extent from the stimulus package. It's hard to quantify but certainly we do acknowledge it as a positive factor.

What's important now is for the Government to maintain its focus on bringing the budget back into surplus as soon as possible. This will unquestionably involve some pretty difficult decisions and some uncomfortable belt tightening down the track.

All I'd say is that when it does happen we ought to remember just how dire things were and how necessary were the measures introduced, even though the result has been to tip the Federal ledger into deficit.

Impacts on Wesfarmers

I want to come back now to Wesfarmers.

It's certainly been a rollercoaster 12 months for our company – and many other companies, of course.

Our share price has been all over the place and we've had to take decisive steps to restore investor confidence.

Capital Raising/Debt

I mentioned just a couple of minutes ago how negative things looked early this year.

Despite the action we'd taken in 2008 to address debt issues around bridging capital, the way the world was in at the start of calendar 2009 any company with sizeable amounts of debt coming up for refinancing had a problem.

Concern was twofold – the quantum of the debt and the timing of its repayment.

You may recall our biggest lump was not due until October 2010 – but the fact we had that breathing space just wasn't getting traction in an exceptionally jumpy market environment.

In those circumstances and, to be fair, a degree of developing concern of our own that conditions may keep on getting worse, we opted for the decisive action of a major capital raising.

I want to take this opportunity, as I did in the Annual Report, to thank all shareholders, right across the board, for their strong support for the equity raising.

No company embarks on such an undertaking without deep consideration of the pluses and minuses, including, of course, the dilution of shareholders' investments.

But in this case, in the view of the Board and senior management, the positives far outweighed the negatives.

And so, I believe, has proved to have been the case.

We got the debt monkey off our back and, with a strong balance sheet, there's renewed confidence in our ability to aggressively pursue the Coles turnaround.

The $4.6 billion raised included $1.8 billion from retail shareholders, representing a 60 per cent acceptance of the shares offered at $13.50 each.

And we very deliberately structured the offer to ensure that every retail holder had the opportunity to participate.

Dividends

Let me now have something to say about our dividend outcome.

I know that for very many Wesfarmers shareholders, particularly those who've been with the company for a long time, the share price is not the only important issue.

It's a flow of strong dividend income that is so much valued and which traditionally has helped a lot of rural-based Western Australians to see out difficult times.

I completely understand the disappointment that undoubtedly exists about the reduced full-year dividend.

The Board considered this issue in great detail because my fellow directors and I realise the importance of a stable and, preferably, growing income stream from dividends.

But, in the circumstances, we were unanimously of the view that prudent management required us to take whatever action was needed to strengthen the balance sheet.

I must say it was pleasing, finally, to be able to increase the second half component from the previously-advised maximum of 50 cents a share to 60 cents.

Remuneration

As you are aware, we will, in the formal stage of the meeting, be voting on the company's 2009 Remuneration Report.

I will then address this issue in detail and be more than happy to respond to questions.

But given the intense public discussion around executive and Board remuneration, and last year's response by shareholders, it would be remiss of me not to make at least brief mention at this stage in the proceedings.

You may remember that last year we received a majority "no" vote on our executive remuneration report.

That was a really significant outcome because it is so very important for shareholders to have confidence in the basis on which we pay Board members and senior management.

It led us to conduct a complete review of the whole remuneration structure and, very importantly also, how we explain the payment system to shareholders and the broader community.

As a result, we have made some quite significant changes both to the structure and its presentation in the Annual Report.

These include the freezing of base salaries for the Group's senior executive team and non-executive directors until October 2010 and maintenance of financial performance hurdles at the levels set before the economic downturn and the major capital raising to which I referred earlier.

As well, we have tried to make this year's report easier to read and understand, including the provision of an upfront "snapshot" summary.

We remain confident that our remuneration structure is reasonably pitched to allow us to attract and retain quality people.

But your Board very much recognises concerns in the community around these issues and we have done our best to respond constructively to the criticism we received 12 months ago.

Jobs

I mentioned a little earlier about huge job losses as a result of the Global Financial Crisis.

Of all the economic statistics that cause great concern, I think that growing unemployment is the one most easily understood and that has the most widespread impact.

It's really wonderful to be able to report that, in the economic climate that prevailed through most of the last financial year, Wesfarmers actually increased its workforce by around 9,000.

At 30 June we had more than 207,000 employees.

And with our retail divisions expanding we'd expect to add something between three and five per cent to employee numbers in the current financial year.

As you know, we strongly believe in making contributions to the communities in which we operate - and that's most often expressed in terms of cash and in-kind donations to community-benefitting causes and organisations.

But as Richard Goyder has pointed out many times, by far the greatest contribution any company can make is to run successful businesses and to continue to create jobs.

Sustainability

Having said that, we do pay an enormous amount of attention to the way in which we run our businesses with respect to issues like workplace safety, environmental impacts and how they might give things back to their communities.

Workplace safety remains one of the Group's highest priorities. There have been improvements over the year in some Group businesses, but better safety outcomes are required. As one of Australia's largest employers we need to do more. This will require constant vigilance and effort across all businesses. Richard will refer to this important issue in more detail.

As a Group we continue to make a considerable contribution to the community through cash, in-kind donations and in other ways.

It's not only this ongoing flow of assistance but also the willingness and ability to respond to crises.

This year the nation watched in horror as bushfires ravaged parts of Victoria on a scale rarely witnessed before in Australia. Money and other gifts can never compensate for the tragic losses that occurred in this disaster.

But I do want to thank all the Wesfarmers employees who contributed in so many different ways to the relief effort. Overall, about $12.5 million, including customer donations made in store, was raised by Wesfarmers and its employees.

The 2009 Sustainability Report, our 12th such publication, has been released today and is a comprehensive account of our performance outside the strict financial parameters which guide most of our reporting. Copies are available in the foyer and I commend it to your attention.

It is also available electronically through the website and will be supplemented, as noted in the video, by extra information contained in the separate divisional reports that will soon, also, be accessible through the Wesfarmers website and their individual sites.

Carbon Emissions

The proposed Carbon Pollution Reduction Scheme is obviously one of today's most prominent national issues.

Wesfarmers has been giving this attention for the best part of the last 10 years and we've been reporting our greenhouse emissions through the Sustainability Report for a long time.

While we are generally supportive of applying a cost to carbon, we believe that any such regime must strike a proper balance between emissions reduction and continued economic growth and be designed in full recognition of the fact that this is a global issue.

Business Highlights

Through the Annual Report and supplemented by today's brief video you've had plenty of information about how the Wesfarmers businesses fared during the 2008/09 year.

So I'm not going to spend much time on the past at all.

Coles Supermarkets

But I do want to reaffirm the Board's confidence in our ability to extract for you, our owners, some really significant long-term benefit from the Coles Group acquisition.

As Trevor Eastwood said last year, Coles was a business that had been severely underperforming and had great potential for improvement.

Twelve months further down the track, we acknowledge the ongoing challenge of transforming this badly neglected, but still great, Australian brand name over the next few years.

But it is so very pleasing to be able to report that the turnaround is on track, that it is meeting our expectations.

I hope you are all seeing improvement at store level. I confidently predict that will escalate over the coming year as every aspect of the business continues to get attention from Ian McLeod and his team.

On retail more generally, you may have noticed that, in late August, we announced the appointment of Archie Norman as an advisor to the Wesfarmers Board.

Archie has been closely involved with the Coles transformation and continues in that role working with Richard Goyder and Ian and others.

Archie's a bit of a legend in global retailing having taken the Asda grocery chain in the United Kingdom from virtual bankruptcy to a very profitable operation in the 1990s.

Our Board will benefit greatly I'm sure from Archie's regular presence at meetings and his availability at other times to provide advice.

Bunnings, Target and Kmart

Now a few words about the other major retail businesses.

I want to congratulate John Gillam and Peter Davis and their great team at Bunnings for delivering another standout performance.

Not for a second are we complacent about the Bunnings success. But, as Richard has said, the business has never been in better shape.

We regard the announced entry of a new player into this market not as a threat but an incentive to do even better.

Target, led by Launa Inman, has performed strongly again and we're seeing early signs of positive change at Kmart under Guy Russo.

Other Businesses

I want to pay tribute to an outstanding operational performance by the Resources division. As you would have noted in the Annual Report and heard mentioned again on the video, Resources took the prize as the biggest contributor to earnings with a massive $915 million – not a bad return on the acquisition price of around $200 million back in 2000!

To Stewart Butel, Rob Brenchley and Rod Bridges, in particular, very well done. While we know your numbers won't be like that this year, because of much lower coal prices, we look forward to a continuation of your high standards in the years ahead.

To all the other businesses, some of whom suffered from external events well outside their control, thank you on behalf of the Board and all the shareholders of Wesfarmers for giving your utmost in difficult circumstances.

In particular, I want to mention Ian Hansen and the Chemicals and Fertilisers team. Not only did they have to cope with the prolonged disruption in gas supply from Varanus Island off the North West coast but the weather gods were against them with a dry autumn that delayed fertiliser-buying decisions.

Varanus Island was also a major problem for the Energy division, then led by Tim Bult, who's now swapped places with Tom O'Leary from Business Development.

Rob Scott and his colleagues at Insurance had a very difficult year with an unusually high incidence of severe weather events coupled with low interest rates reducing income from investments.

After a good first half, Industrial and Safety, led by Olivier Chrétien, was badly hit by the economic downturn and reduced activity in some of its major customer sectors.

Conclusion

Ladies and gentlemen, that's more than enough from me for now.

After Richard has spoken and after we've worked through the meeting agenda there'll be plenty of time for questions and general discussion, followed by, I hope, many of you staying to enjoy some refreshments in the foyer.

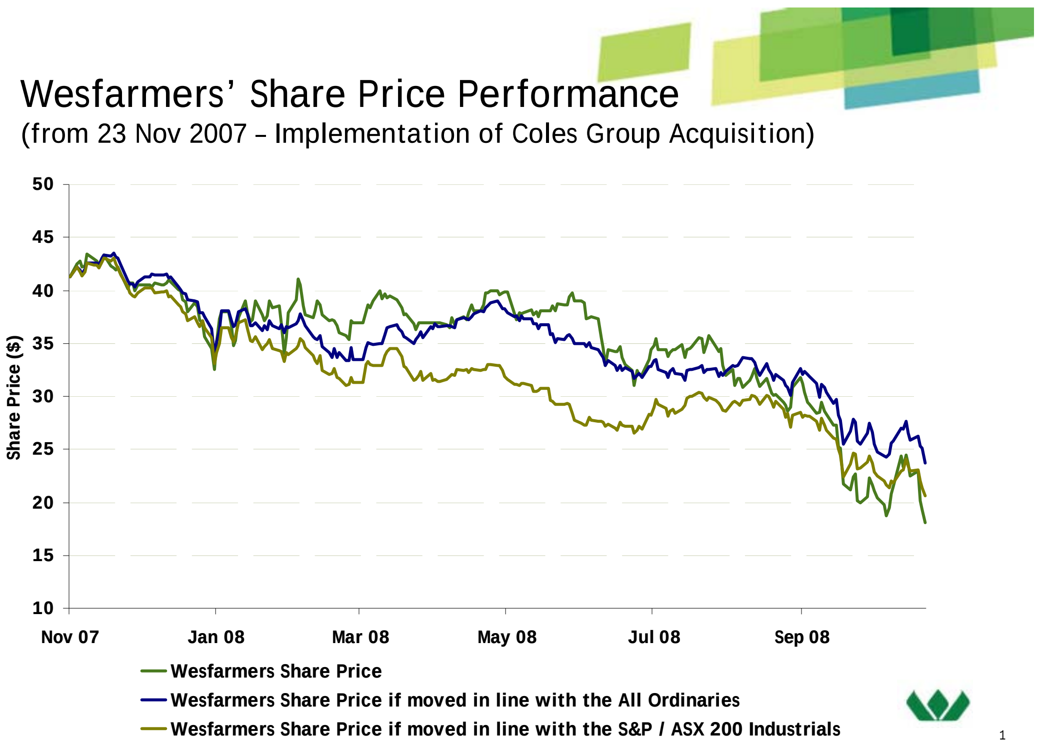
Please now welcome, the Managing Director and Chief Executive of Wesfarmers Limited, Mr Richard Goyder.

MANAGING DIRECTOR'S REVIEW OF CURRENT TRADING

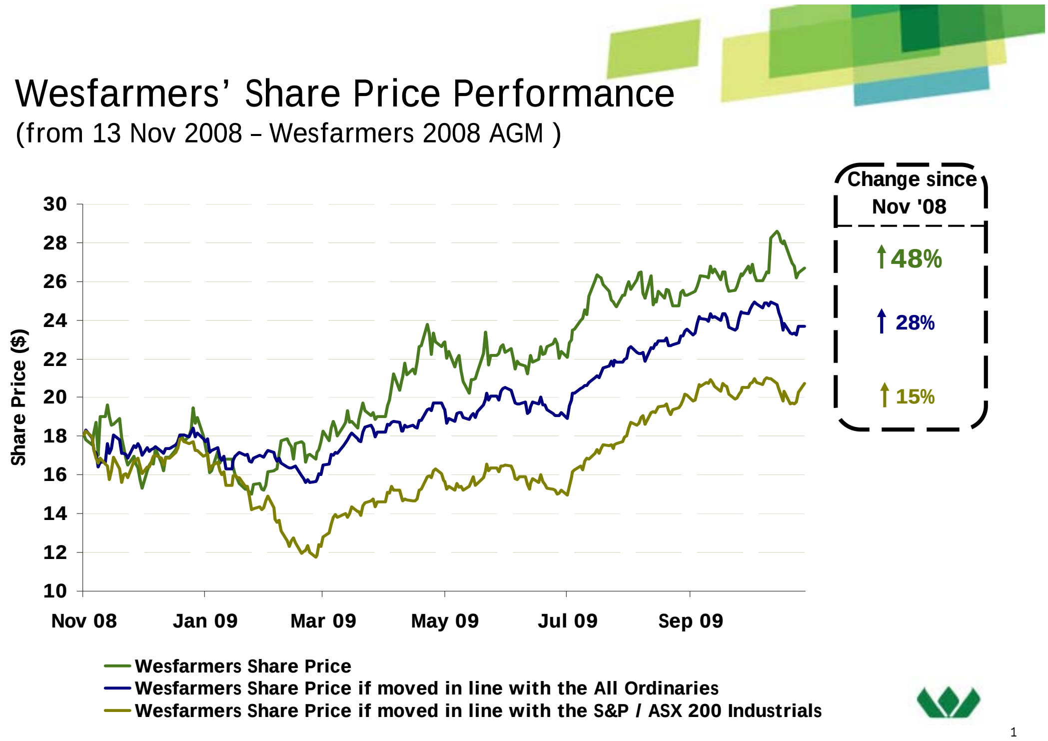
Thank you Chairman and good afternoon ladies and gentlemen.

Well they say time flies when you are having fun, and as we reflect on the past 12 months, and everything that has gone on, some of which the Chairman has just alluded to. It is hard to believe that it was just 12 months ago that we were here. I wouldn't say that it was all fun, but I think we emerge from these unprecedented times strong, and with a very bright future.

On the day of our AGM last year, our share price fell as low as $16.98, and Trevor Eastwood put up a chart plotting the Wesfarmers share price versus the All Ordinaries and the ASX 200 Industrials Index.



Pleasingly we have seen our share price recover over recent months.



The chart I am now showing indicates the actual movement and what it would have moved to if it had done so in line with the All Ordinaries, or the ASX 200 Industrials Index.

And on the all important measure of total shareholder returns, it has been a good year for Wesfarmers shareholders.

If as a shareholder, you took up our rights issue in January/February this year, your total shareholder return from last year's AGM to yesterday's close of market was 89 per cent.

The attributes of Wesfarmers which have enabled us to weather this global financial storm have been:

- excellent people with a strong performance culture;
- first class assets, which generate strong cash flows, thanks in part to a continuing strong return on capital focus;
- a very good reputation;
- the capacity to raise borrowings and equity to fund our business operations, and growth;
- robust systems and processes to support our diversified business structure; and
- the ongoing strong support of you, our shareholders.

Each business in the Group has got good growth opportunities and I will briefly outline those as I give you a trading update.

For a public company like Wesfarmers growth is important, for a number of reasons, as it:

- provides the opportunity to grow earnings, cash flows, and dividends for shareholders particularly with our strong focus on improving return on capital, and return on equity over time;
- allows our people to develop, and take on new challenges;
- increases our capacity to employ people (which is our most important community contribution) who will then have the capacity to make their own contributions to society (including as taxpayers!); and
- promotes a culture of creativity, where people can innovate and create more value.

In terms of current trading, we are pleased with how the Group has commenced this financial year.

Coles

It is nearly two years since we acquired Coles and our turnaround plan is on track.

We have a world class team led by Ian McLeod running the business who, with the support of all staff from our Coles Supermarkets, Bi-Lo, First Choice, Vintage Cellars, Liquorland and Coles Express, have made some impressive progress in the turnaround.

A few examples are:

- we have had four consecutive quarters of volume growth in food and liquor;
- the Coles fresh offer is better – in terms of quality and value;
- customers are noticing a difference in many areas, including value;
- our renewal store trials have traded well (such as Claremont and Northbridge); and
- we are reducing the gaps on shelves i.e. improving availability.

We recently updated the market on Coles' sales performance for the first quarter of the financial year with comparative sales growth of 6.1 per cent. This was despite some issues in regard to a promotional programme in July and August. Since those issues have been resolved, trading has continued positively through October.

There is an enormous amount of work to do by the Coles team to build a sustainable world class retailing business, and we will continue to focus on making good, long-term decisions in order to achieve that goal but as I said, I feel that we are very much on the right track.

Home Improvement & Office Supplies

This division encompasses our Bunnings home improvement business and Officeworks.

Bunnings has had a remarkable 15 years since we built our first large format warehouse in 1994 in Melbourne.

We now have 180 large format and, 57 smaller format stores and 23 trade centres across Australia and New Zealand and have built the Bunnings brand into one of the best known and respected in the country.

Bunnings' success has been built on providing its customers with the best range, price and service, and with innovative new products and services, a strong pipeline of new stores, and a very committed team, led by John Gillam, we look forward to many more years of growth from this business.

Trading for the year to date has been very strong.

Officeworks which came to us with the Coles acquisition has a new management team under Mark Ward, which is implementing new strategies aimed at improving business performance.

Retail sales this year have been very good with a significantly changed format in operation in 26 of our stores.

Target

Target is a very good business with an excellent team led by Launa Inman. Since acquiring Coles, we have enabled Target to open more stores 16 in total in FY09; 11 regular Target stores and five Target Country, and commence a stronger refurbishment programme of its existing store network, to position it for further growth.

Trading this year has been solid with good sell through of seasonal fashion items.

Kmart

Guy Russo commenced as Managing Director of Kmart just over 12 months ago, and in that time, Kmart has been going through a significant transformation. We are delighted with the progress to date, as expense and working capital reductions, coupled with a real focus on Kmart's customers bring about a significant improvement in performance.

As we told investors and analysts last month, whilst year to date sales have been flat, this has mainly been driven by us exiting unprofitable product lines.

Wesfarmers Insurance

Relatively benign weather conditions have got the year off to a better start in our insurance division. Rob Scott has made a lot of changes over the past two years to senior management roles and the structure of the division. We expect those changes to reflect in better underwriting performance in WFI and Lumley.

Year to date performance has been good.

Over the coming years, we are looking to continue to grow our broking businesses, and restore acceptable profitability to our underwriting businesses.

Wesfarmers Resources

After last year's record production and earnings from the Resources division which is led by Stewart Butel, we have a more subdued market this year.

Production from our three mines (Curragh and Premier 100 per cent-owned, Bengalla 40 per cent-owned), was in line with our expectations for the first quarter, and we are experiencing very strong shipping demand for export coal.

We announced earlier today that the Board has approved capital expenditure of around $286 million to upgrade export coal production capacity at Curragh, mainly through the construction of a new coal wash plant. With the nearly completed $130 million Blackwater Creek diversion, which gives us access to more coal, and today's announcement, we will have export capacity of approximately 8-8.5 million tonnes per annum of metallurgical coal from Curragh from late 2011.

Wesfarmers Industrial and Safety

Due to its exposure to the industrial sector, this division which includes Blackwoods and Protector Alsafe, has been impacted more than most of the Group's businesses, by the Global Financial Crisis.

The team led by Olivier Chrétien has continued to improve on the capabilities of the businesses and has been successful in winning new supply contracts. Year to date, trading has continued to be challenging but these businesses are well positioned to take advantage of better economic conditions.

Chemicals and Fertilisers

After a very difficult last financial year due to gas supply issues, CSBP, led by Ian Hansen has commenced the new financial year strongly, particularly in its chemicals businesses.

The Western Australian fertiliser market is very competitive and volumes this year will be dependent on seasonal conditions and forecast grain prices. Long-term CSBP is in a strong position to capitalise on offshore demand for Australian resources through the sale of chemicals to the mining sector.

We today announced that CSBP is commencing a feasibility study into expanding production of ammonium nitrate.

Wesfarmers Energy

Our Energy division under Tom O'Leary's leadership has commenced the new year with steady production of LPG and LNG, and solid demand for both products as well as industrial gases.

Our new LNG production facility at Kwinana is operating well, and demand from the heavy duty vehicle sector is growing.

Sustainability

We have today launched our 12th Sustainability Report. In it, we detail things like the Group's CO^2 emissions, our safety record and community contributions.

On all fronts, we continue to work hard to ensure we remain a respected company.

On safety, while there have been some pleasing reductions in injuries in some businesses, there are still too many people in Wesfarmers who get hurt while they are at work. Management in every division is focused on reducing the number of injuries our people sustain because every employee and their families have a right to expect their safe return from work.

People

Before moving on to some general observations about the state of the economy, I want to say something about the quality of people who work for Wesfarmers.

I've said many times before that people really are the main competitive advantage a company has and can develop.

As you heard from the Chairman, we currently have more than 207,000 employees.

I value the contribution each and every one of them makes.

But, as you would appreciate, those with whom I have most regular contact are the senior managers running the businesses, and those in our head office here in Perth.

I never cease to be impressed by the talents, the work ethic, skills and the commitment of my colleagues.

I've named those people who run the businesses and I thank them again for their efforts.

One person I particularly want to mention today is Gene Tilbrook, who as you know retired as Finance Director in May.

Bob Every has paid tribute to Gene's great service to Wesfarmers over a very long time and I endorse everything he had to say.

Gene was a terrific contributor to this company. He is an immensely capable man who will, I have no doubt at all, be very successful in whatever sphere of business or community life he chooses to pursue.

Our new Finance Director, Terry Bowen, is a very welcome addition to the Corporate Office and I look forward to working closely with him as I have done in other roles over some years.

I'd also like to mention that today we announced the departure of Keith Gordon who has been the Director, Industrial Divisions for the past 16 months or so and in his 10 years before that occupied senior positions in our company, including Managing Director of CSBP and heading the Coles Integration Team.

Keith's leaving us to become Managing Director and Chief Executive Officer of Emeco Holdings Limited. It's a great opportunity for him to assume responsibility for a public company.

I will miss Keith but I wish him every success in his new role.

And, finally, on senior people, my thanks to Keith Kessell for agreeing to step back into his old job in Corporate Affairs, from which he thought he'd retired in the middle of last year!

My best wishes also to Keith's immediate successor, Mark Triffitt.

I look forward very much to working with Alan Carpenter when he takes over the role of Executive General Manager, Corporate Affairs, in early December, allowing Keith to return to what, he calls, the retirement paddock.

Economic Outlook

As I mentioned at the start, we have been through some tumultuous times over the past year and a bit.

Most of the world's major economies have been in recession, some deep. Exchange rates have been very volatile, as have commodity prices, and policy makers have been seeking to ensure that the global financial system weathers the storm and provides a platform for growth.

Australia has come through the Global Financial Crisis remarkably well thus far.

But, in my mind, it would be wrong for us to think that this was just a small blip, and that we will return to the heady days which preceded the Global Financial Crisis.

Our sense is that while confidence has returned domestically, it is still fragile, and I for one am concerned that increasing interest rates, coupled with people working less hours, may impede the pace of recovery.

We are also concerned as one of the nation's largest private sector employers, that new industrial relations laws add complexity and the possibilities of disputes at a time when that is the very last thing the economy needs.

Having said that, over the long-term, I am very optimistic on Australia's future because of our great resource base, both natural resources, and our human resources, and our proximity to the growth economies of China and India.

Wesfarmers is very well placed to be part of this exciting future.

We have a very strong balance sheet and businesses that are good cash generators. We have excellent people and a culture where we look for opportunities to add value to our shareholders.

Since we listed in 1984, and indeed for our 95 year history, Wesfarmers has run a diversified group of businesses, and enjoyed extraordinary success in doing it. We firmly believe that we have been successful because of being a conglomerate, not in spite of it.

Over many years, we have been a good acquirer (and seller) of businesses, adding value to these through management expertise and our disciplined practices and processes.

The model has worked very well for 25 years and it continues to deliver good outcomes.

We take a long-term view in the way we run our businesses with the consistent objective, since we listed 25 years ago, of providing a satisfactory return to our shareholders.

Thank you again for your support.