

2011 Full-Year Results

Supplementary Information

(To be read in conjunction with the
Full-Year Results Teleconference
presentation)

18 August 2011



Presentation outline

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Coles

coles

BI-LO

coles
express

CHOICE
LIQUOR
SUPERSTORE

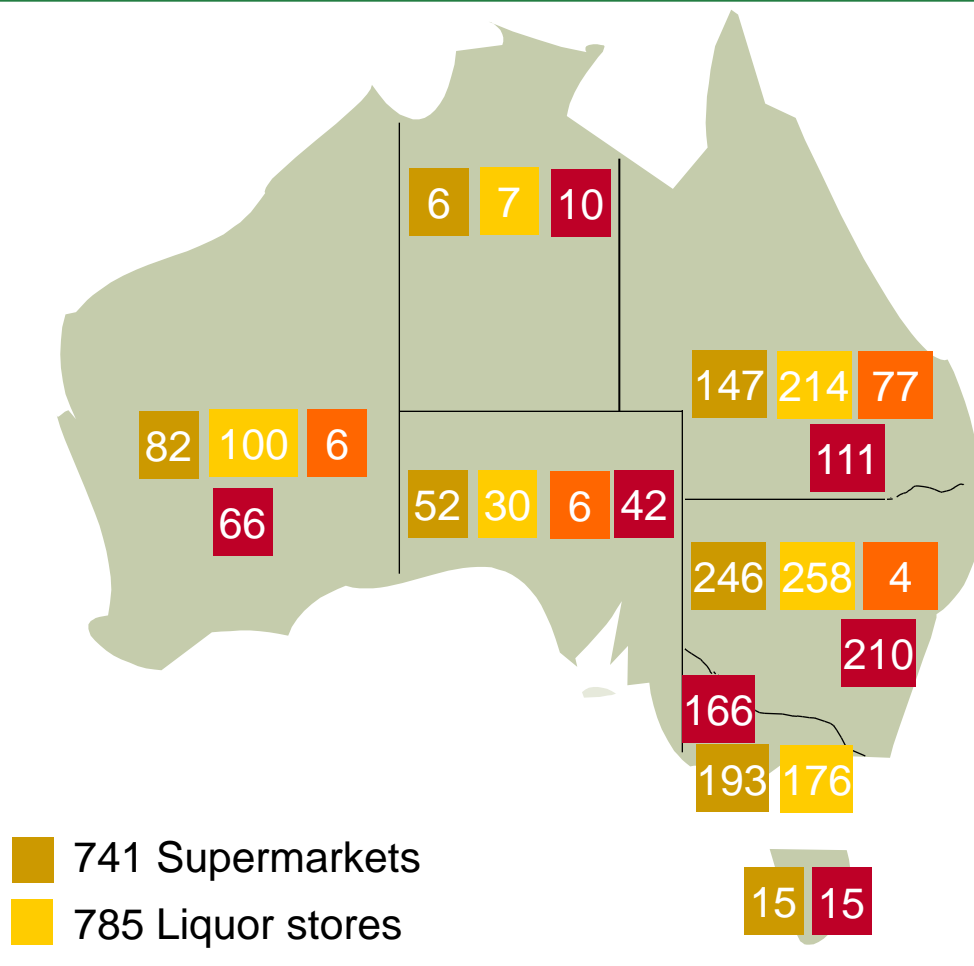
LIQUORLAND

VINTAGE CELLARS
AUSTRALIA'S FINE WINE SPECIALIST



Coles network

As at 30 June 2011



Selling Area

Supermarkets (sqm)	1,599,271
Liquor (sqm) – ex hotels	184,442

- 741 Supermarkets
- 785 Liquor stores
- 93 Hotels
- 620 Convenience

Store network movements

	Open at 30 June 2010	Opened	Closed ¹	Re- Branded	Open at 30 June 2011
Supermarkets					
Coles	691	11	12	6	696
Bi-Lo	51	-	-	(6)	45
Total Supermarkets	742	11	12	-	741
Liquor					
1 st Choice	73	4	1	-	76
Vintage Cellars	78	10	3	(2)	83
Liquorland	615	26	18	3	626
Hotels	96	1	3	(1)	93
Total Liquor	862	41	25	-	878
Convenience	619	8	7	-	620

¹ Four supermarkets & three liquor stores closed in January due to flooding in Queensland. Only two supermarkets have reopened & the remaining are reported as closed stores above.

Revenue reconciliation

Year ended 30 June (\$m)	2011			2010		
	Food & Liquor	Convenience	Total	Food & Liquor	Convenience	Total
Segment revenue¹ (Gregorian)	25,257	6,791	32,048	23,731	6,247	29,978
Less:						
Other revenue	146	15	161	118	16	134
Headline sales (Gregorian)	25,111	6,776	31,887	23,613	6,231	29,844
Less:						
Gregorian adjustment	86	33	119	62	16	78
Headline sales revenue (Retail²)	25,025	6,743	31,768	23,551	6,215	29,766

¹ Excludes other revenue of \$25m in 2011 (2010: \$23m) relating to property

² Retail period relates to the 52 week period 28 June 2010 to 26 June 2011 for 2011 & to the 52 week period 29 June 2009 to 27 June 2010 for 2010

Home Improvement & Office Supplies

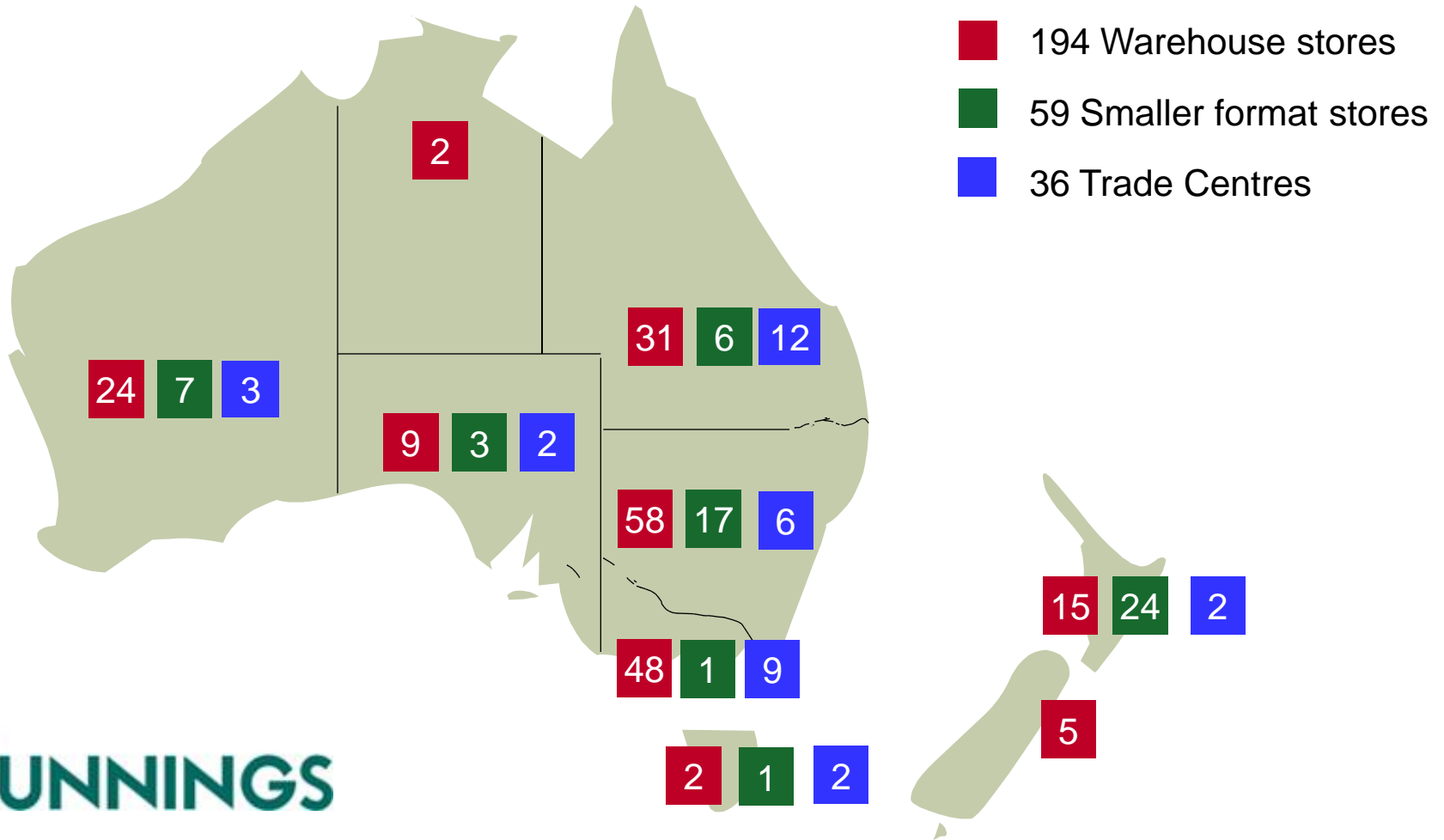
BUNNINGS

Officeworks



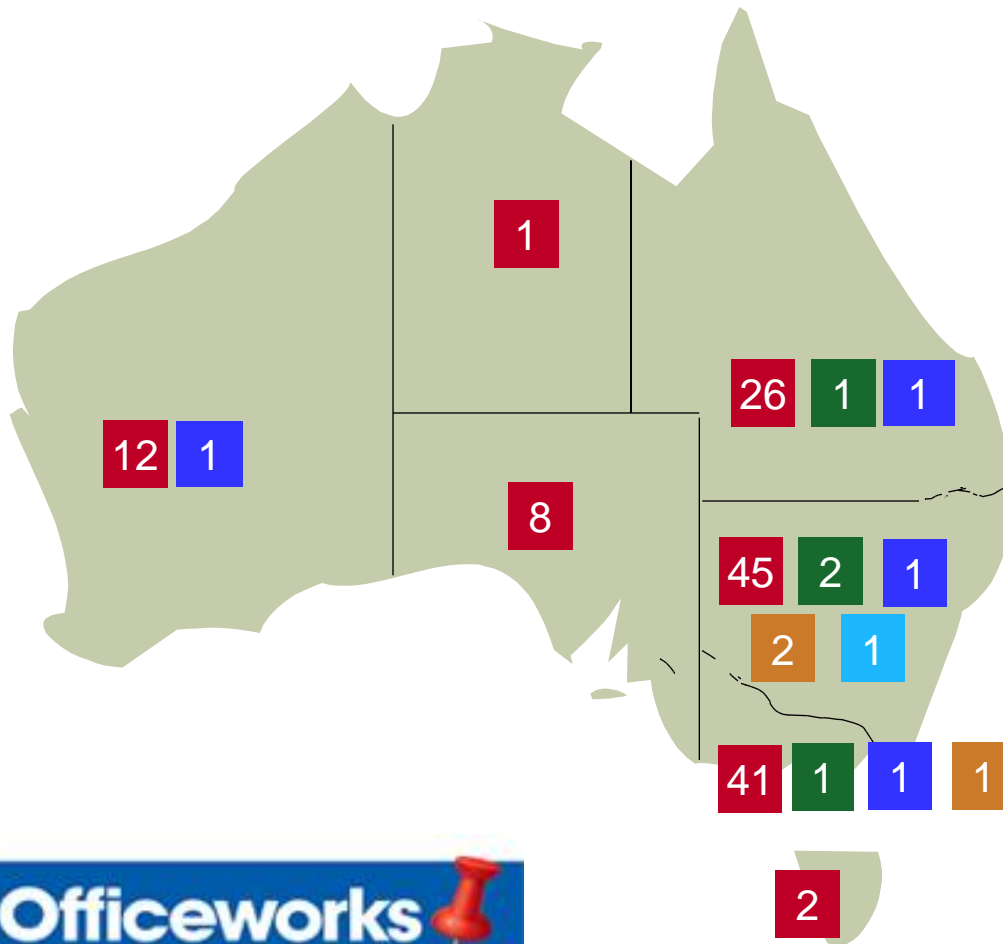
Bunnings network

As at 30 June 2011



Officeworks & Harris Tech. network

As at 30 June 2011



Retail Stores

- 135 Officeworks
- 4 Harris Technology

Business

- 4 Fulfilment Centres
- 3 Service Centres
- 1 Print Hub



Store network movements

	Open at 30 June 2010	Opened	Closed	Open at 30 June 2011	Under construction at 30 June 2011
Home Improvement					
Bunnings Warehouse	184	11	1	194	9
Bunnings smaller formats	58	8	7	59	-
Bunnings Trade Centres	29	8	1	36	2
Office Supplies					
Officeworks	128	10	3	135	2
Harris Technology	5	-	1	4	-

Bunnings – Merchandising

Range Reset Project Update

- Stronger support from world's leading & Australia's most trusted brands
- Widest range delivered better than ever

Builders



Kitchens & Plumbing



Decorator



Bunnings – Merchandising

Range Reset Project Update

- Stronger support from world's leading & Australia's most trusted brands
- Widest range delivered better than ever

Tools



Electrical



Garden Lifestyles



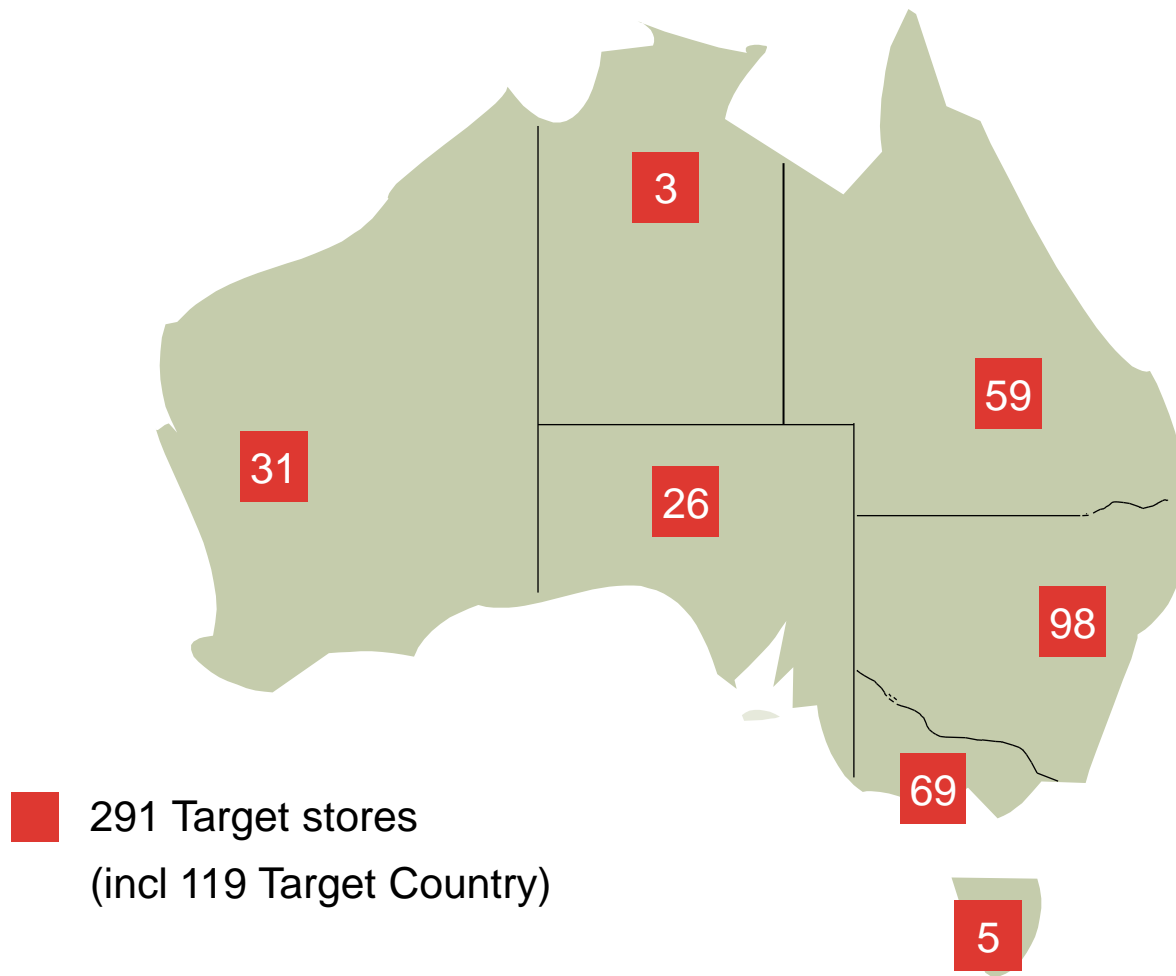
Target



Target network

As at 30 June 2011

Target 14



Store network movements

	Open at 30 June 2010	Opened	Closed	Open at 30 June 2011	Under construction at 30 June 2011
Target	171	1	-	172	2
Target Country	119	2	2	119	-

- Two Target Country stores closed were replaced by a larger store opened in Bowral
- Other stores opened include a Target store at Belconnen & a Target Country store at Port Douglas

Revenue reconciliation

Year ended 30 June (\$m)	2011	2010
Segment revenue (Gregorian)	3,782	3,825
Less:		
Non sales revenue	-	-
Headline sales (Gregorian)	3,782	3,825
Less:		
Gregorian adjustment	11	9
Headline sales revenue (Retail¹)	3,771	3,816

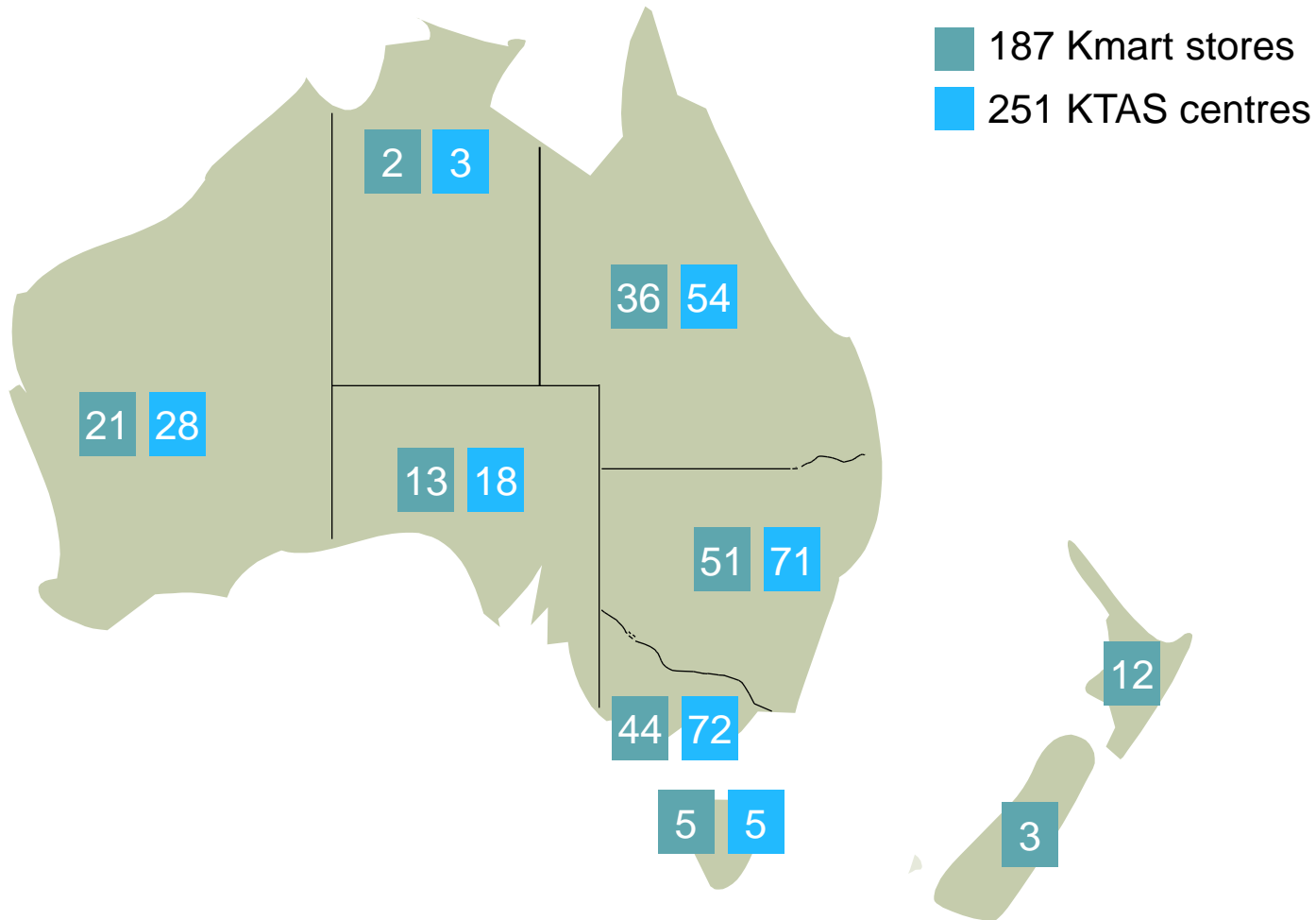
¹ Retail period relates to the 52 week period 27 June 2010 to 25 June 2011 for 2011 & to the 52 week period 28 June 2009 to 26 June 2010 for 2010

Kmart



Kmart network

As at 30 June 2011



Store network movements

	Open at 30 June 2010	Opened	Closed	Open at 30 June 2011	Under construction at 30 June 2011
Kmart	186	1	-	187	-
Kmart Tyre & Auto	251	6	6	251	3

Revenue reconciliation

Year ended 30 June (\$m)	2011	2010
Segment revenue (Gregorian)	4,036	4,019
Less:		
Non sales revenue	2	2
Headline sales (Gregorian)	4,034	4,017
Less:		
Gregorian adjustment	14	13
Headline sales revenue (Retail¹)	4,020	4,004

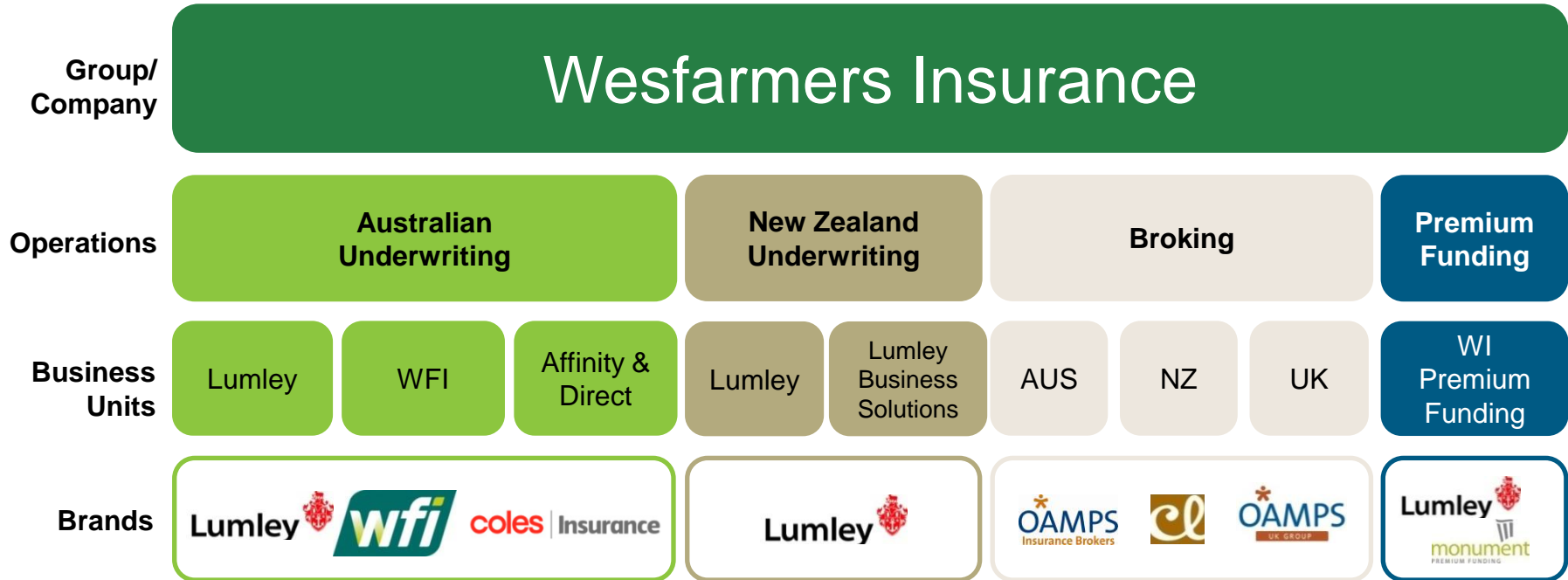
¹ Retail period relates to the 52 week period 28 June 2010 to 26 June 2011 for 2011 & to the 52 week period 29 June 2009 to 27 June 2010 for 2010

Insurance



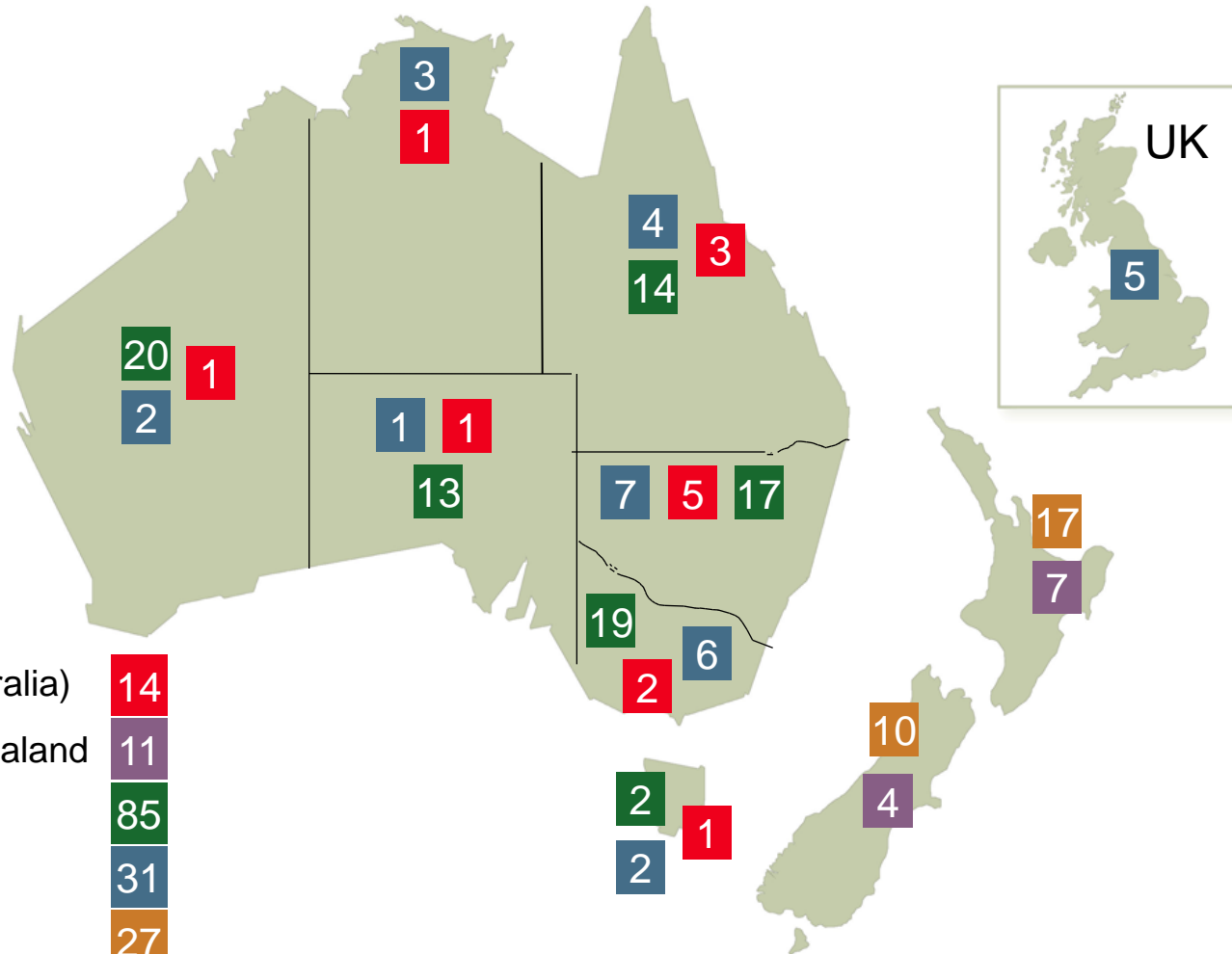
**Wesfarmers
Insurance**





Geographical presence

As at 30 June 2011



¹ OAMPS New Caledonia location not shown

Underwriting performance summary

Year ended 30 June (\$m)	2011	2010	% \updownarrow
Gross Written Premium	1,426	1,347	5.9
Net Earned Premium	1,062	1,035	2.6
Net Claims	(773)	(666)	16.1
Net Commission & Expenses	(388)	(348)	11.5
Underwriting Result	(99)	22	<i>n.m.</i>
Insurance Margin	(51)	55	<i>n.m.</i>
EBITA	(29)	75	<i>n.m.</i>
EBIT	(29)	75	<i>n.m.</i>
Investment Income (\$m)	70	53	
Net Earned Loss Ratio (%)	72.8	64.3	
Combined Operating Ratio (%)	109.3	97.9	
Insurance Margin (%)	(4.8)	5.3	

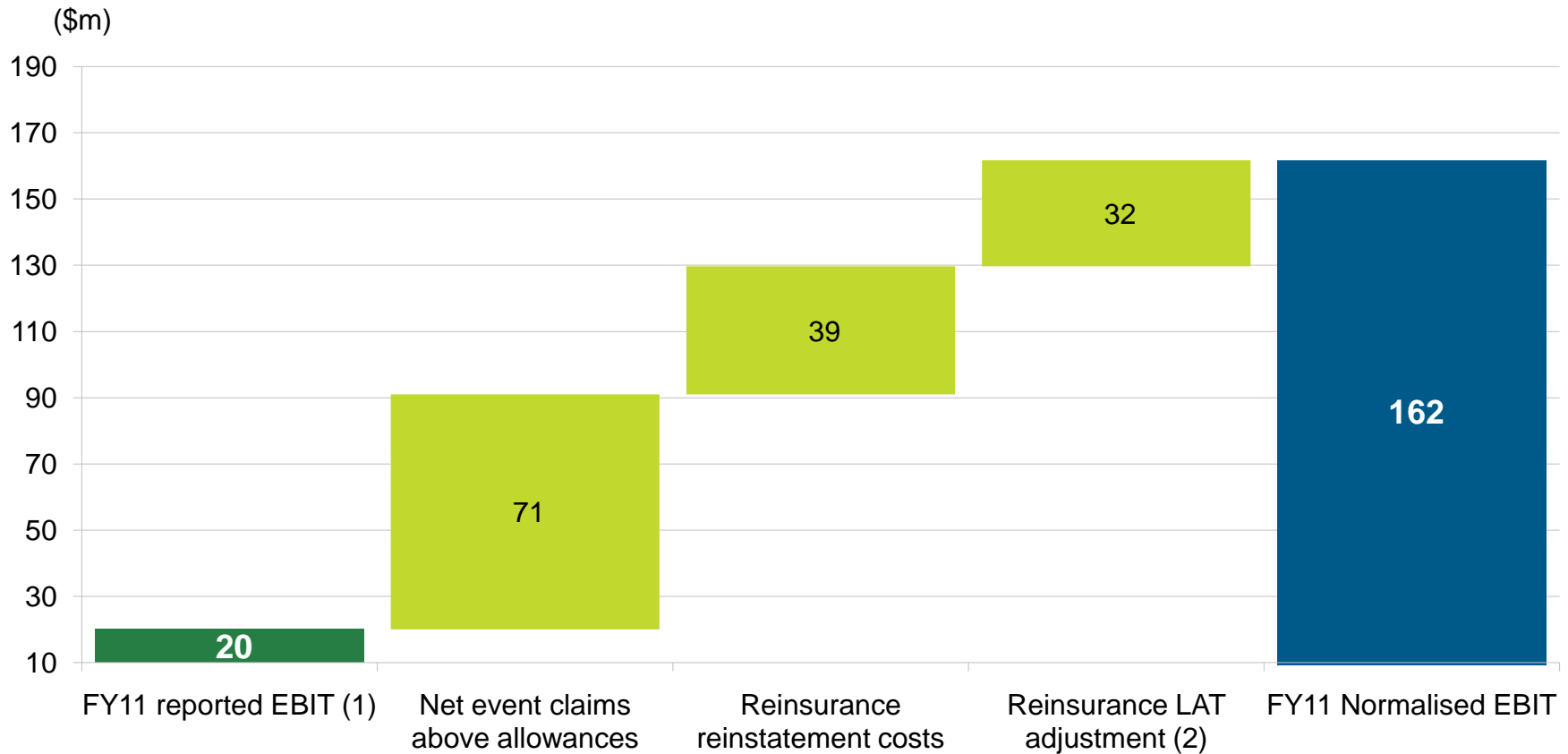
Broking performance summary

Year ended 30 June (\$m)	2011	2010 ¹	% \updownarrow
Commission & Fee Income	201	193	4.1
Other Income	24	20	20.0
Total Income	225	213	5.6
Expenses	(163)	(154)	5.8
EBITA	62	59	5.1
EBIT	52	50	4.0
EBITA Margin (%)	27.5	27.8	

¹ 2010 comparatives have been adjusted for a \$9m reclassification between Commission & Fee Income & Other Income

Normalised EBIT


Year ended 30 June 2011



¹ EBIT includes \$10m of intangibles amortisation.

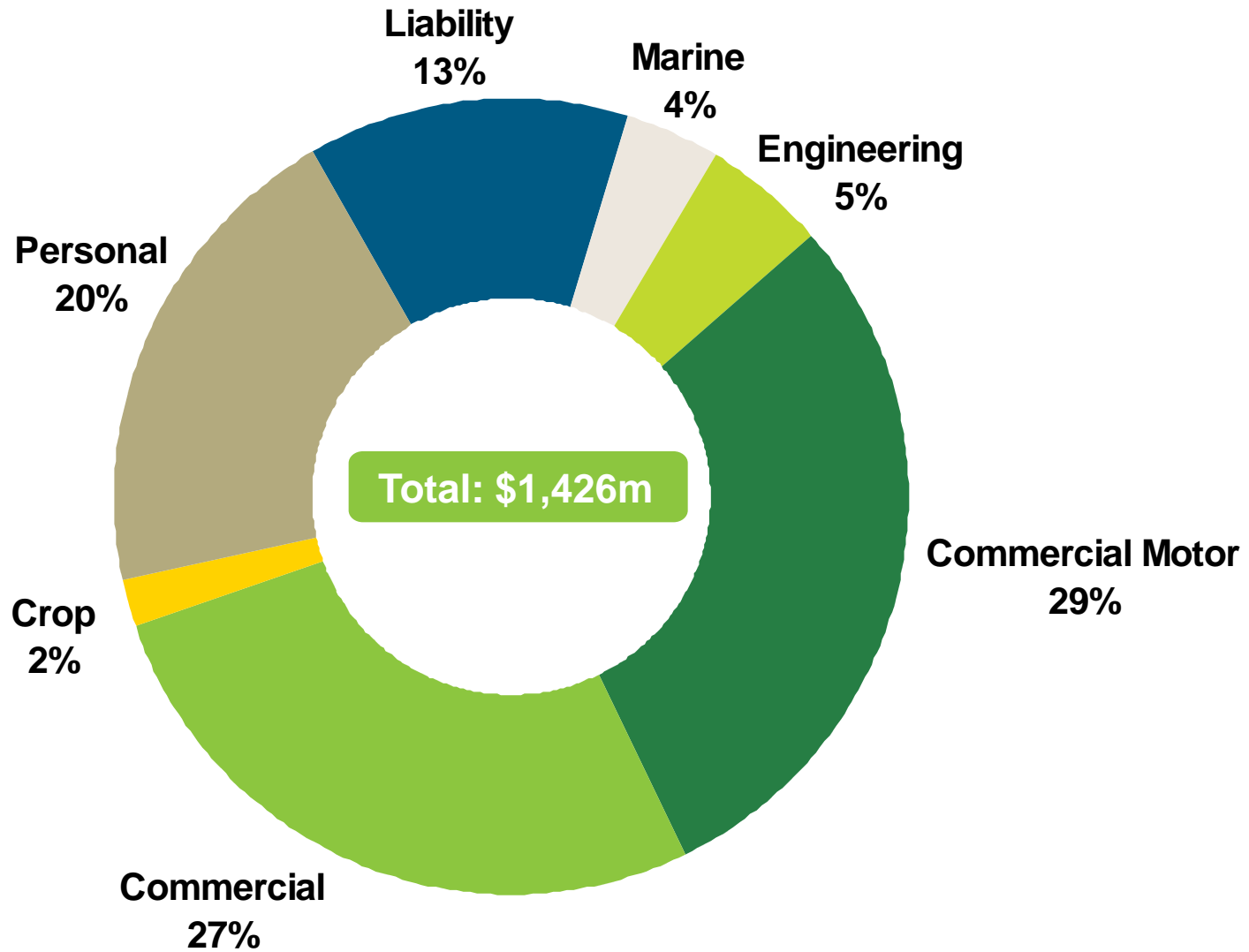
² Liability Adequacy Test (LAT) refers to an assessment completed at the end of each reporting period to ensure that the unearned premium liabilities held by the Insurance division are adequate to cover expected future claims. The expense reflects the increased reinsurance costs & changes in the structure of the reinsurance program for FY2012

Underwriting KPIs

Year ended 30 June (%)	2011	2010	% pt 
Gross Earned Loss Ratio	114.8	69.5	45.3
Net Earned Loss Ratio	72.8	64.3	8.5
Reinsurance Expenses (% GEP)	20.7	22.3	(1.6)
Exchange Commission (% RI excl XOL)	25.2	24.3	0.9
Commission Expense (% GWP)	12.5	13.5	(1.0)
Total Earned Expenses (% GEP) ¹	32.0	30.3	1.7
Combined Operating Ratio (% NEP)	109.3	97.9	11.4
Insurance Margin (% NEP)	(4.8)	5.3	(10.1)

¹ FY2011 ratio includes impact of reinsurance LAT adjustment of \$32m. Ratio excluding this impact is 29.6%

Gross written premium (underwriting)



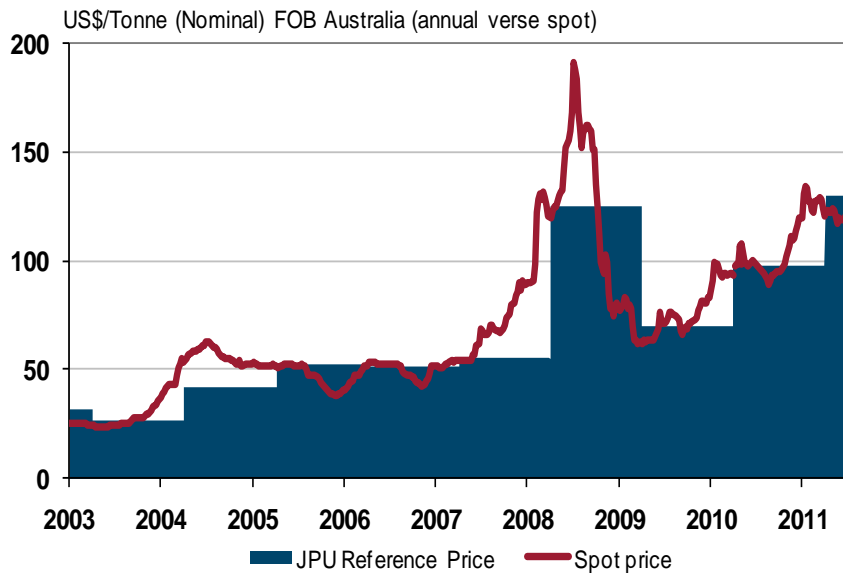
Resources



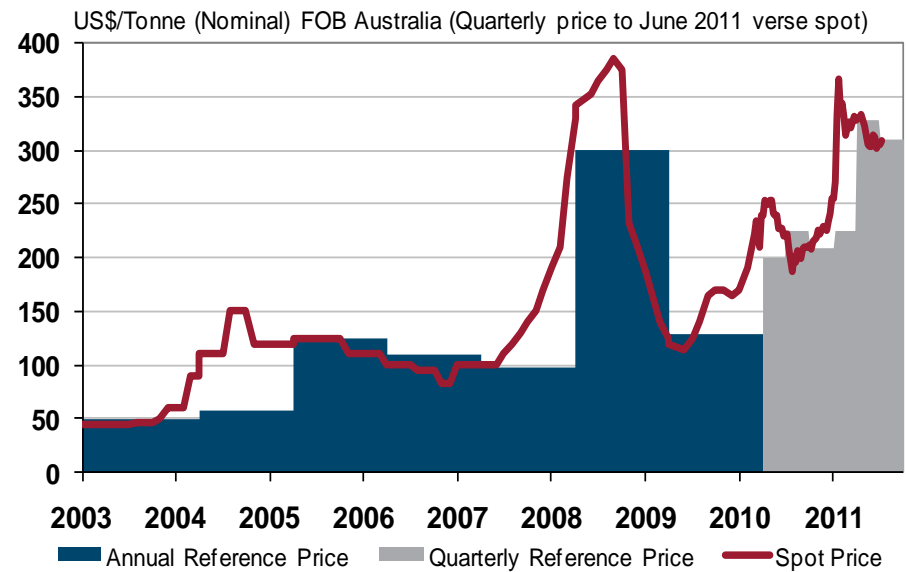
Resources environment

- Global demand for coal
 - Continuing growth from emerging & developing economies
 - Global steel production has recovered to above pre-GFC levels
 - Temporary impact of earthquake & tsunami on Japanese consumption
- Supply issues
 - Queensland metallurgical coal production severely affected by floods
 - Gradual recovery to normal production levels underway
- General industry environment
 - Re-emergence of tight labour market & industry cost pressures
 - Possible introduction of Minerals Resource Rent Tax & carbon tax
 - Longer-term outlook for export coal remains positive

Australian steaming coal prices

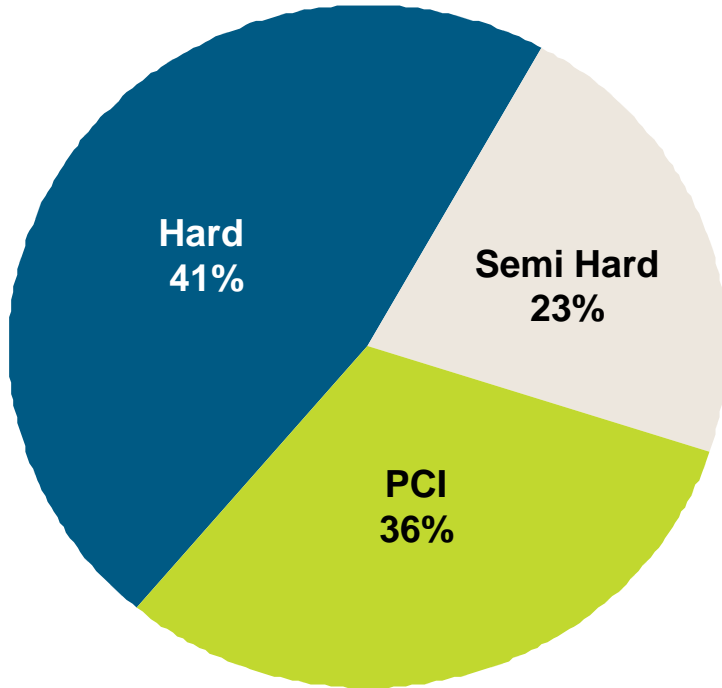


Australian hard coking coal prices



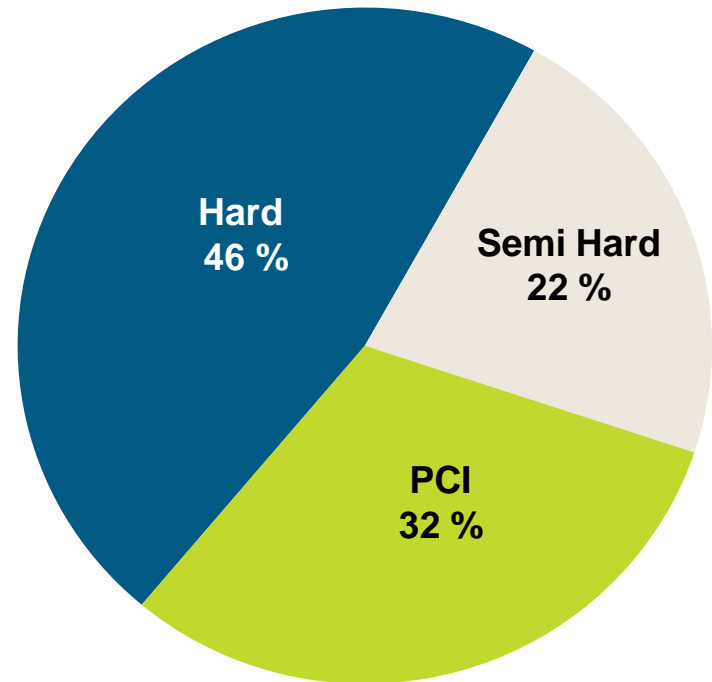
Source: Energy Publishing, Tex Report, Macquarie Research, CRU

Curragh export metallurgical sales



2010/11 Actual

5.3 million tonnes



2011/12 Forecast

6.8 – 7.2 million tonnes

Coal – production volumes

Mine	Beneficial Interest	Coal Type	Year Ended ('000 tonnes)	
			Jun 2011	Jun 2010
Curragh, QLD	100%	Metallurgical	5,383	6,613
		Steaming	2,470	2,470
Premier, WA	100%	Steaming	3,503	2,781
Bengalla, NSW ¹	40%	Steaming	2,243	2,243
Total¹			13,599	14,107

¹ Wesfarmers attributable production

Coal – sales volumes

Mine	Beneficial Interest	Coal Type	Year Ended ('000 tonnes)	
			Jun 2011	Jun 2010
Curragh, QLD ¹	100%	Metallurgical	5,334	6,633
		Steaming	2,568	2,463
Premier, WA	100%	Steaming	3,558	2,593
Bengalla, NSW ²	40%	Steaming	2,410	2,111
Total²			13,870	13,800

¹ Curragh metallurgical coal sales excludes traded coal of 375 kt (2010: 413kt)

² Wesfarmers attributable sales

Curragh focus on cost control

- Mine cash costs (\$/t) increased 46% FY2011 vs FY2010, due to one-off flood & groundwater impacts
 - Subject to more normal conditions mine cash costs (\$/t) are expected to fall in FY2012
- Continuing cost control programs in place
- Ongoing strategies include:
 - Mining & processing practices
 - Equipment utilisation & productivities
 - Procurement optimisation on key input costs
 - Contractor usage & roles
- Re-emergence of tight labour market & industry cost pressures

Current hedging profile

As at 30 June 2011

Curragh			Bengalla		
Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate	Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2012	720	0.86	2012	117	0.85
2013	491	0.82	2013	88	0.84
2014	269	0.81	2014	54	0.80
2015	150	0.78	2015	39	0.79
2016	30	0.91	2016	12	0.89

Curragh mine expansion

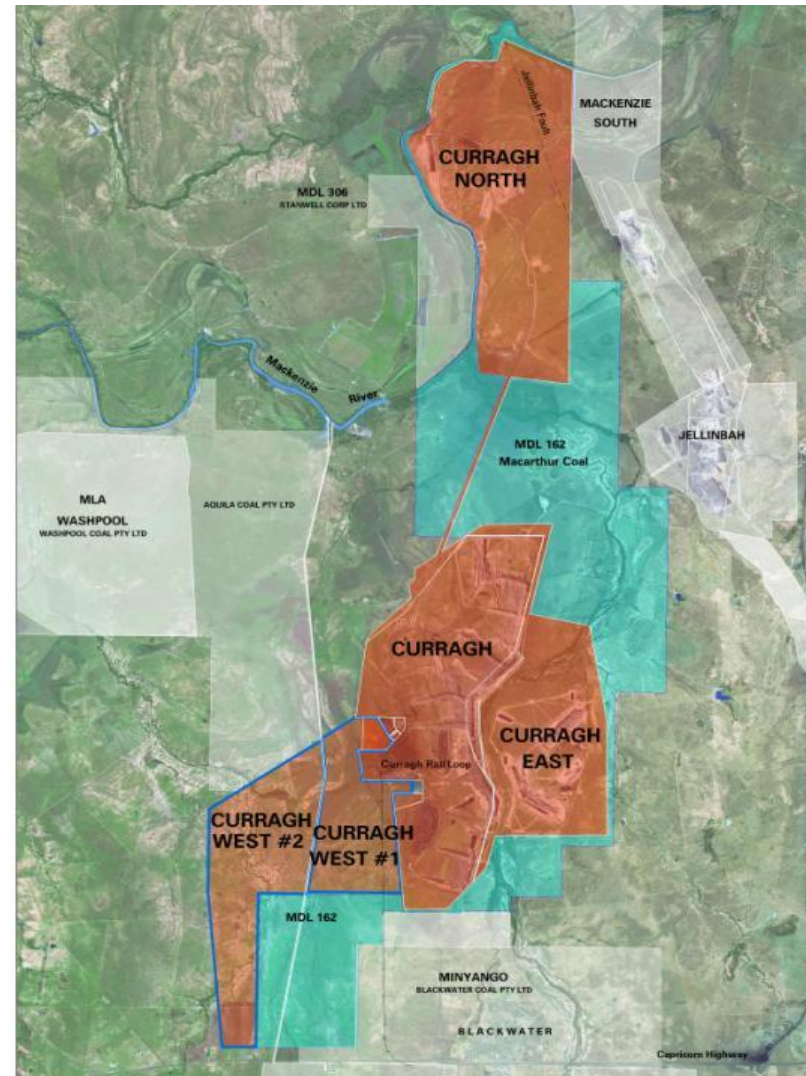
- Wesfarmers approved in November 2009 the investment of \$286 million to expand Curragh metallurgical coal exports to 8.0 – 8.5mtpa
- Curragh has rail & export capacity contracted at 8.5mtpa
- Curragh has forward-sold the additional production to existing & new long-term customers
- Construction is underway, with the expansion due for completion in Q1 CY2012
- Four-day power upgrade shutdown planned for September 2011



New Curragh Preparation Plant – South

Curragh expansion study to 10mtpa

- Feasibility study (FS) commenced
 - Mining & Coal Handling Preparation Plant studies
- Potential to expand Curragh to 10mtpa metallurgical exports from FY2014
 - Wiggins Island commissioning
 - Additional rail capacity required
 - Potential for additional dragline
- Re-evaluation of remaining reserves at Curragh/Curragh East
- Drilling commenced on Curragh West deposit
- Exploration completion in Q3 CY2011



Bengalla expansion study

- Expansion to 10.7mtpa ROM tonnes through two stages
 - Stage One 9.3mtpa ROM
 - Stage Two 10.7mtpa ROM
- Stage One approved – November 2010 with construction underway
- Additional port capacity secured
- Phase one completion targeted for 1Q CY2012
- Stage Two feasibility study ongoing



Potential new taxes (MRRT & Carbon)

- Both proposed to apply from 1 July 2012, subject to passage through parliament
- MRRT
 - Federal Government Exposure Draft released June 2011
- Carbon tax
 - Federal Government announcement July 2011 of fixed carbon price for first three years starting at \$23 per CO₂ tonne plus reduction in diesel fuel tax credit
 - We do not expect Wesfarmers Resources operations to be able to access any announced compensation
 - Carbon emissions disclosed annually in Sustainability Report

Chemicals, Energy & Fertilisers



**Wesfarmers Chemicals,
Energy & Fertilisers**



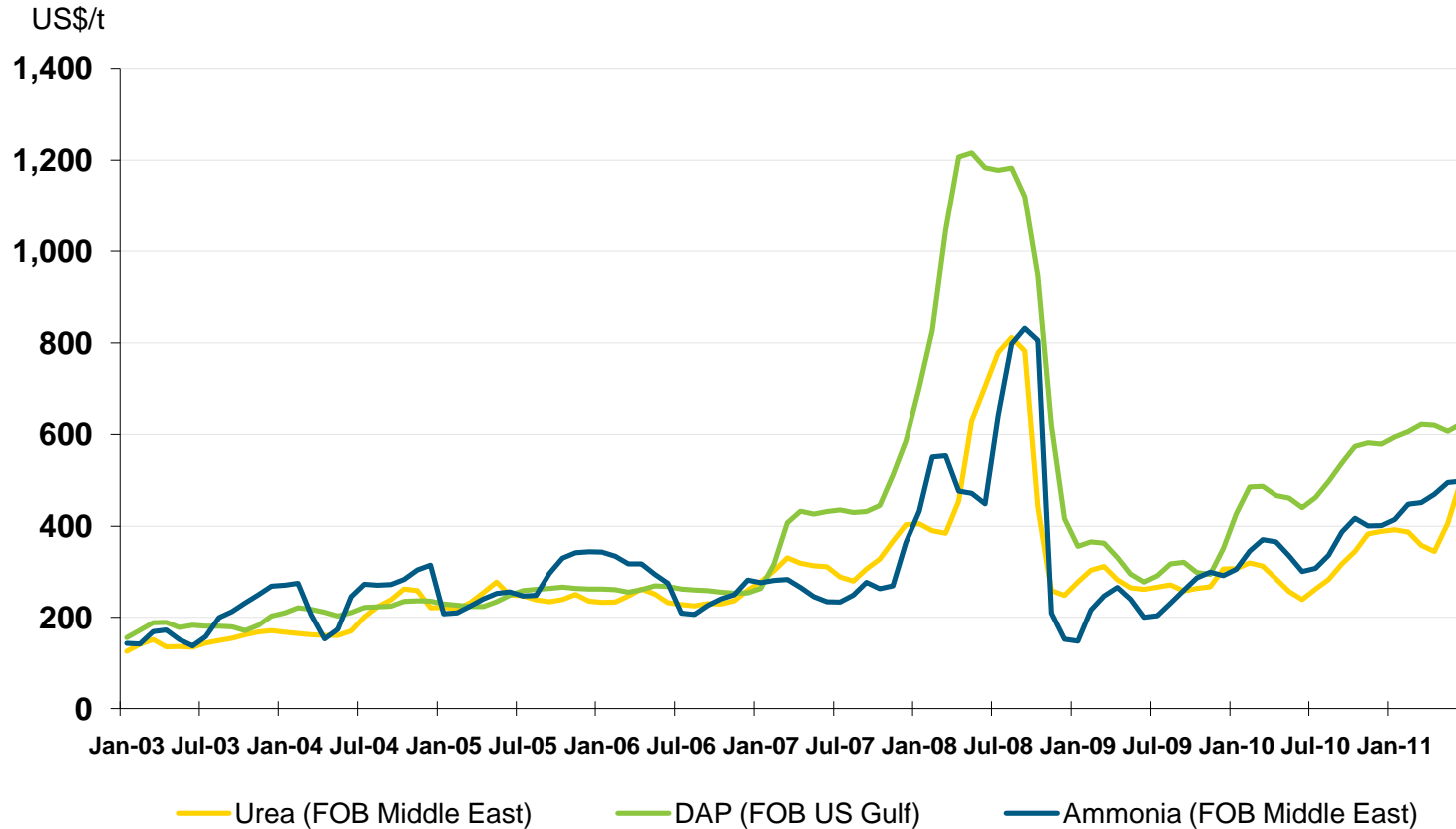
Wesfarmers

Fertiliser sales



Volumes 6.5% lower than previous year

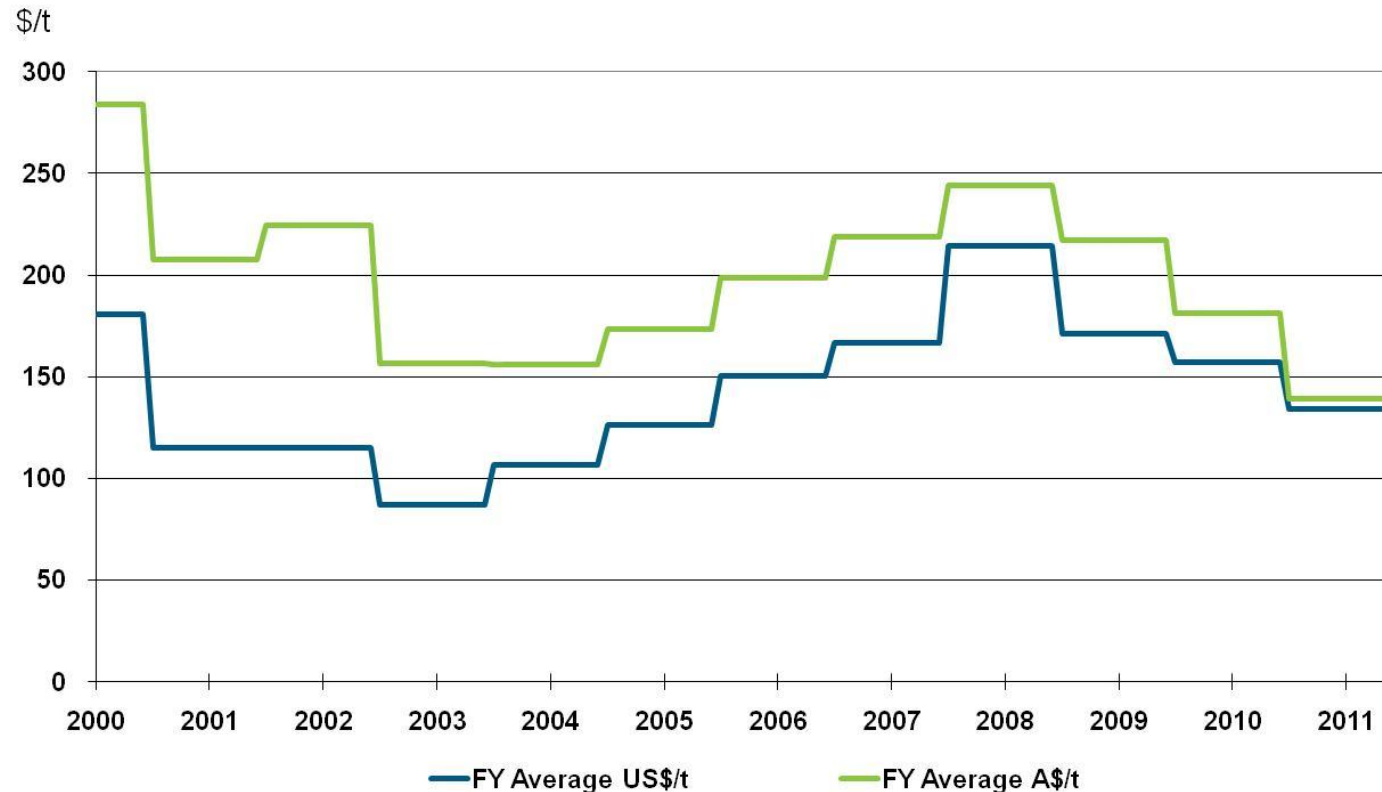
Global fertiliser pricing



Prices in USD steadily increasing since 2009

PVC-VCM Spread

The 'PVC – VCM Spread' refers to the difference between the Asian PVC selling price & VCM input cost

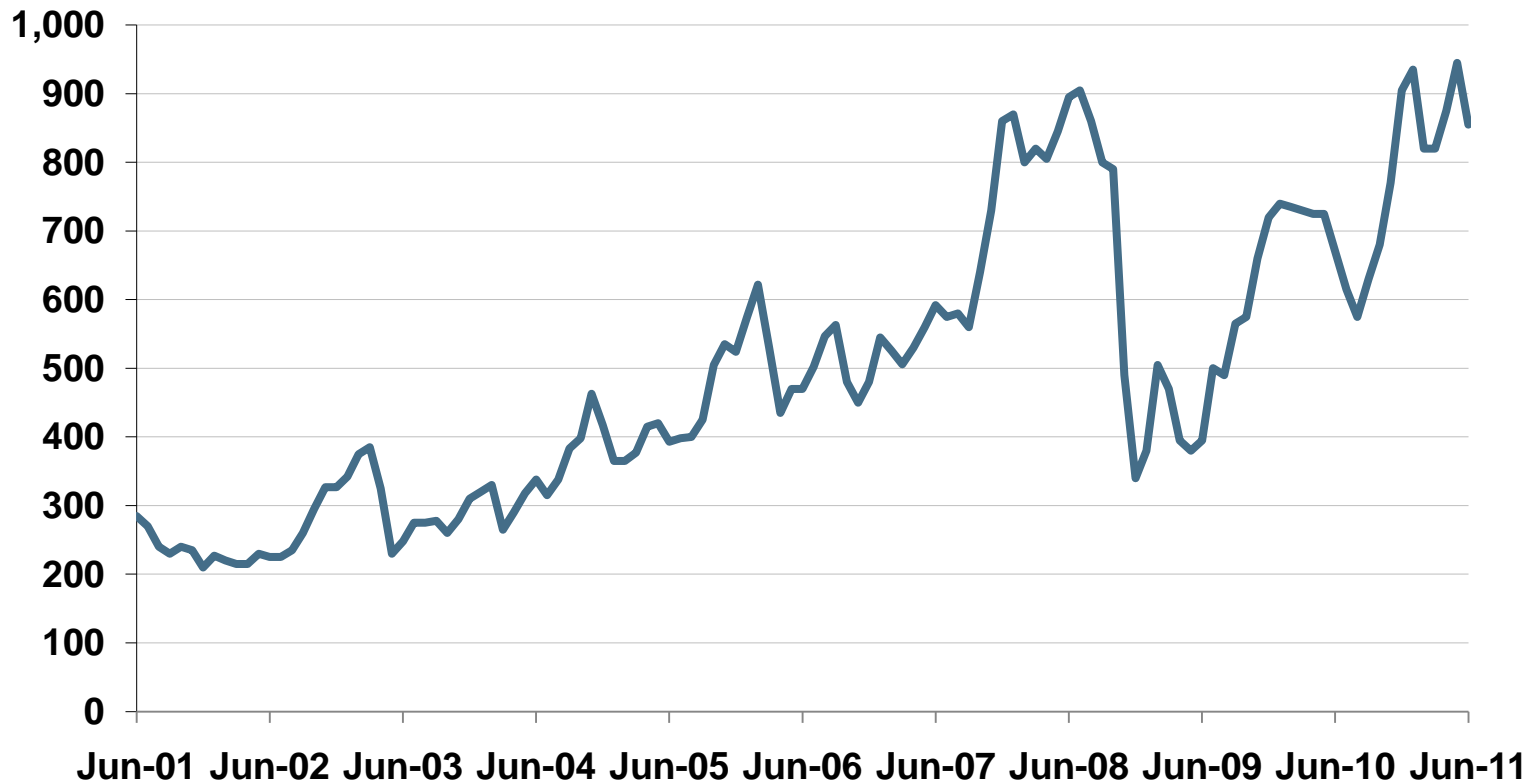


Source: Harriman Front Page Asian mid points

A\$ Spread at long-term historical low

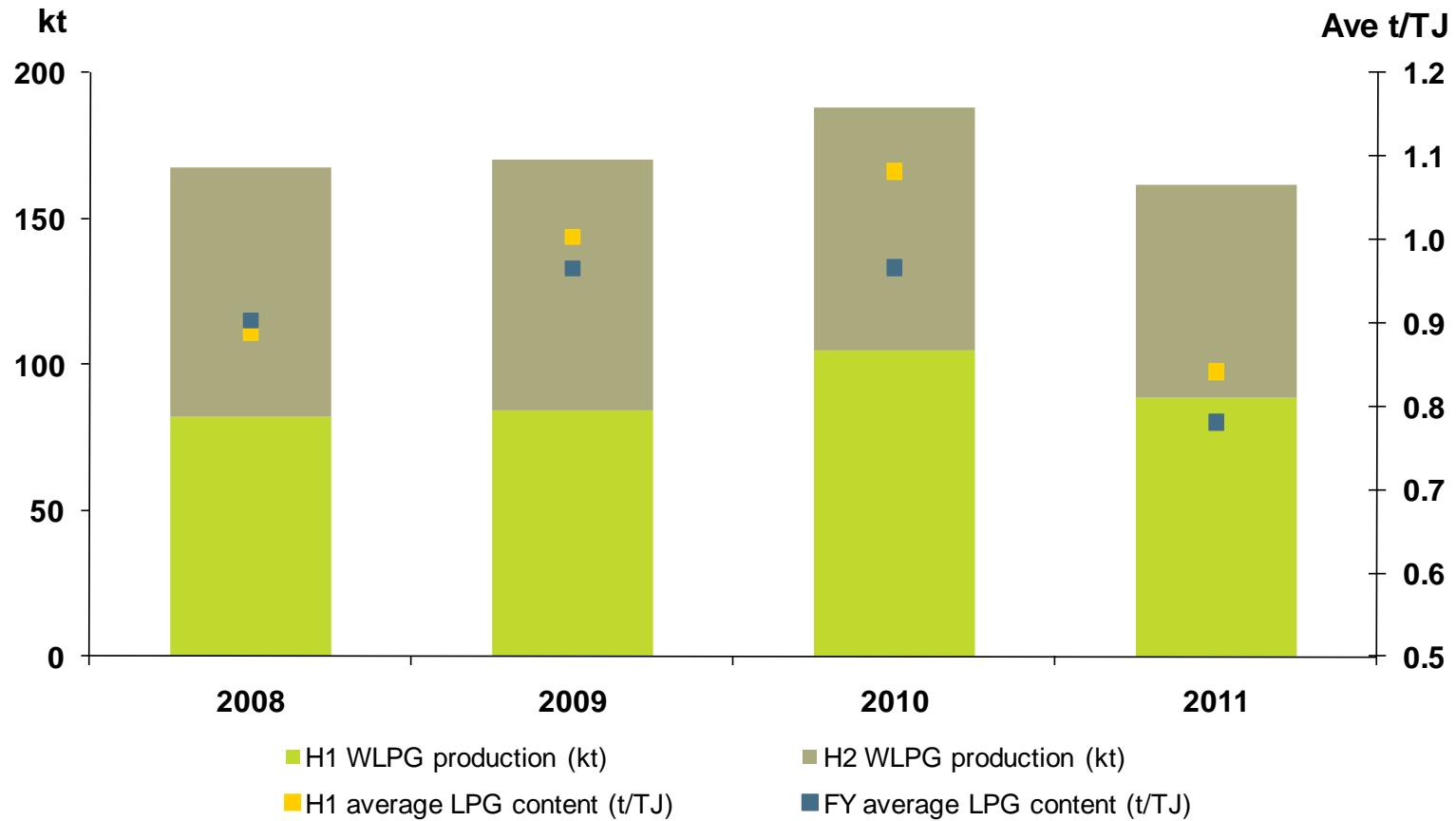
World LPG prices – Saudi CP

US\$/tonne Propane



US\$ LPG prices increase over the year, partially offset by strong A\$

LPG production



Production lower than previous year due to reduced content

Industrial & Safety



Australia

New Zealand

Generalists
'One stop shop'



Blackwoods Paykels



Safety Specialists



Industrial Specialists

coregas



Distribution network

As at 30 June 2011

219 industrial & safety branches & 121 gas distribution points

Australia No.

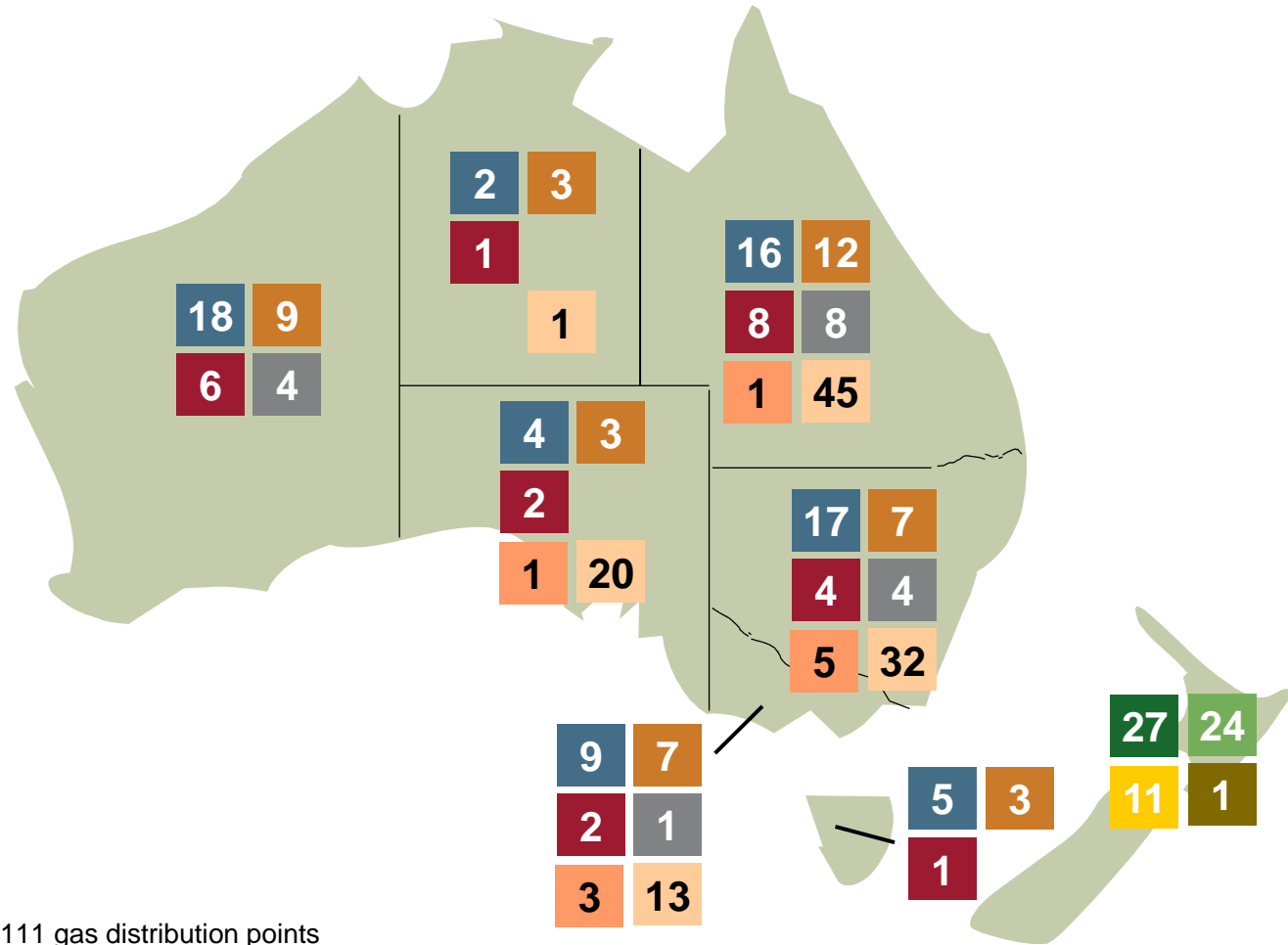
Blackwoods 71

Protector Alsafe 44

Bullivants 24

Total FASTENERS 17

coregas¹ 111



New Zealand No.

Blackwoods Paykels / **protectorsafety** 27

NZ Safety 24

Packaging House 11

SAFETY SOURCE 1

¹ Includes 10 Coregas owned branches & 111 gas distribution points

Note: Blackwoods includes Bakers; Coregas includes Migomag; Joint Blackwoods Paykels Protector branches counted as single locations

Other Business & Capital Management



Wesfarmers

Flood & storm events – retail divisions

51

- Group Retail divisions' earnings affected by severe flood & storm events, including Cyclone Yasi, & Christchurch earthquakes
- Combined earnings impact of property damage & business interruption estimated to be ~ \$100 million
 - Asset writedowns recognised, prior to insurance recoveries, of \$66 million
- Virtually certain insurance recoveries of \$62 million have been recognised in relation to property damage
- FY2011 net earnings impact largely arising in Coles & Bunnings
- Insurance recoveries associated with disruption to operations are ongoing

Overview of the Group balance sheet

(\$m)	FY2010	FY2011	Commentary
Inventories	4,658	4,987	Detailed working capital discussion provided on slide 53
Trade & other payables	(4,621)	(5,090)	
Receivables & prepayments ¹	1,834	2,263	
Other	237	264	
Net working capital	2,108	2,424	
Net insurance liabilities ¹	(54)	(224)	Increase in insurance liabilities related to peril events partially offset by increase in reinsurance & other recoveries
Property, plant & equipment	7,542	8,302	Capital expenditure of \$2.1 billion in FY2011 partially offset by depreciation & amortisation as well as disposals
Intangibles	20,534	20,580	FY2011 includes acquisition of FMR Risk & other minor retail store acquisitions that occurred during the period
Other investments	657	1,251	FY2011 includes re-class of Premier Coal at carrying value to 'assets available for sale' & an increase in FX hedge assets due to higher unrealised gains following the appreciation of A\$
Provisions & other liabilities	(2,441)	(2,532)	FY2011 includes re-class of Premier Coal to 'liabilities associated with a disposal group'
Total capital employed	28,346	29,801	
Net financial debt ²	(4,093)	(4,564)	Increase capital investment, diversification & extension of Group's debt profile
Net tax balances	441	92	Decrease in tax assets associated with FX hedge contracts & increase in ITP ³
Total net assets	24,694	25,329	Notes: ¹ FY2010 re-class of reinsurance & other recoveries receivable, ² Net debt net of interest rate swap liabilities, ³ ITP - Income tax payable

Balance sheet - working capital

(\$m)	FY2010	FY2011	Commentary
Inventories	4,658	4,987	<ul style="list-style-type: none"> Inventory increased by \$329 million (FY2011 v FY2010) Home Improvement: Strong network expansion & increased sales Coles: Safety stock build ahead of supply system change (Easy Warehousing), increased centralised delivery & sales growth Kmart: Increase in direct sourcing from off-shore
Trade & other payables	(4,621)	(5,090)	<ul style="list-style-type: none"> Payables increased by \$469 million (FY2011 v FY2010) Retail: Improved supplier terms & higher inventory partially offset by increased direct sourcing Insurance: Acquisition of FMR trade payables balance Resources: Higher costs associated with flood rectification
Receivables (including prepayments)	1,834	2,263	<ul style="list-style-type: none"> Receivables increased by \$429 million (FY2011 v FY2010) Coles: Change in Switch settlement terms, receivable for proceeds on disposal of properties Home Improvement: Increased sales Insurance: Increased premium funding receivables due to business growth
Other	237	264	
Net working capital	2,108	2,424	

Note: The above table refers to balance sheet movements only. Working capital movements as shown on slide 57 of the presentation are adjusted for non-cash movements & exclude movements related to investing & financing activities which are included in the table above.



Wesfarmers

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