

2011 Half-Year Results

Supplementary Information

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

17 February 2011



Wesfarmers

Coles

coles

BI-LO

coles
express

CHOICE
LIQUOR
SUPERSTORE

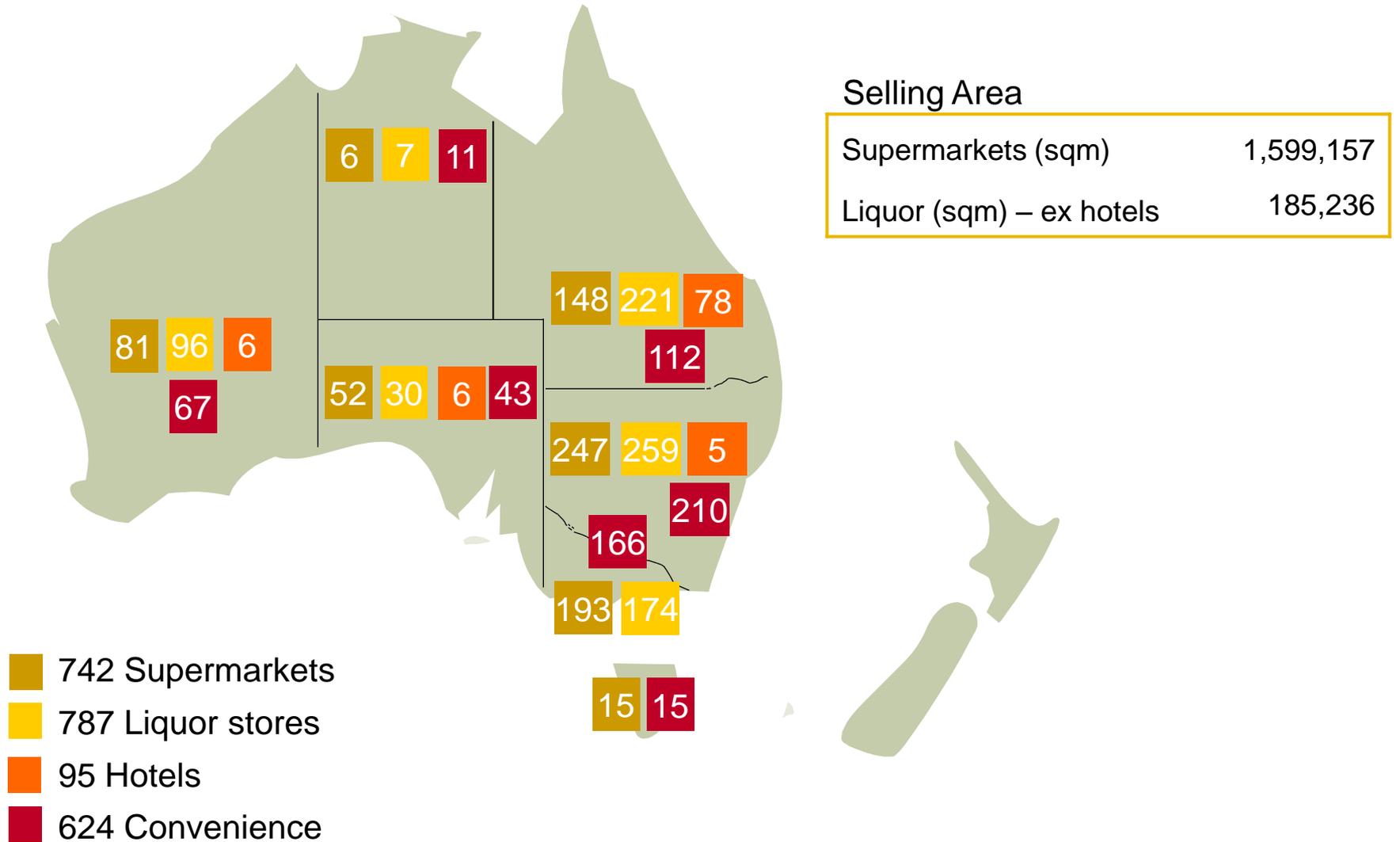
LIQUORLAND

VINTAGE CELLARS
AUSTRALIA'S FINE WINE SPECIALIST



Coles network

As at 31 December 2010



Store network movements

	Open at 1 July 2010	Opened	Closed	Re-brand	Open at 31 Dec 2010
Supermarkets					
Coles	691	8	5	-	694
Bi-Lo	51	-	3	-	48
Total Supermarkets	742	8	8	-	742
Liquor					
1 st Choice	73	3	-	-	76
Vintage Cellars	78	6	-	(2)	82
Liquorland	615	15	4	3	629
Hotels	96	1	1	(1)	95
Total Liquor	862	25	5	-	882
Convenience	619	6	1	-	624

Revenue reconciliation

Half-Year ended 31 December (\$m)	2010			2009		
	Food & Liquor	Convenience	Total	Food & Liquor	Convenience	Total
Segment revenue¹ (Gregorian)	12,804	3,244	16,048	12,028	3,121	15,149
<i>Less:</i>						
Other revenue	68	9	77	66	9	75
Headline sales (Gregorian)	12,736	3,235	15,971	11,962	3,112	15,074
<i>Plus:</i>						
Gregorian adjustment	257	80	337	257	72	329
Headline sales (Retail²)	12,993	3,315	16,308	12,219	3,184	15,403

1. Excludes other revenue of \$11m in 2010 (2009: \$12m) relating to property
2. Retail period relates to the 27 week period 28 June 2009 to 2 January 2010 for 2010 & to the 27 week period 29 June 2008 to 3 January 2009 for 2009

Home Improvement & Office Supplies

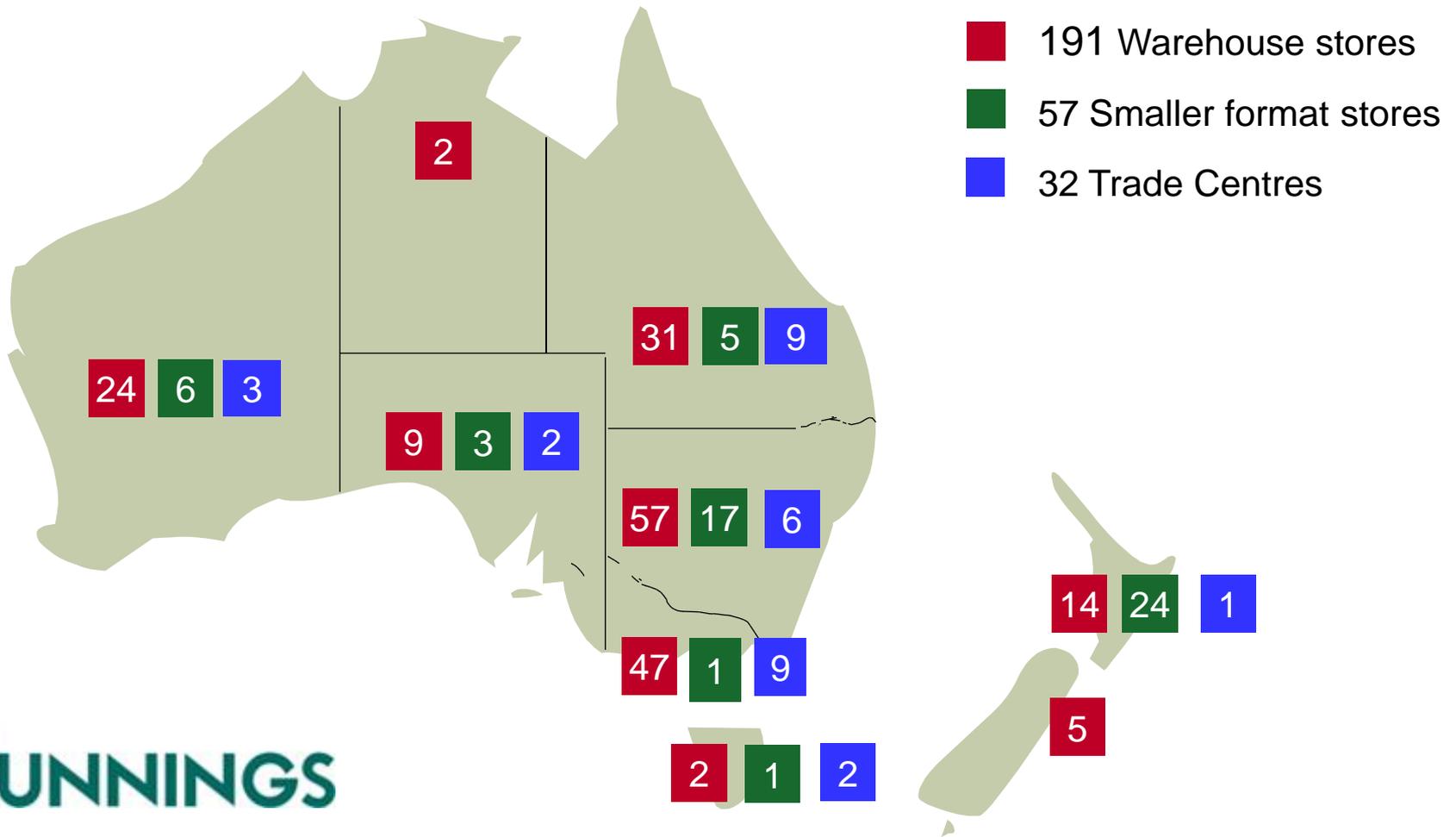
BUNNINGS

Officeworks



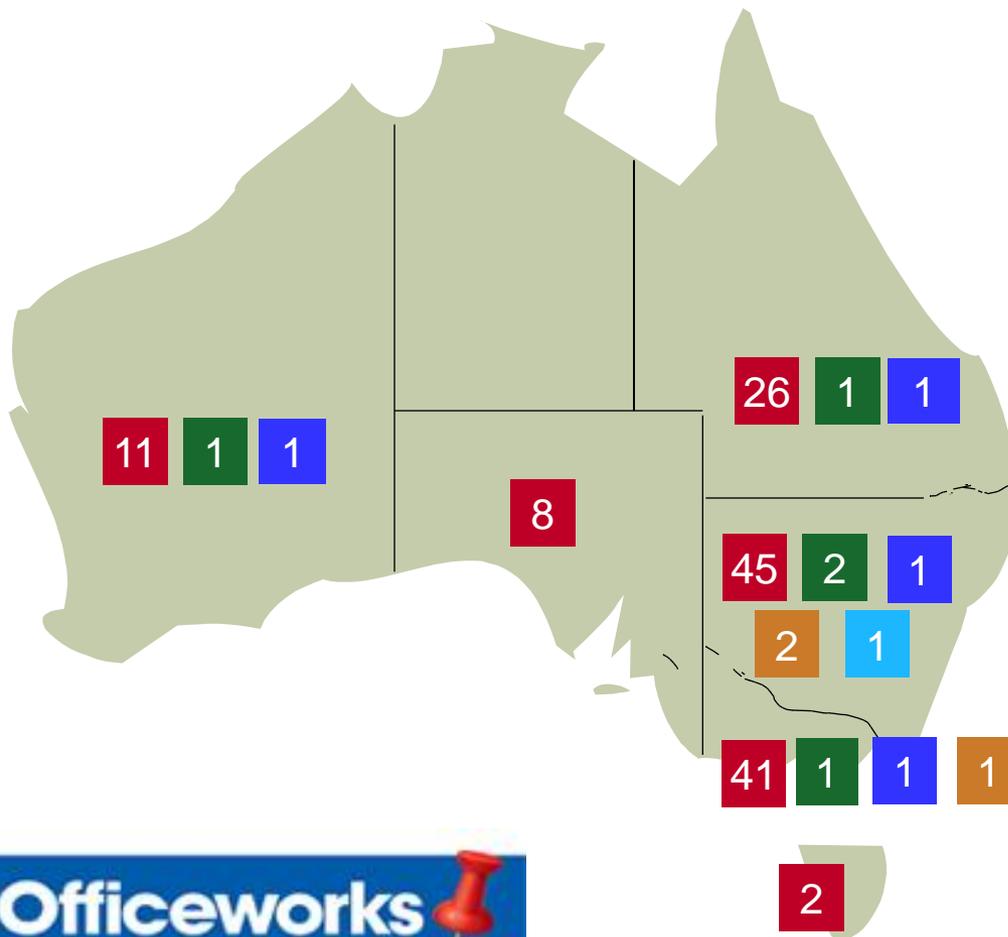
Bunnings network

As at 31 December 2010



Officeworks & Harris Tech. network

As at 31 December 2010



Retail Stores

- 133 Officeworks
- 5 Harris Technology

Business

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



Store network movements

As at 31 December 2010

Home Improvement &
Office Supplies

9

	Open at 1 July 2010	Opened	Closed	Open at 31 Dec 2010	Under construction at 31 Dec 2010
Home Improvement					
Bunnings Warehouse	184	8	1	191	8
Bunnings smaller formats	58	5	6	57	1
Bunnings Trade Centres	29	3	-	32	3
Office Supplies					
Officeworks	128	7	2	133	2
Harris Technology	5	-	-	5	-

Target



Target network

As at 31 December 2010

Target 11



Store network movements

	Open at 1 July 2010	Opened	Closed	Open at 31 Dec 2010	Under construction at 31 Dec 2010
Target	171	-	-	171	1
Target Country	119	2	2	119	-

Revenue reconciliation

Half-Year ended 31 December (\$m)	2010	2009
Segment revenue (Gregorian)	2,120	2,182
Less:		
Non sales revenue	-	-
Headline sales (Gregorian)	2,120	2,182
Plus:		
Gregorian adjustment	30	37
Headline sales (Retail¹)	2,150	2,219

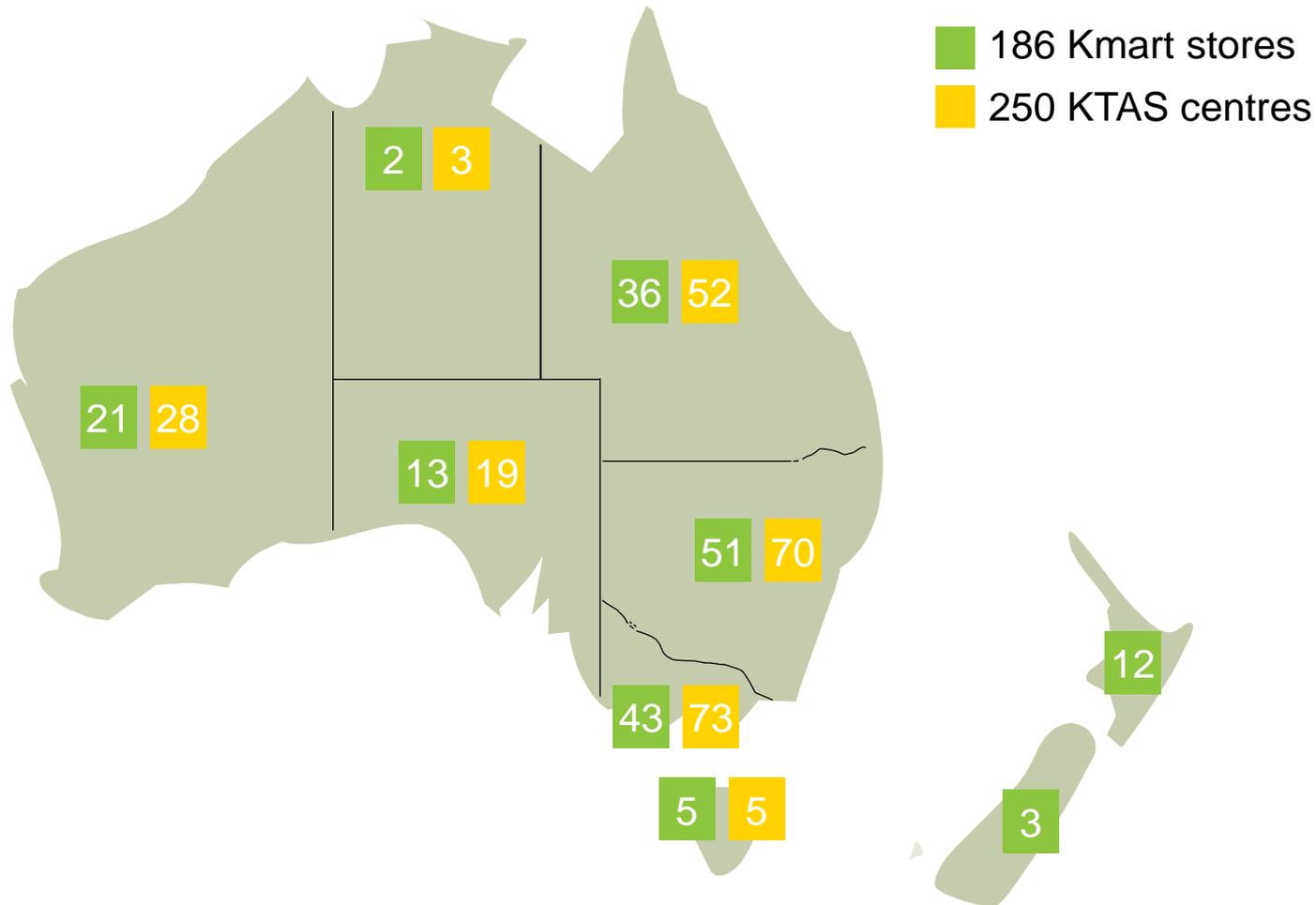
1. Retail period relates to the 27 week period 27 June 2010 to 1 January 2011 for 2010 & to the 27 week period 28 June 2009 to 2 January 2010 for 2009

Kmart



Kmart network

As at 31 December 2010



Store network movements

	Open at 1 Jul 2010	Opened	Closed	Open at 31 Dec 2010	Under construction at 31 Dec 2010
Kmart	186	-	-	186	1
Kmart Tyre & Auto	251	-	1	250	4

Revenue reconciliation

Half-Year ended 31 December (\$m)	2010	2009
Segment revenue (Gregorian)	2,271	2,226
Less:		
Non sales revenue	1	1
Headline sales (Gregorian)	2,270	2,225
Plus:		
Gregorian adjustment	40	41
Headline sales (Retail¹)	2,310	2,266

1. Retail period relates to the 27 week period 28 June '10 to 2 January '11 for 2010 & to the 27 week period 29 June '09 to 3 January '10 for 2009

Insurance



CROMBIE  LOCKWOOD

New Zealand's Insurance Brokers

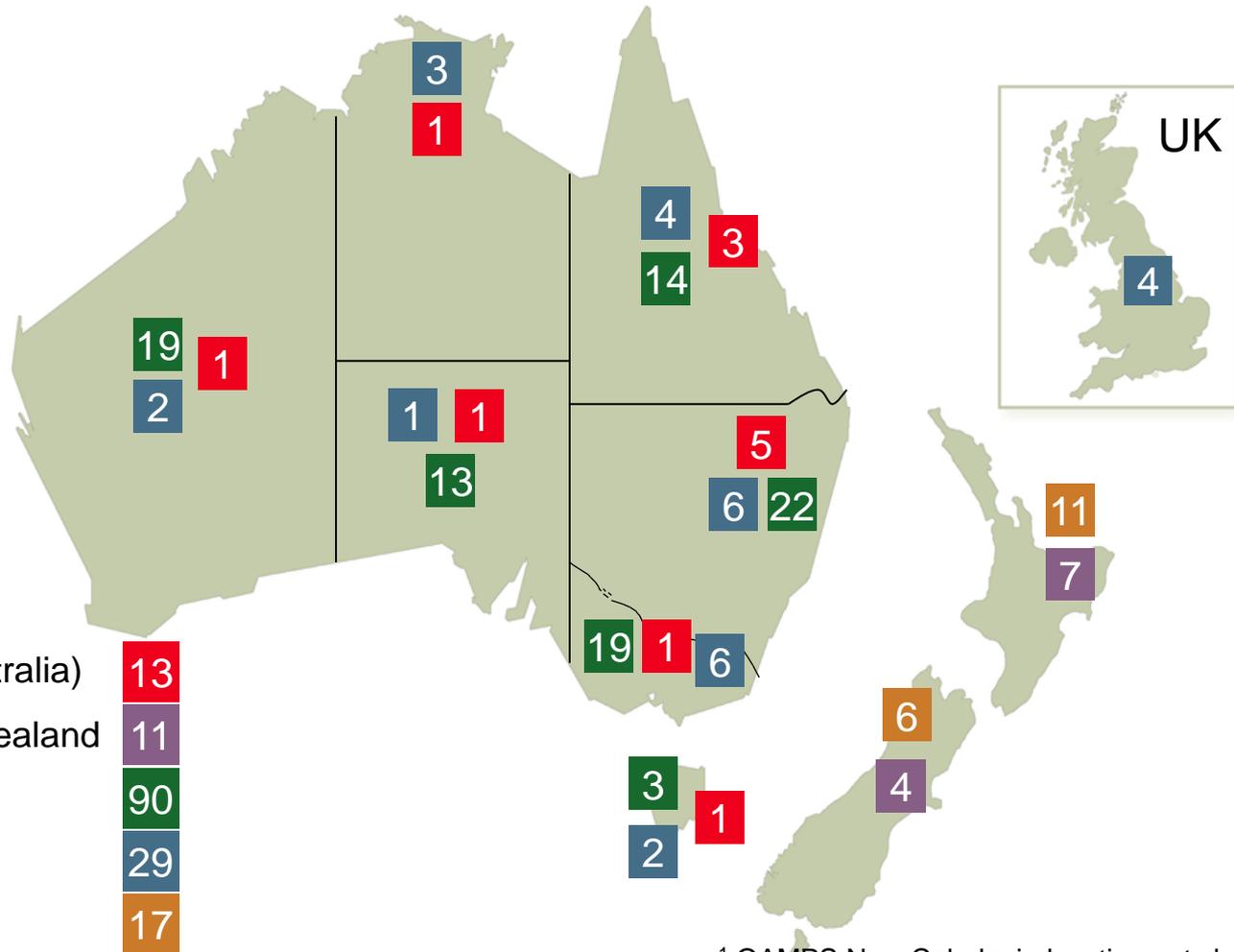


Insurance business overview

	Australia	New Zealand	United Kingdom
Broking		 <small>New Zealand's Insurance Brokers</small>	
Underwriting	 		
Group Services	<p>Governance & monitoring</p> <p>Portfolio & capital management</p> <p>Leveraging scale & capabilities</p> <p>Group leadership & development</p> <p>Securing growth opportunities</p>		

Geographical presence

As at 31 December 2010



- Lumley Insurance (Australia) 13
- Lumley General New Zealand 11
- WFI 90
- OAMPS¹ 29
- Crombie Lockwood 17

¹ OAMPS New Caledonia location not shown

Underwriting performance summary

Half-Year ended 31 December (\$m)	2010	2009	% 
Gross Written Premium	659	680	(3.1)
Net Earned Premium	549	521	5.4
Net Claims	(358)	(334)	7.2
Net Commission & Expenses	(184)	(171)	7.6
Underwriting Result	7	16	(56.3)
Insurance Margin	29	29	-
EBITA	42	38	10.5
EBIT	42	38	10.5
Net Earned Loss Ratio (%)	65.2	64.2	
Combined Operating Ratio (%)	98.6	97.0	
Insurance Margin (%)	5.3	5.7	

Broking performance summary

Half-Year ended 31 December (\$m)	2010	2009	% \updownarrow
Commission & Fee Income	92	90	2.2
Other Income	12	10	20.0
Total Income	104	100	4.0
Expenses	(76)	(75)	1.3
EBITA	28	25	12.0
EBIT	23	20	15.0
EBITA Margin (%)	27.3	25.2	

Underwriting KPIs

Half-Year ended 31 December (%)	2010	2009	% pt 
Gross Earned Loss Ratio	74.3	66.3	8.0
Net Earned Loss Ratio	65.2	64.2	1.0
Reinsurance Expenses (% GEP)	19.3	23.4	(4.1)
Exchange Commission (% RI excl XOL)	24.8	23.3	1.5
Commission Expense (% GWP)	13.1	13.8	(0.7)
Total Earned Expenses (% GEP)	30.3	29.4	0.9
Combined Operating Ratio (% NEP)	98.6	97.0	1.6
Insurance Margin (% NEP)	5.3	5.7	(0.4)

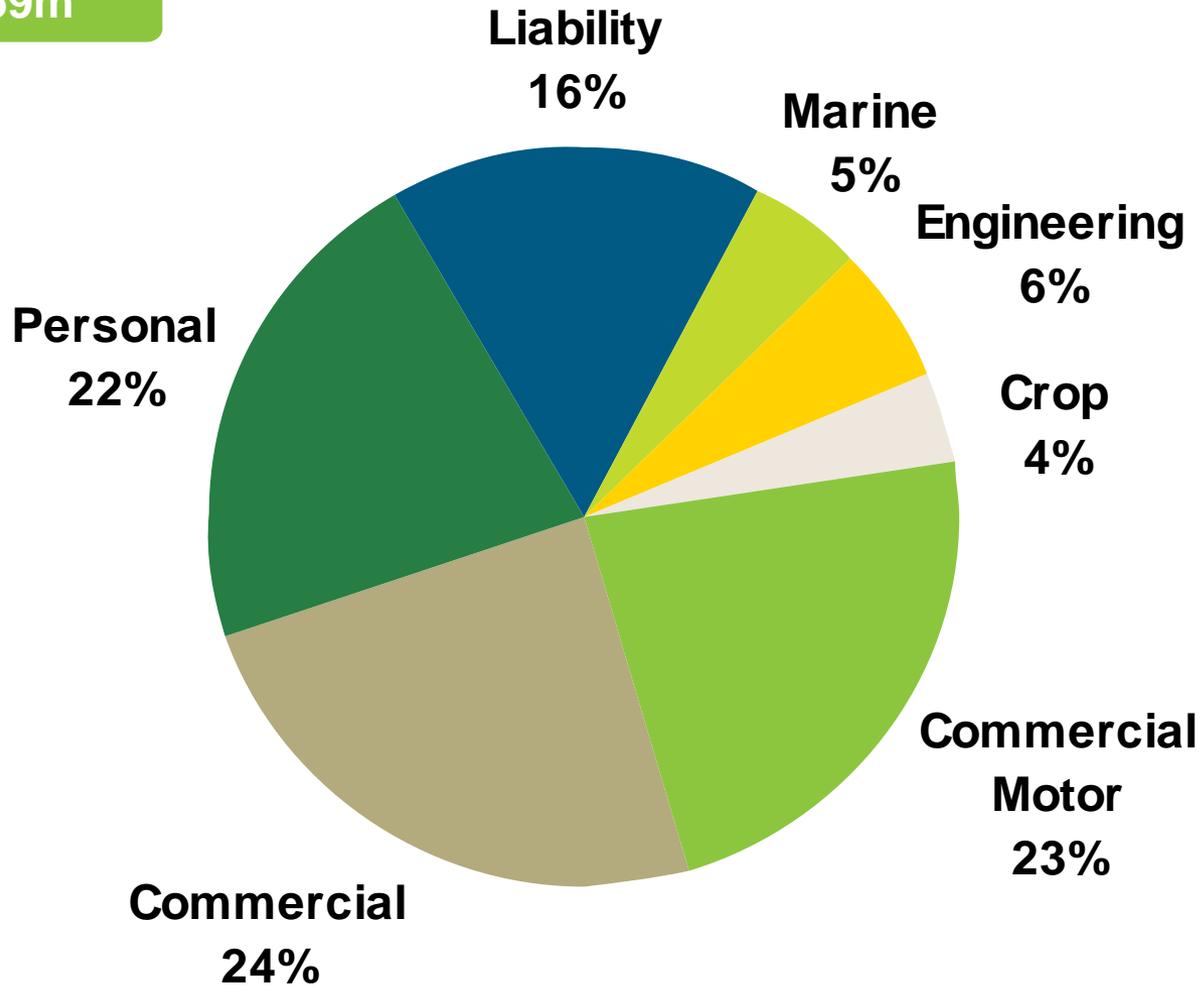
Gross written premium (Underwriting)

Insurance

24

(for the six month period to 31 December 2010)

Total \$659m



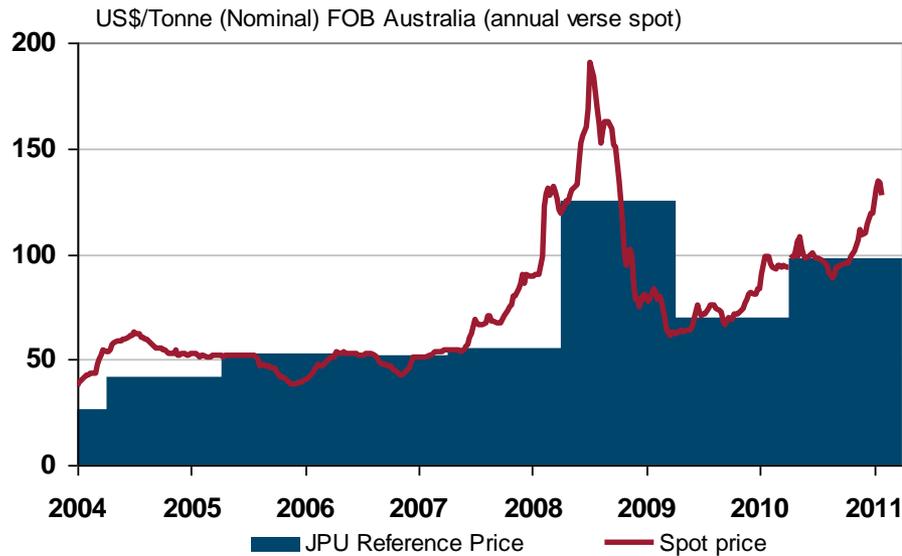
Resources



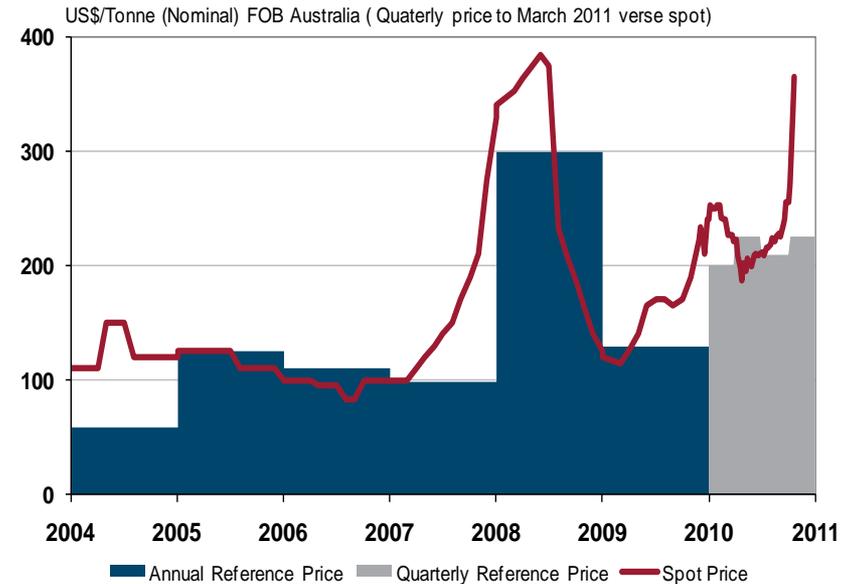
Resources environment

- Global demand for coal
 - Stable environment for most world major economies
 - Global steel production has recovered to pre-GFC levels
- Supply issues
 - Queensland metallurgical coal production severely affected by floods
 - Associated rail infrastructure constraints
 - Supply shortfall affecting near term coal prices
- General industry environment
 - Re-emergence of tight labour market & industry cost pressures
 - Possible introduction of Minerals Resource Rent Tax
 - Longer-term outlook for the coal industry remains positive

Australian steaming coal prices

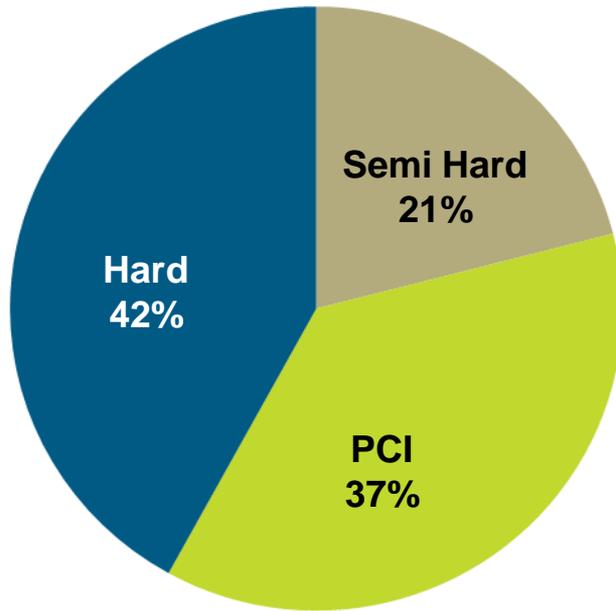


Australian hard coking coal prices



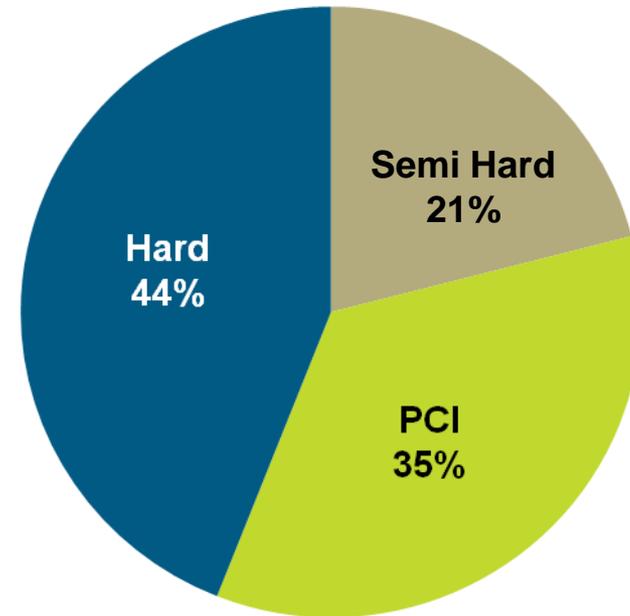
Source: Energy Publishing, Tex Report, Macquarie Research, CRU

Curragh export metallurgical sales



1H FY11 Actual

3.2 million tonnes



FY11 Forecast

5.8 – 6.2 million tonnes

Coal – production volumes

Mine	Beneficial Interest	Coal Type	Half Year Ended (‘000 tonnes)	
			Dec 2010	Dec 2009
Curragh, QLD	100%	Metallurgical	3,120	3,461
		Steaming	1,342	1,164
Premier, WA	100%	Steaming	1,510	1,492
Bengalla, NSW ¹	40%	Steaming	1,108	1,161
Total¹			7,080	7,278

1. Wesfarmers attributable production.

Coal – sales volumes

Mine	Beneficial Interest	Coal Type	Half Year Ended (‘000 tonnes)	
			Dec 2010	Dec 2009
Curragh, QLD ¹	100%	Metallurgical	3,151	3,247
		Steaming	1,391	1,267
Premier, WA	100%	Steaming	1,513	1,318
Bengalla, NSW ²	40%	Steaming	1,259	1,186
Total²			7,314	7,018

1. Curragh metallurgical coal sales excludes traded coal of 243kt (2009: 237kt).

2. Wesfarmers attributable sales.

Curragh focus on cost control

- Mine cash costs (\$/t) increased 19.9% 1H FY11 vs. 1H FY10
 - Mine cash costs (\$/t) reduced 9.2% in FY10 vs. FY09
- Adverse cost impacts from wet weather & lower volume
 - Limited ability to catch up lost production during FY11 due to CHPP capacity constraints prior to expansion completion
- Ongoing strategies targeted 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
 - Higher staff turnover
 - Contractors, parts, consumables, power
 - State & Stanwell royalties

Current hedging profile as at 31 Dec 10

Curragh

Full Year end 30 June	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2011 ¹	380	0.86
2012	630	0.84
2013	431	0.80
2014	224	0.78
2015	120	0.76

1. Represents six month period ending 30 June 2011.

Bengalla

Full Year end 30 June	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2011 ¹	59	0.83
2012	85	0.81
2013	64	0.79
2014	42	0.77
2015	27	0.74

1. Represents six month period ending 30 June 2011.

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 late CY11/ early CY12
- Two week shutdown of existing CHPP to tie in new plant completed in January/February 2011



Bengalla expansion study

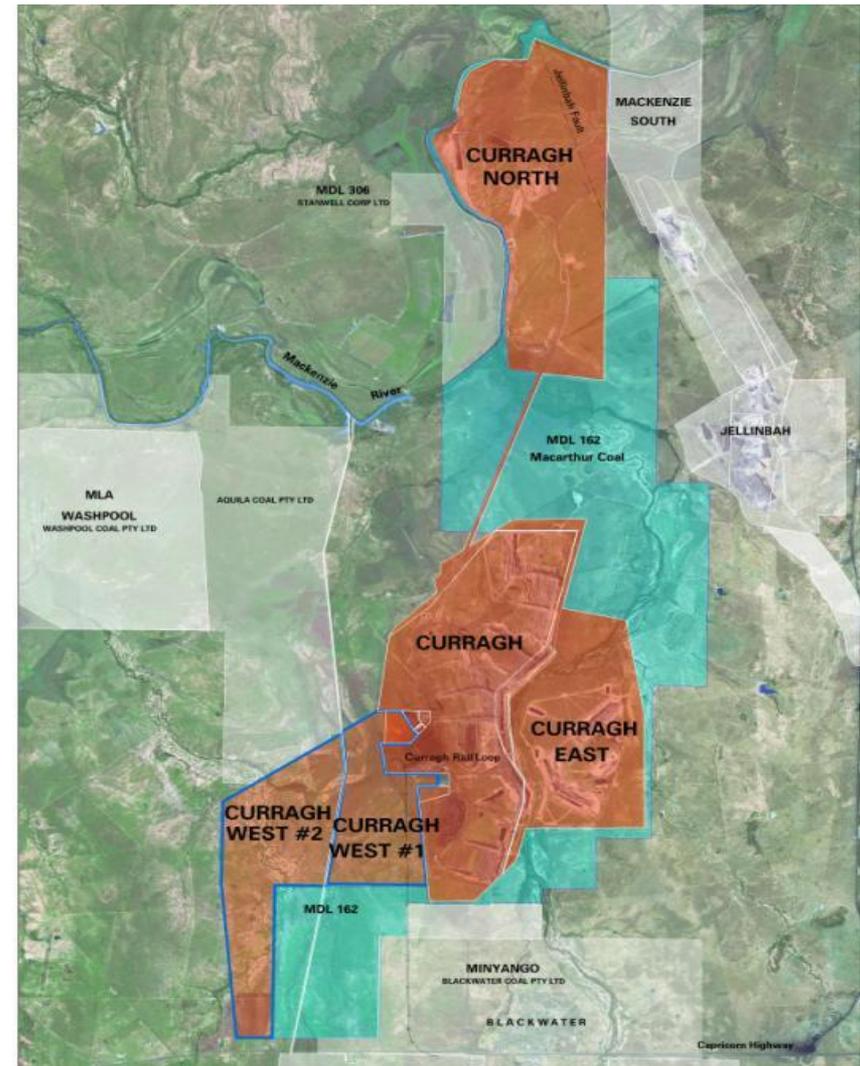
- Expansion to 10.7mtpa ROM tonnes through two stages
 - Stage One 9.3mtpa ROM
 - Stage Two 10.7mtpa ROM
- Stage One approved – November 2010 (\$56m)¹
- Stage Two feasibility study nearing completion
- Additional port capacity secured
- Phase one completion targeted for 1Q CY12



¹ Wesfarmers share of capital expenditure

Curragh expansion study to 10mtpa

- Feasibility study (FS) commenced
 - Mining & Coal Handling Preparation Plant studies
- Potential to expand Curragh to 10mtpa metallurgical exports from FY14
 - Wiggins Island commissioning
 - Additional rail capacity required
 - Potential for additional dragline
- Re-evaluation of remaining reserves at Curragh/Curragh East
- Evaluate Curragh West deposit
- Exploration completion in Q3 CY11
- FS completion Q4 CY11



- Stage One development of 27mtpa port capacity (Curragh share 1.5mtpa)
- Decision on investment & take-or-pay commitment in 1H CY11
- First shipment 2014
- Potential cumulative capacity from subsequent stages – up to 80mtpa



Chemicals, Energy & Fertilisers

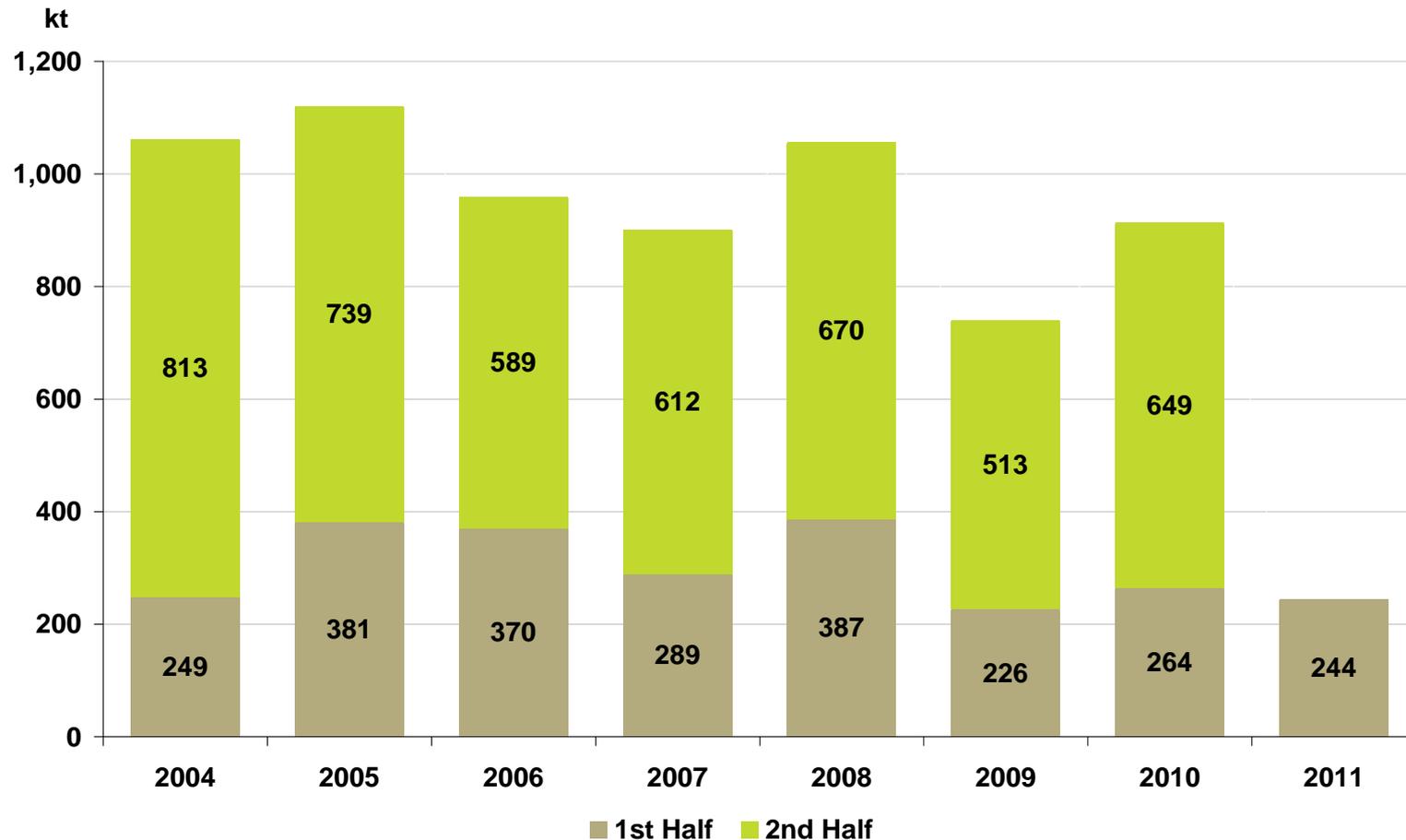


**Wesfarmers Chemicals,
Energy & Fertilisers**



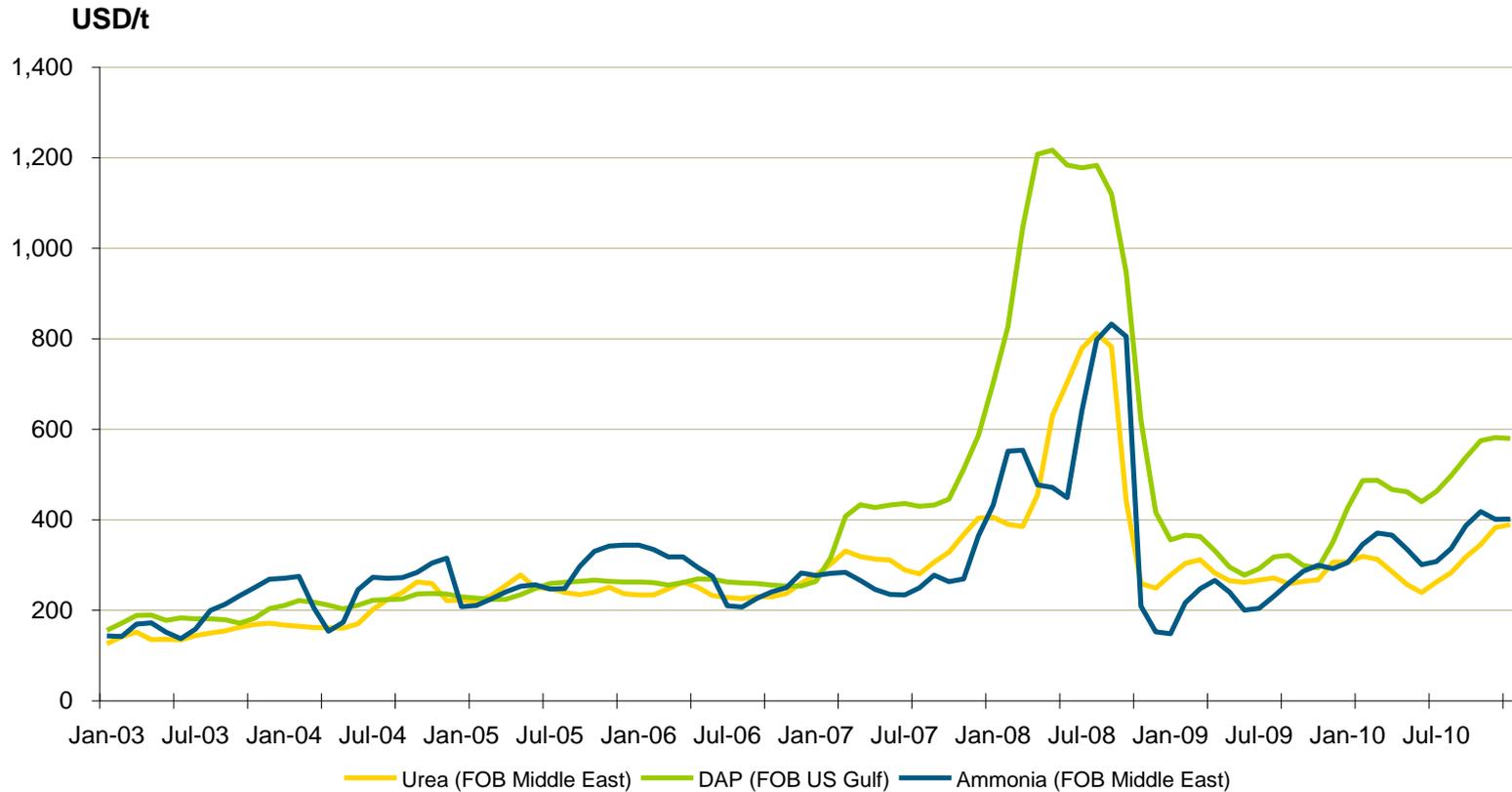
Wesfarmers

Fertiliser sales



Volumes dependent on seasonal break in second half

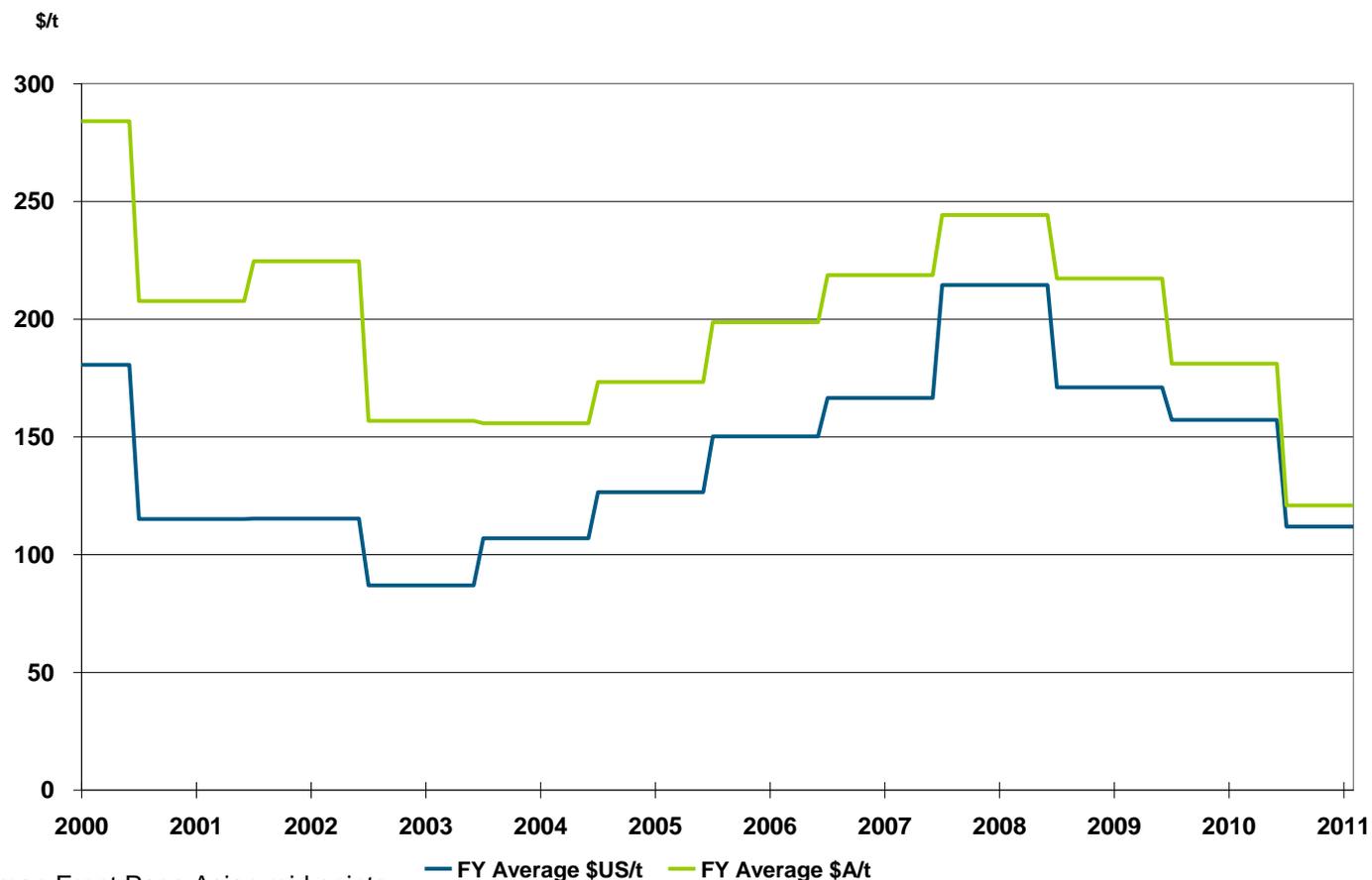
Global fertiliser pricing



Prices steadily increasing since July

PVC-VCM Spread

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

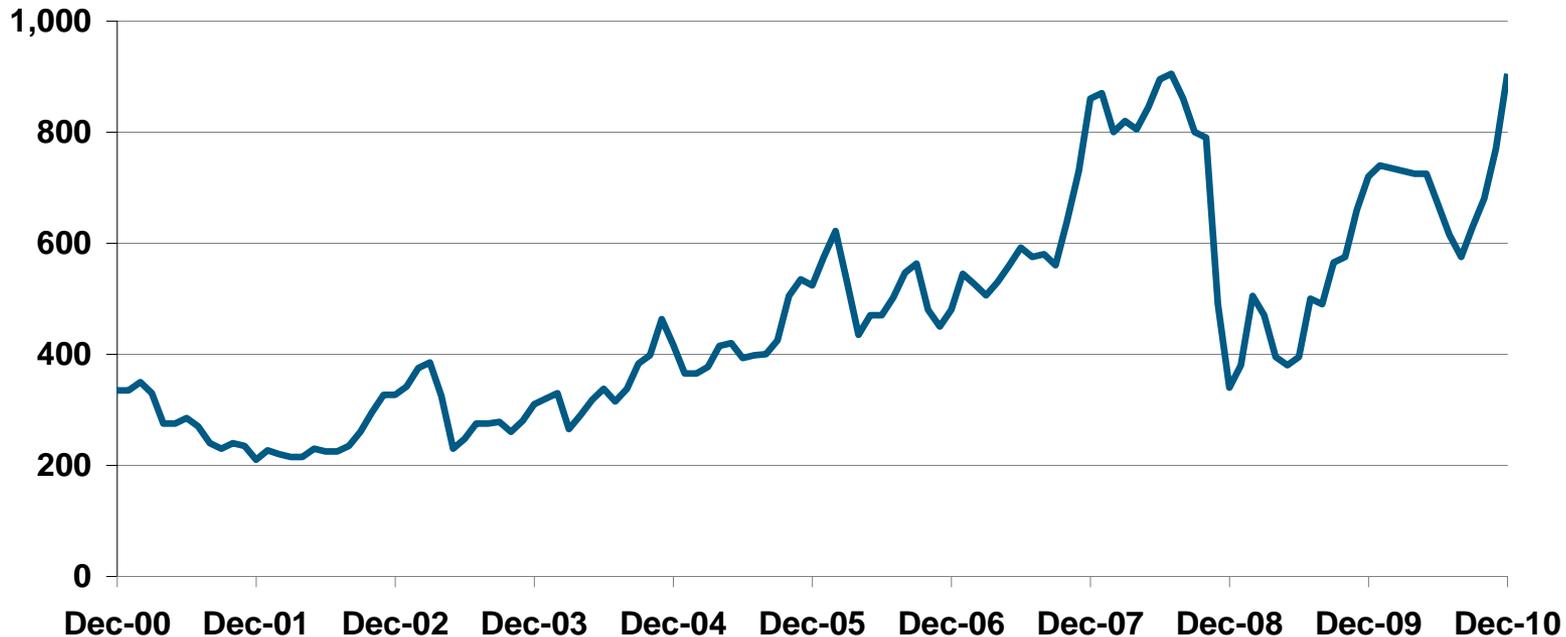


Source: Harriman Front Page Asian mid points

A\$ Spread at long-term historical low

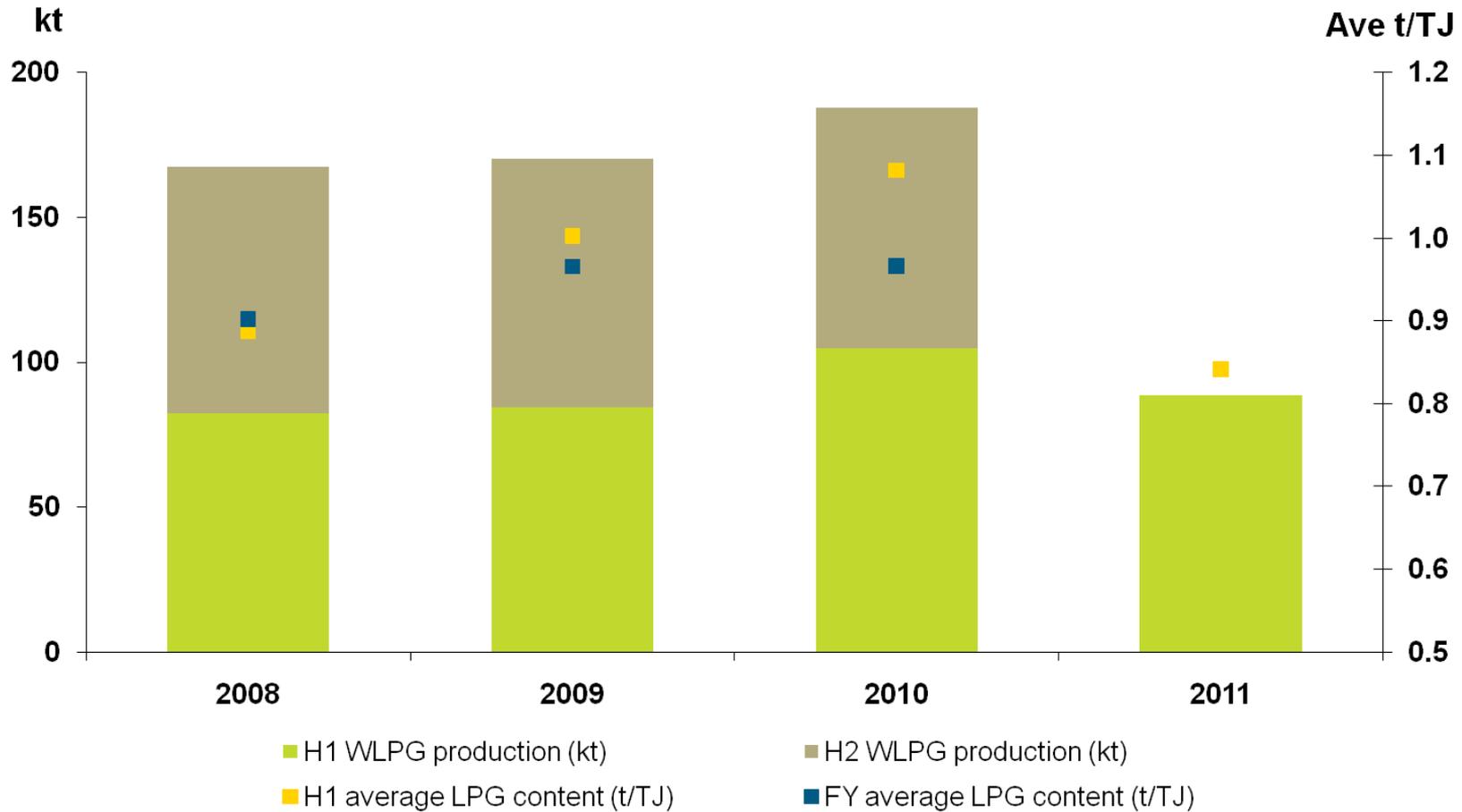
World LPG prices – Saudi CP

USD/tonne
Propane



US\$ LPG prices increase over 2Q11, partially offset by strong A\$

W LPG production



Production lower than 1H10 due to reduced content

Industrial & Safety



Business portfolio

Australia

“All your workplace needs”



Safety Specialist



Industrial Specialists



Industrial, Medical & Specialty gases



New Zealand Distribution & Sourcing Specialists



Note: Motion Industries divested in September 2010

Distribution network

As at 31 December 2010

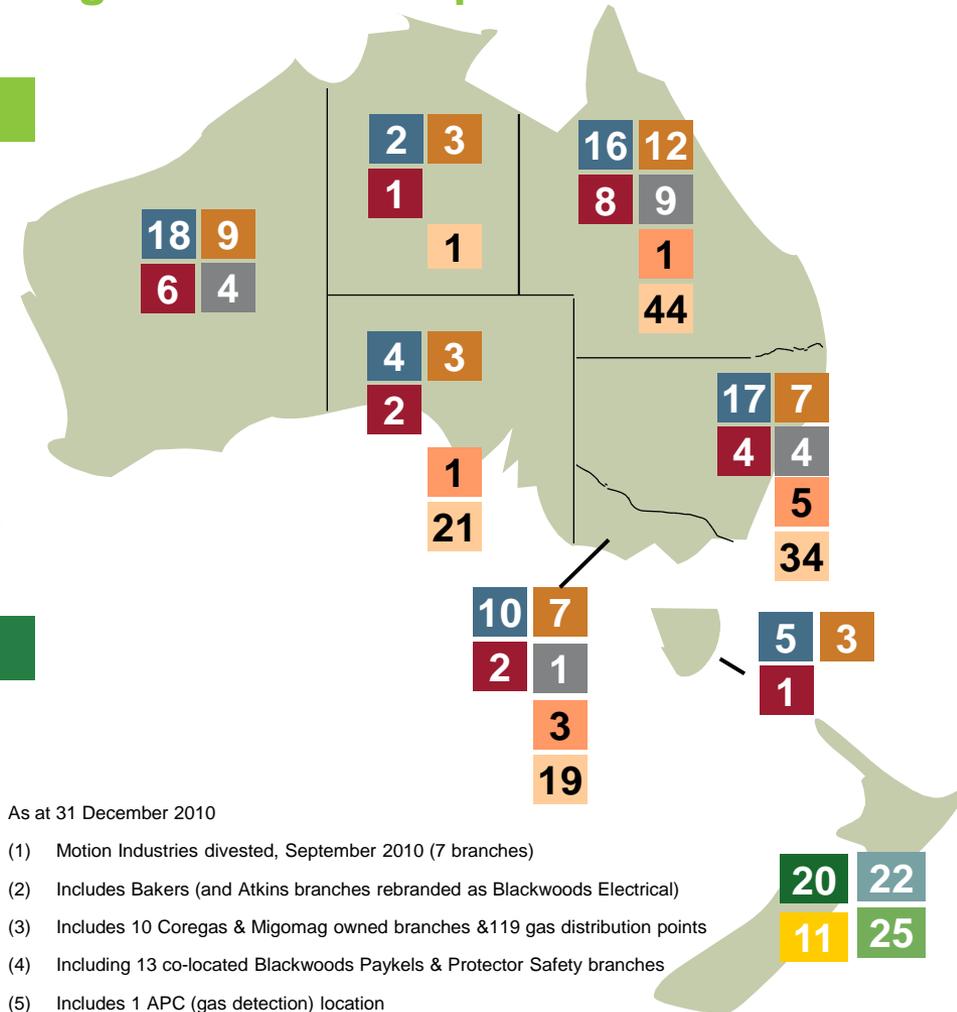
236 industrial & safety locations & 129 gas distribution points

Australia⁽¹⁾ No.

		72	"All your workplace needs" industrial ⁽²⁾
		44	Safety
		24	Materials handling, lifting & rigging
		18	Fasteners
		10+	Industrial, Medical & Specialty Gases ⁽³⁾
		119	

New Zealand No.

		20	Industrial, hose, conveyor ⁽⁴⁾
		22	Safety ⁽⁴⁾
		25	Safety ⁽⁵⁾
		11	Packaging, hygiene, food services



Other Business & Capital Management



Wesfarmers

Overview of the Group balance sheet

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(\$m) ¹	1H10	FY10	1H11	Commentary
Inventories	5,054	4,658	5,296	Detailed working capital discussion provided on slide 48
Receivables & prepayments	2,293	2,346	2,577	
Trade & other payables	(5,139)	(4,621)	(5,492)	
Other	285	237	276	
Net working capital	2,493	2,620	2,657	
Property, plant & equipment	7,253	7,542	8,035	Capital expenditure of \$992 million in 1H FY11 partially offset by depreciation & amortisation
Intangibles	20,628	20,534	20,497	FY10 includes goodwill impairment of Coregas \$48 million. 1H FY11 disposal of OAMPS Super & negative FX impact
Other investments	622	656	881	Primarily an increase in FX hedge assets due to higher unrealised gains following the appreciation of AUD
Net insurance liabilities	(573)	(565)	(509)	Increase in insurance liabilities related to peril events offset by increase in investments backing insurance contracts
Provisions & other liabilities	(2,400)	(2,442)	(2,522)	
Total capital employed	28,023	28,345	29,039	
Net financial debt ²	(4,009)	(4,093)	(3,960)	Diversification & lengthening of Group's debt profile
Net tax balances	612	442	163	Decrease in tax assets associated with FX hedge contracts & increase in ITP ³
Total net assets	24,626	24,694	25,242	

1. The above balances reflect the management balance sheet, which is based on different classification & groupings than the balance sheet in the Appendix 4D
2. Net debt net of interest rate swap liabilities
3. ITP - Income tax payable

Balance sheet - working capital

(\$m)	1H10	FY10	1H11	Commentary
Inventories	5,054	4,658	5,296	<ul style="list-style-type: none"> • Inventory increased by \$242 million (1H FY11 v 1H FY10) • Retail divisions seasonally higher against June Home Improvement: network growth Kmart: increase in direct sourcing from off-shore Target: seasonal sell-through affected by wet & cool weather, inventory quality good WES CEF: commodity price increases
Receivables (including prepayments)	2,293	2,346	2,577	<ul style="list-style-type: none"> • Receivables increased by \$284 million (1H FY11 v 1H FY10) • Seasonal impact minimal across the year Coles: Increased sales & change in EFTPOS settlement terms WES CEF: insurance recoverables (Varanus) Insurance: increased re-insurance recoveries
Trade & other payables	(5,139)	(4,621)	(5,492)	<ul style="list-style-type: none"> • Payables increased by \$353 million (1H FY11 v 1H FY10) • Retail divisions seasonally higher against June Retail: increased sales & network growth WES CEF: commodity price increases
Other	285	237	276	Other decreased by \$9 million (1H FY11 v 1H FY10)
Net working capital	2,493	2,620	2,657	Net investment in working capital \$164 million (1H FY11 v 1H FY10) Improvement in net working capital days

Note: The above table refers to balance sheet movements only. Working capital movements as shown on slide 56 of the presentation excludes non-cash movements which are included in the table above.

- Wesfarmers has approximately 6,500 leases across the Group of which some 3,500 are property leases
- Wesfarmers primary concern is that the Exposure Draft (ED) is particularly onerous for Australian retail companies with extensive property lease portfolios
- Wesfarmers response to the ED submitted to International Accounting Standards Board
 - 764 comment letters submitted in relation to the exposure draft
- Wesfarmers response highlights broader concerns of the impact proposed changes will have on financial statements which relate to:
 - Increased subjectivity & volatility of results, with reduced comparability
 - Need for increasing restatement of results
 - The premise of the ED, particularly in respect to property leases
 - Significant compliance costs for questionable benefit
 - Proposed transitional arrangements are inappropriate



Wesfarmers

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