BUNNINGS warehouse

LOWEST PRICES
WIDEST RANGE
BEST SERVICE

BUNNINGS warehouse

LOWEST PRICES ARE JUST THE BEGINNING . . .

ANALYST'S PRESENTATION

Pacific International Hotel

May 14, 2003

AGENDA

- INDUSTRY & MARKET OVERVIEW
- BUSINESS OVERVIEW
- BBC/HWH INTEGRATION
- STORE NETWORK DEVELOPMENTS
- RESULTS REVIEW
- OUTLOOK & PRIORITIES

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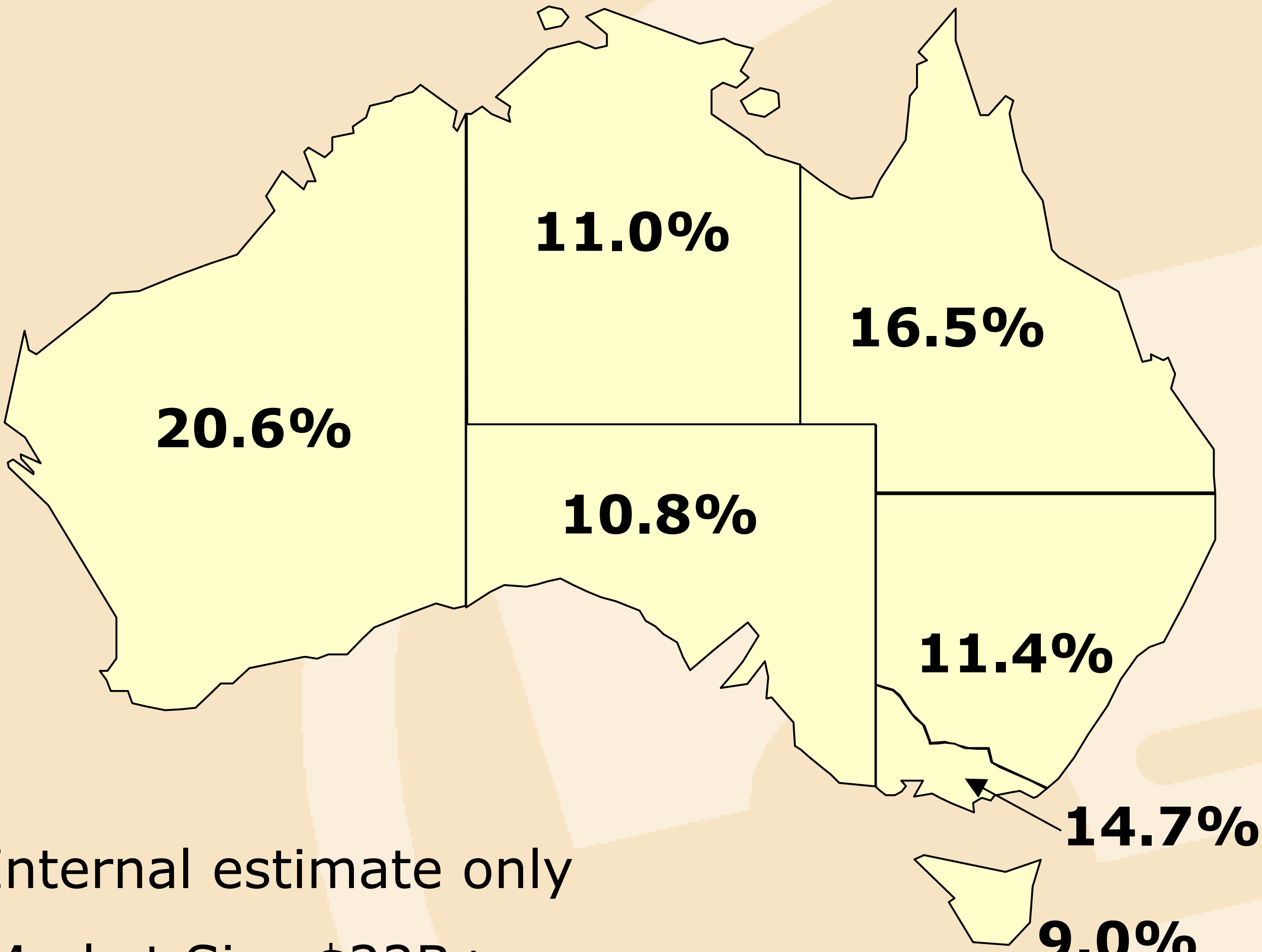
INDUSTRY ANALYSIS

- Australian market size $22B+ approx.
- Growth slowing
- Competitors:
  - Big W
  - K-Mart
  - The Warehouse
  - Specialists
  - Hardware (M10 and Danks)

MARKET SHARE – 2003 (estimated)



Australia

Total 14.1%

(01/02 13.9%)

- Internal estimate only
- Market Size $22B+ approx

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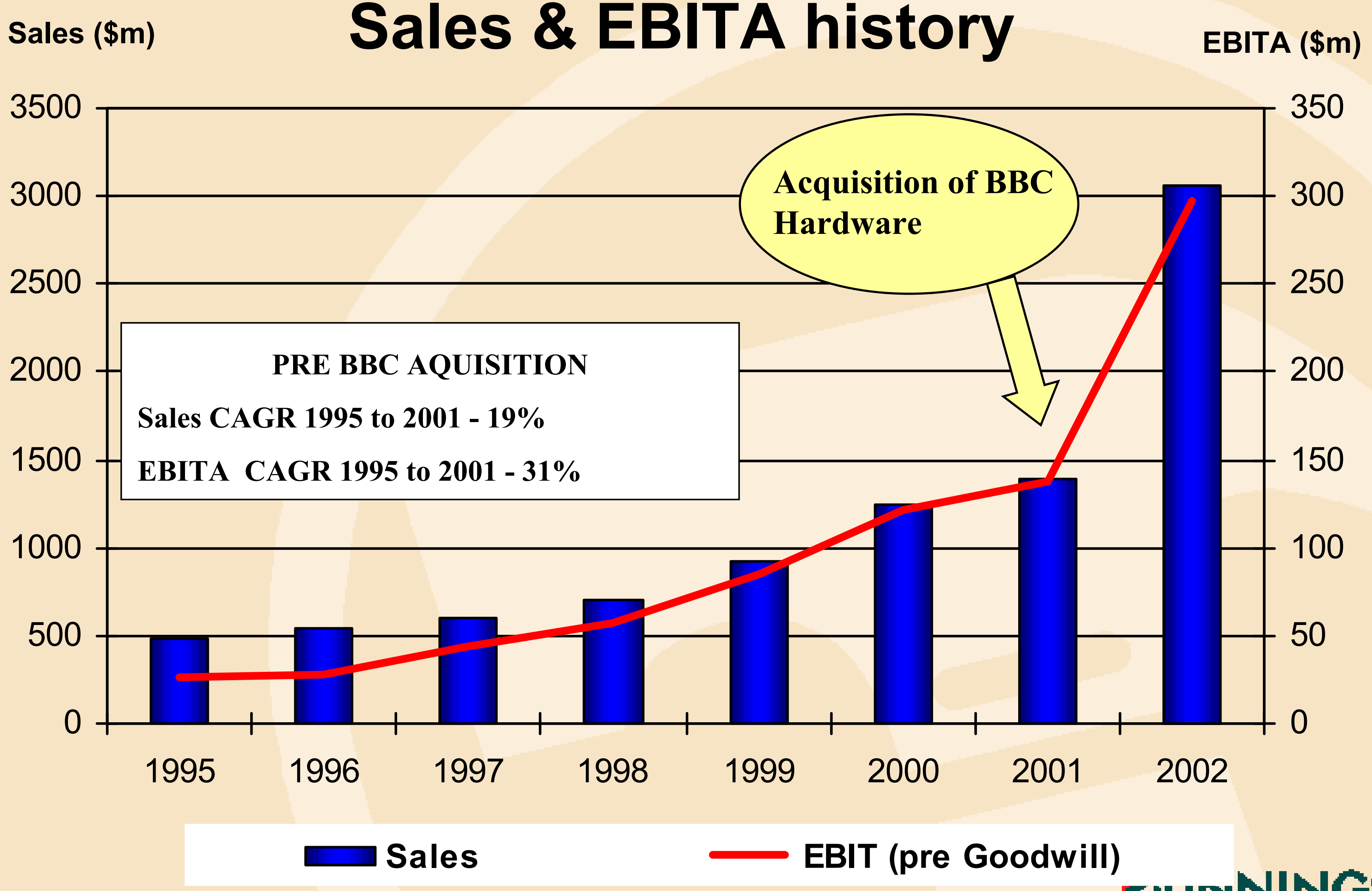
BUSINESS OVERVIEW

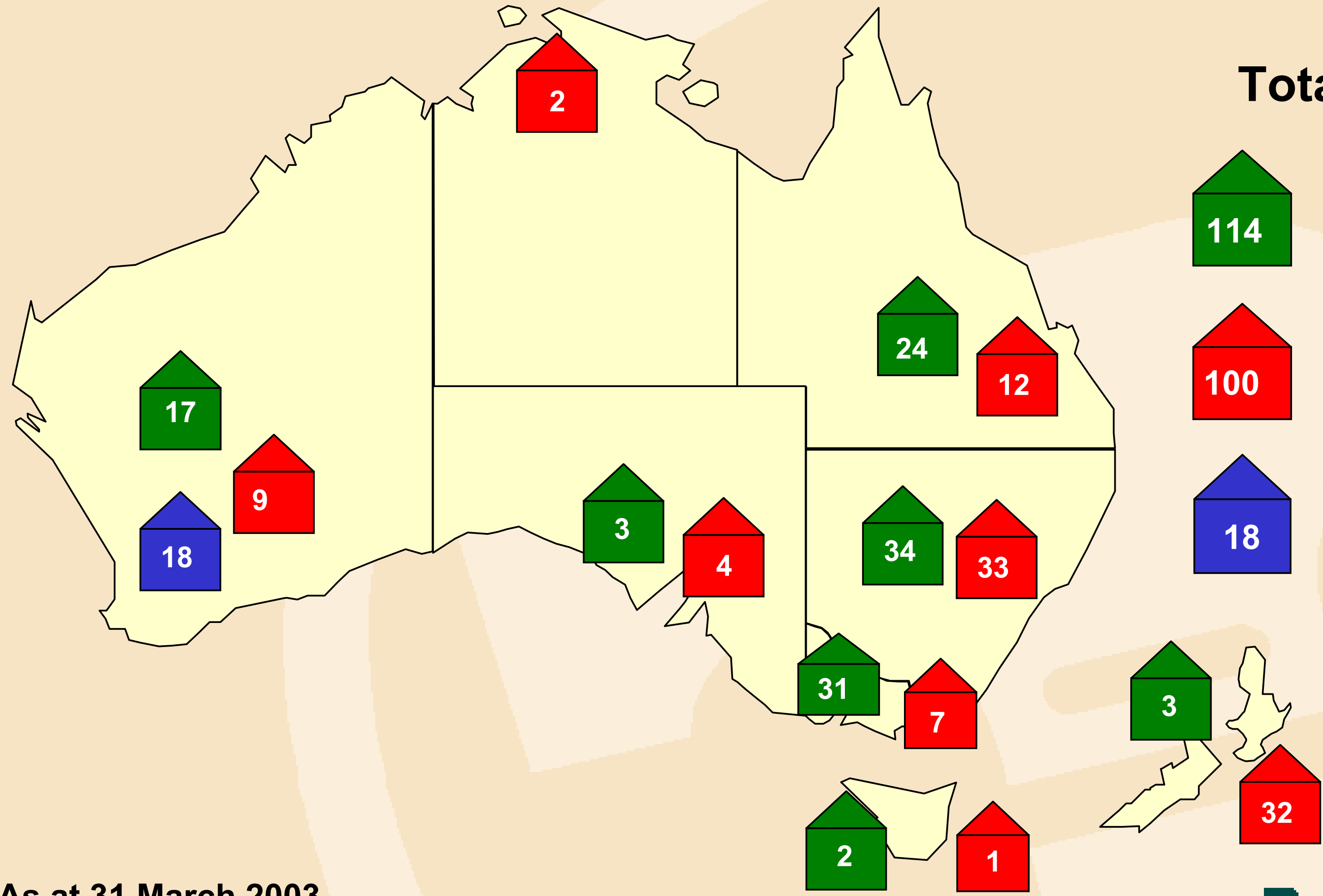
Significant Milestones – 10 years

- 1993 purchased McEwans
- 1994 acquired by Wesfarmers
- 1994 commenced Warehouses (50+ openings)
- 2001 purchased Hardwarehouse/BBC

BUSINESS OVERVIEW
Sales & EBITA history



BUSINESS OVERVIEW
Store Network



Totals

- 114 Warehouses
- 100 Traditional Stores
- 18 WA Salvage Stores

- As at 31 March 2003
- Figures excludes DCs, F&T, MLM and State Offices

BUSINESS OVERVIEW

- Store Network
- Brand & Market Position
- Strong Performance Team Culture
- Warehouse Formula
- Strong Merchandising Marketing Skills

BUSINESS OVERVIEW

- Property, Store Layout & Development Capabilities
- Effective Recruitment &Training Programs
- Employee Turnover
- Strong track record of growth in sales & profits

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BBC/HWH INTEGRATION UPDATE (18 mths)

- Network Rebranding & Stage 1 Merchandising
- Induction 12,000 Team Members
- Re-structure “all” Management Teams
- Head Office Rationalisation
- 17,000m^2 Distribution Centre Smithfield

BBC/HWH INTEGRATION UPDATE (18 mths)

- BPOS Conversion in Australia
- Admin Processes Procedures Policies
- Low Volume Accounts Closure 42,000
- Synergy Benefits Exceeded Targets
- 59 Closures & 11 Openings

BBC/HWH INTEGRATION ISSUES (ongoing)

- Range reviews
- Inventory management
- Culture
- Team member development (NSW)
- Operational and Merchandising improvements

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STORE NETWORK DEVELOPMENTS

- Store network - move toward warehouse

  Mix

  - Dedicated trade outlets
  - Traditional store network “conversions”
  - Continue warehouse openings

STORE NETWORK DEVELOPMENTS

Warehouse Store Openings

Under Construction - 8

Committed opening program 8-12 per year continued network restructure i.e. closings as appropriate

(Closure to date – 59)

STORE NETWORK DEVELOPMENTS

	7000 series	9000 series
No. of Bays	970	1136 (+17%)

Significant additional range

- Garden & Leisure	20%
- Decorator	43%
- Heavy bench tools	-
- Flooring	91%
- Plumbing	27%
- Promotional & Seasonal	20%

- Average sale

STORE NETWORK DEVELOPMENTS

A significant opportunity exists within current network through upgrade

- BWH & former HWH upgrades
- Traditional store upgrades & conversions

STORE NETWORK DEVELOPMENTS

Major Works Program 02/03 - 03/04

Refit – former HWH

Garden	23 locations	cost	$16.1m
Electrical	37 locations	cost	$10.3m

B2 Electrical Department Before

B2 Electrical Department After

STORE NETWORK DEVELOPMENTS

Warehouse Store Upgrades

- 7-14 per annum
- Continuous improvement & learning
- Merchandise range
- Tool Shop/Paint/Garden/Services

STORE NETWORK DEVELOPMENTS

Traditional Store Conversions “Carlingford”

- 03/04 – 12 planned
- 30-40% lift in sales
- 8-12,500 additional sku’s

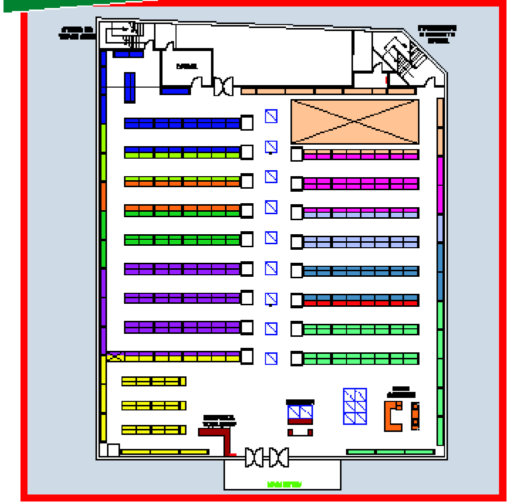
Carlingford (before)

Carlingford (after)

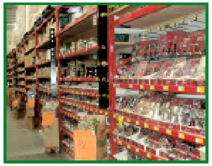
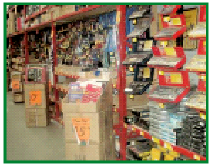
YOUR LOCAL BUNNINGS STORE IS GOING TO BE BIGGER & BETTER

NEW STORE LAYOUT

We're refurbishing your store to bring you an even better shopping experience. New racking and a new layout means we can offer you an even bigger home improvement range at the lowest prices every day!



- ELECTRICAL
- POWER GARDENING
- BATHROOM
- PLUMBING
- BUILDERS HARDWARE
- TOOL SHOP
- LEISURE
- GARDENING
- HOMEWARES
- STORAGE
- DRAPERY
- PAINT

BUNNINGS LOWEST PRICES EVERY DAY...

BUNNINGS warehouse

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THIRD QUARTER RESULT

MARCH QTR ($m)	2003	2002	Inc (Dec)
Revenue	868.5	781.1	11.2%
EBITA	78.2	76.3	2.5%
Amortisation	12.5	13.1	(4.5%)
EBIT	65.7	63.2	3.9%
EBITA/Sales Ratio	9.0%	9.8%	(0.8%)

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THIRD QUARTER YTD RESULT

MARCH YTD ($m)	2003	2002	Inc (Dec)
Revenue	2,650.1	2,323.6	14.1%
EBITA	273.9	222.1	23.3%
Amortisation	37.2	35.5	4.9%
EBIT	236.7	186.6	26.8%
EBITA/Sales Ratio	10.4%	9.6%	0.8%

THIRD QUARTER RESULTS

- Store on store growth ~9%
  - mixed results region cash & credit
- Cash store on store growth +10%
  - Market has softened
  - Results okay in difficult trading environment

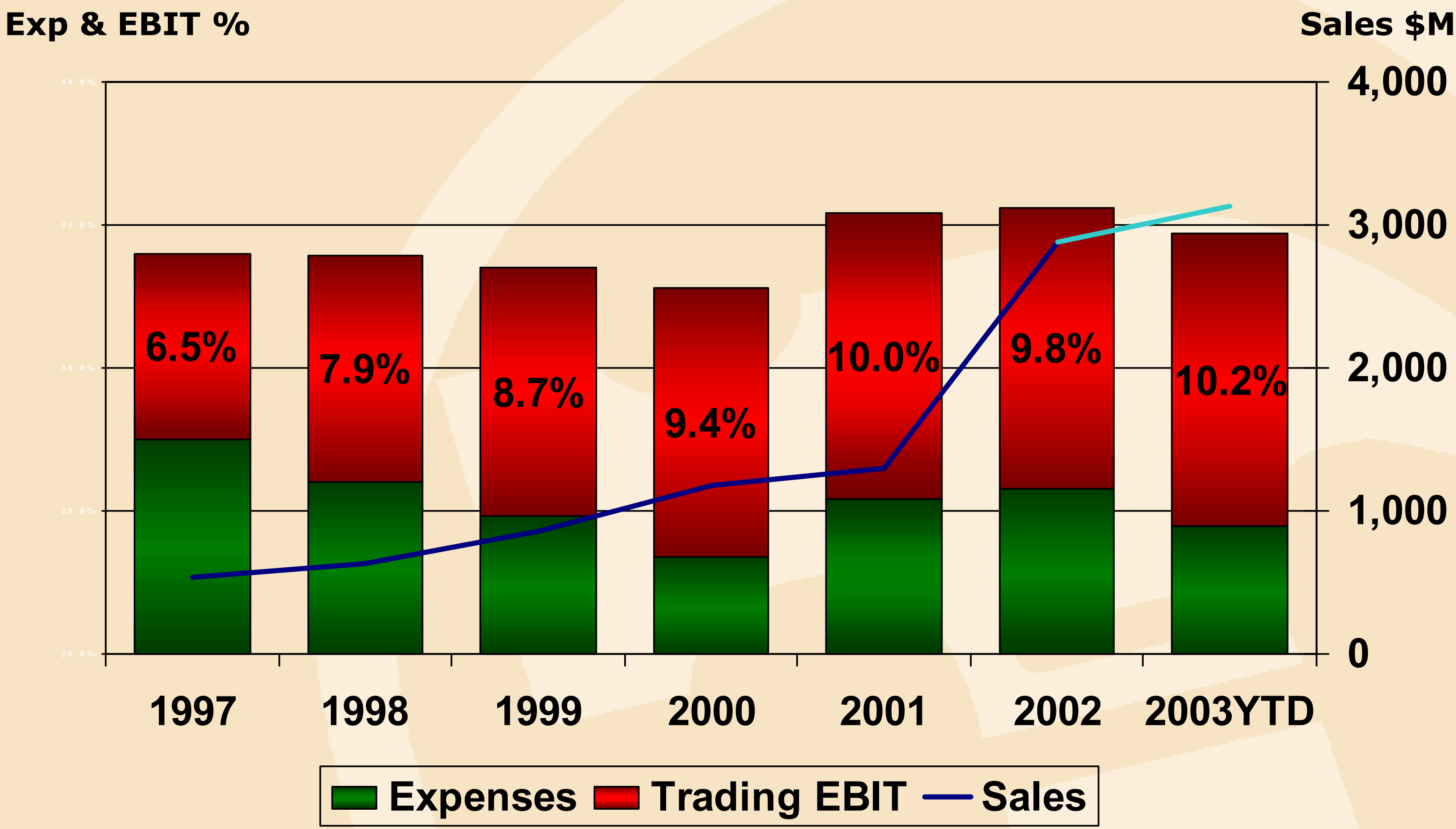
THIRD QUARTER RESULTS

- Trade sales disappointing
  - Low volume account closure
  - Non strategic poor return businesses rationalised
    - MLM/Cairns Roof/F&T/Plaster/ Kitchens & Appliances
  - Sales transfer – isolated locations
  - Easter Shutdown – 11 days

THIRD QUARTER RESULTS

- Clearance activity in March
- Inventory write-downs

PRODUCTIVITY MAP – BUNNINGS AUSTRALIA



Bunnings Australia exc Property

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OUTLOOK & PRIORITIES

- Slower growth in domestic building trade sector whilst DIY and renovation market growing

STRATEGIES

- Consistency of offer (range, service, price)
- Store network development
- Reducing costs and better use of working capital
- Attracting developing retaining the right people
- Safety
- Systems improvements

OUTLOOK & PRIORITIES (FUTURE)

Summary

- Demanding integration
- Greater focus on continuous improvement
- Greater focus on development of store network
  - openings & re-merchandising
- Greater focus on costs

QUESTIONS?

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THANK YOU