CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S ADDRESS TO ANNUAL GENERAL MEETING – TUESDAY, 9 NOVEMBER 2010, 1:00 pm PERTH TIME

CHAIRMAN'S ADDRESS

Good afternoon ladies and gentlemen.

I'm Bob Every, Chairman of Wesfarmers Limited and, on behalf of the Board, I'd like to welcome you to our 29th Annual General Meeting.

I would like to particularly welcome shareholders who are attending their first Wesfarmers AGM today, and those shareholders who are joining us via the webcast.

Firstly, may I thank Dr Richard Walley OAM for his Welcome to Country on behalf of the Nyoongar people, the traditional custodians of this part of Western Australia.

I would like to congratulate Richard who, this year was awarded the WA Citizen of the Year's Indigenous Leadership Award, sponsored by Wesfarmers, in recognition of his incredible contribution to Western Australia and to Aboriginal people in this state. That honour adds to his already long list of great achievements. Congratulations and thank you, Richard Walley.

Could I reflect for a moment, too, on the video you have just seen. I believe it gives an insight into, and reminder of, the great story – 96 years old now – of why Wesfarmers is such a great company with a corporate culture of which it can be proud.

We've grown from that small farmers' co-operative to one of Australia's ten largest companies, and we've done it with strong and good leaders, good people, and a preparedness to undertake, from time to time, bold growth initiatives.

I take this opportunity to pay tribute to everyone who has contributed to the company's tremendous growth and success over our history.

Introduction of Directors

I'd now like to introduce my fellow directors.

As Chairman, I'm pleased to be able to report to you there is a strong collegiate spirit among board members and they are working very well as a team. Board renewal is continuing, supported by a principled and effective nominations process, directed at securing highly talented and well-experienced directors. Diversity is an important element in our nomination process.

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.

On the stage here with me, alongside our Company Secretary is, of course, Wesfarmers' Managing Director, Richard Goyder.

In the front row are our other directors.

Firstly, our longest-serving Board member, David White. A director since 1990, David has announced his retirement from the board and this will, in fact, be his very last meeting.

I would like to put on record the appreciation of the entire Board, past and present, for the great service David has given to Wesfarmers over two decades. David, your experience, knowledge, insights and humour will be missed. On behalf of everyone here today, thank you very much and we wish you well for the future.

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

Diane Smith-Gander, who became a Board member just over one year ago. Welcome to you, Diane.

We have two new Board members this year.

Firstly, we welcome Wayne Osborn. Wayne joined the Board in March 2010. Wayne has previously been the Chairman and Managing Director of Alcoa of Australia Limited, and is Chairman of Thiess Pty Limited.

And our second new director is Vanessa Wallace who joined the Board in July 2010. Vanessa has been with Booz & Co for more than 20 years, and was on that company's global board. Vanessa brings a strong financial background and extensive experience in strategy development and implementation.

The other executive director of the Board, and I'd ask him to stand now, is the Finance Director, Terry Bowen.

We did have one retirement from the Board during the year: Patricia Cross announced her resignation after seven years following the appointment of her husband, Paul Meadows, as Group General Counsel to the company.

Patricia was an outstanding contributor to the Wesfarmers Board for those seven years and I would like to acknowledge and thank her here today.

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.

As you would have seen coming into the meeting this afternoon, all of our businesses are well and truly represented here today.

So if you do have particular matters you wish to raise that go to the detail of any of those operations, and which neither I nor Richard Goyder would be able to answer during question time, please do make contact with those people in the foyer outside.

Could I also acknowledge in the audience today, a former Wesfarmers' Chairman and Managing Director, Trevor Eastwood and his wife Judy, former Board members, and senior executives.

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.

Richard Goyder will then 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

After focusing on strengthening the balance sheet during the Global Financial Crisis, it is particularly pleasing this year to see a consolidation of our position through the strong performances of all our divisions.

As I reported last year, the Board has been very focused on ensuring the company is in a sound financial position and well-placed to prosper from a return to a strong economy.

The year has not been without its challenges. The global financial situation remains uncertain, but Australia has performed remarkably well compared to other nations. Australia went into the Global Financial Crisis better than most, and came out of it better than most. This is in part a reflection of Australia's strong balance sheet, the resources boom, and the government stimulus spending.

We are in a good place, but not great. Everyone is cautious about the outlook. Fragile overseas markets still weigh on the broader economy, and the consumer is paying higher interest rates and being told to expect more rate rises to come.

There is also, of course, in the wake of the Federal election, a delicately balanced political situation domestically, and we are yet to see how this will play out in relation to the national reform agenda.

I will comment briefly on one aspect of that.

During the year, we wrote to all shareholders expressing grave concerns over the potential impact of the then-proposed Resources Super Profits Tax.

It was not a decision we took lightly, and we did so only because it was our strongly held view that the proposed new super profits tax would not only have made Australia less competitive in the global resource industry, but also would have had significant, negative flow-on effects for the broader economy and society, and Wesfarmers.

We are not, in principle, opposed to the introduction of a well designed and structured resources tax as a replacement for multiple state-based royalties, but the proposed Resources Super Profits Tax as announced was not what Australia needed.

From Wesfarmers' perspective, we believe the now-proposed Minerals Rent Resources Tax will not have the same negative impact on the company. We welcome genuine tax reform, but it must be done through a process of real dialogue with all stakeholders so that the best, most equitable model can result. We are constructively engaged in the consultation process currently underway, led by Don Argus and Martin Ferguson.

So, against that backdrop of global and national uncertainty, I believe, Wesfarmers has emerged in good shape in 2010 and we have good reason to be confident about the future.

We were able to report a net profit after tax of $1,565 million for the full-year ended 30 June 2010, up 2.8 per cent from the previous year. That result came despite the very significant $720 million drop in earnings from the Resources division, due to much lower export coal prices in the first nine months of the financial year. That's a reflection of the advantages the conglomerate model can deliver – strength through the diversity of our businesses.

All in all, we can be relatively pleased with the year, although there are obviously still many improvements we must make in all of our businesses.

Ever since Wesfarmers became a listed company, it has been our stated objective to provide a satisfactory return to shareholders and that remains, and will continue to remain, the central focus of our efforts.

This year, the directors were able to declare an increase in the final dividend to 70 cents per share fully-franked, taking the full year dividend to 125 cents per share, compared to 110 cents per share for the 2009 full-year.

Some people have challenged whether the acquisition of Coles is consistent with our stated objective to provide a satisfactory return to shareholders.

When you combine share price change and dividends and get Total Shareholder Return over the last few years, the results for our company when compared with the S&P ASX 50 are interesting to consider.

The Total Shareholder Return, on a compound annual growth basis, for Wesfarmers since the original Coles bid on April 3, 2007 has been 5.0 per cent. For the S&P ASX 50, measured by what's known as the accumulation index, the figure is negative 1.0 per cent.

Since the Coles Acquisition in November 2007, the Total Shareholder Return for Wesfarmers, again on an annual growth basis, has been 1.0 per cent, in comparison to the S&P ASX 50 Accumulation Index of negative 3.9 per cent.

Since the Lehman Collapse on 15 September 2008, the Total Shareholder Return for Wesfarmers has been 14.2 per cent, and for the ASX 50 Accumulation Index, 5.3 per cent compound annual growth.

In other words, at all those comparison points, Wesfarmers has provided a better return for shareholders – much better – than the average of Australia's top 50 companies. Further, it must be remembered, we are really still less than three years into the Coles turnaround, so there is plenty more opportunity for further improvement.

If $1,000 was invested in Wesfarmers shares in 1984, and that investment was held, with dividends reinvested for more Wesfarmers shares, the original investment would now be worth more than $200,000.

Just twelve months ago, that original $1,000 investment would have been worth around $150,000. And if that original $1,000 investment had been made in the shares of companies that make up the S&P ASX 50, it would now be worth around $21,000.

Last year, there was a lot of focus in my address on remuneration for our senior executives because of the negative vote we had received for the remuneration report the year before.

As a result of that, we made some significant changes to our remuneration policies and practices. I'll go into more detail on remuneration in the formal part of the meeting a little later this afternoon.

For now, let me say I believe we have a better remuneration structure, strong enough to attract and retain quality people, closely linked to long term company performance and more clearly presented to shareholders in the Annual Report.

Sustainability

Throughout our history, Wesfarmers has had a reputation as a company which operates according to the highest ethical standards and one which contributes strongly to the communities in which we operate.

We now operate in nearly every major community across Australia and New Zealand. As a company, we have a major responsibility to the many people we employ, to the communities in which we operate, to those who supply our divisions with goods and services, and importantly to our greatly expanded shareholder base.

Over and above the direct benefit that flows from employment of some 200,000 people, and our mutually beneficial relationships with thousands of suppliers, we aim to create value in our communities in a sustained and responsible way.

As a company, we recognised a long time ago that sustainability had to be a central part of our approach to doing business. Last night we launched our 2010 Sustainability Report - our 13th such report - and I would like to commend everyone who has been involved in its production. It seems every year's report is an improvement on the last.

This year's is a comprehensive account of our agenda which focuses on maintaining and enhancing the physical environment, providing safe workplaces, treating all our stakeholders with respect and dignity, and investing in communities through partnerships, programs and sponsorships.

We are major supporters of the arts in Australia, health and medical research, Aboriginal programs like the Clontarf Football Academy, and education programs from school to university and beyond.

Richard Goyder has a personal passion to see improved opportunities for Aboriginal people and, as Australia's largest private sector employer, Wesfarmers is well placed to play a leading role in this respect.

Last year we launched our Reconciliation Action Plan and we are absolutely committed to providing opportunities for Aboriginal people wherever we can.

We firmly believe that to have a healthy business you must have strong and vibrant communities in which to live and work, and we are enthusiastically meeting the challenges such an objective presents. Putting a dollar measurement on the benefit of our support for communities is an inexact science, but the London Benchmarking Group has assessed Wesfarmers' total community contributions, direct and leveraged from our support, at $50.6 million for the last financial year.

I want to thank and congratulate all the tens of thousands of Wesfarmers employees who have been part of that magnificent effort.

Conclusion

Ladies and gentlemen, that's enough from me for the time being.

Richard Goyder will now provide an update on the current trading of each of the Group's divisions and on the company's strategic direction.

After Richard has spoken, and 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 ADDRESS

Thank you Chairman. Good afternoon ladies and gentlemen.

Earlier you have seen a DVD which featured amongst others my three predecessors as CEO, talking about the values of Wesfarmers.

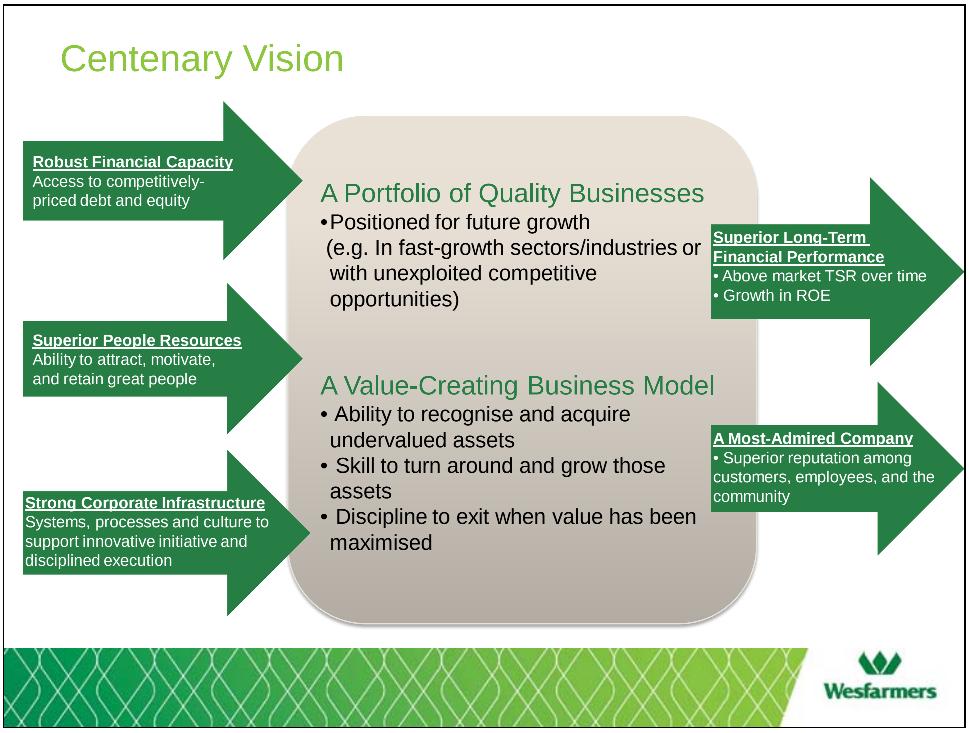
We put this DVD together to show it to around 400 executives of the Wesfarmers Group in September when we got together in Melbourne for a Leadership Conference, which we typically hold every two to three years. The DVD was used to give our executives an insight into the culture of Wesfarmers which has been developed over many years. The theme of our conference this year was "Be Bold".

Boldness is one of the four core values of Wesfarmers, along with Integrity, Openness, and Accountability. Boldness is about being innovative and creative, about backing yourself, having a go, stepping forward, marching to the beat of your own drum. It has been a hallmark of Wesfarmers since we were established as a farmers' co-operative in 1914. From time to time, our boldness has had early scepticism from commentators, and even some shareholders.

Things like:
- the acquisition of the Curragh coal mine in 2000;
- saying "no" to deals in the 1990's as we felt prices were too high; and
- the Coles acquisition in 2007, are examples.

But our boldness is a considered boldness. We carefully evaluate every investment or divestment we make, with a very sharp focus on the question – "Will this deliver satisfactory returns to our shareholders?" And as the Chairman pointed out, on balance, we have performed on that front.

We think of the Wesfarmers business model in fairly simple terms.



Now, turning to current business performance.

The highlight for the last financial year was the improvement in earnings across most divisions and, in particular, the encouraging performance in the Group's retail businesses.

Each of the Group's divisions made good progress over the last year on their strategic plans, and all of our businesses finished the period in a stronger position, many with good momentum.

Coles

The Coles five year turnaround plan remains on track with pleasing performance in 2010.

Importantly, we achieved good growth across all food and liquor categories as customers continued to respond favourably to the many significant improvements made by the new Coles management team.

The progress that we have made in Coles is most evident by the fact that today, Coles Supermarkets enjoy the patronage of an extra 1.5 million customer visits per week compared to when we first acquired the business just under three years ago, and the business continues on this good trajectory.

There has been no one solution in delivering a stronger Coles, it has been through a combination of higher operating standards, better quality fresh food, improved availability, investment in better value, and a strong focus on customer service.

For the 2010 financial year Coles supermarkets, liquor, and convenience recorded operating revenue of $30.0 billion, a rise of 4.2 per cent on the prior corresponding period.

Sales for the food and liquor business rose 5.6 per cent with comparable store sales growth of 5.0 per cent, a strong outcome during a period in which we invested heavily in bringing better value to customers, which contributed to price deflation throughout the year.

Coles Express recorded sales of $6.2 billion for the year, broadly flat on the previous year, as increasing fuel volumes were offset by lower fuel prices.

Coles Express convenience store sales rose 5.5 per cent for the year, with comparable store sales growth of 3.3 per cent.

Earnings before interest and tax for the Coles division grew to $962 million, which was up 15.8 per cent on the previous year.

At the end of the financial year Coles moved into the second phase of its turnaround plan, with a focus on "delivering consistently well", after having built a solid business foundation over the past two and a bit years.

Home Improvement and Office Supplies

Bunnings had another strong year, adding to its extraordinary performance over 16 years of revenue and profit growth.

The result reflected pleasing performance across all product ranges, driven by good execution of merchandising and operational strategies, as we continued to strengthen our core customer proposition of widest range, great customer service and lowest every day prices.

Operating revenue from Bunnings increased by 9.7 per cent to $6.4 billion for the full-year, with trading revenue increasing by 10.4 per cent.

Cash sales growth in Bunnings of 10.3 per cent was achieved during the year, with underlying store-on-store cash sales increasing by 7.3 per cent, reflecting continued strong organic growth in the business.

Trade sales were 10.8 per cent higher than the comparative period, reflecting the improvements made to the trade offer both in-store and through continuing to open dedicated trade centres.

Earnings before interest and tax grew 10.5 per cent to $728 million.

During the year, Bunnings focused strongly on growing its new store pipeline, where 11 warehouse stores, two smaller format stores and nine trade centres were opened. That's 22 new stores and centres!

At year-end there were 184 warehouses, 58 smaller format stores and 29 trade centres operating across Australia and New Zealand.

Officeworks continues to grow and improve its business. The focus for the business remains on re-invigorating the offer, renewing and expanding the network along with reducing costs and operational complexity.

Operating revenue for the office supplies businesses was $1.4 billion for the full-year, which was 8.0 per cent higher than the previous year and was underpinned by strong customer transaction growth. Earnings before interest and tax grew 13.8 per cent to $74 million.

Target

Our discretionary retail businesses in Target and Kmart had a solid year, with strong first halves followed by a more challenging trading environment across the sector in the second half as retailers cycled the prior year's government stimulus package.

Operating revenue for Target was up by one per cent to $3.8 billion, with comparable store sales declining 0.9 per cent.

Target was able to improve its margin across the year, through achieving strong sales in apparel, combined with tight management of expenses and inventory.

Earnings before interest and tax for Target were $381 million, up 6.7 per cent on the previous year.

Kmart

Kmart underwent significant change throughout the year, under the new management team's direction as they focussed on renewing this business.

All components of the business were reviewed and many changes implemented, in particular a more targeted product range, introduction of low everyday prices and tidier, brighter stores.

A crucial element of the renewal of Kmart was also inviting customers back into stores with the 'Expect Change' campaign that you may have seen.

Sales finished relatively flat for the year at $4.0 billion, but this was largely due to the business exiting unprofitable categories and moving away from a high/low promotional pricing strategy.

The changes made at this early stage of the turnaround of Kmart have pleasingly resulted in a more profitable business, with earnings before interest and tax of $190 million, which was an increase of 74.3 per cent on the previous year.

Resources

As foreshadowed at last year's AGM, our resources businesses performance was down significantly on last year, reflecting substantially lower export coal prices for the first three quarters of the year.

Revenue of $1.4 billion was 41.3 per cent below the $2.4 billion recorded in the preceding year and earnings before interest and tax of $165 million were 81.4 per cent lower than the record $885 million earned last year.

Earnings are expected to increase significantly in the current year due to higher export coal prices, notwithstanding the very difficult mining conditions we have experienced recently due to record rain in the Bowen Basin of Queensland.

A highlight of the year was the decision in November 2009 to proceed with the $286 million, 1.5 million tonnes per annum export capacity expansion of the Curragh mine.

Insurance

Wesfarmers Insurance made significant progress in improving its operations following completion of an organisation change programme and a detailed portfolio review.

The business achieved an increase in earnings before interest and tax of over 34 per cent to $122 million.

This significant improvement was driven by a strong turnaround in our underwriting operations in difficult market conditions and solid performance across our broking businesses.

Chemicals, Energy & Fertilisers

Since the end of the financial year, we have merged our Energy and Chemicals and Fertilisers Divisions to take advantage of some obvious synergies and to allow the combined division to better focus on growth opportunities.

Energy earnings before interest and tax of $102 million, before the merger, were 36.0 per cent higher than last year.

The increase in earnings was largely due to higher international LPG prices and the recovery in production from the previous year's Varanus Island incident.

Despite being negatively impacted by a $25 million write down in fertiliser inventories as global fertiliser prices reduced from the heights of the prior year, Chemicals and Fertilisers performance also improved, benefiting from increased chemical demand from the resources sector.

Earnings before interest and tax of $121 million were substantially higher than the previous year's $52 million, which was also affected by the Varanus Island incident.

Given the strong demand from Resource customers the business is currently undertaking a feasibility study into a third ammonium nitrate production plant at our Kwinana facility.

Industrial and Safety

In the Industrial and Safety division, after a difficult trading environment in the first half, a strong operating result was achieved in the second half of the year with earnings before interest and tax for that period 30 per cent higher than last year.

Operationally, the business continued to gain market share as a result of improved service capabilities, supply chain efficiencies and ongoing improvements in sourcing.

Operating revenue for the full year increased by 1.3 per cent to $1.3 billion, with revenue performance in the second half significantly improved, being 11 per cent higher than last year.

Earnings before interest and tax for the full year were $111 million.

Annual General Meeting

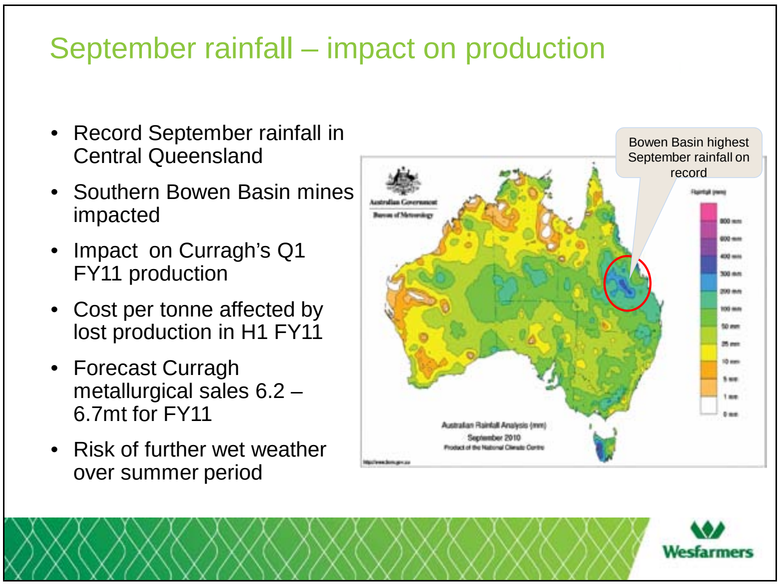
Since the end of the financial year, our businesses have continued to build upon the strong momentum achieved in 2010.

Current trading across the group is in line with expectations and reflective of mixed conditions experienced by the Group's diverse business operations.

Our retail businesses have reported solid sales for the first quarter of 2011, headlined by Coles food and liquor comparable store sales growth of 6.2 per cent.

Growth has been strongest in the Group's turnaround business of Coles, Kmart and Officeworks while results in Bunnings and Target were still pleasing given the backdrop of the significant growth reported by Bunnings in the prior corresponding period, wetter and cooler weather conditions across many of these two businesses key markets on the east coast of Australia and an environment where price deflation was evident in the market.

It is clear that the consumer has remained strongly value focused and purposeful and all our businesses have been working hard, and will continue to work hard, to ensure that their customer offers continue to drive growth in this environment.



As I mentioned earlier, our resources business has been affected by very wet weather in the Bowen Basin, where our Curragh mine is located, which has led to reduced production and associated increases in cost.

Our team in Resources is now working hard to make up lost production, however due to wash plant capacity limitations, in the absence of materially higher coal prices in the second half we do not expect to be able to make up all of the impact over the full year.

Our business at Curragh is also strongly focused on the significant work underway to complete the 1.5 million tonnes per annum expansion of Curragh's future production capacity which we expect to be completed by the fourth quarter of calendar year 2011. We have also just begun further feasibility work to assess the merit of expanding the mine to 10 million tonnes per annum export capacity.

The Group's other industrial businesses have started the year well.

Industrial and Safety has worked hard to place itself in a position to be able to benefit from strong levels of demand coming out of the resource industry.

Our Chemicals, Energy and Fertiliser division continues to benefit from strong demand for ammonium nitrate and a return to more historical margins in fertiliser.

The work done in our Insurance business over the last year in bringing better capability into this division and better risk assessment continues to drive improved performance, despite the impacts from the recent Christchurch earthquakes.

We are pleased with the outlook for the Group's businesses and the progress made on strategic work being carried out across the portfolio.

Since we reported first quarter sales in our retail businesses, Coles, especially has continued to show strong sales momentum.

We continue to remain cautious towards potential negative factors, such as increasing interest rates and general economic uncertainty, which would place additional pressure on household budgets or consumer confidence. This is particularly so in the lead up to Christmas.

Your company is fortunate to have many talented and committed employees, and I would particularly like to express my appreciation for the outstanding efforts of my leadership team at Wesfarmers.

We have a lot to do in continuing to improve each of our businesses, and take advantage of the growth opportunities that we have.

Our focus is to continue to create value for all our stakeholders, particularly you our shareholders.

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