

21 April 2008

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

PRESENTATION TO BE GIVEN AT AN INVESTOR BRIEFING, SYDNEY

Following is a presentation that is to be given at an investor briefing in Sydney on 22 April 2008.

Yours faithfully,



L J KENYON
COMPANY SECRETARY

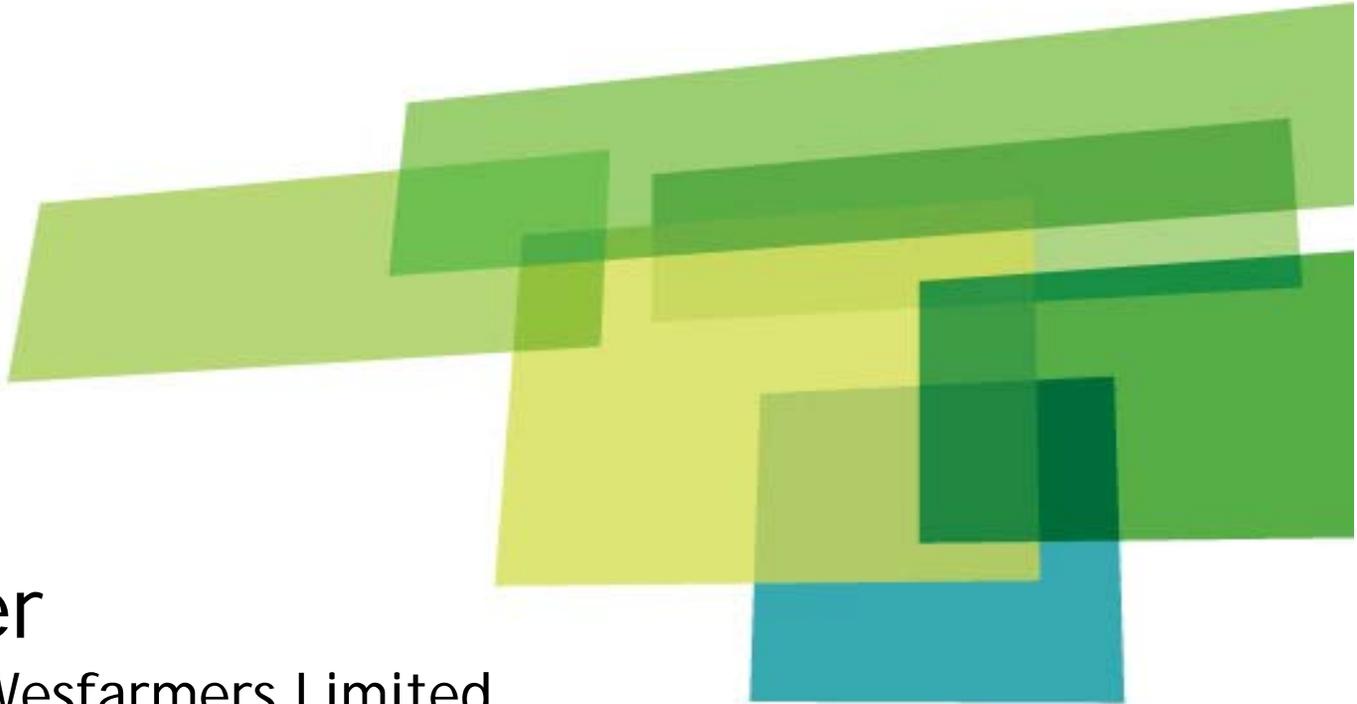
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Investor Briefing

22 April 2008

Westin Hotel, Sydney



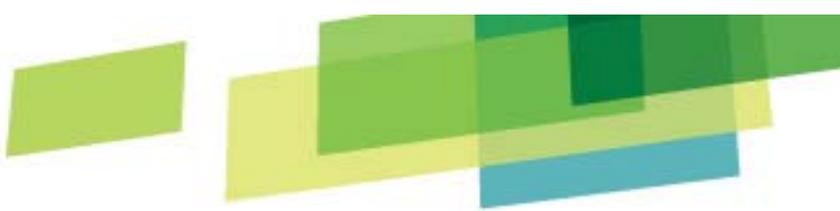


Richard Goyder

Managing Director, Wesfarmers Limited



Agenda



8:30	Business Overview
9:30	Coles Integration Update
10:00	Coles
10:40	Morning Tea
11:00	Home Improvement & Office Supplies
11:40	Target
12:10	Kmart
12:40	Lunch
1:20	Resources
1:50	Insurance
2:20	Chemicals & Fertilisers
2:50	Industrial & Safety
3:20	Afternoon Tea
3:40	Energy
4:10	Other Business / Capital Management
4:30	Q&A

Management Team

Managing Director & CEO

Richard Goyder

Finance Director

Gene Tilbrook

Business Integration Director

Keith Gordon

Divisional Managing Directors

Home Improvement & Office Supplies

John Gillam

Coles

Mick McMahon/Ian McLeod*

Target

Launa Inman

Kmart

Mark Goddard

Insurance

Rob Scott

Resources

Stewart Butel

Chemicals & Fertilisers

Ian Hansen

Industrial & Safety

Olivier Chretien

Energy

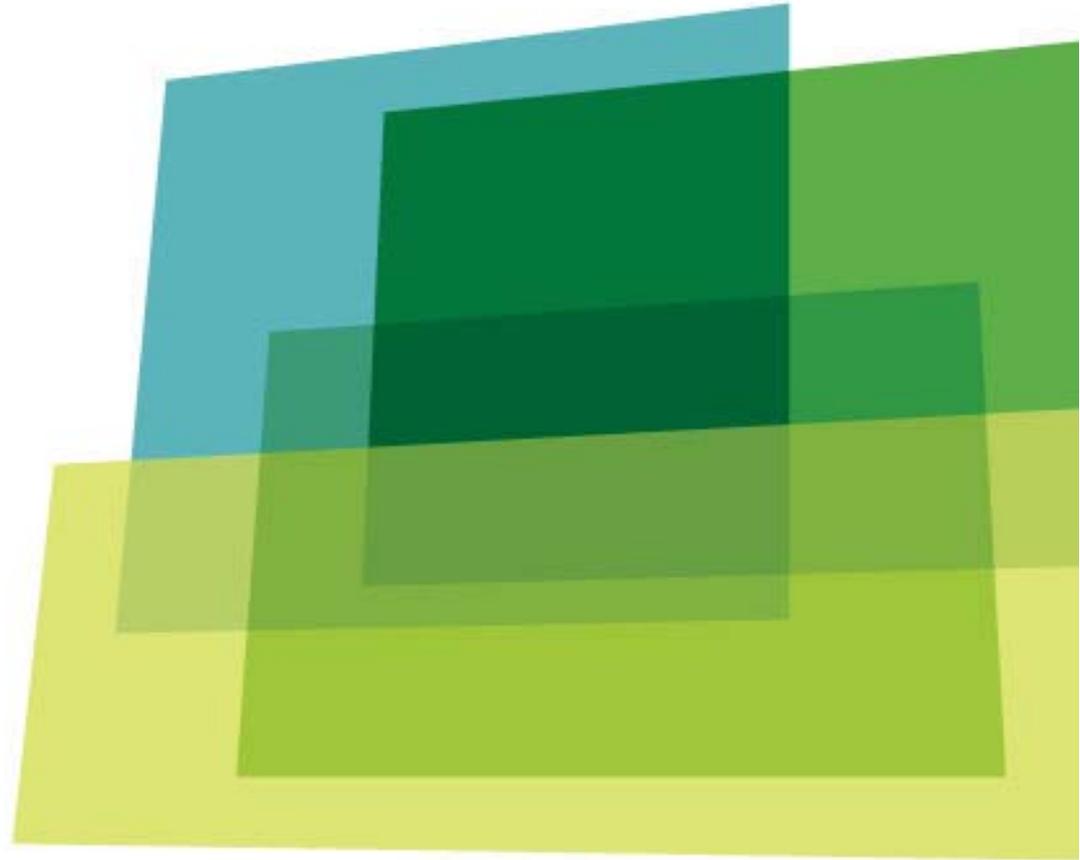
Tim Bult

* Starts in May 2008

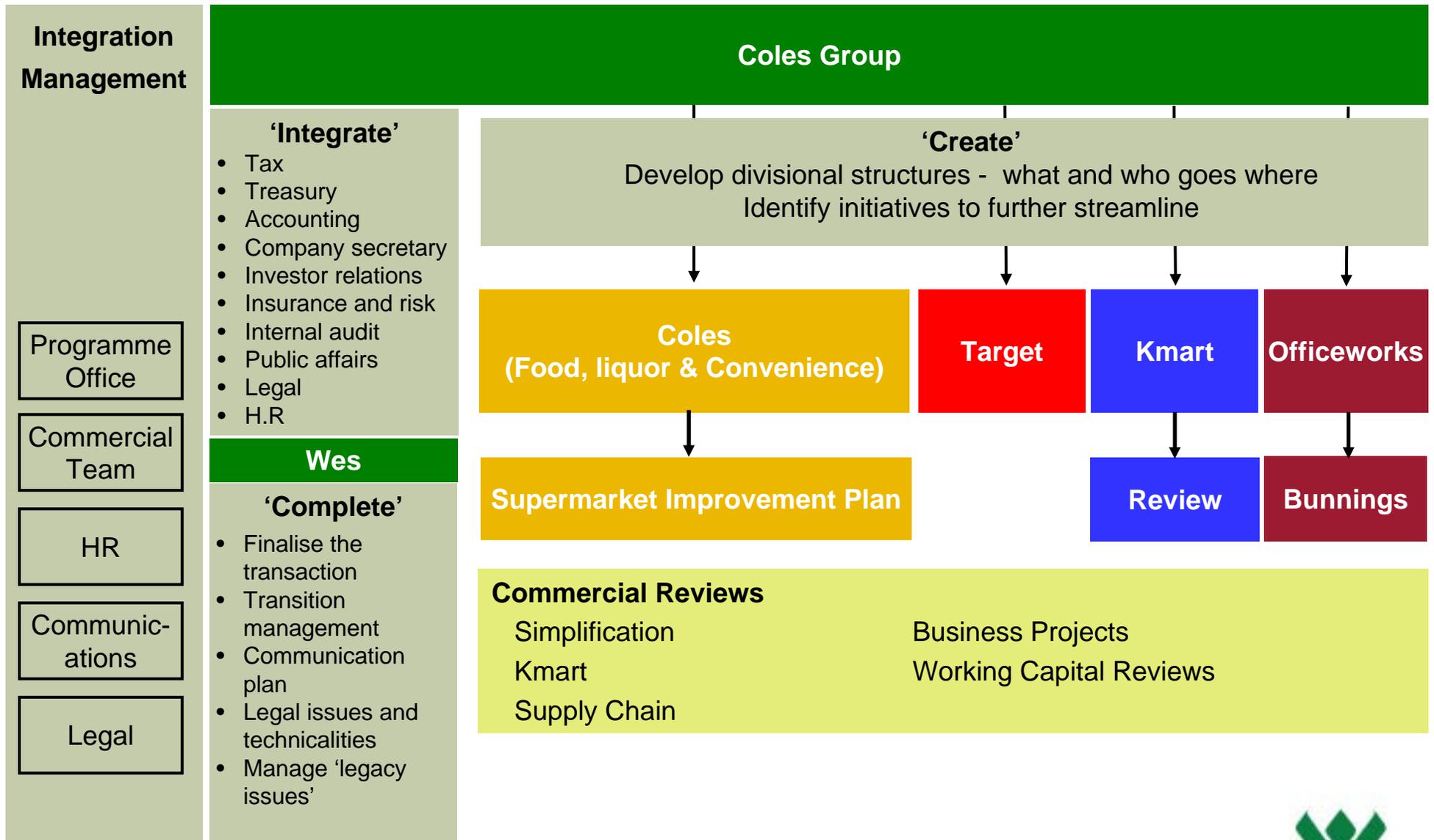




Keith Gordon
Business Integration Director



Integration approach



Integration Update



Tasks		Comment
Integrate corporate functions to enable Divisional focus	✓ August	<ul style="list-style-type: none">• Corporate functions part of Wesfarmers Corporate• Satellite Corporate office in Melbourne to be established
Create Divisions	June April April April	<ul style="list-style-type: none">• Coles – new operating model being implemented• Kmart – structure defined, appointments underway• Target – structure defined; few appointments to be made• Officeworks – essentially complete
Complete	WIP	<ul style="list-style-type: none">• No material issues identified



Retail Support Functions



- Assurance Services
 - Asset protection split and transferred to Divisions
 - Store audit split and transferred to Divisions
 - Internal audit now part of Corporate
- Corporate Affairs – department closed
- Executive Management – department closed
- Finance and admin – currently being transferred to divisions



Retail Support Functions



- Human Resources
 - Self insurance under review by Wesfarmers
 - Payroll will remain centralised in Coles
 - All other HR now split and reporting to divisions
- IT
 - “Front end” systems and support transferred to Divisions
 - Infrastructure and common systems will be supported within Coles and charged to other divisions until sensible to separate



Retail Support Functions



- Legal – part of Corporate
- Marketing – each Division now has a dedicated marketing team
- Property
 - Appropriate functions have been transferred to Divisions
 - Lease management still centralised
- There will be no centralised Retail Support cost centres in FY09
 - All functions will reside within Divisions
 - Charging arrangements between Divisions only where contractual arrangements or capital costs make separation uneconomic



Office Property



- Review of options for Melbourne office property completed
- Decision taken to continue to occupy Tooronga
 - Coles will consolidate at Tooronga
 - Tooronga working environment is being refreshed
- Kmart will relocate to Mulgrave
- Employees at Bourke St (City) will be relocated to Tooronga or Mulgrave
- Officeworks and Target to remain at East Bentleigh and Geelong



Commercial Reviews



- Simplification review complete; programme ended
 - divisions to continue restructuring
- Kmart review complete; retain and invest
- Supply chain review complete
 - To be discussed in Coles division presentation
- Working capital review; focus within each business



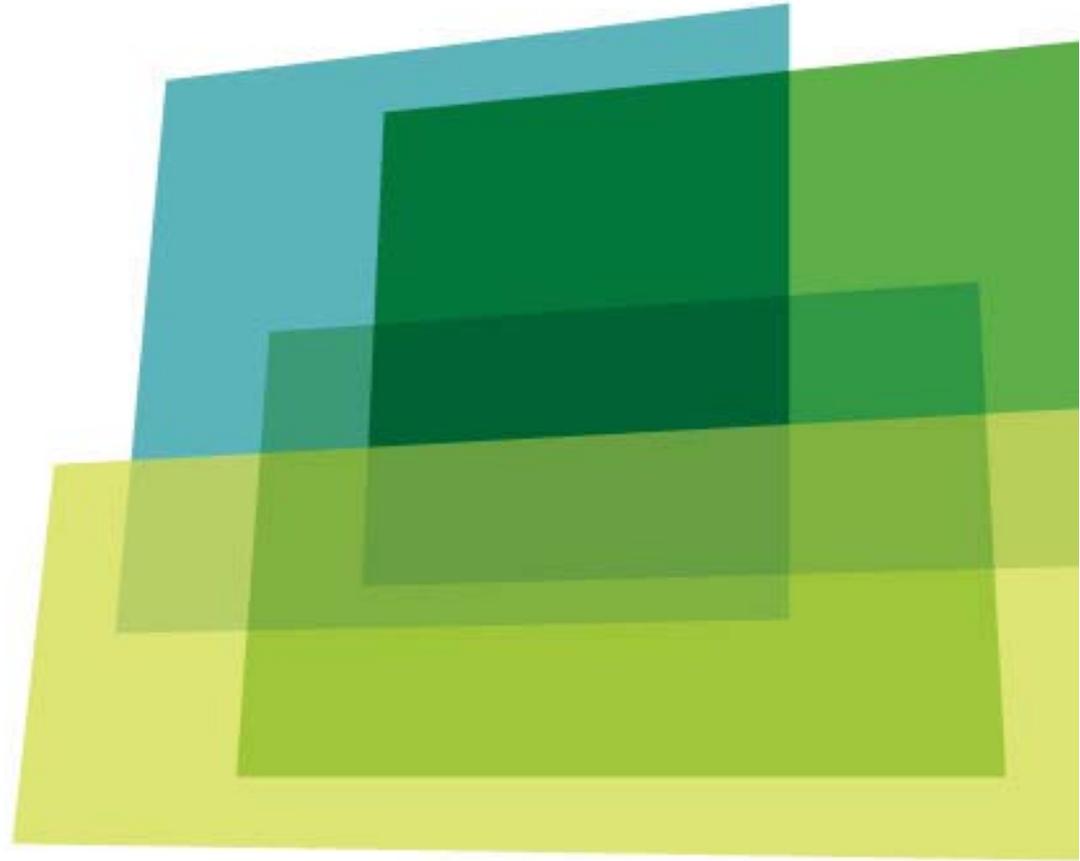
Business improvements

- Gross headcount savings plus other overhead savings currently at a run rate of \$58m per annum since acquisition
 - 263 redundancies notified since Wesfarmers took control of Coles
 - Allowing for recruitment, above store numbers reduced by 205 over the same period
- Anticipate above store numbers to be further lowered by June 30
 - ~1,000 reduction between acquisition and June 30 2008 as supermarkets operating model implemented
 - Includes some above store team members filling in-store vacancies



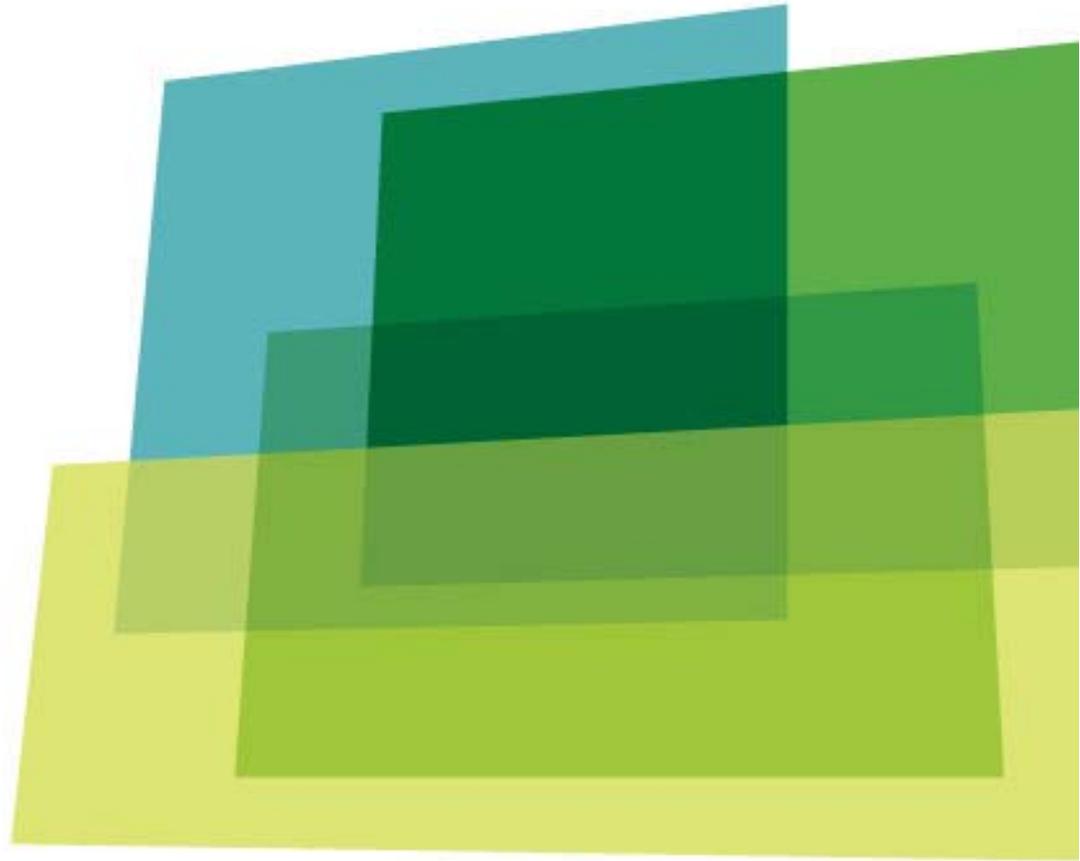


Questions





Coles
Mick McMahon



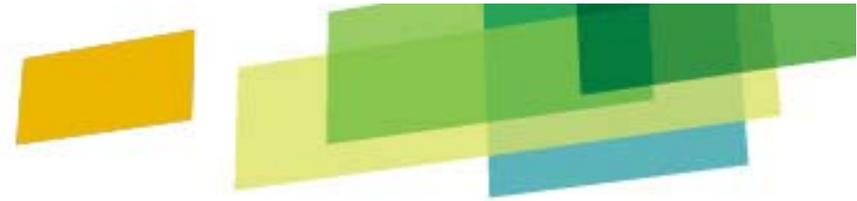


Agenda

- Background
- Trading update
- Strategies
- Outlook



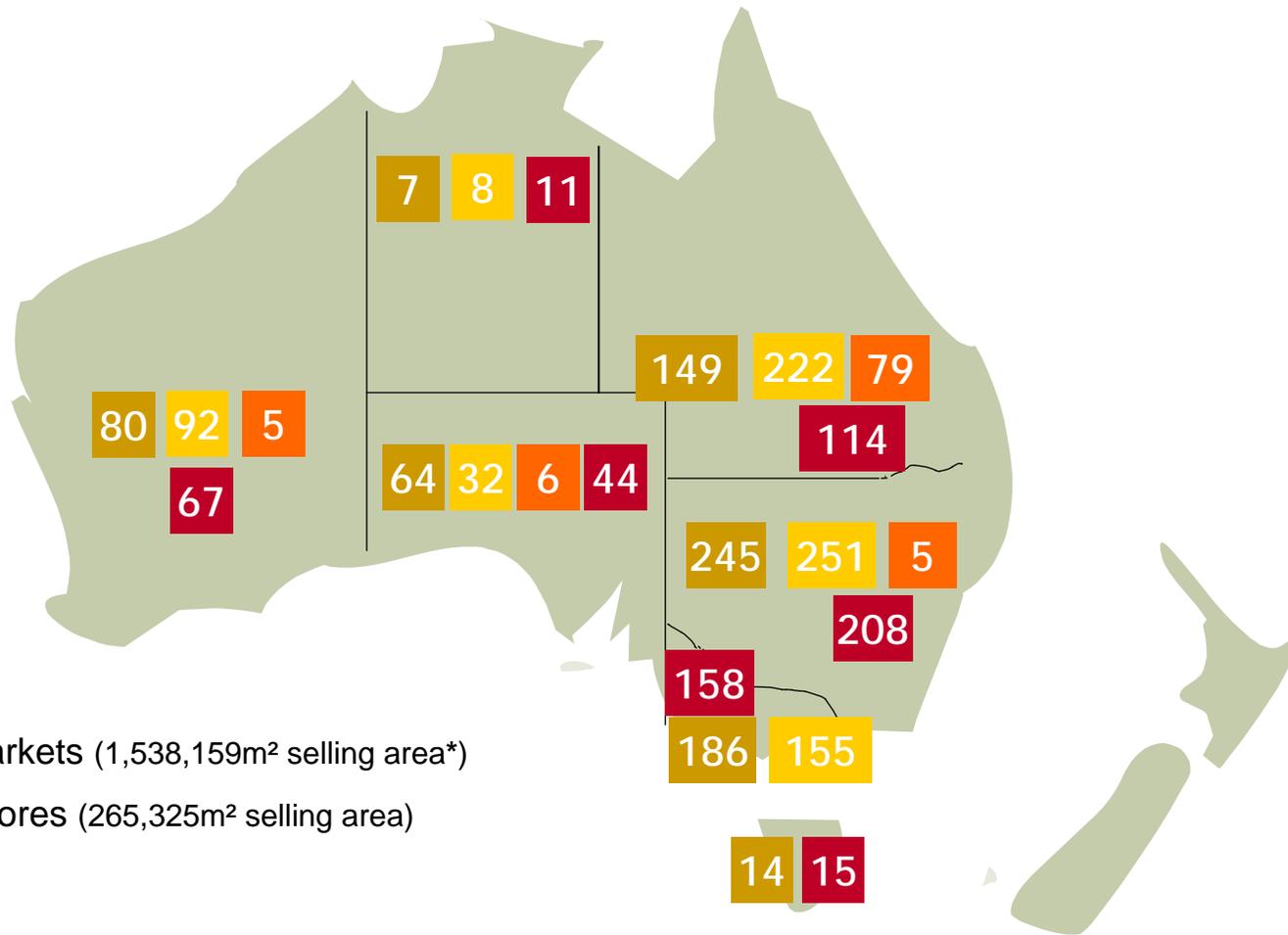
Background



Supermarkets	Liquor	Convenience
		
		
		
	Hotels	



Coles Store Network at March 2008

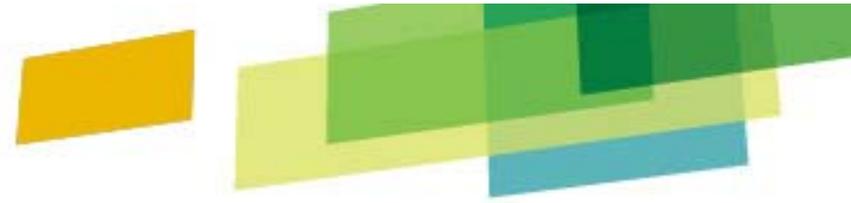


- 745 Supermarkets (1,538,159m² selling area*)
- 760 Liquor stores (265,325m² selling area)
- 95 Hotels
- 617 Convenience

* Excludes Coles online

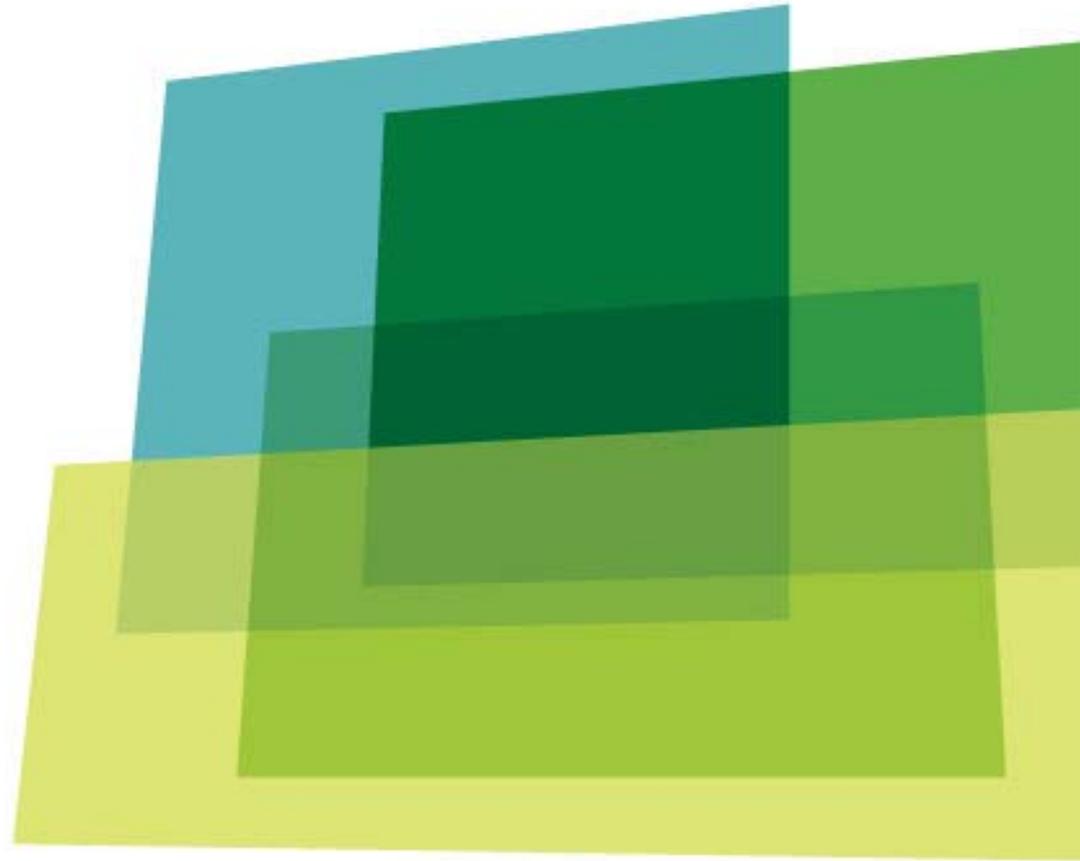


Store Network Movements



	At Acquisition	Opened	Closed	March 2008	Under Construction
Supermarkets					
Coles	679	4	5	678	27
BiLo	69	-	2	67	0
Liquor					
1 st Choice	46	-	1	45	7
Vintage Cellars	87	-	2	85	0
Liquorland	628	9	7	630	8
Hotels	93	2	-	95	2
Convenience	621	-	4	617	3



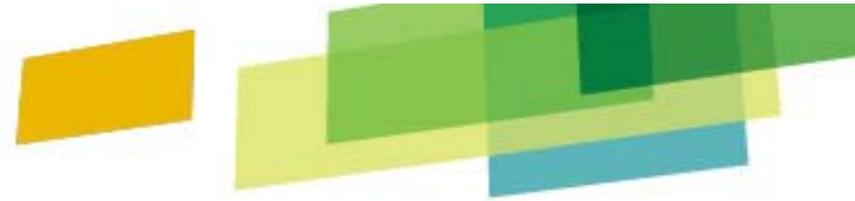


Trading update



Trading Update - Food & Liquor

3 months to March



- Improving food and liquor sales trend
 - Total sales growth of 5.2%
 - Comparable store sales growth of 3.6%
 - Market share and BiLo trading stabilising
 - Easter trading solid despite earlier timing
 - Comp store sales growth for 15 weeks to 13 April of 3.2%



Trading Update - Food

- Focus on retail basics
 - Reduced change / improved focus
 - Improvement in on-shelf availability
 - Investment in store service levels
 - Working capital position improved



Trading Update - Food (cont.)

- Growth of Housebrand
 - 3 tiers (Smartbuy, YLC, Coles Finest)
 - Sales growth 11% up on same period last year
- Multi-buy sales functionality delivered
 - National promotions commenced post Easter
- Continued upgrade of DC Network
 - Eastern Creek CDC opened, 3PL NSW CDC closed
- 4 new stores, 7 closures in Qtr 3



Trading Update - Liquor

3 months to March

- Liquor sales
 - Recovered from unseasonal Christmas weather conditions (Qld)
 - Strong comparable sales growth in 1st Choice
- Hotels trading more challenging
 - Smoking bans
- 11 new stores, 10 closures, 76 refurbishments in Qtr 3
 - 56 retail refurbishments, 20 Hotel refurbishments

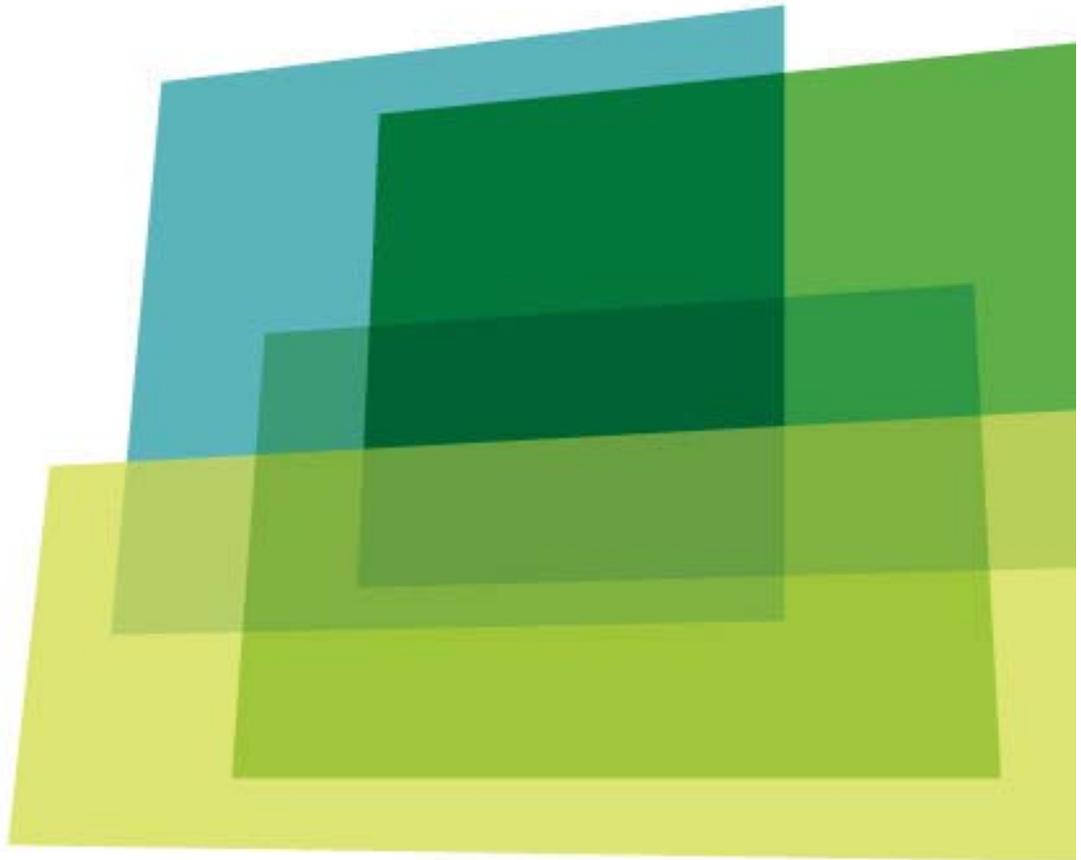


Trading Update - Convenience

3 months to March

- Continued increase in sales
 - Total shop sales growth of 9.3%
 - Comparable shop sales growth of 6.5%
 - Improved convenience store format and value proposition
 - Good in-store performance
- Fuel supply shortfalls experienced in NSW/Qld
- 4 closures, 11 refurbishments in Qtr 3

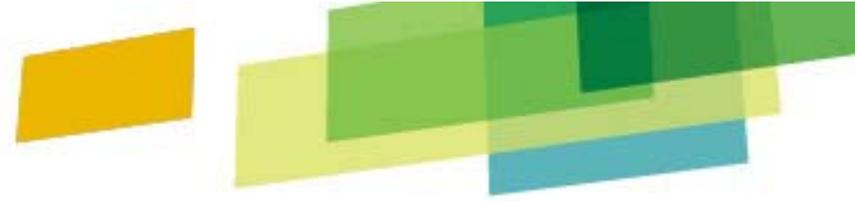




Strategies



Strategies - Coles



- Significant business change required
- Meaningful and sustainable business improvement will take time
- Initial focus
 - Stabilising the business
 - Increasing store and customer focus
 - Creating Coles Division
 - Setting key strategic platforms
 - Previous holistic supply chain strategy now segmented
 - eg. Early progress on customer programmes in Supermarkets



Strategies - Food

1. New business operating model
 - Lower cost of business and improved execution
2. Capture logistics and IT efficiencies
3. Key strategic customer programmes
 - Improve customer service
 - Improve value and in-store communication
 - Simplify range for customers
 - Improve Fresh offer
4. Investment in store network



Strategies - Food

1. New business operating model

- Strong focus and good progress made
- Wide ranging reorganisation to increase capability / effectiveness
 - New top management appointments
 - Significant streamlining of central and store functions
 - Total 1,000 FTE reduction (above store) from acquisition date to 30 June 2008
- Business focussed (not siloed) and store / customer centric
 - Decentralised resources closer to stores
 - Improved local decision making
- Clearer accountabilities and aligned measures



Strategies - Food

2. Capture logistics and IT efficiencies

- Previous holistic supply chain strategy now segmented
- Key components remain unchanged
 - Reduce cost of doing business
 - Reduce wastage costs and inventory
 - Upgrade and improve efficiency of DC network
 - Obtain efficiencies from upgraded IT platform
 - Improve on-shelf availability and sales
 - Ensure appropriate service levels in-store
- New priorities set to establish foundations
 - Accountabilities for deliverables clearly defined



Strategies - Food

2. Capture logistics and IT efficiencies (cont.)

- Completed detailed review and planning of IT and logistics upgrade programme to ensure alignment with other business strategies
- Progress on logistics infrastructure remains on track
 - Eastern Creek (NSW) Chilled DC opened
 - Parkinson (Qld) and Kewdale (WA) Regional DCs on track
 - Rationalisation of network continuing
- Multi-buy functionality delivered
- Auto-replenishment phasing considerate of total strategic plan
 - Functionality delivered; in-store piloting continuing
 - IT costs significantly reduced



Strategies - Food

3. Key strategic customer programmes

- Improve customer service
 - Better in-store product availability
 - Increased in-store customer service levels
- Improve value and in-store communication
 - Growth in Housebrand
 - Multi-buy promotions launched
 - Improving in-store pricing clarity



Strategies - Food

3. Key strategic customer programmes (cont.)

- Simplify range for customers
 - “Best Choice” range review programme launched
- Improve Fresh offer
 - Strengthened category management and store capability
 - Strong focus on staple lines
 - Leveraging supply chain efficiencies



Strategies - Food

4. Investment in store network

- Investment in store network
- Focus on existing stores
 - Currently defining new store model
 - Rapidly deploy from 2009
- Network expansion focussing on key “gaps”
- Assessment completed and planning underway to address lower performing stores



Strategies - Liquor

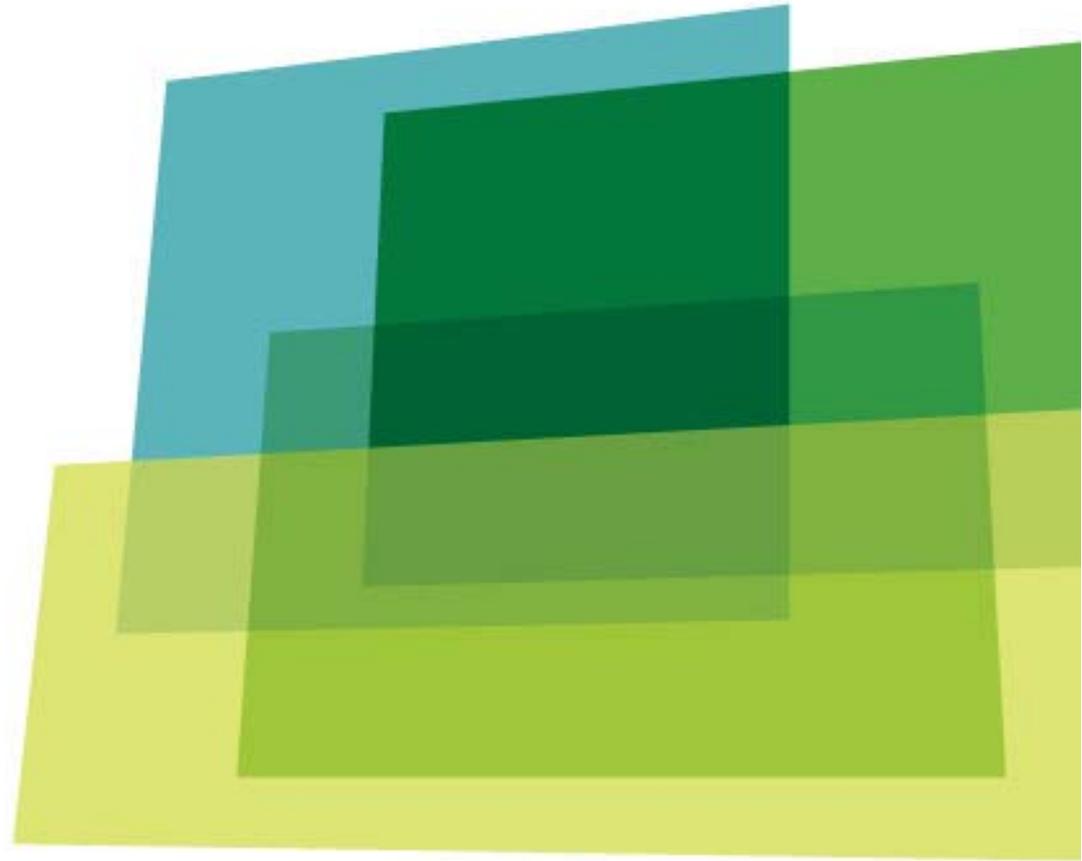
- Implementing brand focussed operating model
- Targeting profitable growth
 - Growth in 1st Choice
 - Reinvigorating Liquorland's convenience offer
 - Reinforce Vintage Cellars' specialist credentials
- Increasing efficiencies and lowering costs
 - Leveraging broader Coles logistics infrastructure
 - Capturing synergies across hotels



Strategies - Coles Express

- Implementing brand focussed operating model
- Continuing to expand convenience offer
- Drive refurbishment programme
- Selected network expansion
- Improve process efficiencies





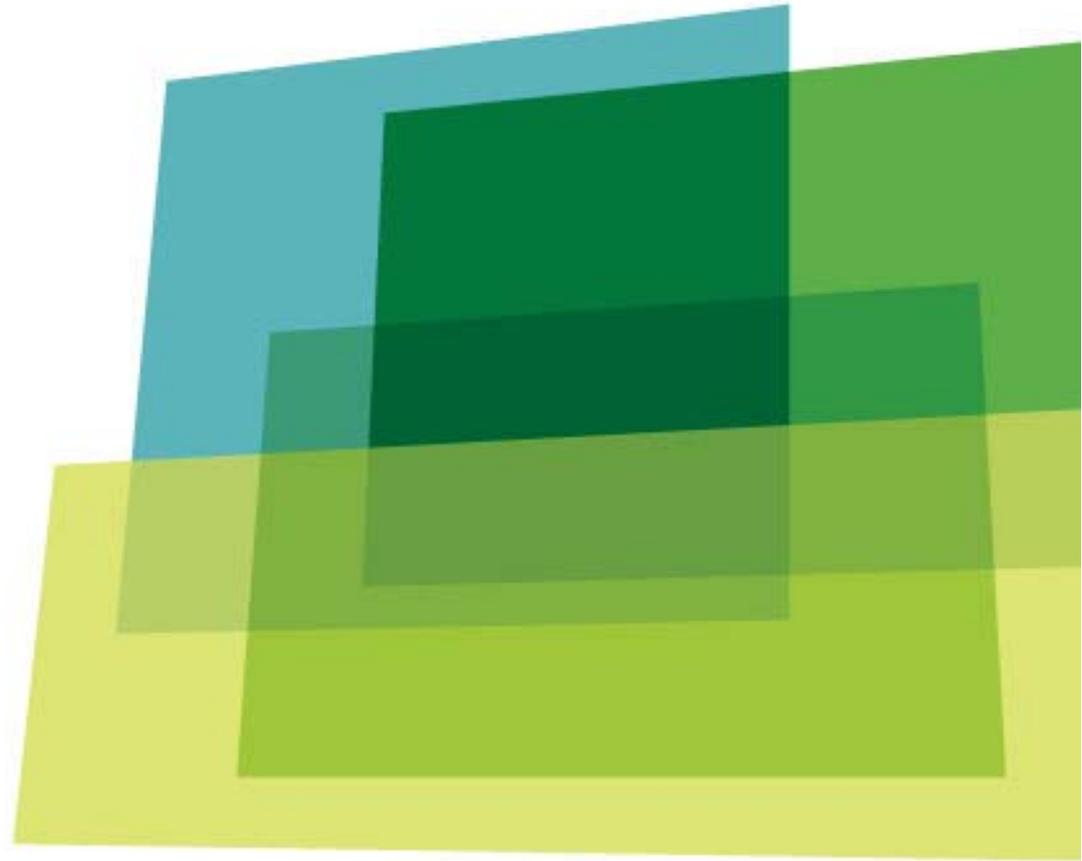
Outlook



Outlook

- Positive comparable store sales growth, but early days
- Continued focus on executing retail basics better
- Significant business improvement programme
 - Strong progress on restructure and operating model achieved
 - Early foundations being laid on business strategies
 - Restructuring costs to impact on 2007/08 results
- Ongoing network development
- ACCC Grocery Price Inquiry



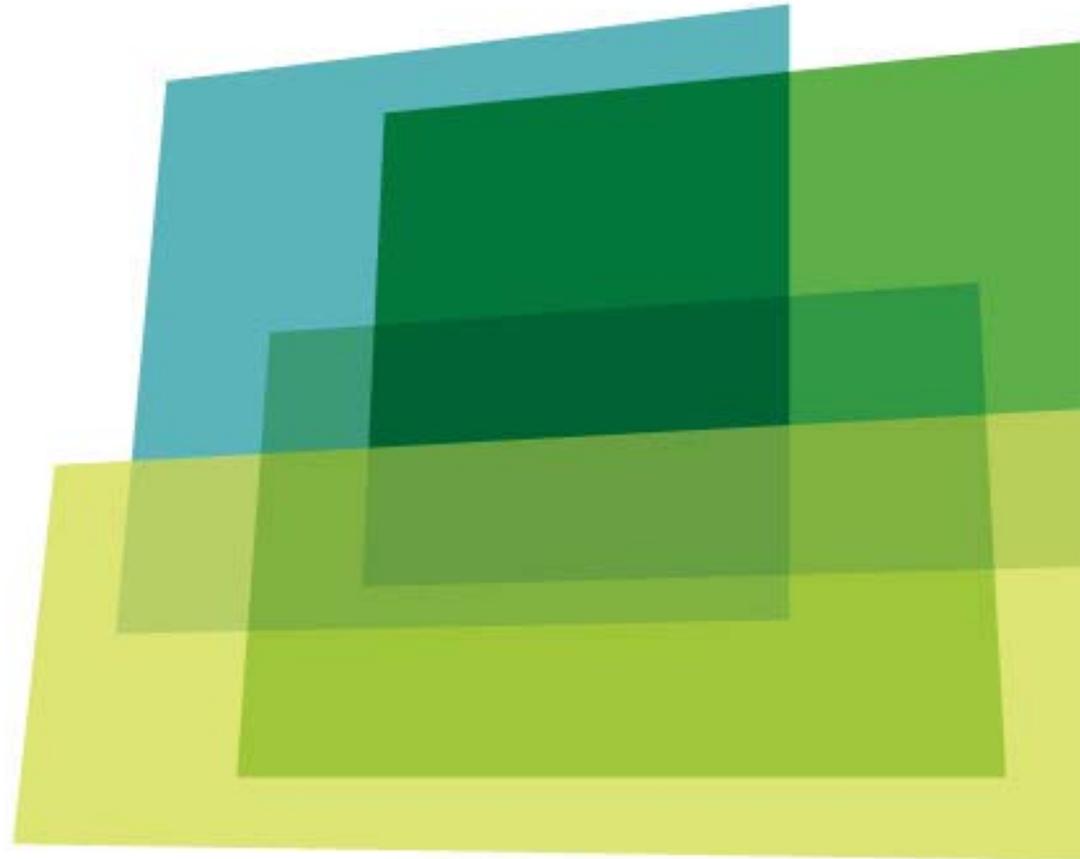


Questions



Home Improvement & Office Supplies

John Gillam



Agenda

2 sections: Bunnings & Officeworks

Bunnings

- Background
- Trading Update
- Strategies
- Outlook





Background



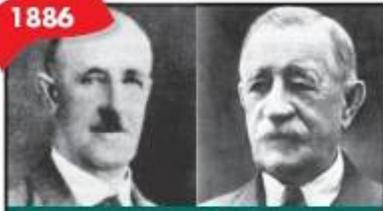
WIDEST RANGE
LOWEST PRICES
BEST SERVICE



Background



1886



Arthur & Robert arrived in Perth, WA from London and soon won a government building contract and founded what was to become a group of companies known as Bunnings Bros Pty Ltd.

1897



In 1897 the brothers purchased their first sawmill in the south west of Western Australia.

1952



Bunnings became a public company and expanded into retail to take advantage of strong building activity. The company grew and purchased several competitors in WA.

1993



The Victorian operations of James McEwans Ltd was purchased by Bunnings...

1994



The first Bunnings Warehouse store opens in Sunshine in Victoria.

1994



Wesfarmers Limited
ABN 28 008 984 049

The same year, Wesfarmers Limited, one of Australia's largest public companies acquired Bunnings.

1994



...And then there were more...

2001



BENCHMARK Hardwarehouse
BUILDING SUPPLIES

The Howard Smith group was purchased by Wesfarmers – the vast BBC Hardware network also included Hardwarehouse stores and Benchmark stores in New Zealand. This allowed the first Bunnings Warehouse stores to be introduced into New Zealand.

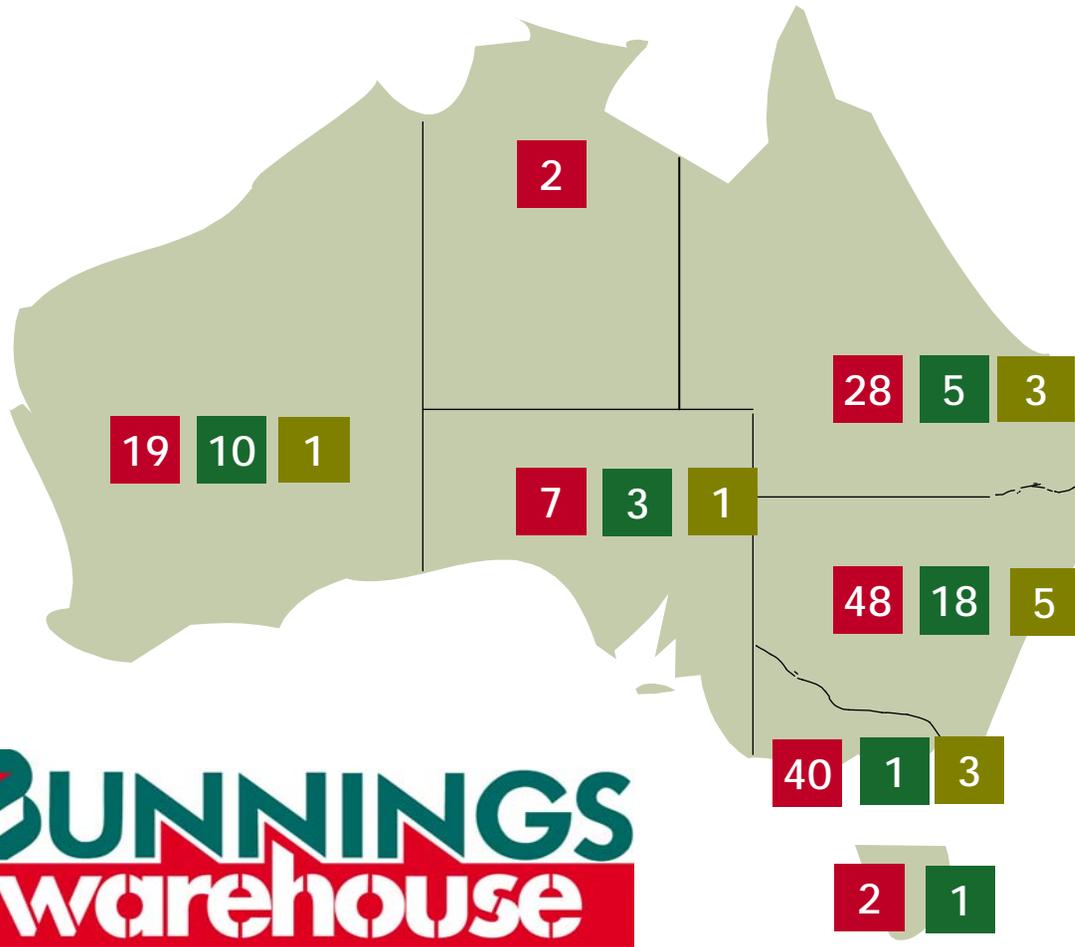
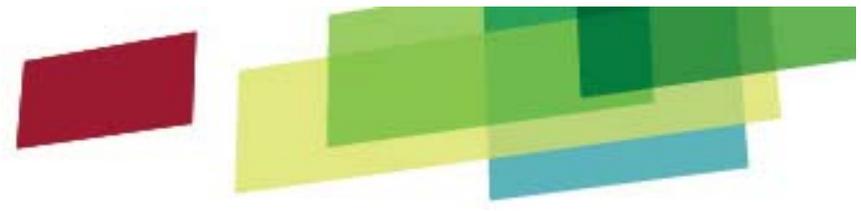
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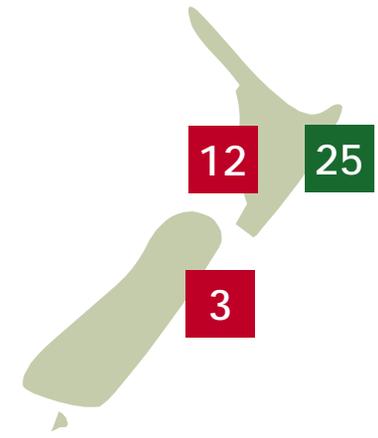
Bunnings continues to expand. More Bunnings Warehouse stores to be opened throughout Australia and New Zealand for many years to come.



Store Network at March 2008



- 161 Warehouse stores
- 63 Small format stores
- 13 Trade Centres



Store Network Movements



	Dec 2007	Opened	Closed	Mar 2008	Under construction
Bunnings Stores					
Warehouse format	160	1	-	161	9
Smaller format	63	1	1	63	1
Bunnings trade operations					
Trade centres	12	2	1	13	3
Frame & Truss plants	8	1	1	8	-
HouseWorks Stores	3	-	3	-	-



Home Improvement Performance Summary



Half Year ended 31 December (\$m)	2007	2006	↑↓ %
Revenue	2,795	2,471	13.1
EBIT	325	270	20.4
ROC (R12 %)	31.4	25.1	6.3pt
Safety (R12 LTIFR)	14.5	13.4	
Trading Revenue*	2,766	2,428	13.9
Net property contribution	12	9	33.3
Trading EBIT*	313	271	15.5
Trading EBIT / Trading Revenue (%)	11.3	11.2	0.1pt

* Excludes property and WA Salvage



Trading Update

1 January to 13 April 2008



- Cash store-on-store sales growth over 11.0%*
 - Consumer sentiment dampening
 - Growth strongest within existing store network
 - Uplift across all merchandising categories
- Trade markets remain tight
 - Modest growth continuing
 - Tough conditions in most housing construction markets

* Leap year adjusted



Strategies

1. Profitable sales growth
2. Improving customer service
3. Innovation & improvement of the offer
4. Team member performance
5. Business improvements to lower costs



Strategies

1. Profitable Sales Growth

- Strong focus on “driving the basics”
 - Range
 - Format and innovation driving **WIDEST RANGE**
 - Expanding market size
 - Price
 - Strong cost focus delivering **LOWEST PRICES**
 - Productivity loop
 - Service
 - Best people and services providing **BEST SERVICE**



Strategies

1. Profitable Sales Growth

- Dual store network investment - existing & expansion
 - A. Existing Stores
 - Rollout of new concepts: lighting, kitchen & flooring
 - Upgrades and “cleaner, lighter, brighter”
 - B. New stores
 - 10 to 14 new warehouse stores opening annually
 - Opportunistic openings of small format stores
- Trade strategy delivering positive outcomes



Strategies

2. Improving Customer Service

- Major focus within business
 - Growth driver
- Lifting investment in Team Member know-how
- Redeploying reduced admin hours to customer service
 - Ongoing focus on simpler in-store processes
- Strong desire to improve the customer experience



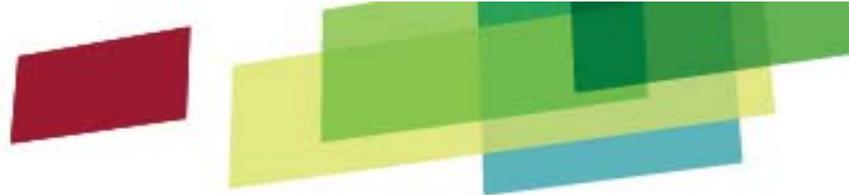
Strategies

3. Innovating and Improving Our Offer

- Driving new product ranges
- Strong merchandising disciplines lifting existing ranges
- Widening special orders through display & brochure programmes
- Refreshing & expanding “services”
 - Developing installation service for specific product categories
- Website enhancements



flooring



Innovate & improve our offer

lighting



Innovate & improve our offer

D.I.Y. kitchens



Innovate & improve our offer

Strategies

4. Team Member Performance

- Significant investment in training to lift service levels
- Supporting improved performance
- Continuing strong safety program
- Diversity/ employment branding strategies in place
- Tight labour markets, particularly in WA & QLD



Strategies

5. Business Improvements to Lower Costs

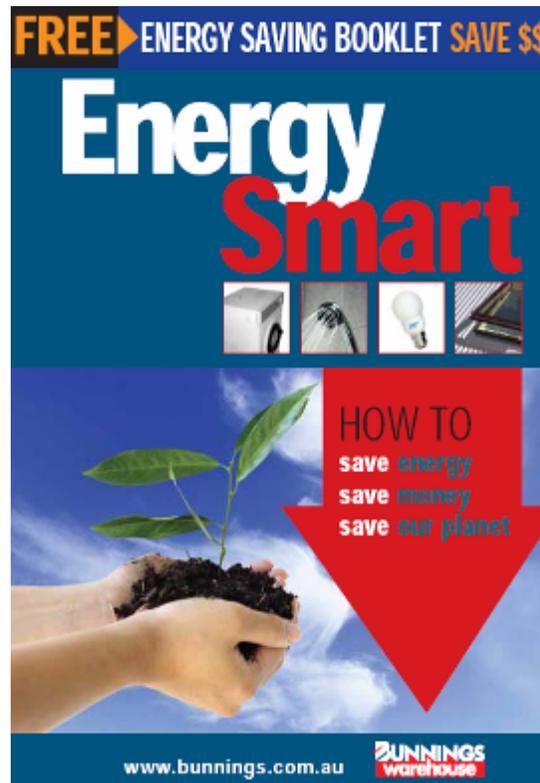
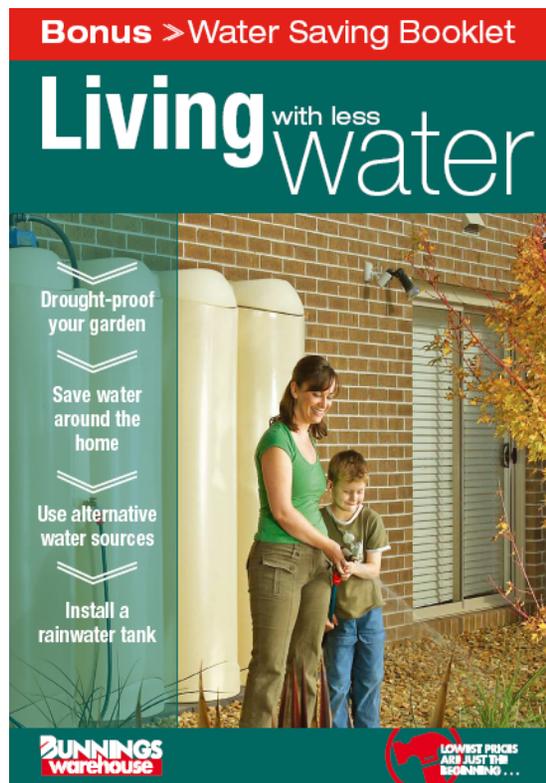
- Ongoing systems investments – progressing well
- Continued supply chain enhancements
- Better business disciplines
 - Ongoing stock management and shrinkage improvements
- Achieving a lower cost of doing business
 - Supports core pricing objective for customers
 - Stronger internal cost conscious focus



Strategies

5. Business Improvements to Lower Costs

- Positioning business for climate change



Helping to make Sustainability easier and more affordable.



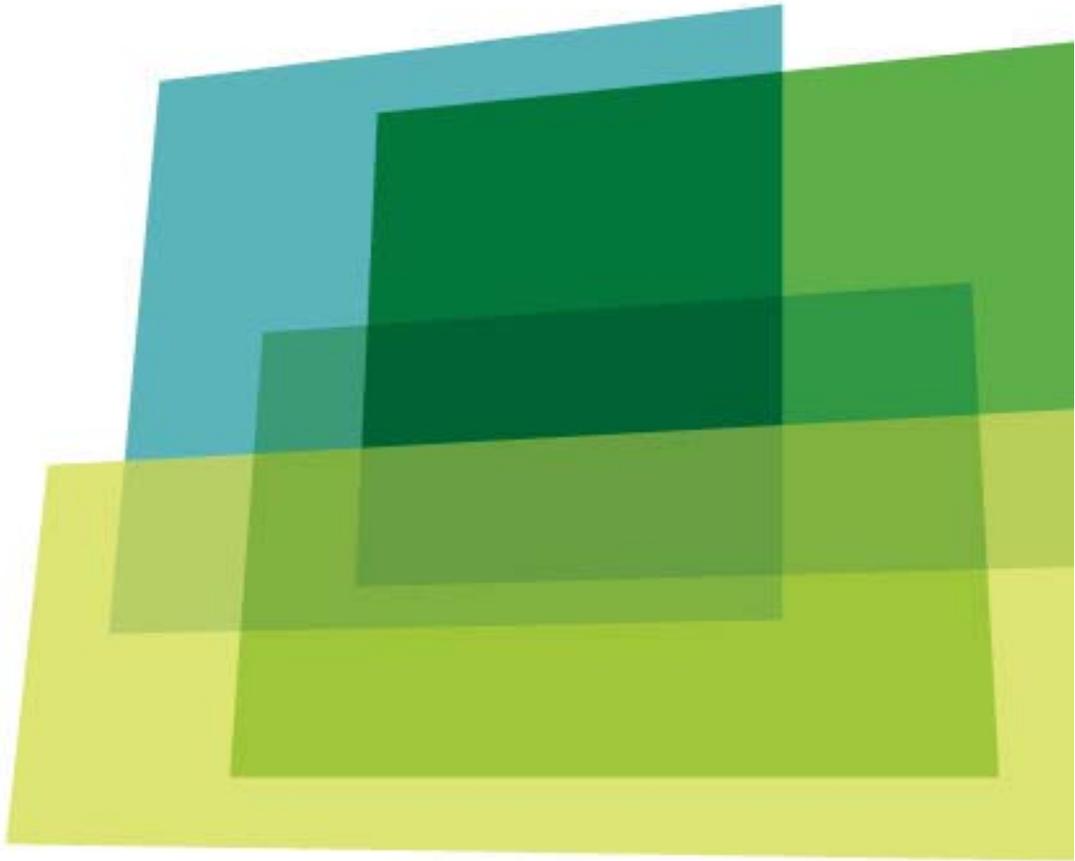
Bunnings Outlook

- Continued cash sales growth
 - Threats to retail trading conditions emerging
- Ongoing network development
 - 12 warehouse openings likely for 2007/08
- Strong focus on delivering on strategic agenda
- Property development earnings lower than 2006/07





Office Supplies



Officeworks[®]

The works



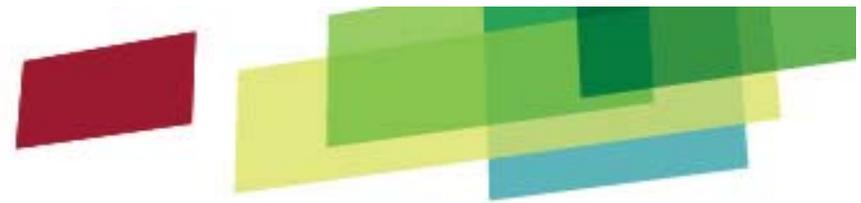
Agenda

Officeworks

- Background
- Trading update
- Strategies
- Outlook



Background



1994

Officeworks
Superstore

First store opens in Richmond

2003

VIKING

Officeworks acquires Viking

2004

harristechnology ht

Harris Technology becomes part of Officeworks portfolio

2005

Officeworks
BusinessDirect

Officeworks online business & Viking become Officeworks BusinessDirect

2007

Wesfarmers

Wesfarmers one of Australia's largest public companies acquired Officeworks

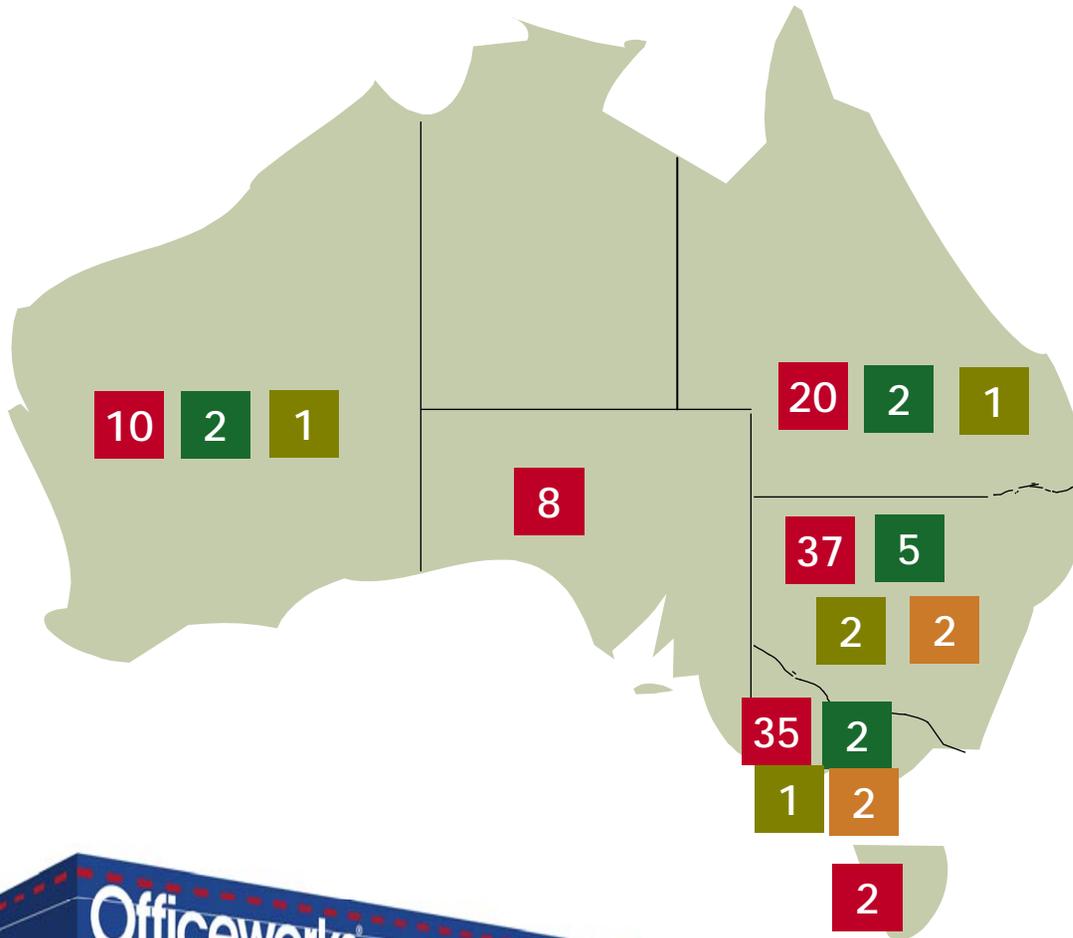
Today

Officeworks Store Network

- 112 OW Stores
- 11 HT Stores
- 4 OFC's
- 4 CSC's



Store Network at March 2008



- 112 Officeworks stores
- 11 Harris Technology stores
- 4 Customer fulfilment centres
- 4 Call centres



Store Network Movements



	Dec 2007	Opened	Closed	Mar 2008	Under construction
Officeworks	112	-	-	112	8
Harris Technology	10	1	-	11	0



Office Supplies Performance Summary



23 November to 31 December (\$m)	2007
Revenue	115
EBIT	7
Comparative Sales Growth (%)	1.6
Trading Revenue*	115
Net property contribution	-
Trading EBIT*	7
Trading EBIT / Trading Revenue (%)	6.1

* Excludes property and other non-trading items



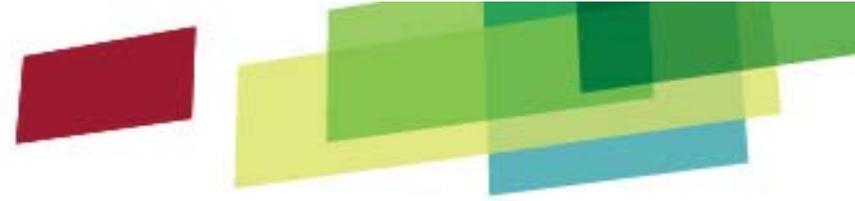
Trading Update

1 January to 13 April 2008

- Total sales growth of 3.3%
- Trading conditions tightening in most markets
 - small business customer under pressure
- Margins constrained by competitive forces
- Clearing obsolete inventory
- One off acquisition/restructuring costs and asset write downs of approx \$11m by year end



Strategies



- Strategy reset work well advanced
 - reinvigoration of Officeworks offer
 - restating category killer, warehouse format success traits
- Defining core offer
 - price, range & service focus
 - aligning every activity to deliver the offer
- Positive actions
 - store format trials underway
 - range enhancements: Dell on range; Apple PC trial
 - store teams lifting in-store disciplines



Outlook

- Difficult trading conditions
 - pressures on sales & margin
- Disruption of integration ending
- Traction from strategy re-set expected in 2008/09

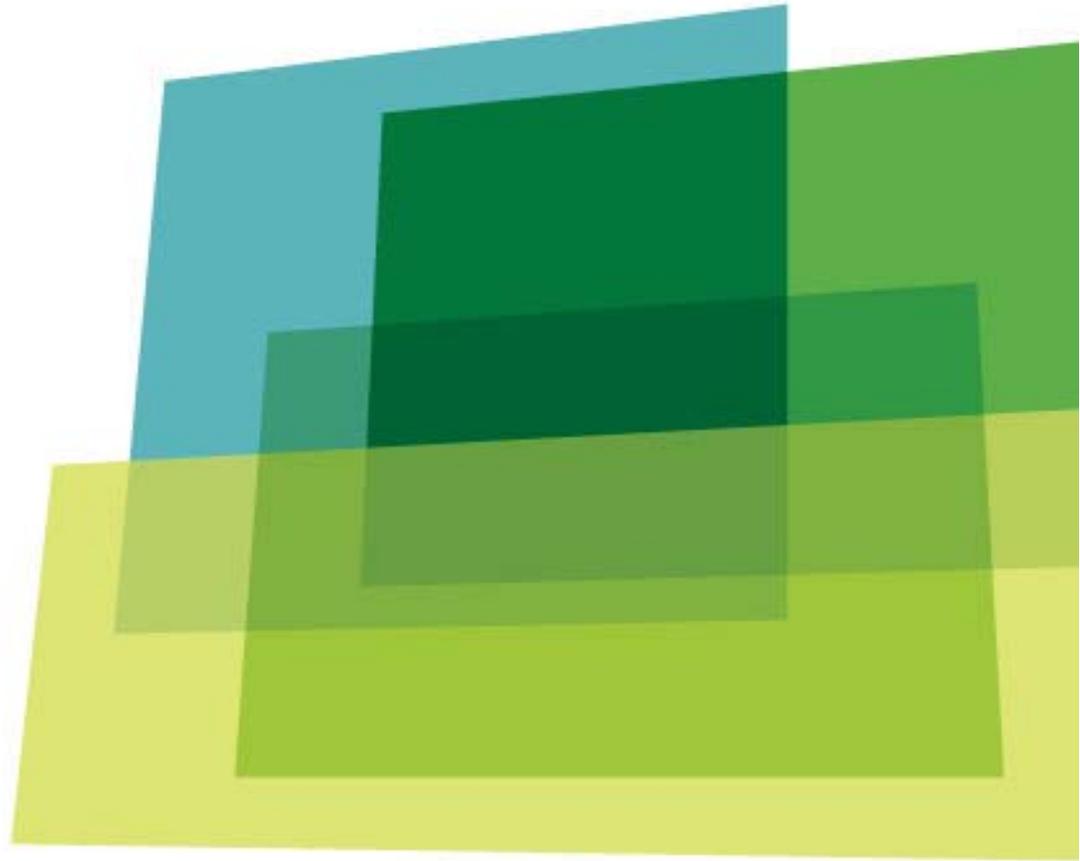


Questions





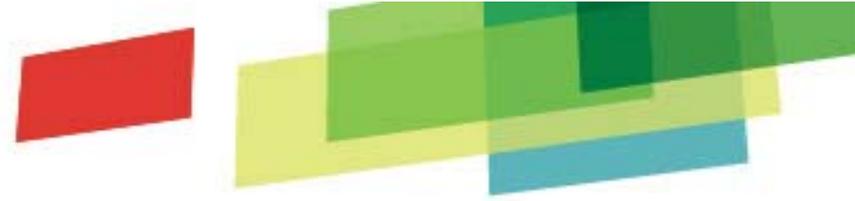
Target
Launa Inman





Trading Update

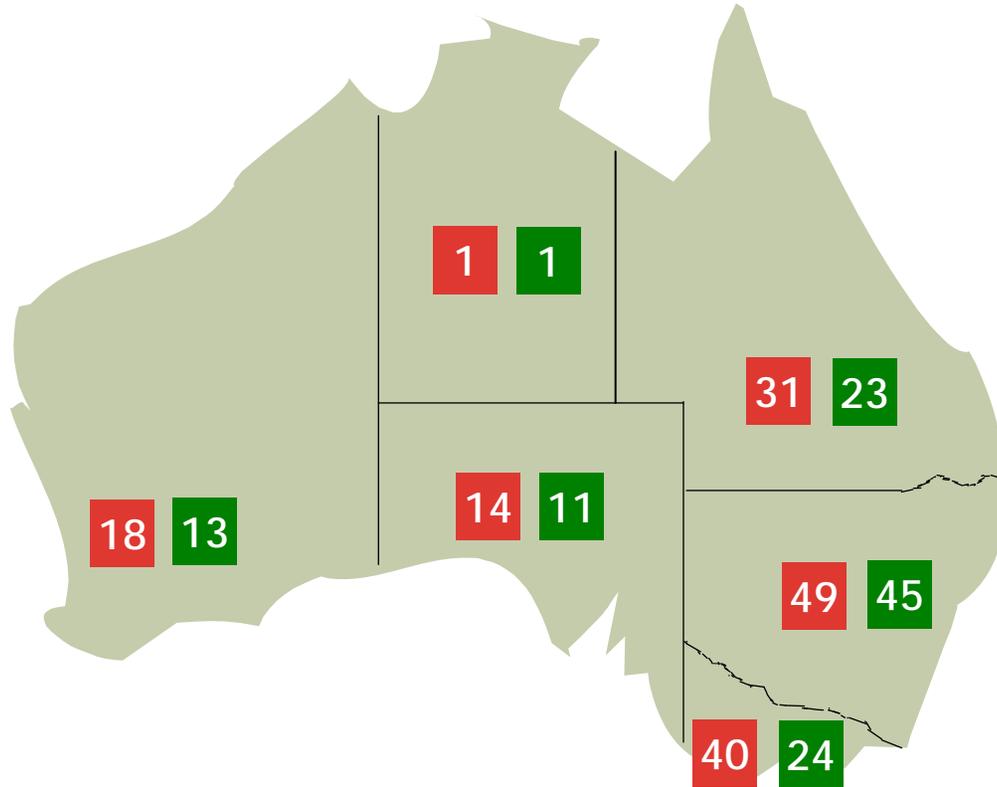
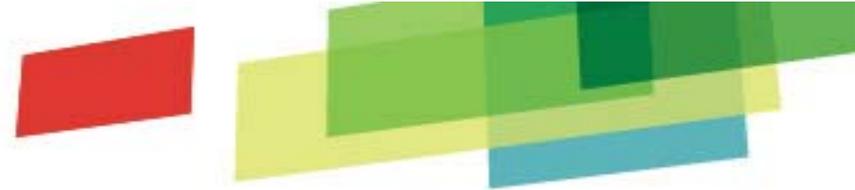
3 months to March



- Sales up 9.2%
- Underlying same store sales up 5.4% (15 weeks to 13 April)
 - Period incorporates Easter trading and comparative promotional events
 - January strong month supported by new advertising
 - March was below expectations with unseasonably warm weather and consumer uncertainty
- Inventory well controlled in difficult trading conditions



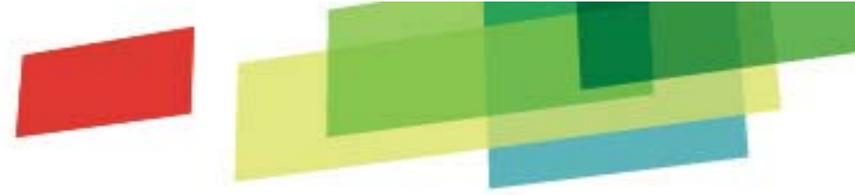
Target Store Network at March 2008



- 157 Target stores
- 118 Target Country stores



Strategies



1. Focus on fundamentals
2. Brand relaunch
3. Differentiation
4. Store network development
5. Customer service
6. Team member performance
7. Business improvements to lower costs



Strategies

1. Focus on fundamentals

- Meeting customer needs
 - Range
 - Compelling price points – something for all
 - Extension of range – Designer for Target
 - Price
 - Strong entry price points
 - Always at the right price
 - Exciting promotional offers
 - Service
 - The right service level for a self service environment
 - The right staff at the “front office”



Strategies

1. Focus on fundamentals

- Lifting our regular sales as a proportion of total sales
- Management of discounting and markdowns
- In stock of wanted items
- New and exciting products
- Quantification and allocations enhanced

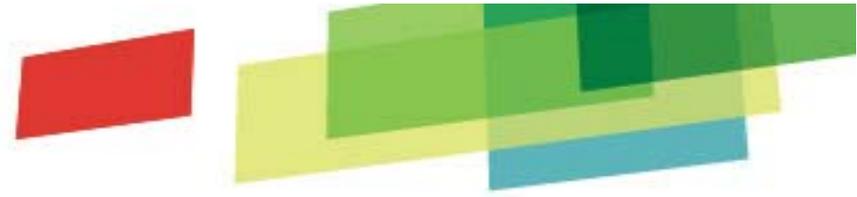


Strategies

2. Brand Relaunch

- An evolution of the “100% Happy”
- Further differentiate the Target Brand
- A philosophy and positioning that is unique
- A new approach “Endearing to all stakeholders”
- Leveraging an emotional connection





PLAY THE PROJECT SPARKLE ADS



Strategies

3. Differentiation

- New exciting and differentiated offers
- Bring the best of what's new in the world to Target
- Excitement through Designer for Target programme
- Promote, protect, and expand our quality reputation
- Sustainable products on offer



Strategies

4. Store Network Development

- Renewed investment in stores
 - Up to 15 new stores to open per year; ~10 to be Target's
 - New Target Country's to be at least 1,000 square metres
- Investment in existing stores
 - Rollout of ambience programme
 - Around 40 stores in FY08
 - Upgrade range from full refits to a light touch
 - Projected to spend over \$20 million in FY08
- Outcome: 60 of network now touched in the last 3 year







UNDERWEAR



122.49



Strategies

5. Customer Service

- Customer is our major driver
- Ease of store shopping
 - Layout
 - Signage
- Targeted increased service - cosmetics
- Research leads our offer to customers
- Rollout of new register queuing system and trial of refund counter relocation
- Price marking of merchandise
- Improved point-of-sale features and benefit statements
- New marketing channels



Strategies

6. Team Member Performance

- Work/life balance and job satisfaction
- Recruitment and retention of high potential Team members
- Reward and recognition
- Environmental responsibility
- Align staff with “100% happy” ethos
- Supervisor/Team Member empowerment



Strategies

7. Business Improvement to Lower Costs

- Significant progress on migrating old Coles Retail Support Services to Target
- Major systems improvements
 - Target Country migrated to Target merchandise system
 - Ability to efficiently correct inventory records and transfer stocks
 - Electronic invoices received (and processed) for high volume suppliers



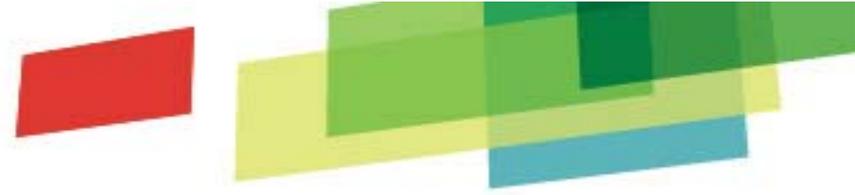
Strategies

7. Business Improvement to Lower Costs

- Divisional approach to:
 - drive cost improvements
 - accelerate focus on costs within business
 - the “value” cost control can bring to our competitive position
- Cost reductions already apparent in supply chain costs
 - less overheads
 - more proactive and innovative
 - more attuned to business needs
- Leveraging increased sales and volumes

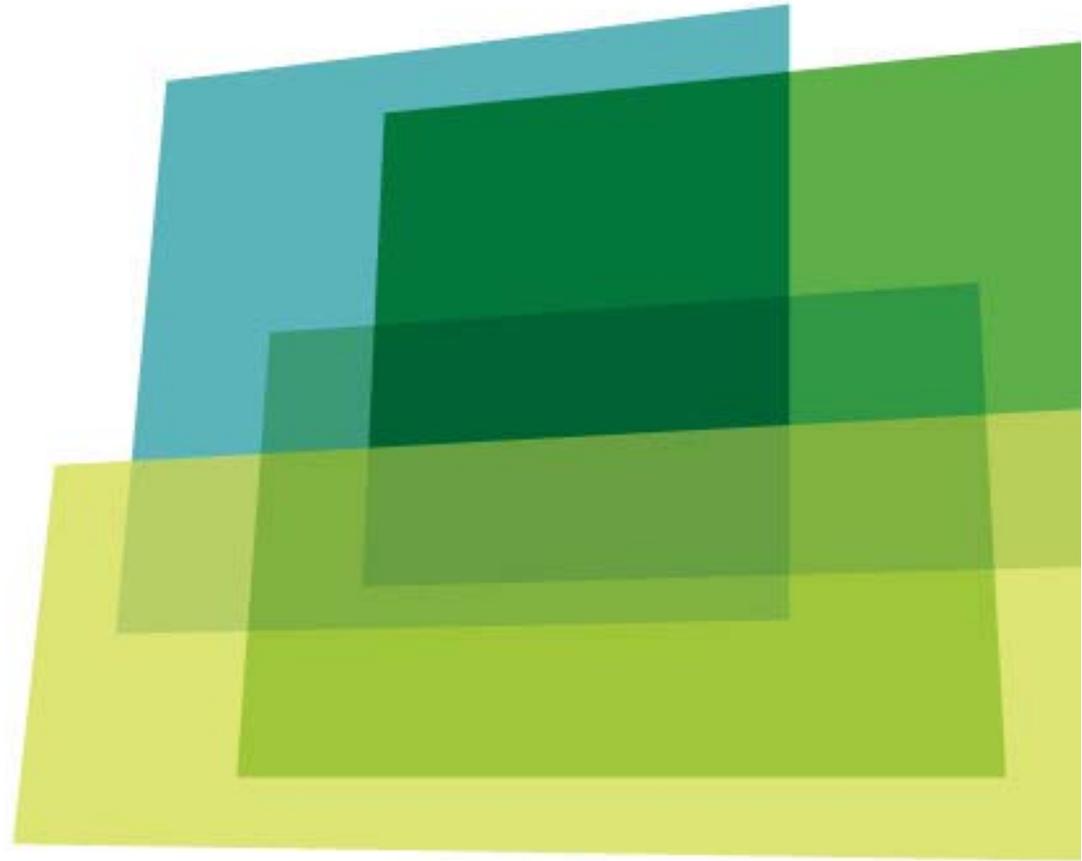


Target Outlook



- Increased and enhanced store network
- Targeting increased market share
 - Via new and refurbished stores and outstanding offers
- Focus on the customers
 - The right product
 - The right price
 - First to market
- New “Designers for Target”
- Positioned for any potential slow down in retail spending
 - controlled stocks in higher risk areas
- Continued adaption to competitor repositioning

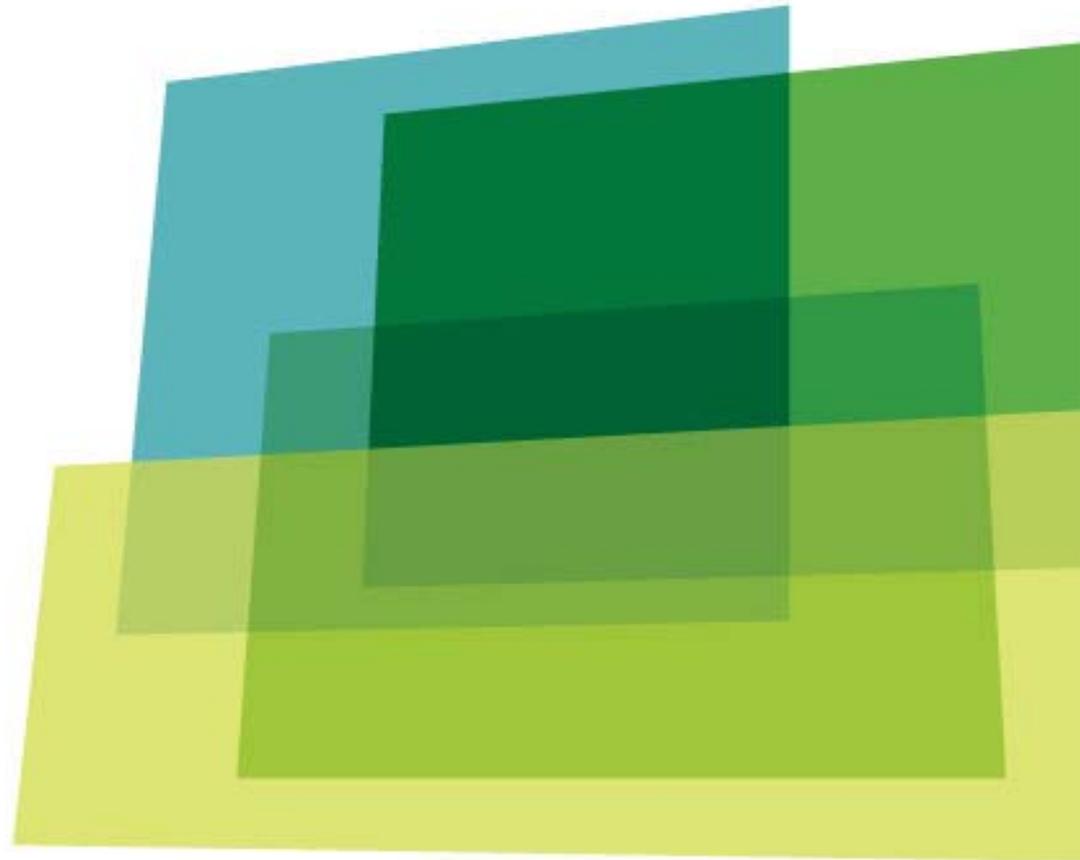




Questions



Kmart
Mark Goddard



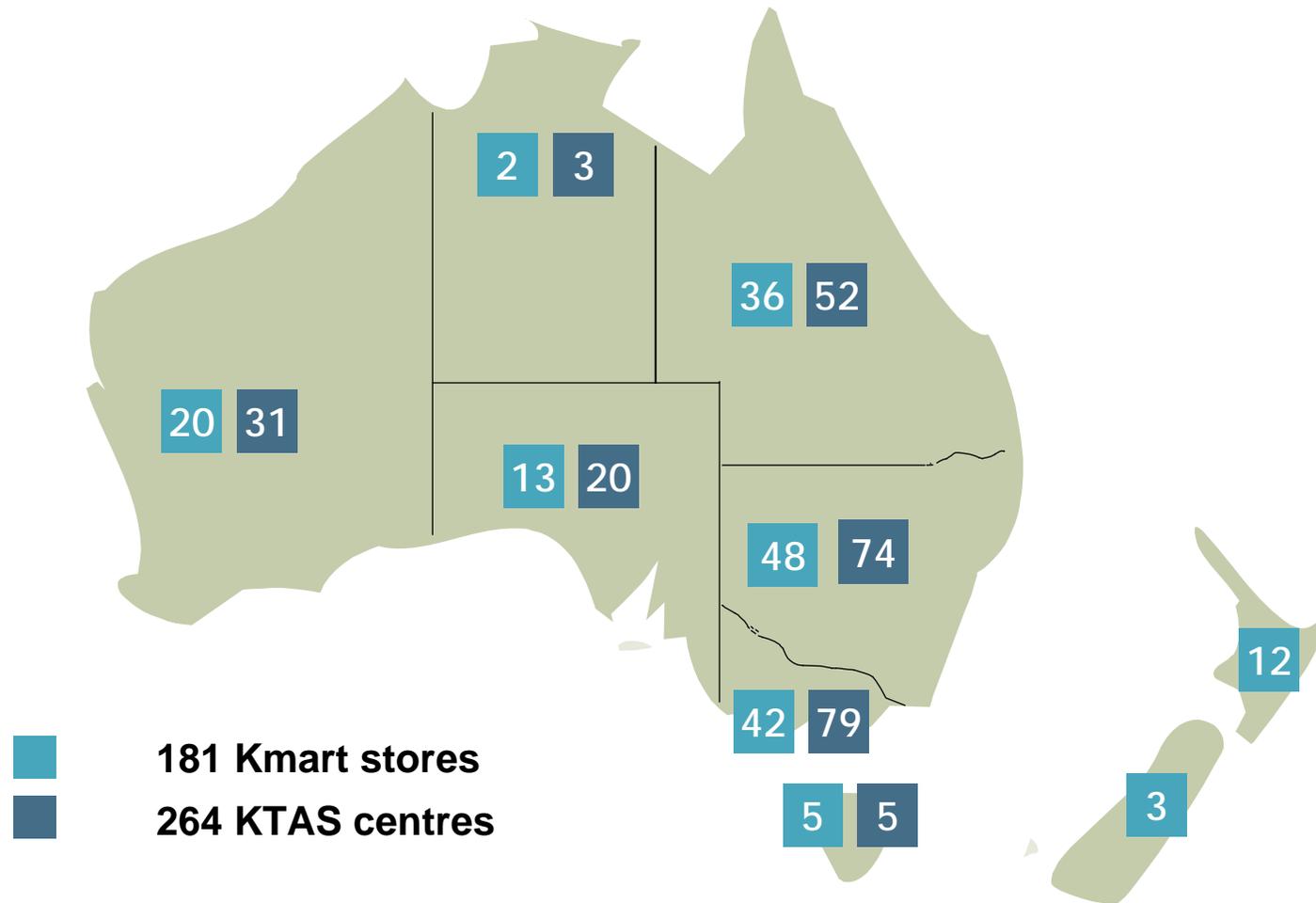


History

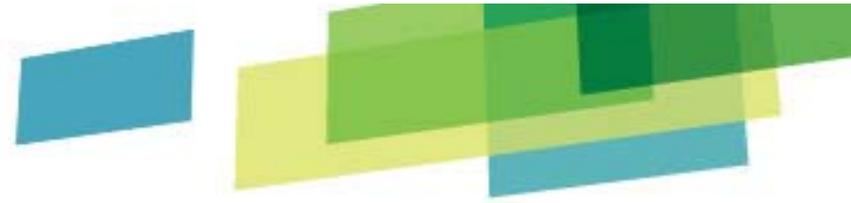
- Extended period of uncertainty
 - Supercentre Strategy
 - Everyday Needs Business Strategy
 - Wesfarmers Strategic Review
- Aggressive competitor activity
 - New store openings
 - Investment in existing stores
 - Promotional campaigns increased
- Despite challenges Kmart has made progress
 - Business performance is improving
- Opportunity to significantly improve the business as a standalone division



Kmart Store Network at 31st March 2008



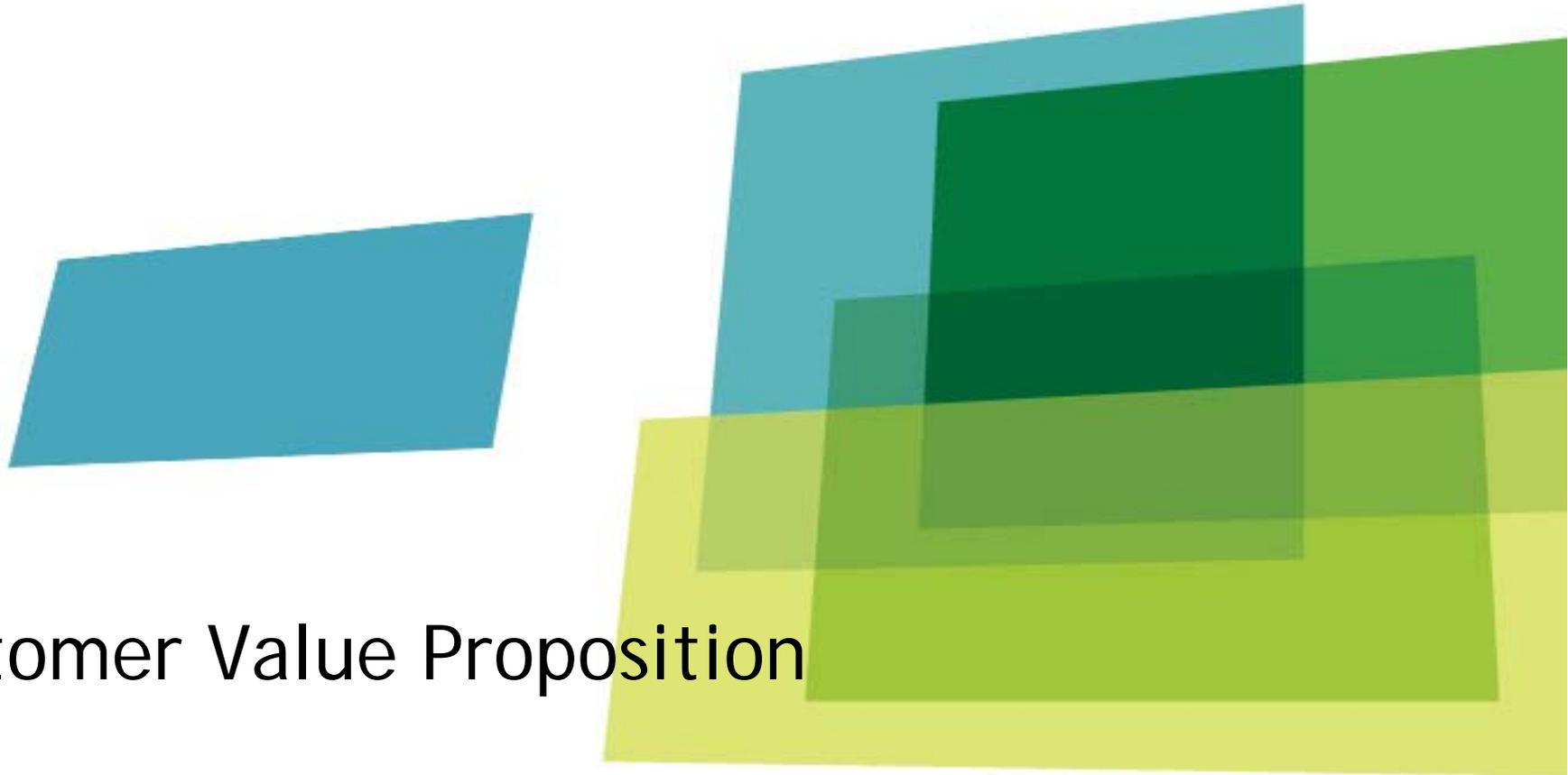
Store Network Movements



Store Numbers	Dec 2007	Opened	Closed	Mar 2008	Under construction
Kmart Australia	168	-	2	166	2
Kmart New Zealand	15	-	-	15	-
Kmart Tyre & Auto	267	-	3	264	1

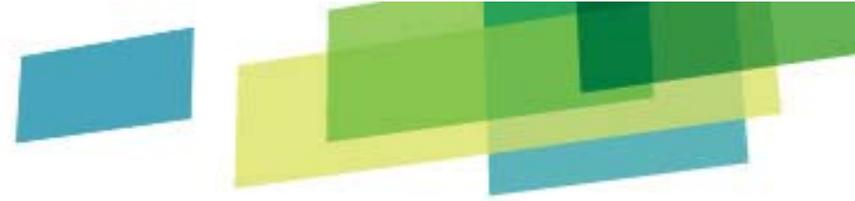
Refurbishments	Commenced	To Commence
Kmart Australia	13	7
Kmart New Zealand	-	-
Kmart Tyre & Auto	-	-





Customer Value Proposition

Customer Value Proposition



- Objective
 - Improve customer emotional engagement with Kmart
- Customer Promise
 - “A good life is affordable at Kmart”
 - Communication – “Kmart where the good times start”
 - Balanced offer to attract families
 - Target the value segment
 - Supported by:
 - Product Leadership
 - Affordable offer
 - End-to-end execution
 - Store experience



Product Leadership

- Focus on providing products for casual and leisure lifestyle
- Leverage market share to build key destination categories
- Drive volume items
- Improve strategic alignment of our Brands with National Brands
- Improve quality of own Brand products



Product Leadership Brands at Kmart

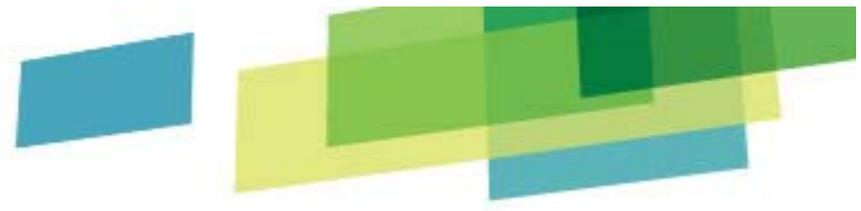
Housebrands



National brands



Product Leadership - Private Label Development



Jackeroo Work Boot Catalogue Launch

20% off men's work boots

Congee

- Dual density polyurethane outside
- Carbon reinforced latex insole
- Reinforced elastic gusset
- Oil resistant outsole
- Leather upper
- Steel safety toe cap
- Breathable sponge lining
- Latex comfort insole steel toe cap
- Reinforced heavy duty pull tabs

~~\$39.99~~
\$31.99
save \$10
Save 7-13 After sale \$49.99

Teak

- Dual density polyurethane outside
- Carbon reinforced latex insole
- Padded tongue & collar
- Ankle support
- Oil resistant outsole
- Leather upper
- Steel safety toe cap
- Breathable sponge lining
- Latex comfort insole steel toe cap

~~\$47.99~~
\$38.39
save \$12
Save 7-13 After sale \$59.99

Teak

- Durable rubber outsole
- Lightweight phylon insole
- Carbon reinforced latex insole
- Oil resistant sole
- Ankle support toe & heel protection
- Leather upper
- Steel safety toe cap
- Breathable sponge lining
- Latex comfort insole steel toe cap

~~\$43.99~~
\$35.19
save \$11
Save 7-13 After sale \$54.99

that's 25% off

~~\$44.99~~
\$33.74
save \$15
Teamar
Save 7-13 After sale \$59.99

introducing **JACKEROO** work boots to Kmart
FOR THE GREAT OUTDOORS
6 months guarantee against fair wear and tear

Donner

- Heat resistant out sole
- Carbon reinforced latex insole
- Oil resistant outsole
- Good grip web construction
- Leather upper with ankle support
- Steel safety toe cap with latex comfort
- Breathable sponge lining

~~\$44.99~~
\$33.74
save \$15
Save 7-13 After sale \$59.99

Blaze

- Durable rubber outsole
- Lightweight phylon insole
- Carbon reinforced latex insole
- Oil resistant sole toe & heel protection
- Leather upper with ankle support
- Steel safety toe cap with latex comfort
- Breathable sponge lining

~~\$47.99~~
\$38.39
save \$12
Save 7-13 After sale \$59.99

See in store for details

AS/NZS 2210
Anti-static Non-Conducting
Metatars Guard 1

Clarefoot only for leather uppers

Colours, sizes and styles will vary from store to store



Affordable Offer

- Focus offer on affordable products for the value customer
- High volume everyday value items
- Reduction in higher price point items
- Supported by exciting events and sales



End-to-end Execution

- Improve speed to market
- Improve speed and consistency of execution
- Rationalise underperforming categories
- Improve operational efficiencies and effectiveness across the entire value chain
- Active monitoring of progress and continue to evolve offer
- Improve flow of inventory
- Continue to develop direct sourcing opportunities



Store Experience

- Develop clean, simple stores for customers
- Improve instore execution and discipline
- Flexible layout
- Investment in store experience
 - New stores
 - Refurbishments



Before/After



Registers



Registers



Womenswear



Womenswear



Store Network

- Accelerate new store openings
 - 5 to 10 per year
- Development of new store concept
- Complete store IT hardware upgrade
- Comprehensive store refurbishment program
 - Refurbish all stores on a 7 year cycle
 - Will review progress and refine program as required



Cost of Doing Business

- Cost control focus
- Optimise efficiency of Supply Chain
- Closure of store off-site storage facilities
- Reduction in shrinkage
- Rigorous financial management
- Improved commercial disciplines



People

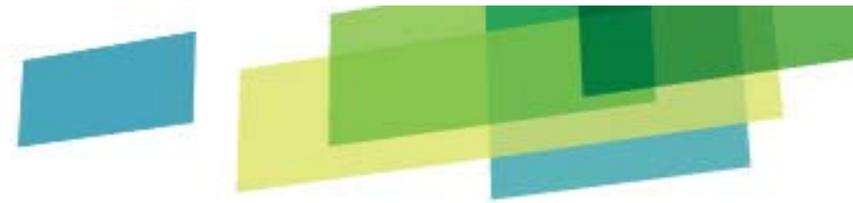
- Build team capability
 - Develop programmes to attract and retain
- Establish Kmart as a standalone business
- Develop clear accountability model



Trading Update

3 months to March

- Acceptable result for the Q3
 - Excellent sell through of summer product
 - Solid winter clothing launch
 - Easter product performed well
 - Sales becoming tough in March
 - Inventory quality remains good
- Market becoming tight
- Competition is aggressive
- Customers being impacted by current economic climate
- Consistent performance by Kmart Tyre and Auto



3 rd Quarter Sales	2008
Sales (\$m)	883
% Increase	5.0%
Comp. Increase	5.0%
Comp. Increase (through to 13 April)	2.9%



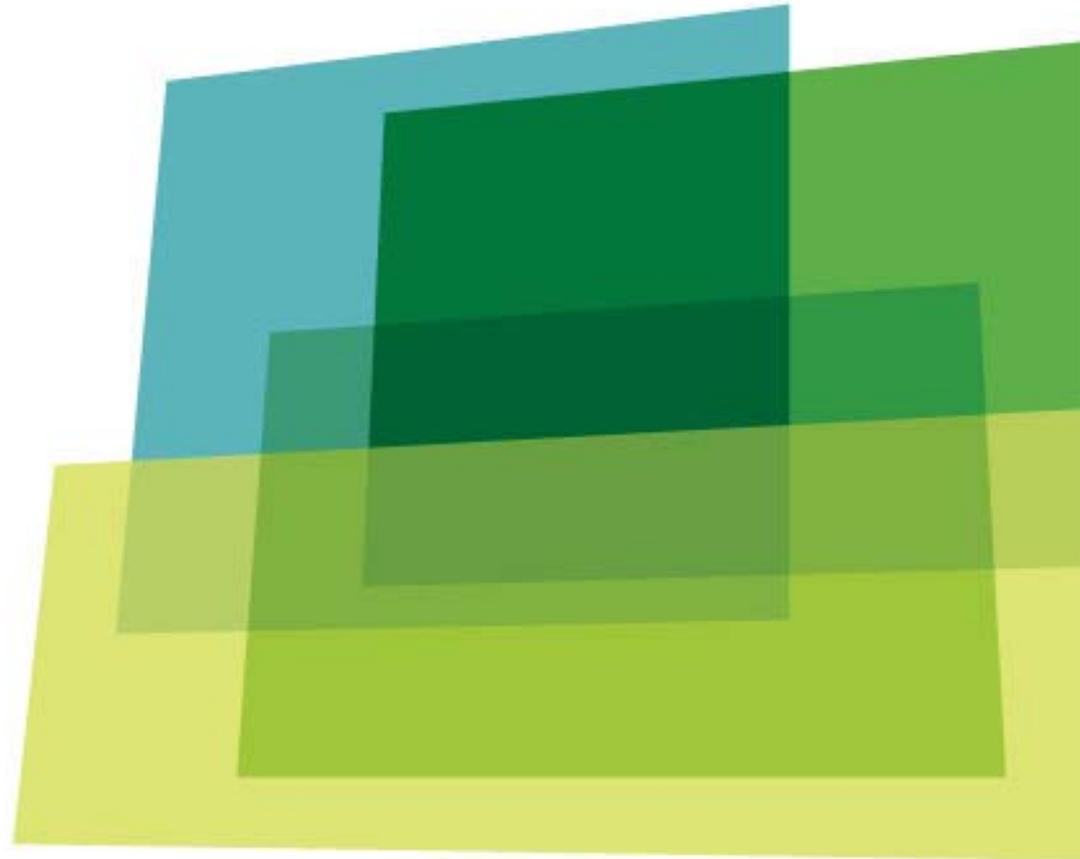
Outlook

- Expect trading conditions to become tougher
- Product offer is healthy and will evolve
- Improve the customer experience in the stores
- Continued focus on cost control
- Develop the capabilities of the team
 - Attract and retain skilled team members
- Now that the decision has been made to retain Kmart and the level of uncertainty has been lifted, the business can focus on:
 - A longer term strategy
 - Developing plans to build on existing performance to create long-term value



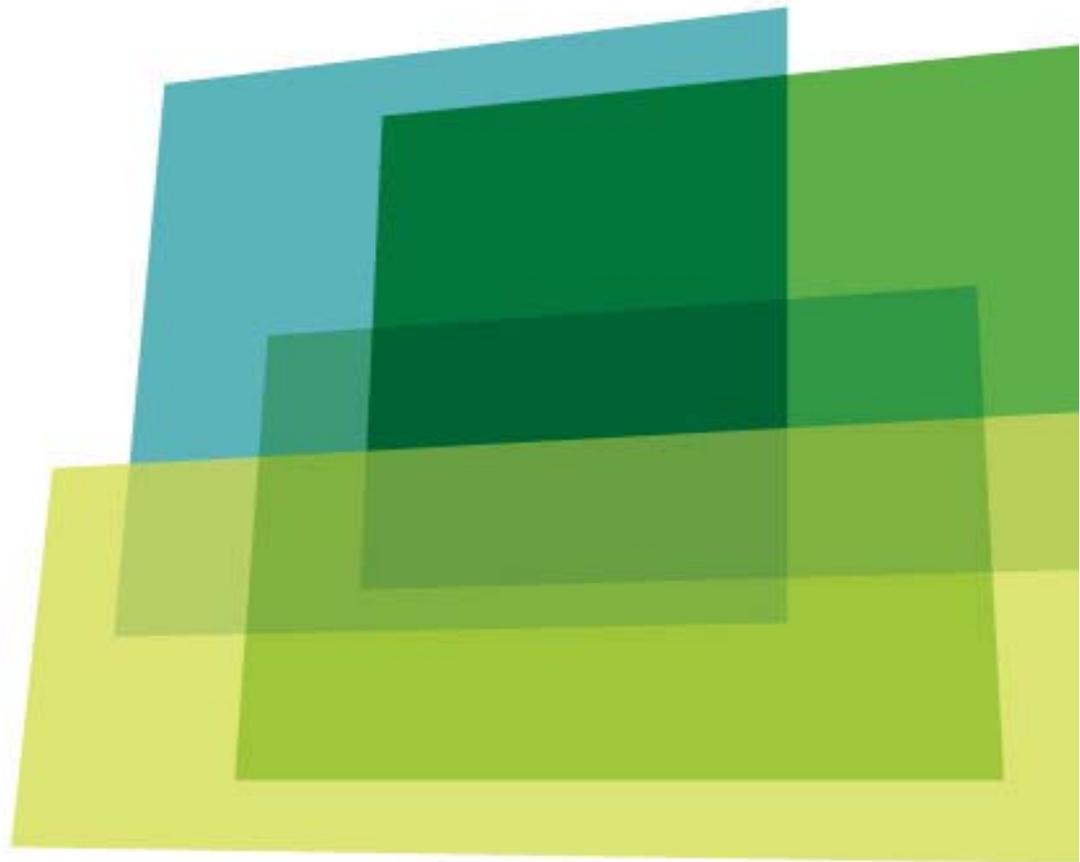


Questions





Resources
Stewart Butel



Wesfarmers Resources



URRAGH

Export metallurgical and domestic steaming coal



Premier Coal

Domestic steaming coal

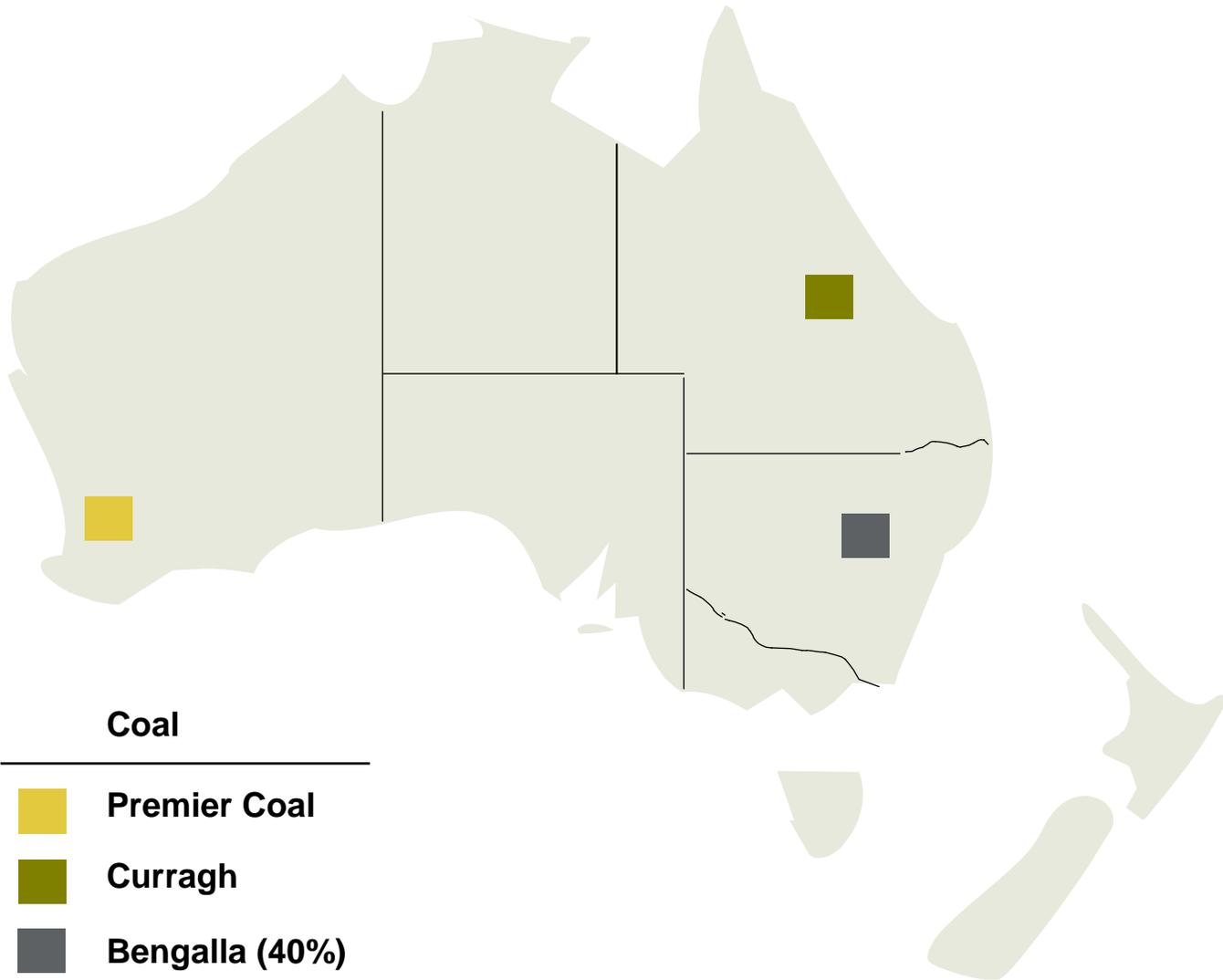


BENGALLA

Export and domestic steaming coal



Wesfarmers Resources locations



660 employees
3 coal mines
24 coal customers

- Coal**
-
-  Premier Coal
 -  Curragh
 -  Bengalla (40%)

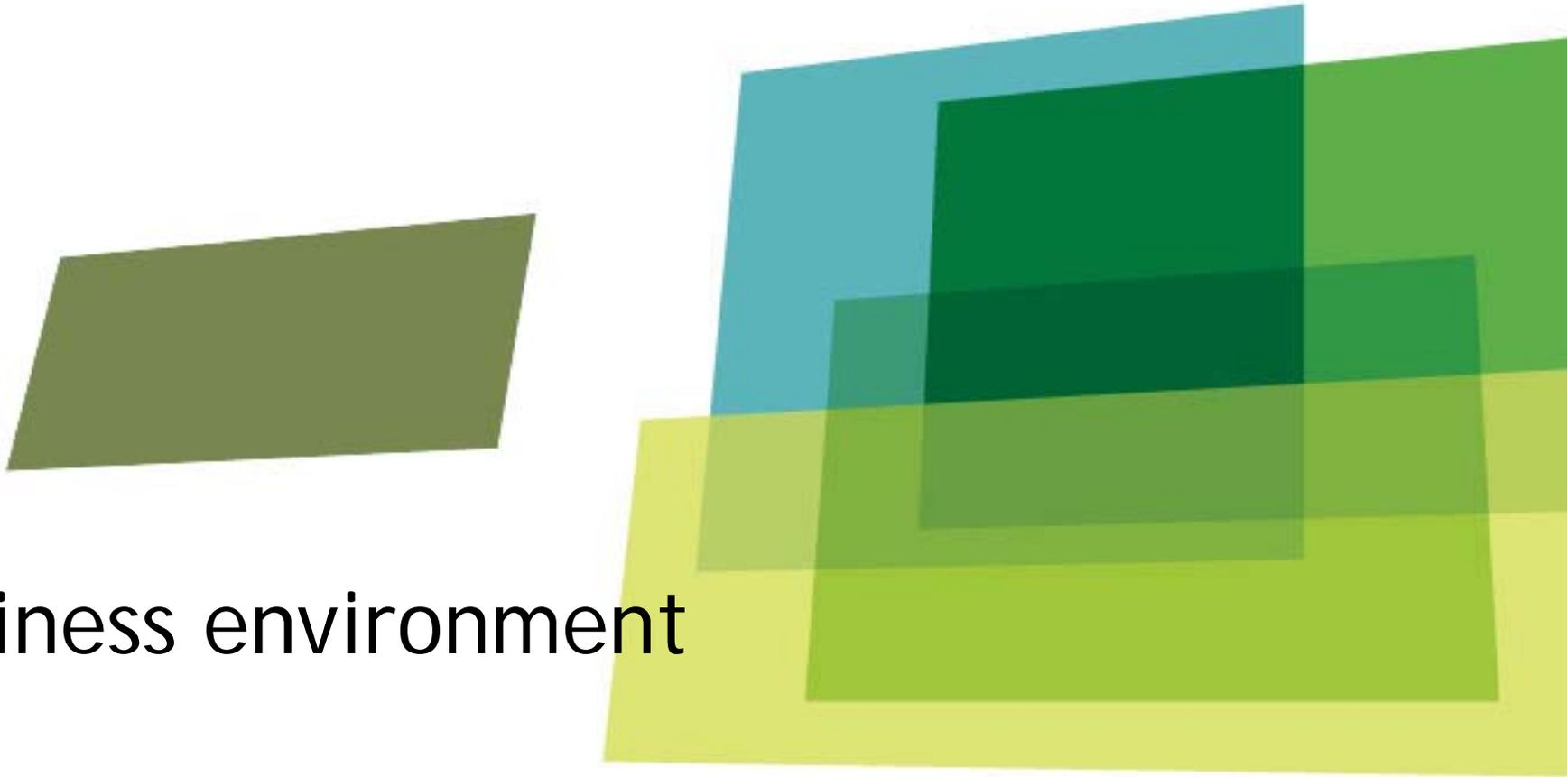


Coal production

Mine	Beneficial Interest	Coal Type	YTD ended ('000 tonnes)	
			Mar 2008	Mar 2007
Curragh, QLD	100%	Metallurgical	4,822	4,843
		Steaming	1,966	1,620
Premier, WA	100%	Steaming	2,213	2,399
Bengalla*, NSW	40%	Steaming	1,529	1,746
Total			10,530	10,608

* Wesfarmers attributable production





Business environment

Industry facing challenges...

- Constrained export coal chain
- Central Queensland flood events (-15 million tonnes)
- Cost increases (opex and capex)
- Strong Australian dollar
- Industry consolidation
- Climate change

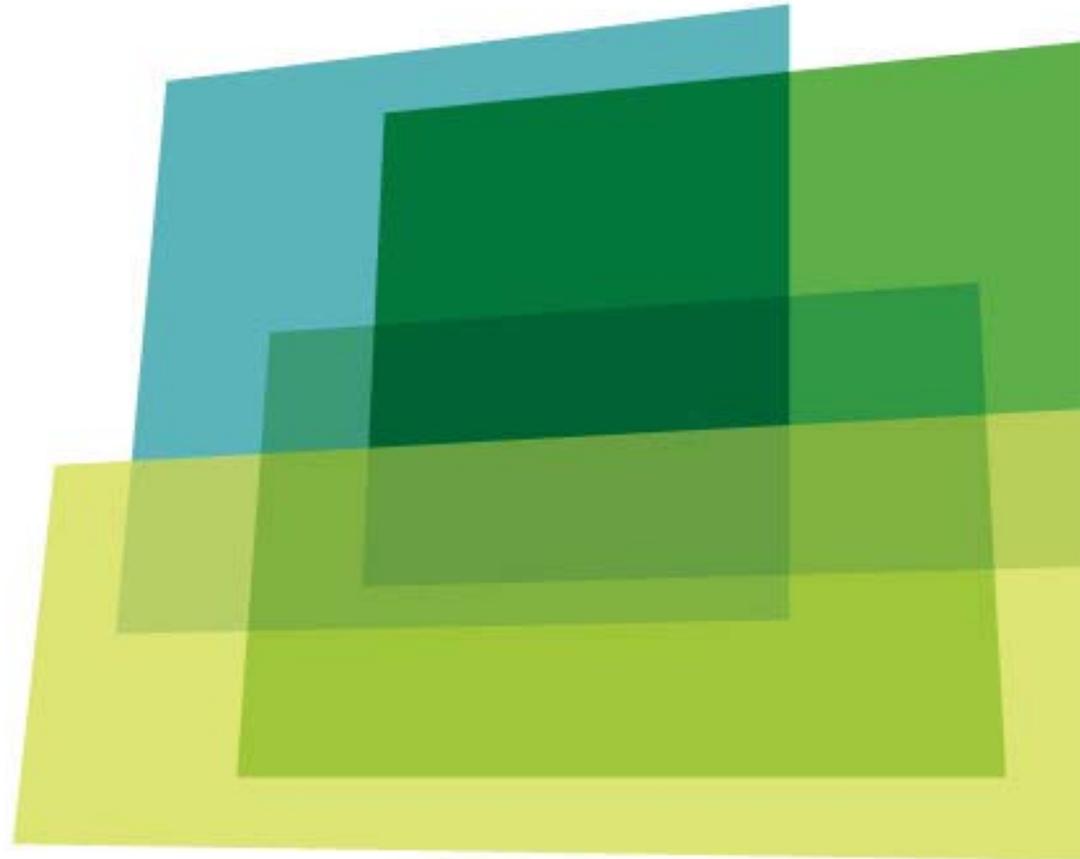
But....

- Strong market fundamentals and customer demand
- Record coal prices
- Feasibility studies to expand Curragh and Bengalla
- Positioned to capitalise as infrastructure constraints lift

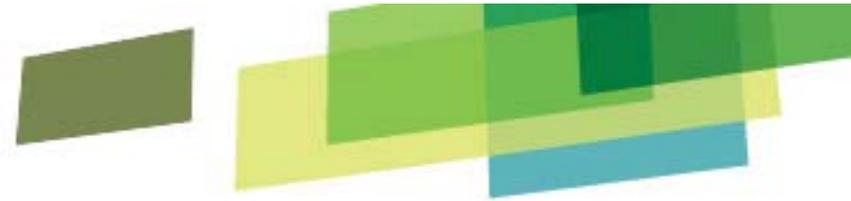




Strategies



Resources strategies



Opportunities / Challenges

2008/09 Strategic initiatives

Strong export customer demand

Maximise export sales
Long-term export contracts in place
Optimise sales mix
Export price relativity

Cost pressures

Cost reduction programmes

Infrastructure constraints

Closely monitor and capture opportunities to export as soon as capacity becomes available

Increase coal production

Curragh feasibility study
Bengalla expansion

Extend product and market reach

Evaluate acquisitions that offer economies of scale or downstream benefits
Steelmaking raw materials

Sustainability

Coal21
Safety and environmental performance



Seaborne metallurgical coal market



CONSTRAINED SUPPLY

Australia rail and port issues

Central Queensland floods

Canada production issues

Polish production problems

Russian rail car shortages

China trend to
reduce exports

**Seaborne Metallurgical
Coal Market**
Low coal stocks
Increasing spot prices

STRONG DEMAND

New high growth markets
Brazil, India

**High levels of
steel production**
Robust steel price \$US700 +

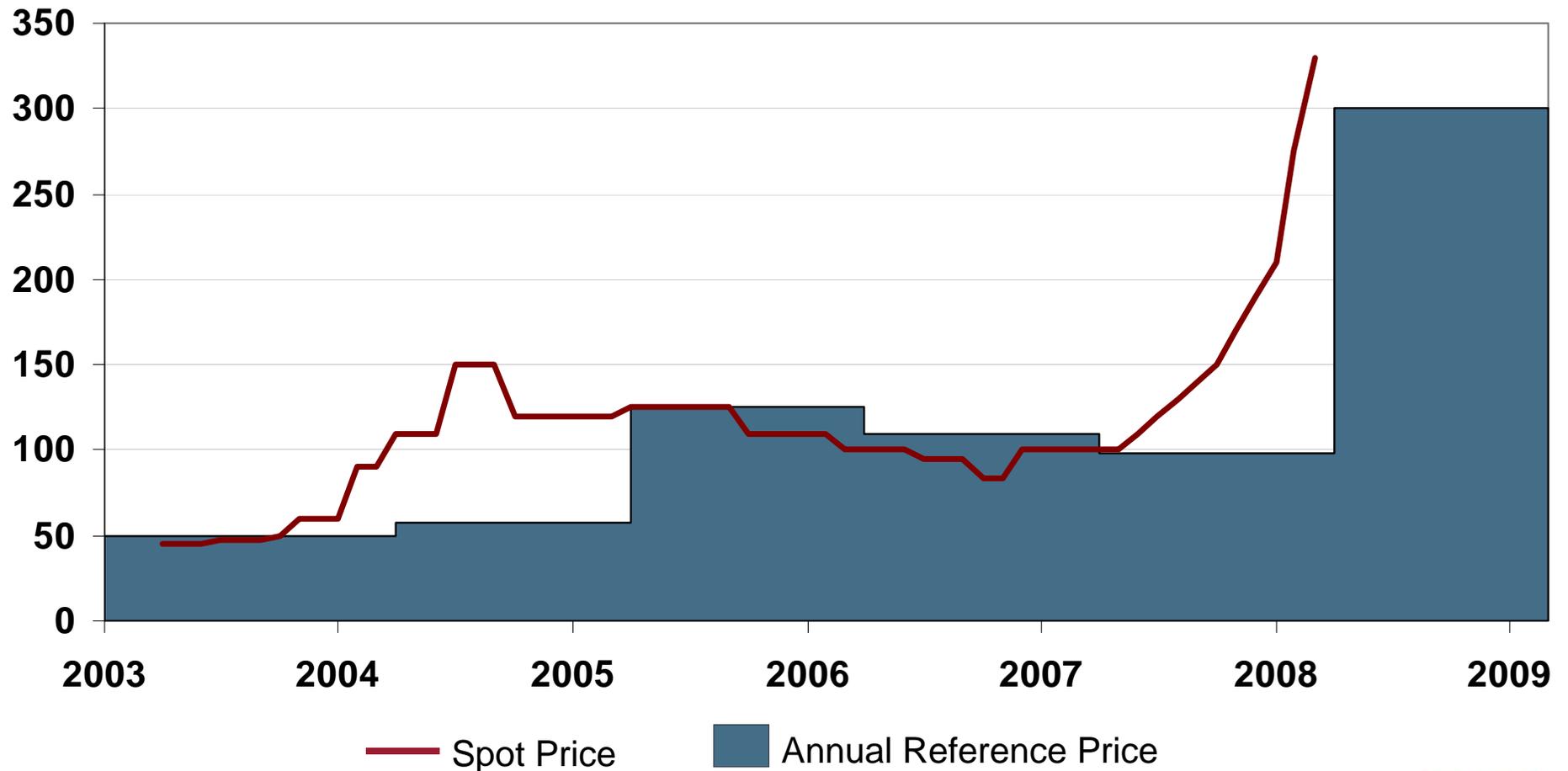
Strong coke demand
Price rise to US\$500+ per tonne
Indian coke makers resume
production

Strong thermal coal price
Price floor for metallurgical coal
US\$120+



Australian hard coking coal prices

US\$/Tonne (Nominal) FOB Australia (annual verse spot)

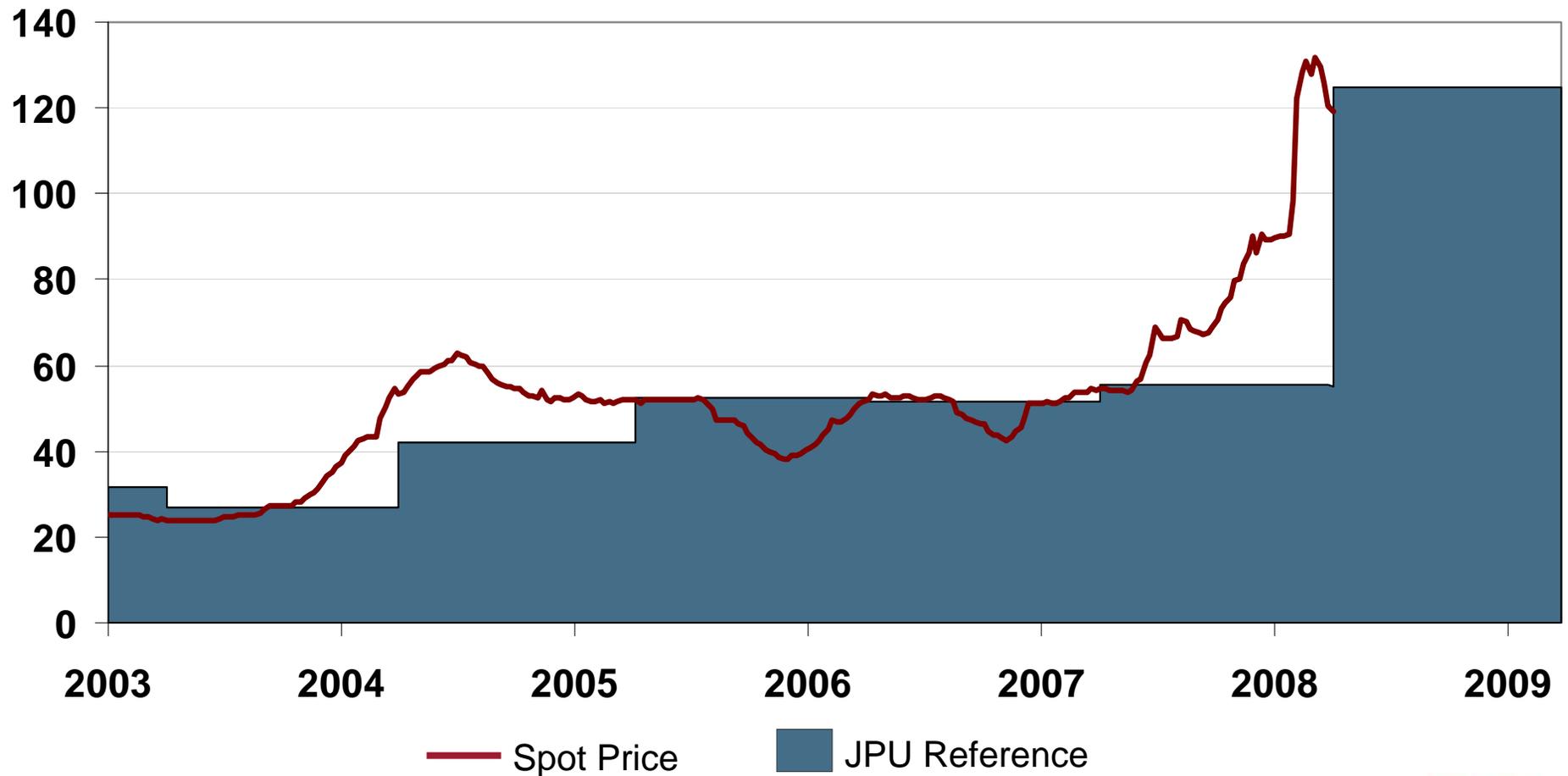


Source: Barlow Jonker, Tex Report, Macquarie Research



Australian steaming coal prices

US\$/Tonne (Nominal) FOB Australia (annual verse spot)



Source: Barlow Jonker, Tex Report, Macquarie Research



Wesfarmers Curragh hedging profile

Year end 31 March	Current proportion of USD revenue hedged	Average AUD/USD hedge rate
2009	80%	0.8206
2010	58%	0.7821
2011	42%	0.7772
2012	24%	0.7785
2013	17%	0.7880

* Calculated using known contract outcomes and long run pricing and volume assumptions

* Further hedging to be undertaken once 2008/09 prices are finalised



Curragh production costs

Year ending March 2008 vs year ending March 2007

- Continued pressure on costs
- Bottom quartile industry cost curve position maintained
- Third quarter 2007/08 costs impacted by flood event

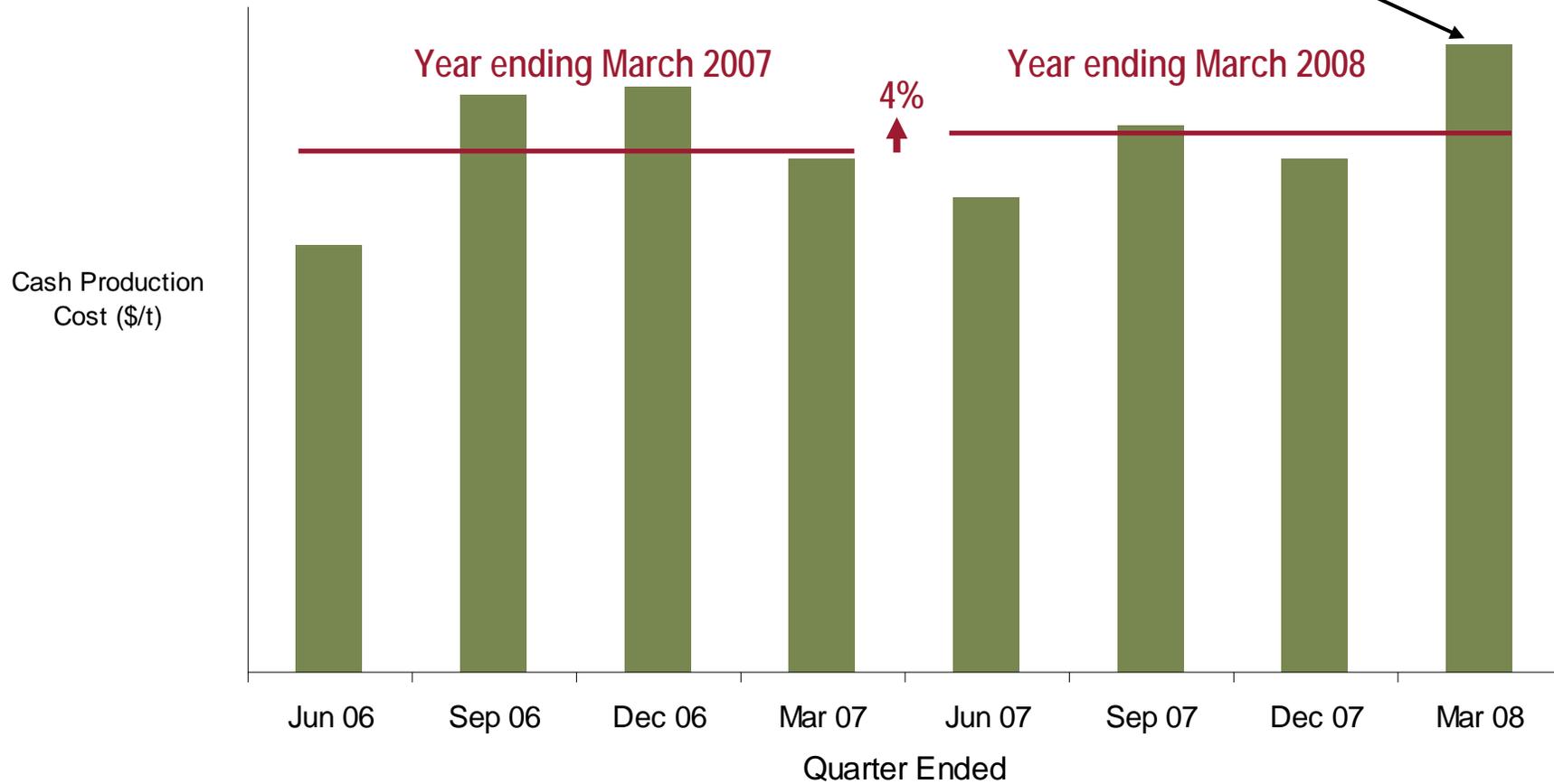
	Increase
Total cash production cost *	4%
Total production volume	1%
Cash production cost per product tonne *	4%

* Excludes Stanwell rebate



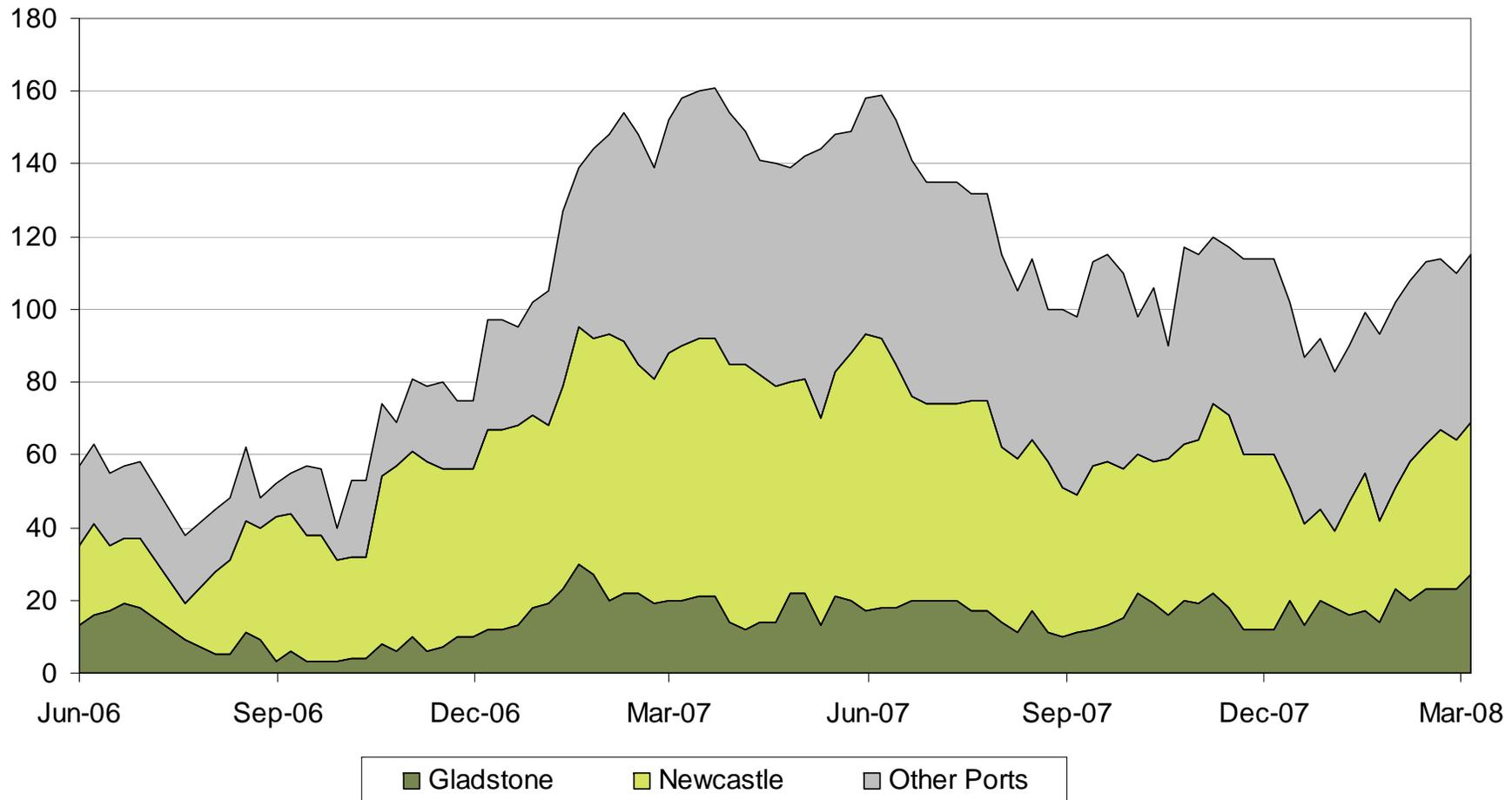
Curragh cash production cost trends

Third quarter 2008 impacted by flood events



Coal port congestion East Coast Australia as at 4 April 2008

No. of ships at anchor



Source: McCloskey



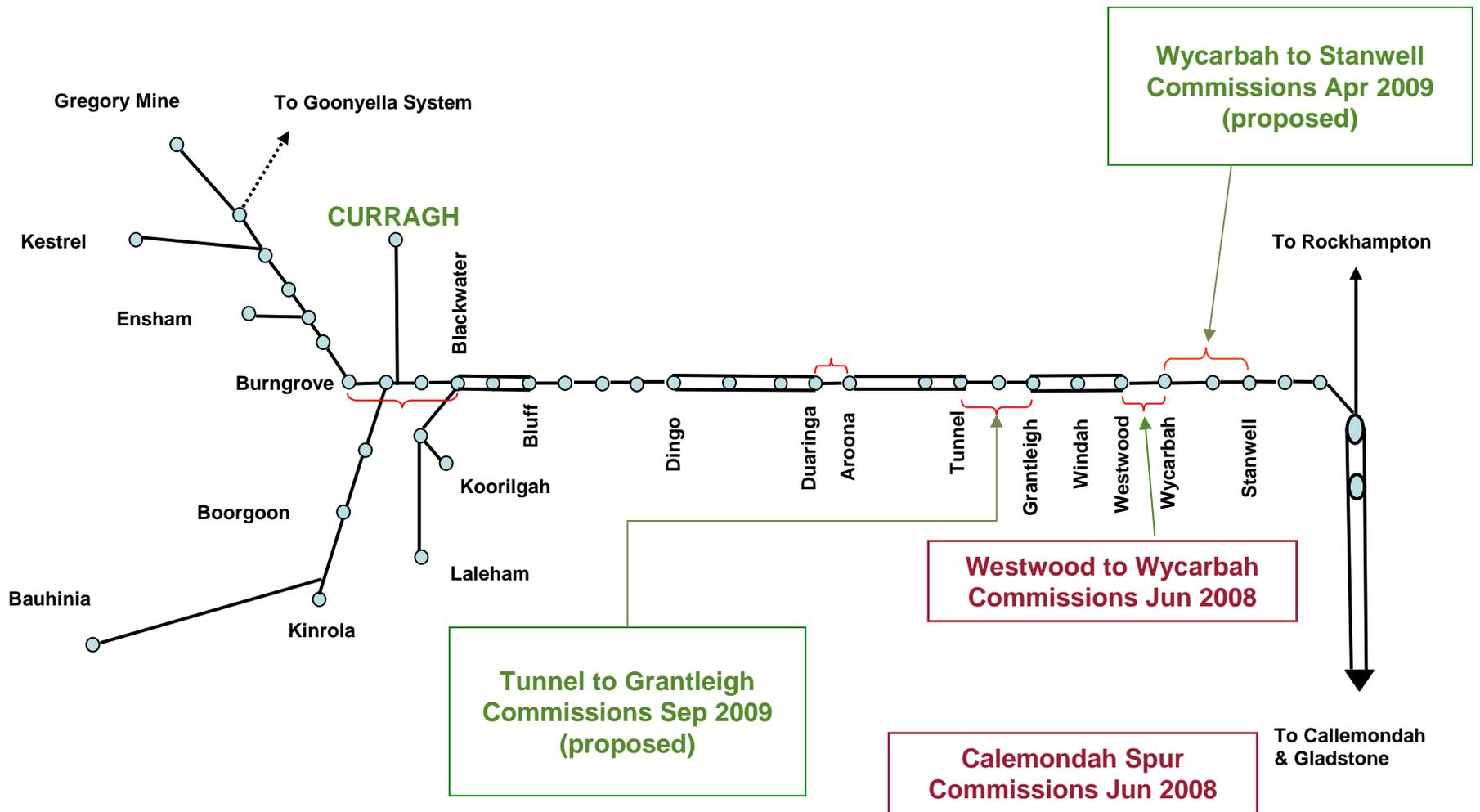
Gladstone Coal Delivery System

Performance update

- Rail impacted by Central Queensland flood event
- Forecast Curragh metallurgical sales 6.1 – 6.5mt in 2007/08
- Forecast ongoing rail constraints into 2008/09
 - Additional below track duplication works
 - Capacity de-rated to about 90 per cent of contract
- Wiggins Island Terminal proposed 2012
 - EIS approval granted
 - Feasibility study through 2008
 - Potential 75mtpa



Blackwater track duplication



Source: Queensland Rail

As at Oct 2007



Newcastle coal delivery system

Performance update



- Restricted system capacity ongoing
 - Large vessel queues and demurrage expense
- Capacity balancing system extended to 31 December 2008
 - Greiner review ongoing
- Nominated export capacity 95mt
 - Demand will exceed this capacity
- Announced port expansions to increase capacity from 2010
 - PWCS 113mtpa
 - NCIG 33mtpa

Source: McCloskey, AME, Barlow Jonker, PWCS, NCIG

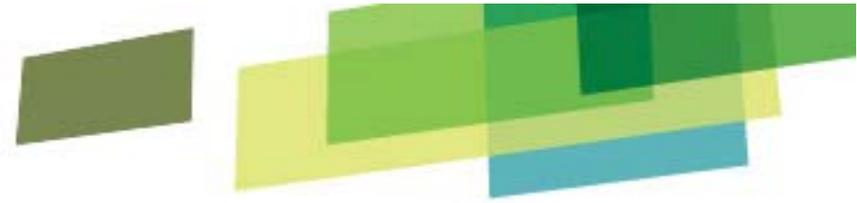


Curragh expansion study

- Feasibility study to expand exports to 8.0mtpa to 8.5mtpa
- Target study completion second half 2008
- Additional export volume in 2010



Bengalla expansion

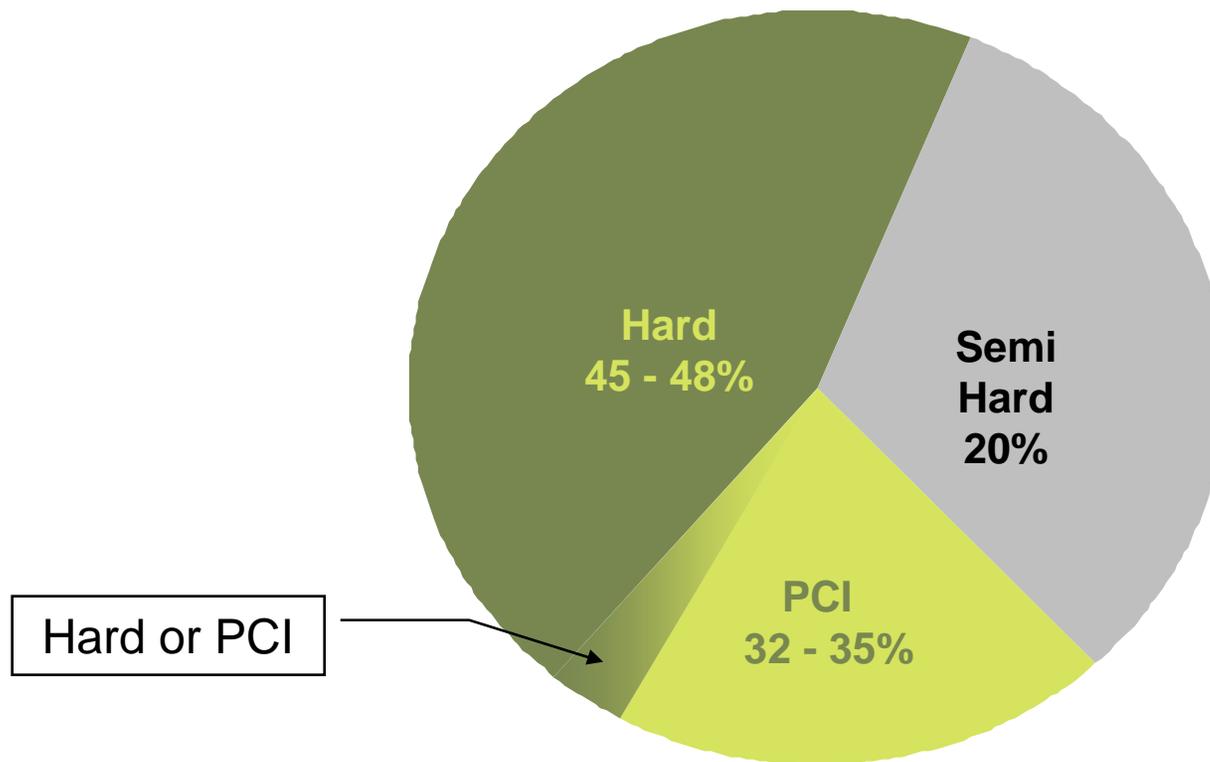


- Development consent approval granted
- Potential expansion from 8.7mtpa to 10.7mtpa ROM
- Expansion timing dependent on infrastructure constraints



Curragh 2008/09 metallurgical Sales mix and volume

2008/09 estimate

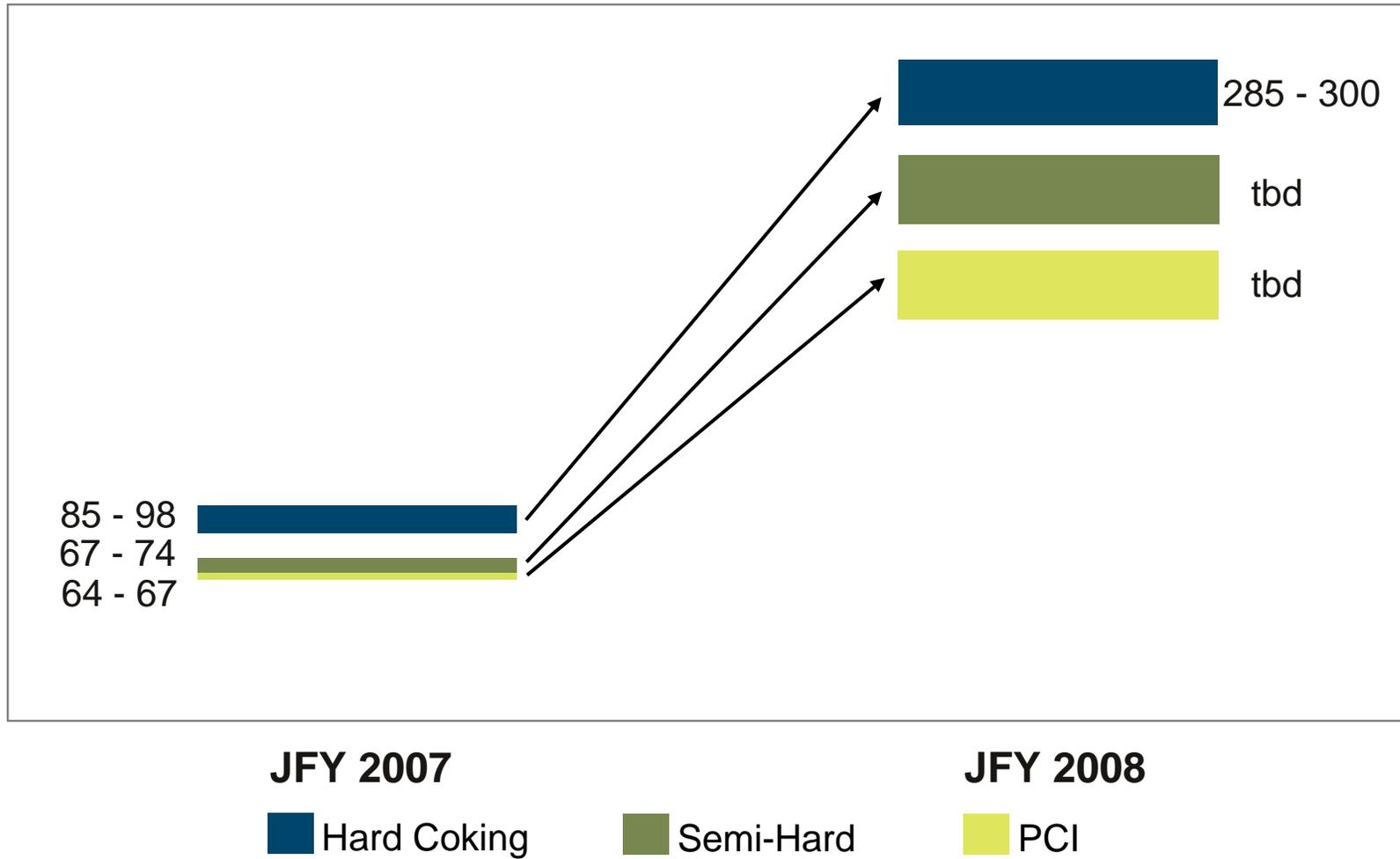


6.5 to 6.9 million tonnes



Metallurgical coal price outcome

US\$ / Tonne FOB



Source: Barlow Jonker, McCloskey, AME, Tex Report



Coal outlook

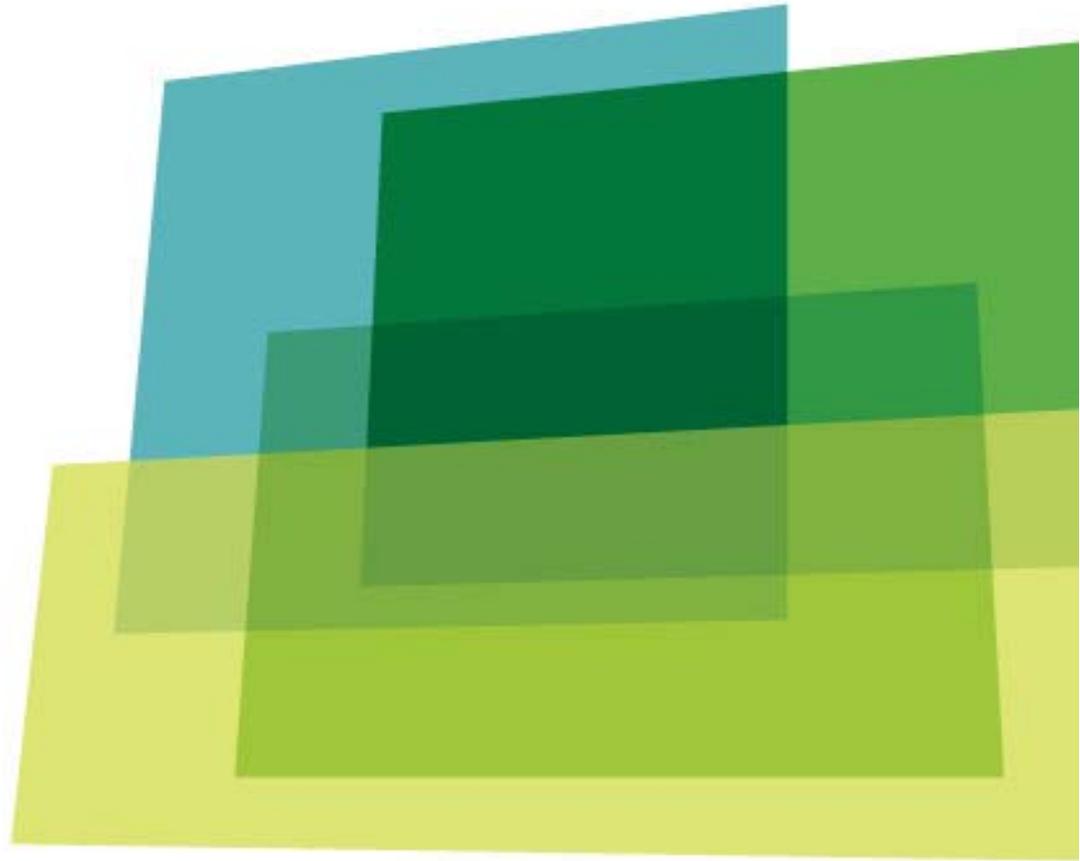
- Strong market outlook for 2008/09
- Constrained export coal chains
- Record coal prices
- Strong Australian dollar
- Industry cost pressures to continue
- Curragh carryover tonnage impact in Q4 2007/08
- Curragh metallurgical sales 6.5 – 6.9mt in 2008/09
- Feasibility studies to expand Curragh and Bengalla
- Significant increase in earnings in 2008/09



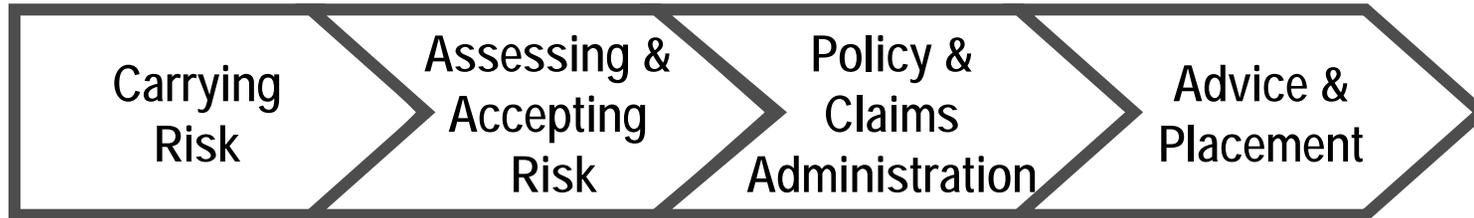


Insurance

Rob Scott



WID Participation in Insurance Sector



Lumley



WESFARMERS FEDERATION
INSURANCE LIMITED



OAMPS



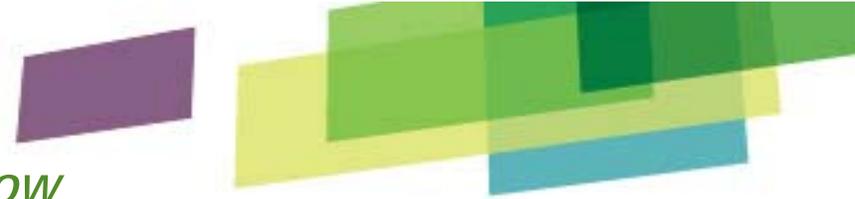
CROMBIE & LOCKWOOD
New Zealand's Insurance Brokers



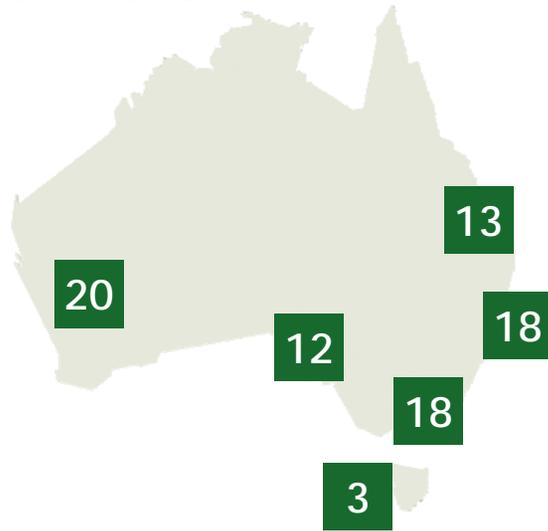


WESFARMERS FEDERATION
INSURANCE LIMITED

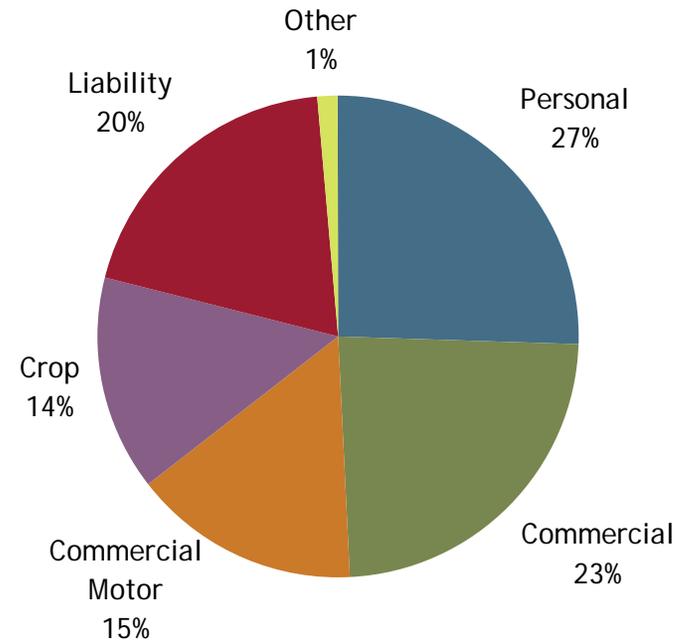
...good people to know



84 Locations



GWP by Class



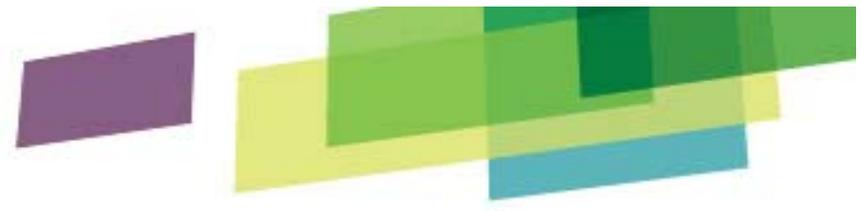
Business areas

- Rural, small business and personal insurance

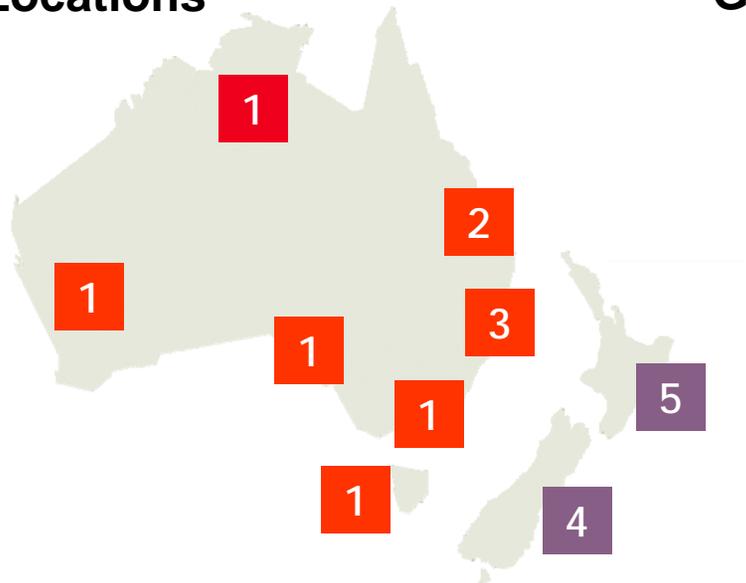
Distribution

- Direct via WFI agents and referral partners

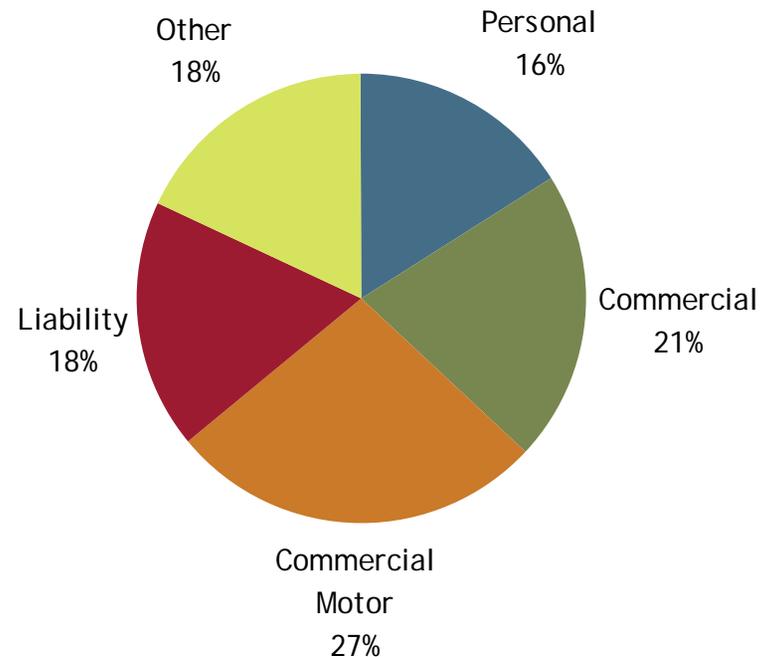




19 Locations



GWP by Class



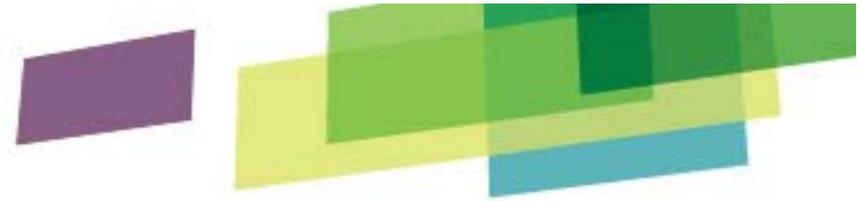
Business areas

- Commercial Motor, Commercial, Engineering, Retail, Marine, Liability

Distribution

- Intermediated - brokers; agencies; affinity groups; alliance partners

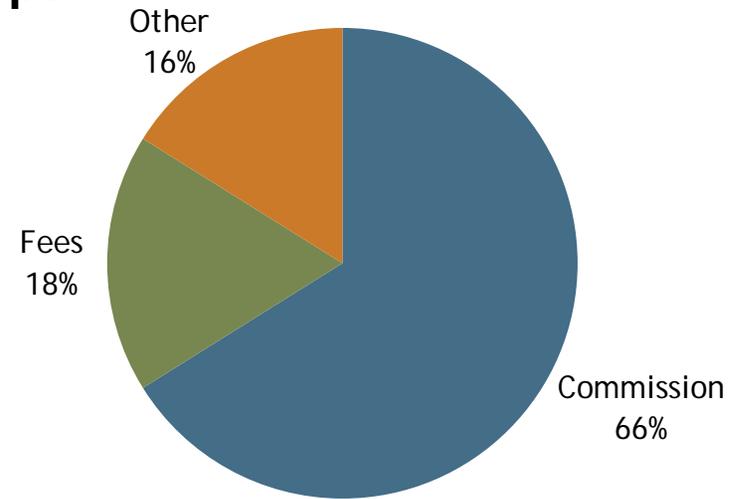




14 Locations



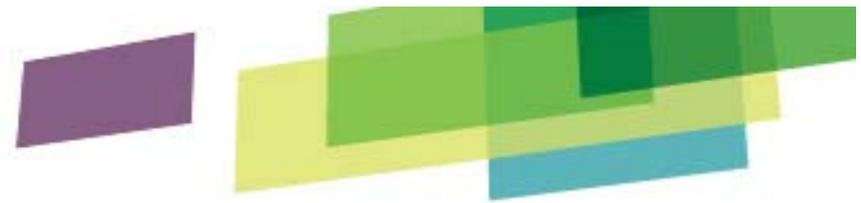
Revenue by Type



Business areas

- General Insurance Broking
- Business insurance
- Schemes for national and regional associations
- Claims management, Premium financing
- Superannuation, Personal lines, Life, disability and health insurance

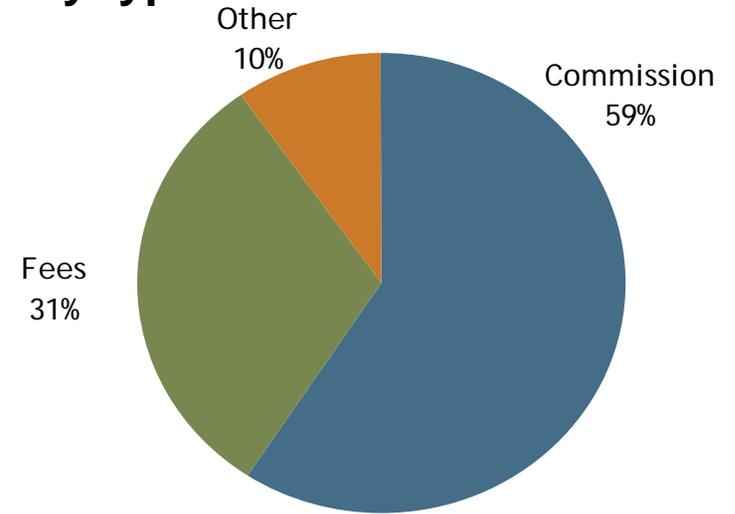




26 Locations



Revenue by type



Business areas

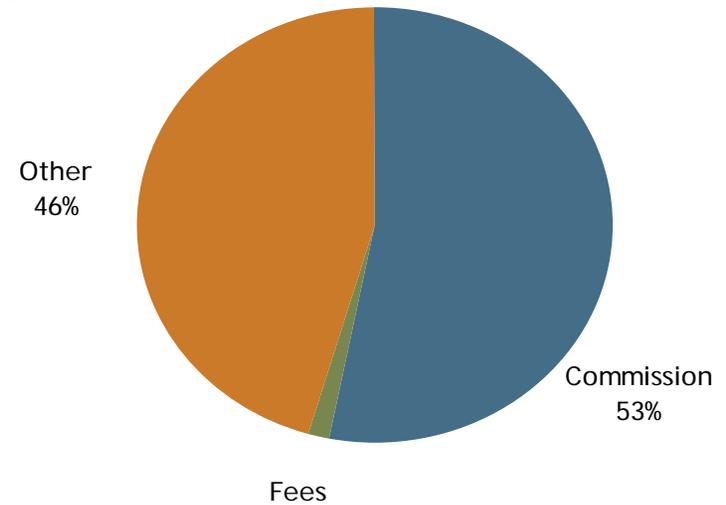
- General Insurance Broking
- Corporate broking and risk consulting
- Business insurance
- Schemes for industry associations
- Financial Management
- Worker's compensation
- Life insurance, Income protection, Superannuation



3 Locations



Revenue by type

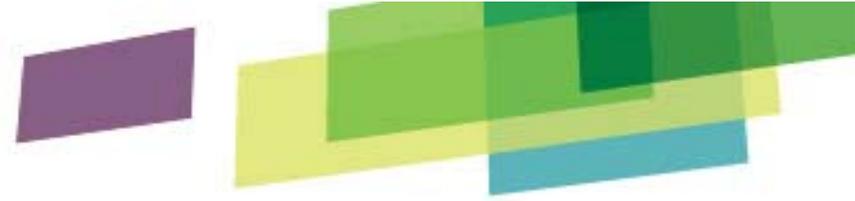


Business areas

- General Insurance Broking
- Business insurance
- Petrochemical scheme
- Transportation
- Environmental management and protection services
- Specialist industry schemes
- Lloyd's broker



Business performance - the year so far (Underwriting)



Business Unit	Details
WFI	Strong crop season Margins maintained Development of YourInsuranceGroup
Lumley Australia	Higher incidence of claims and severe weather events Launch of Lumley Special Vehicles Launch of Lumley Accident and Health Completion of AILL portfolio transfer
Lumley New Zealand	Decline in margins following adverse weather conditions and declining rates Restructure program underway Rate increases commenced New CEO appointed

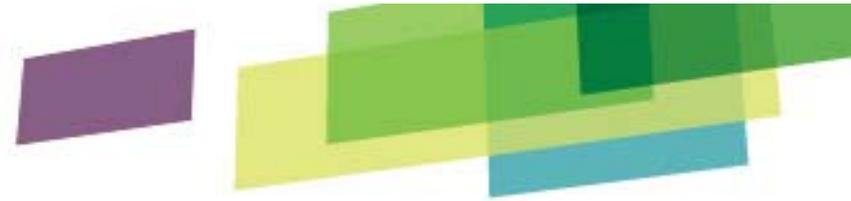
Business performance - the year so far (Broking)



Business Unit	Details
Crombie Lockwood	<p>Earnings growth despite rate reductions</p> <p>Strong retention rates and new business growth</p> <p>New products and affinity schemes</p> <p>Acquisition of Mahony Trendall & Jack</p> <p>Market support for Wesfarmers acquisition</p>
OAMPS Australia	<p>Modest earnings growth</p> <p>Improved terms with key underwriters</p> <p>Several acquisitions completed recently</p> <p>Market support for Wesfarmers acquisition</p>
OAMPS UK	<p>Earnings growth through petrochemical scheme and consulting</p> <p>Strong client demand for environmental consulting</p> <p>Expansion of SME broking</p> <p>Several acquisitions completed recently</p> <p>Market support for Wesfarmers acquisition</p>



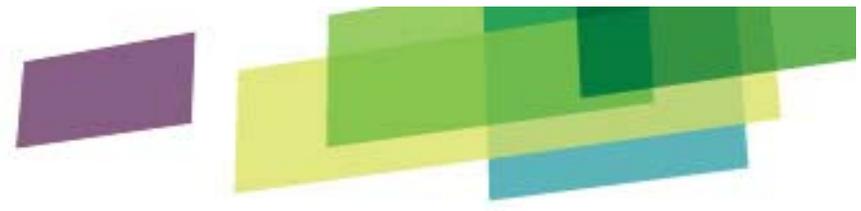
Market Conditions



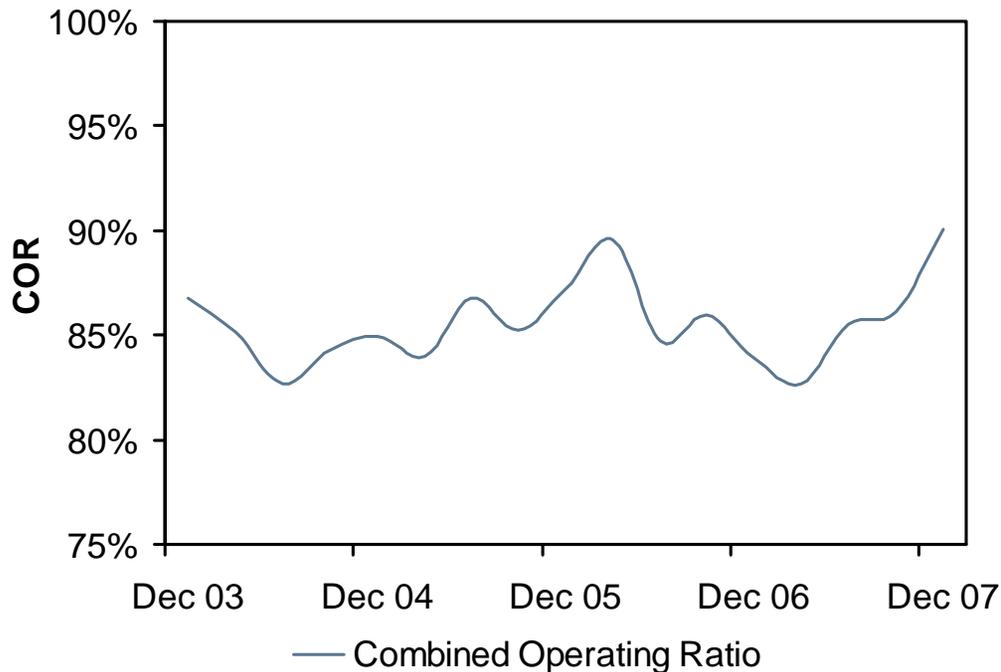
Business Environment	Details
Declining underwriting margins	Declining profitability in commercial and personal lines Releases from CTP and long tail continue to support industry results but diminishing Lower investment returns Recent rate increases in underperforming classes
Rate increases in NZ	Rate increases in motor and personal lines Other classes showing positive signs of hardening
Claims experience above average	Adverse weather events in Australia & New Zealand Wetter weather (La Niña) impacting motor claims Skill shortage affecting engineering claims
Consolidation of brokers/distribution	Small but steady stream of brokers seeking exit Scale efficiencies for larger groups

Market Conditions

- Industry and Competitor performance

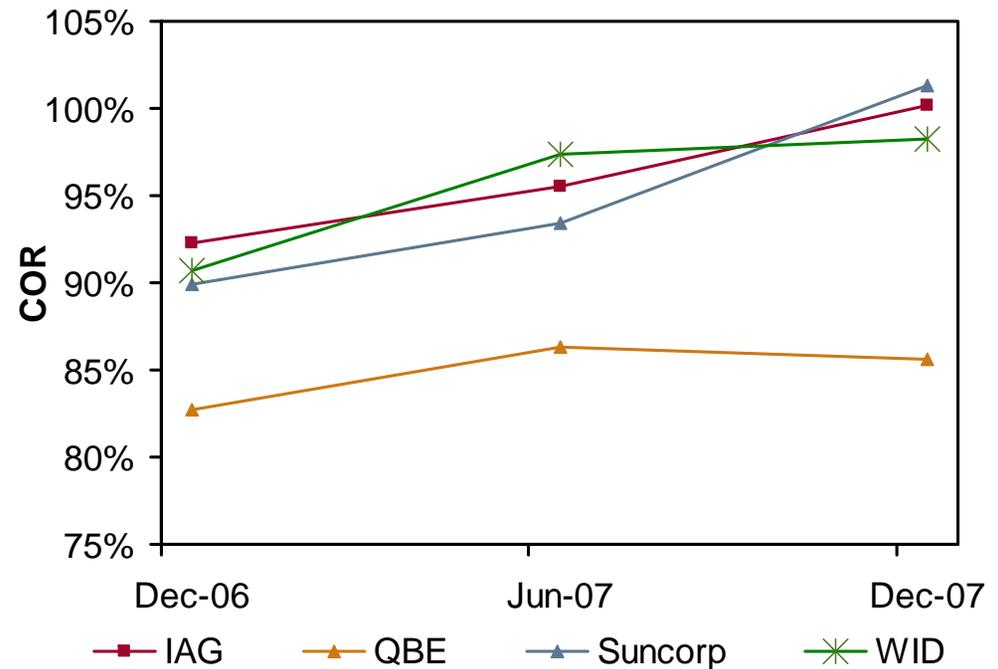


Industry COR



Source: APRA Industry Quarterly Statistics

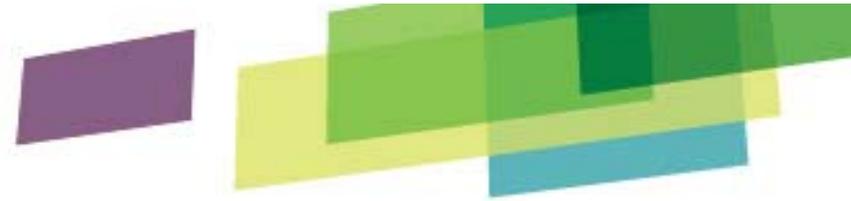
Major Insurer COR



Source: Annual Reports made publicly available from each company



Divisional strategies



Opportunities / Initiatives

Details

Building the best team

Enhance learning and development capabilities

Innovation program to be launched across all businesses

Senior IT, Actuarial and Financial Services appointments

New CEO Lumley NZ

Leverage distribution network

Expand financial services offering

Develop alternative distribution channels (Retail)

Acquisition opportunities

Continue to selectively evaluate broking and underwriting opportunities

Divestment of Koukia (non core business)

Insurance Broking strategies



Opportunities / Initiatives

Details

Business improvement

Collaboration between OAMPS and Crombie Lockwood
Process and systems alignment
Broker sales performance and remuneration

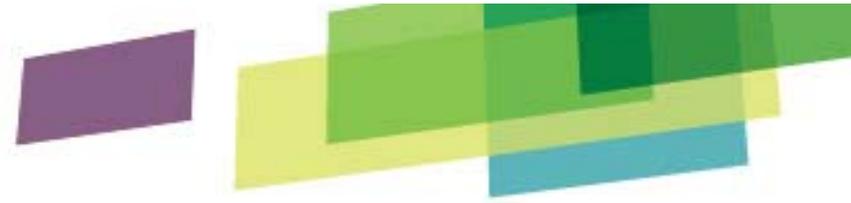
Acquisitions

Continue broker acquisition program
Economies of scale for larger brokers

New Business

Expansion of ancillary earnings
- Life, income protection, premium funding
Expand scheme and affinity business
Risk management services for SME market (Safety Assist)

Underwriting strategies



Opportunities

Details

Business improvement

Australian license/capital consolidation
Systems alignment and upgrade
Enhanced focus on risk selection

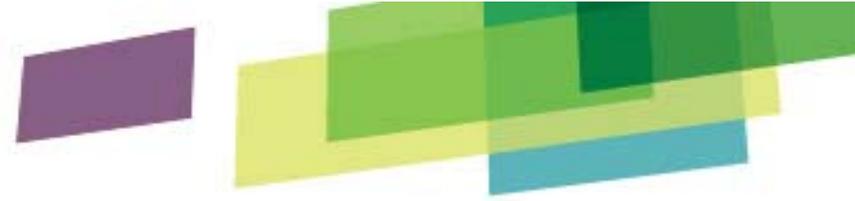
Capital

Strengthen MCR to achieve A- ringfencing
Diversification benefits from license consolidation

New Business

YourInsuranceGroup
Retail distribution opportunities
Lumley Special Vehicles and Accident & Health

Outlook 2008

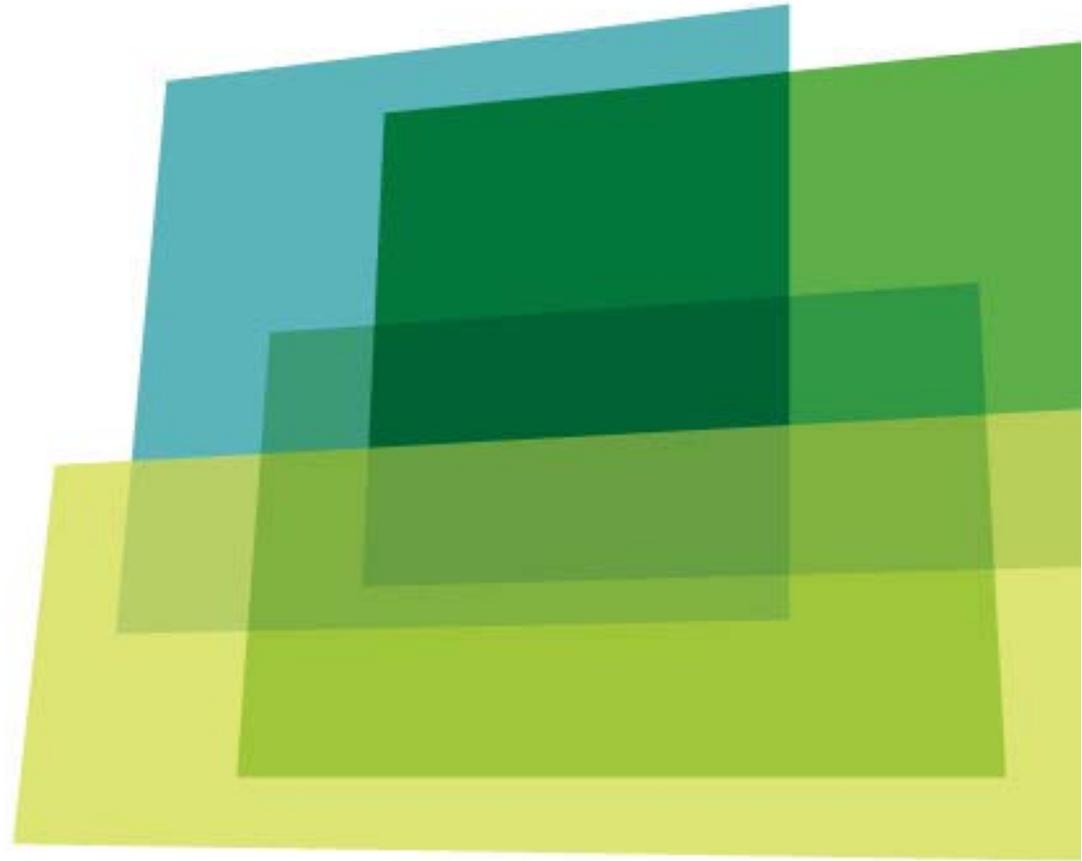


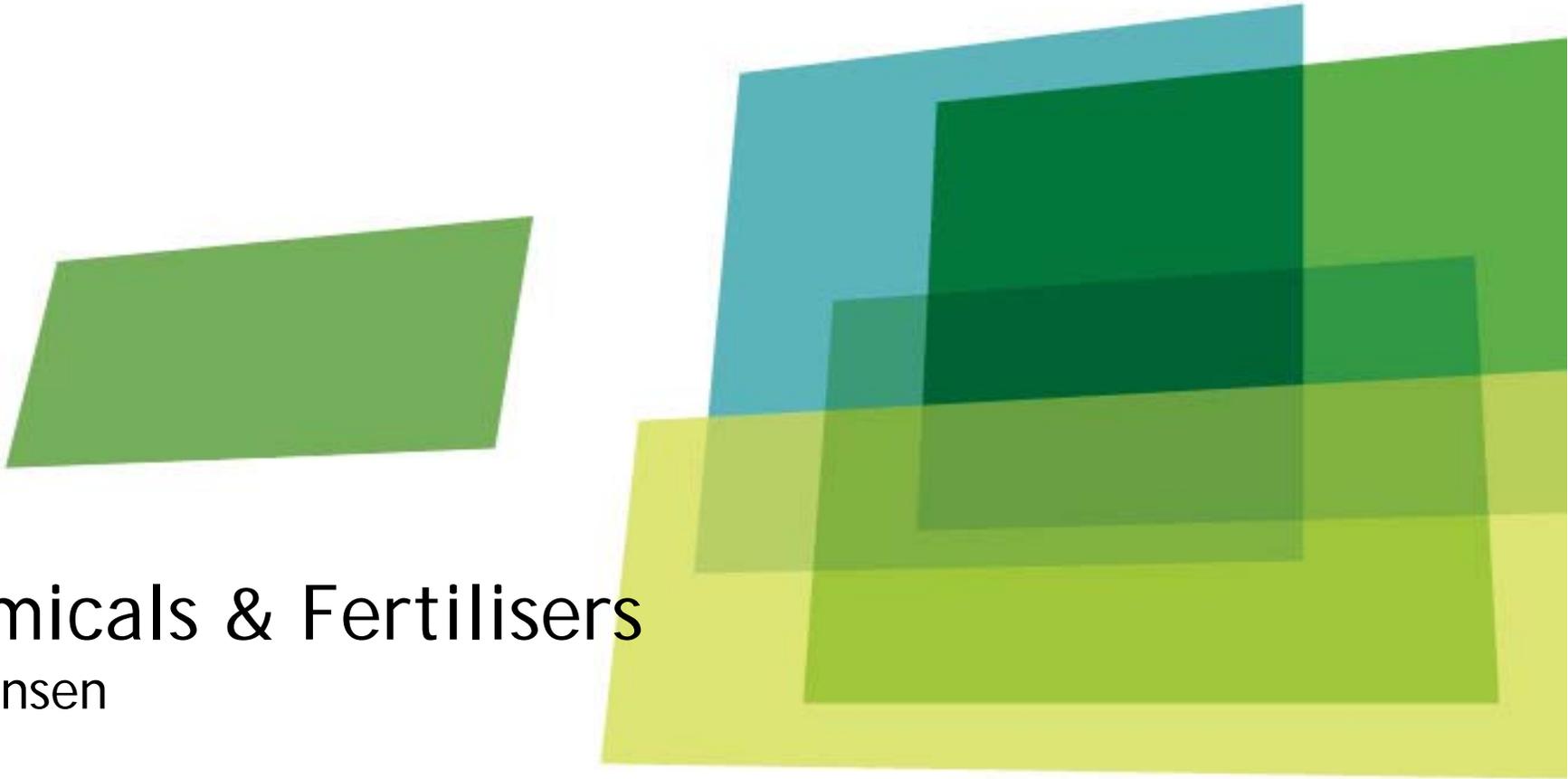
- Underwriting margins approaching trough
 - Cumulative affect of rate reductions in recent years
 - Significant weather events and La Niña
- Poor equity returns and declining industry reserves to promote hardening
- Recent rate increases to have limited affect on 2008 earnings
- WID protected from equities market due to conservative investment strategy
- Turnaround in Lumley NZ on track
- Opportunities for process efficiency in Underwriting and Broking
- Leverage divisional and group distribution platforms
- Further bolt on acquisitions in insurance broking





Questions





Chemicals & Fertilisers

Ian Hansen

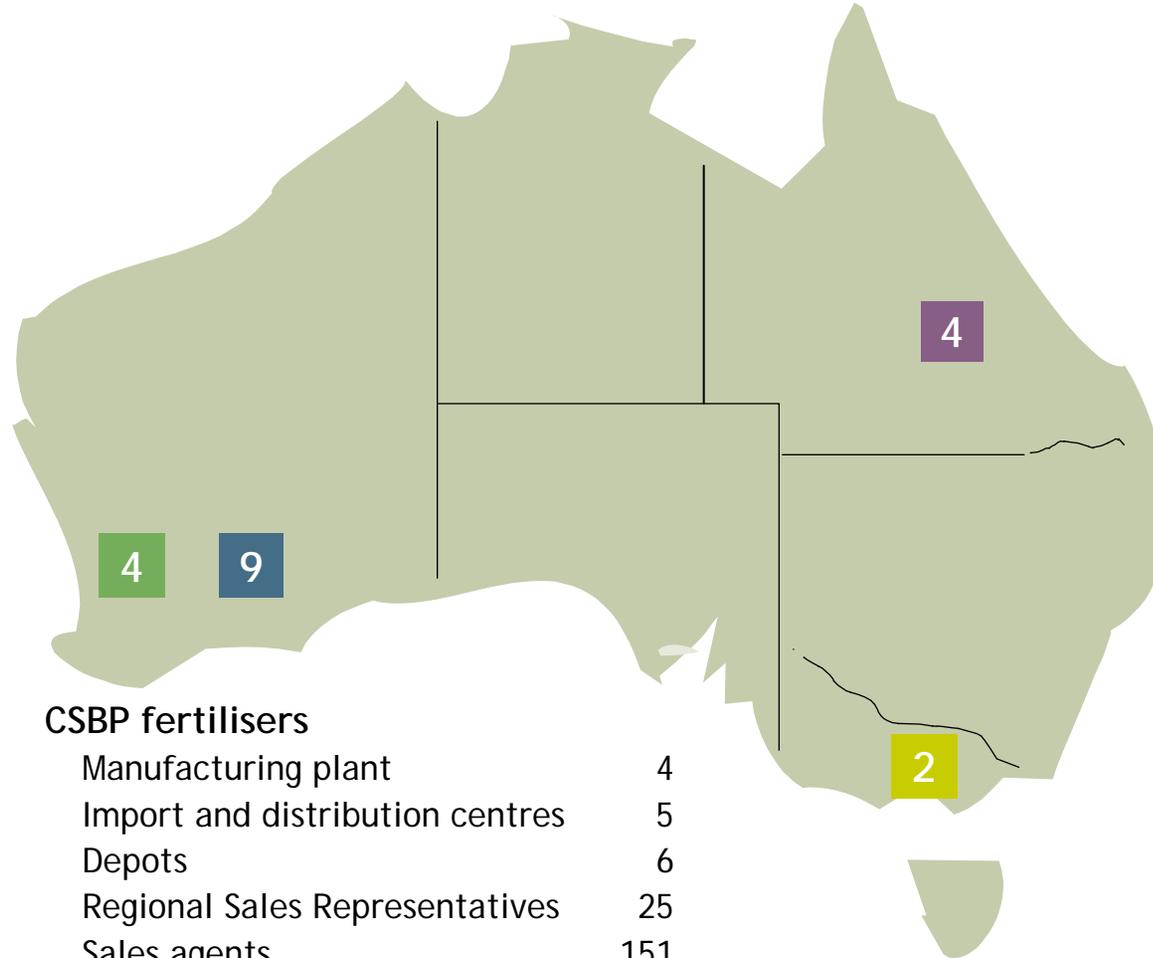


Chemicals & Fertilisers - Overview

	Business	Geography	Sector	Key Customers
	Ammonia	WA	Nickel	BHP, Minara
	Ammonium Nitrate	WA	Iron Ore	Orica, Dyno Nobel, Rio Tinto
	Ammonium Nitrate	Qld	Coal	BMA, AngloCoal, Rio Tinto
	Sodium Cyanide	WA/Global	Gold	Newmont, Barrick, AngloGold
	PVC Resin / Specialty Chemicals	Vic/Aust	Construction	Iplex, Vinidex
	Fertilisers	WA	Agricultural	AWB Landmark, Elders



Chemicals & Fertilisers - Locations



■	CSBP fertilisers	
	Manufacturing plant	4
	Import and distribution centres	5
	Depots	6
	Regional Sales Representatives	25
	Sales agents	151
■	CSBP chemicals	
	Manufacturing plants	9
■	AV Manufacturing plants	2
■	QNP (50%)	
	Manufacturing plants	4

730 employees
 300 chemical customers
 2 major fertiliser distributors servicing over 5,000 farmers
 19 operational manufacturing plants



Positioning

- No 1 or strong No 2 in geographic market
- Cost competitive
- Reliable, reputable manufacturer and supplier
- Supply essential inputs to customer's activities (difficult to substitute)
- Leverage manufacturing, distribution and B2B strengths
- Value add services (sodium cyanide, PVC resin, fertilisers)
- Product development (PVC resin, fertilisers)



Chemicals



Ammonium Nitrate (WA)

- Growing demand
- New capacity + 235,000 tpa; total 470,000 tpa
 - AN solution February 2008
- Replacement prill plant 350,000 tpa
 - commissioning May 2008
- Short term increase in existing prill capacity
- Manufacture of liquid fertilisers using AN
- Commenced feasibility to debottleneck Kwinana facility > 470,000 tpa



QNP - 50%

- Strong demand for AN from Bowen Basin coalfields
- Integrated ammonia/NA/AN/prill plant – 180,000 tpa capacity
- Upgrade to 210,000 tpa during major shutdown in Sept 2008
 - offtake arrangements secured
 - capex ~ \$20 million



Ammonia (WA)

- Strong demand – internal and external
- Long term external contracts
 - approximately 35% of production capacity
- Ongoing incremental capacity improvements
 - additional 10% since commissioning in 2001
- Importing 100,000 tpa to feed expanded AN capacity



AGR (Sodium Cyanide)

- Strong demand driven by gold price
- Solution capacity ~ 57,000 tpa; solid capacity ~30,000 tpa (export)
- 6,000 tpa solution expansion due late 2008 to supply Boddington Gold Mine; capex ~ \$15 million
- Export earnings constrained by high exchange rate



Australian Vinyls

- Positive outlook for PVC
- 140,000 tpa PVC resin capacity
- Short term issue with a control system upgrade in March/April
- Exploring plant upgrade / debottleneck opportunities
- Post acquisition integration completed
 - Ongoing integration opportunities being pursued as identified

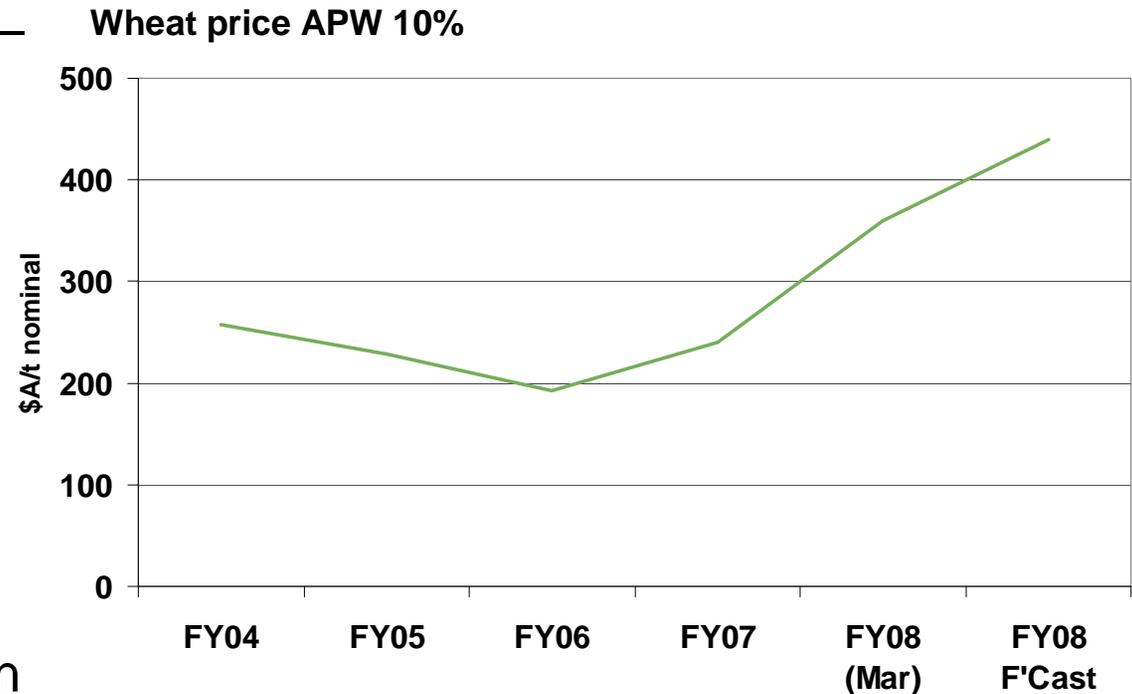


Fertilisers



Fertilisers

- Difficult seasonal conditions – last 2 successive years
- Significant increase in global fertiliser prices
- Good outlook for cropping customers due to high commodity prices
- Sales to March 08 up 18 per cent on comparative period in FY 2007



Sources:
ABARE Australian Commodities March quarters;
ProFarmer Vol 16 no. 4 2008



Fertilisers

- Continued liquid fertiliser growth strategy
 - investment in regional production capacity
 - displace imports using locally produced AN
- Identify opportunities to move cost from fixed to variable
- 2007/08 earnings dependent on opening and ongoing winter rainfall



Progress on strategies - Chemicals

Strategic initiatives		Comment
Maintain and grow AN business	✓ ✓	<ul style="list-style-type: none">• Kwinana duplication (+235,000 tpa)• Upgrade of QNP (+30,000 tpa) underway
Improve performance of sodium cyanide business and identify growth opportunities	✓ ✓ WIP	<ul style="list-style-type: none">• Focus on plant performance achieving better output• \$15 million expansion underway• Investigating further growth opportunities

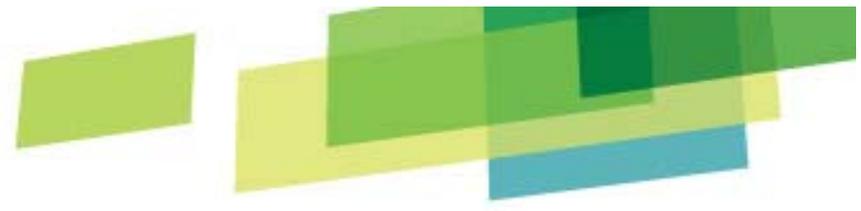


Progress on strategies - Fertilisers

Strategic initiatives		Comment
Continue to develop liquid fertilisers	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> • Ongoing product development • Local manufacture from Feb 2008 • Expanded regional manufacturing capability (Geraldton, Kwinana, Esperance) • Continued strong marketing
Optimise cost and capital	<ul style="list-style-type: none"> ✓ WIP ✓ 	<ul style="list-style-type: none"> • Improved inventory management – 10% reduction in inventory capital (R12) • Shift fixed cost to variable • Expense management – reduction
More tailored market approach	<ul style="list-style-type: none"> WIP WIP WIP 	<ul style="list-style-type: none"> • Upgrade of business (IT) systems • Improved market analysis • Ongoing product development



Progress on strategies - General



Strategic initiatives	Comment	
Identify and evaluate growth opportunities	WIP ✓ ✓	<ul style="list-style-type: none"> • Sectors undergoing significant change • AV acquisition • Dedicated Business Development team
Improved capabilities and people development	WIP ✓ ✓ WIP	<ul style="list-style-type: none"> • Upgrade business systems • Improved training and safety focus • Compliance & Reliability departments • Cultural development & diversity programme
Sustainability	WIP WIP	<ul style="list-style-type: none"> • Finalise sustainability framework • Management of legacy issues



Outlook

Chemicals

- Continued strong demand from resources sector
- Nitric acid/AN commissioned in February
 - new prill plant due May/June
 - feasibility study into debottlenecking options for increased capacity
- Debottlenecking of Sodium Cyanide and QNP capacities

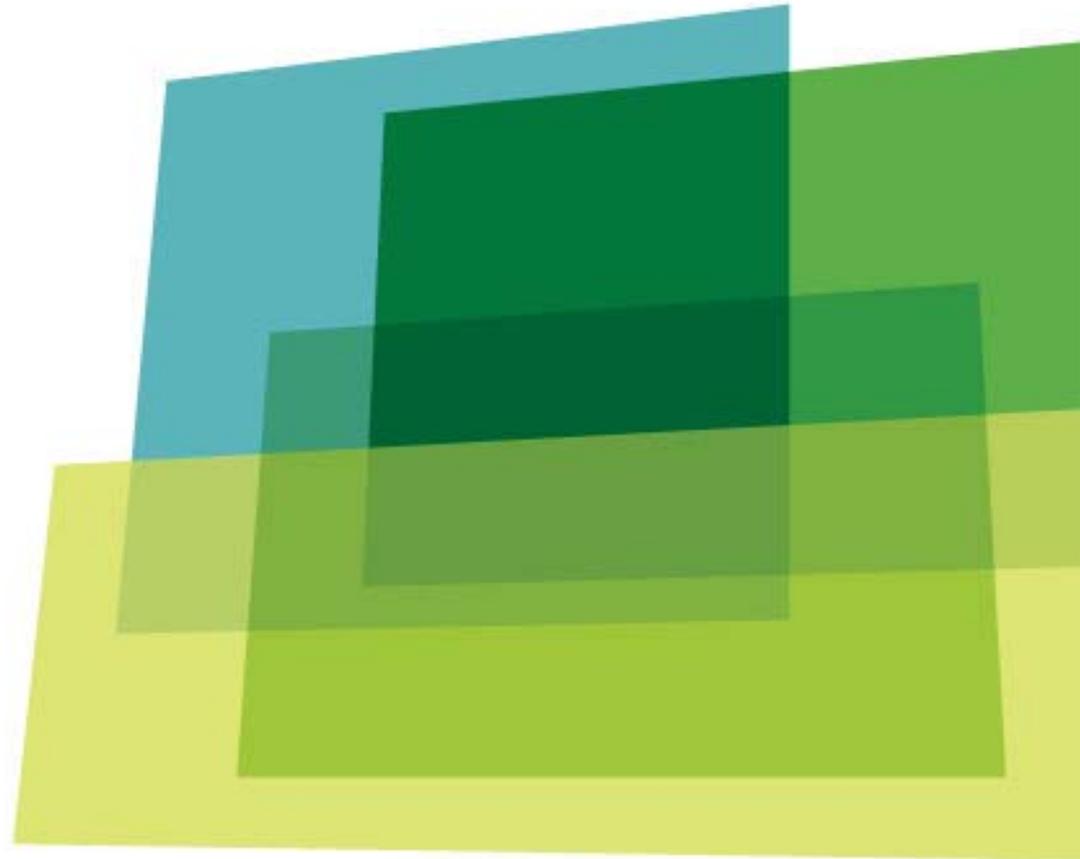
Fertilisers

- Seasonal factors over next 2 months critical for 2007/08 result

Corporate

- Continue to focus on safety, people, sustainability and growth



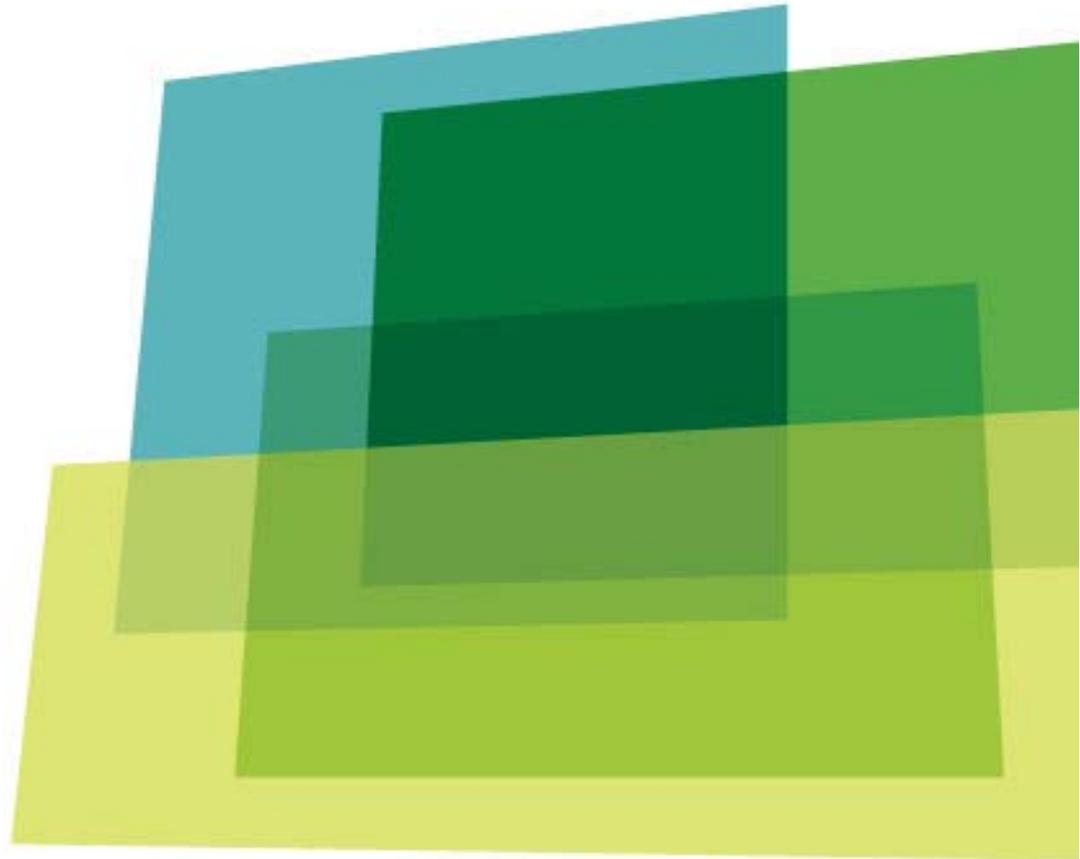


Questions



Industrial & Safety

Olivier Chretien



Our business portfolio

Australia

"All your workplace needs"



Safety
Specialisation



Industrial
Specialists



New Zealand

Blackwoods Paykels
NZ'S LARGEST RANGE OF ENGINEERING SUPPLIES AND TECHNICAL SERVICES



Group Support Services



A total of 244 branch locations

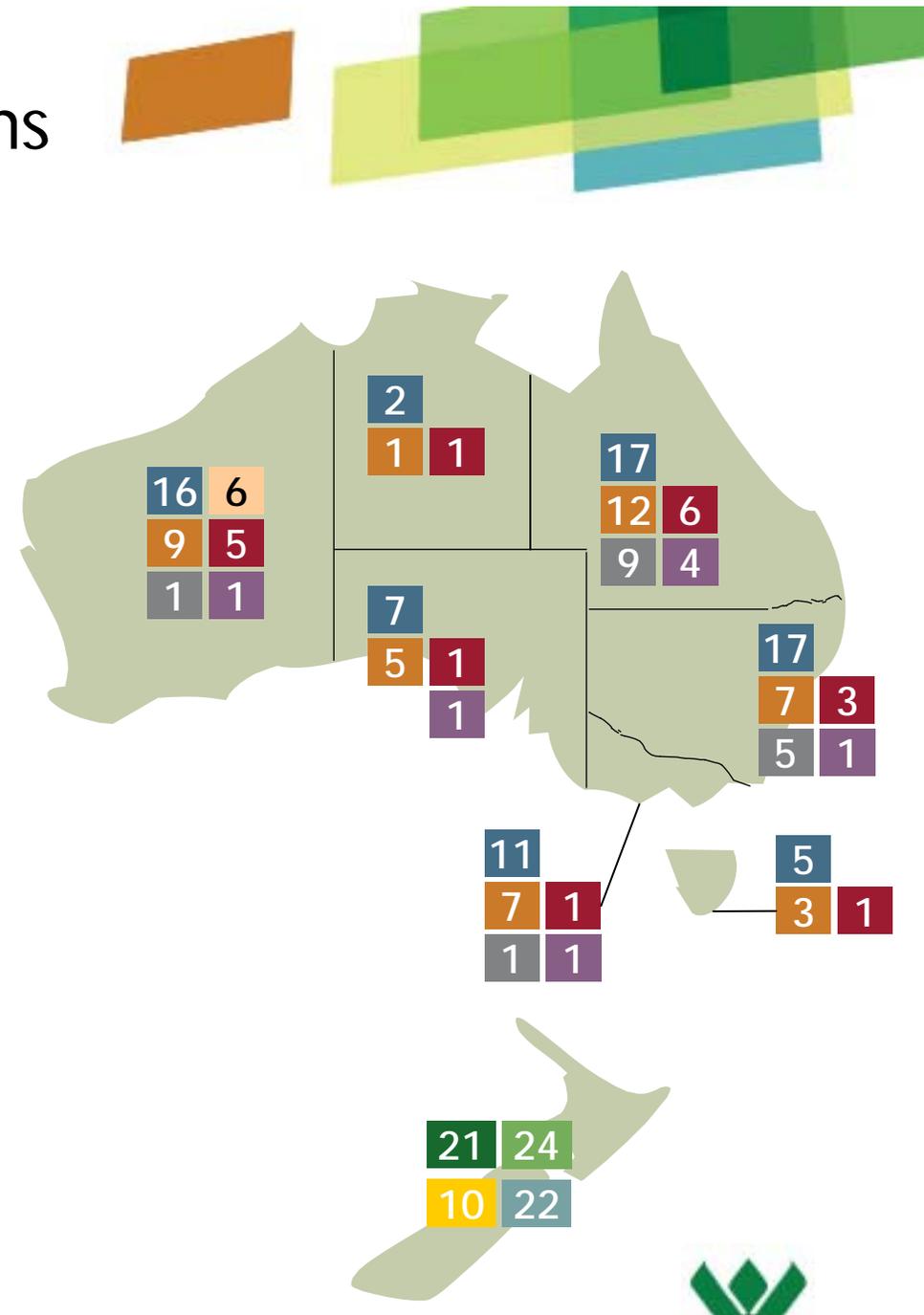
167 in Australia, 77 in New Zealand

Australia No.

		75	MRO, "All your workplace needs"
		6	Electrical
		44	Safety
		18	Materials handling, lifting, rigging
		16	Fasteners
		8	Engineering

New Zealand No.

		21	MRO, hose, conveyor
		24	Safety
		22	Safety
		10	Packaging, hygiene



As at 1 March 2008

Trading Update

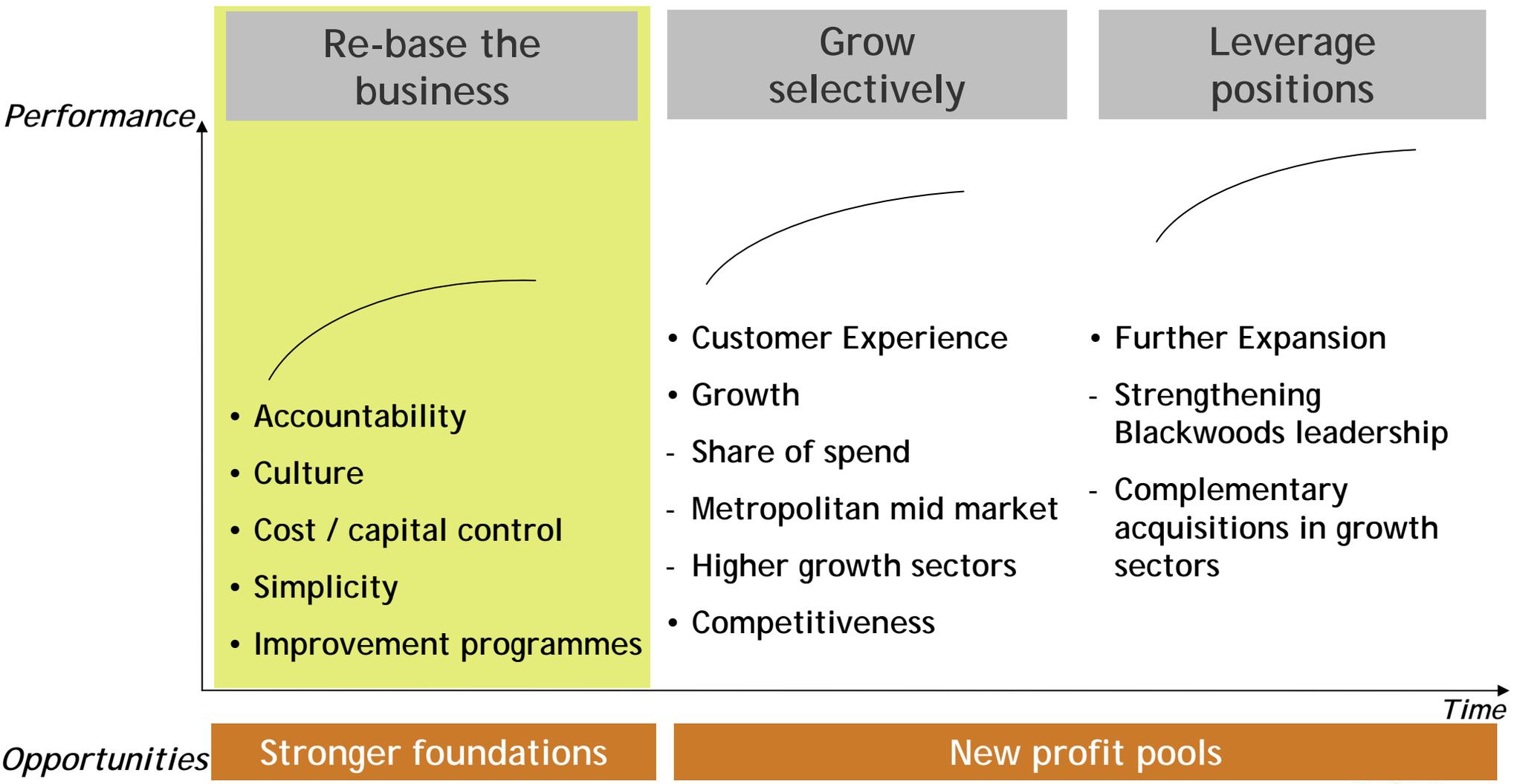
9 months to March



- **Good sales growth despite mixed trading conditions**
 - Growth from resources and infrastructure in WA and QLD
 - Manufacturing markets remain tight especially in Victoria
- **Uplift across most product categories supported by strong merchandising**
 - Particularly strong in safety & apparel, material handling & lifting, tools, welding and mechanical services
 - Supported by range extensions (key vendors and home brands)
 - Good uptake of new service lines
- **Continuing strong performance of Bullivants acquisition**



All businesses leverage stronger foundations



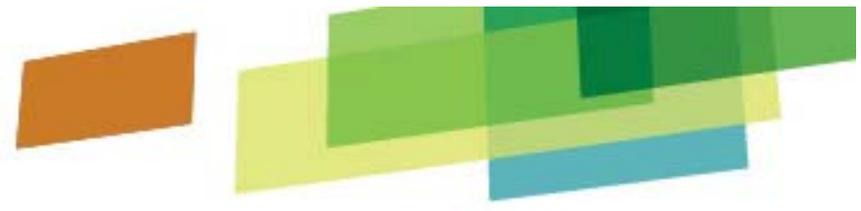
Stronger foundations



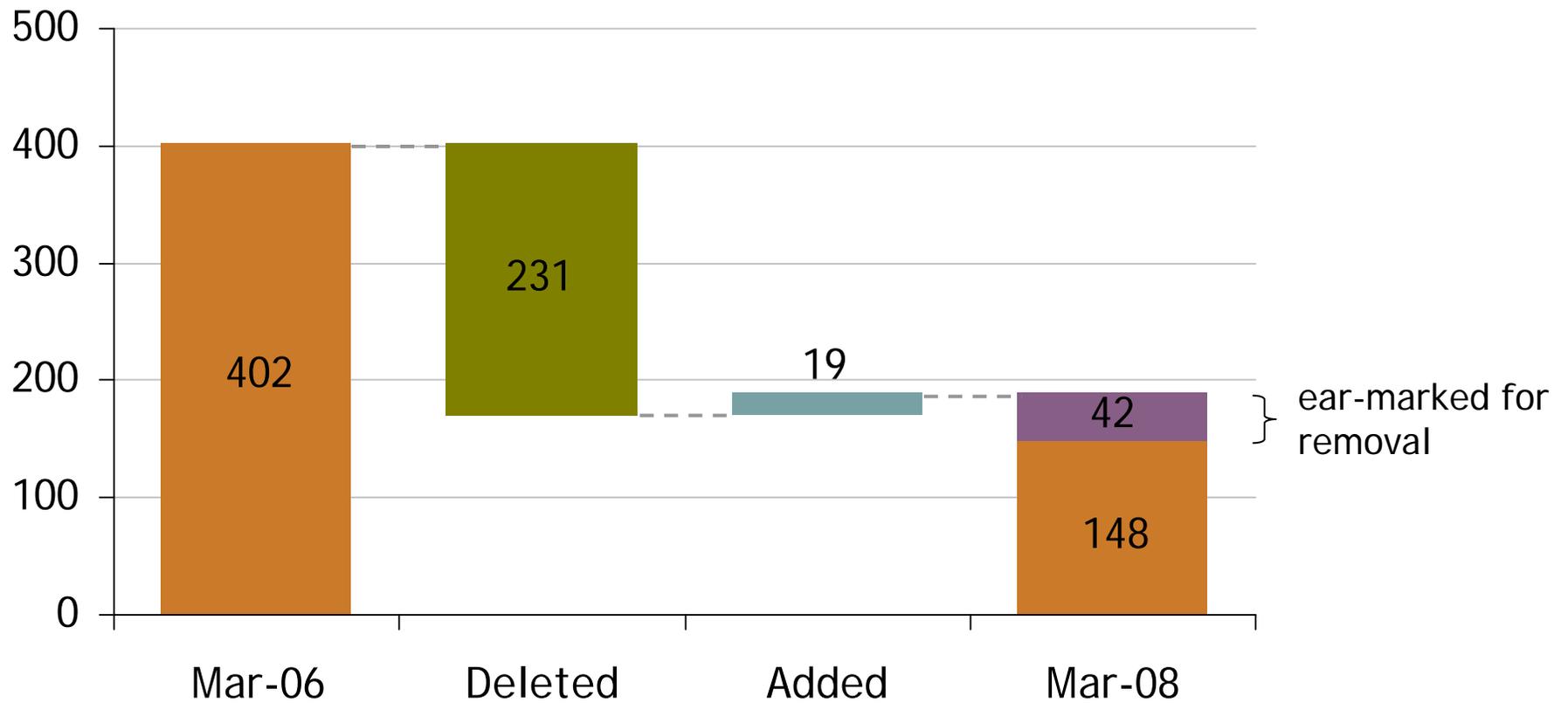
Strategic Initiatives	Progress	Achievements
Reposition businesses	✓ (ongoing) ✓ (ongoing)	Accountability for results National business units, supported by stronger Group Support Services Culture Enhanced Performance Management system: KPIs / reporting / rewards
Redesign the logistics model	✓ (ongoing) WIP	Simplification >55% range depth rationalisation, specialist range extensions started Supply Chain efficiency Continued DC and branch upgrade programme (Blackwoods 70% complete) Continued improvement in Delivery in Full On Time (DIFOT)
Improve margins and Rapidly reduce capital base	✓ (ongoing) ✓ (ongoing)	Margin management Migration to new pricing systems complete (Blackwoods and Protector Alsafe) Sourcing effectiveness programmes delivering benefits Cost and capital control 40 small under-performing locations closed since start of programme Ongoing capital management improvements



Ongoing range simplification



SKUs (000)

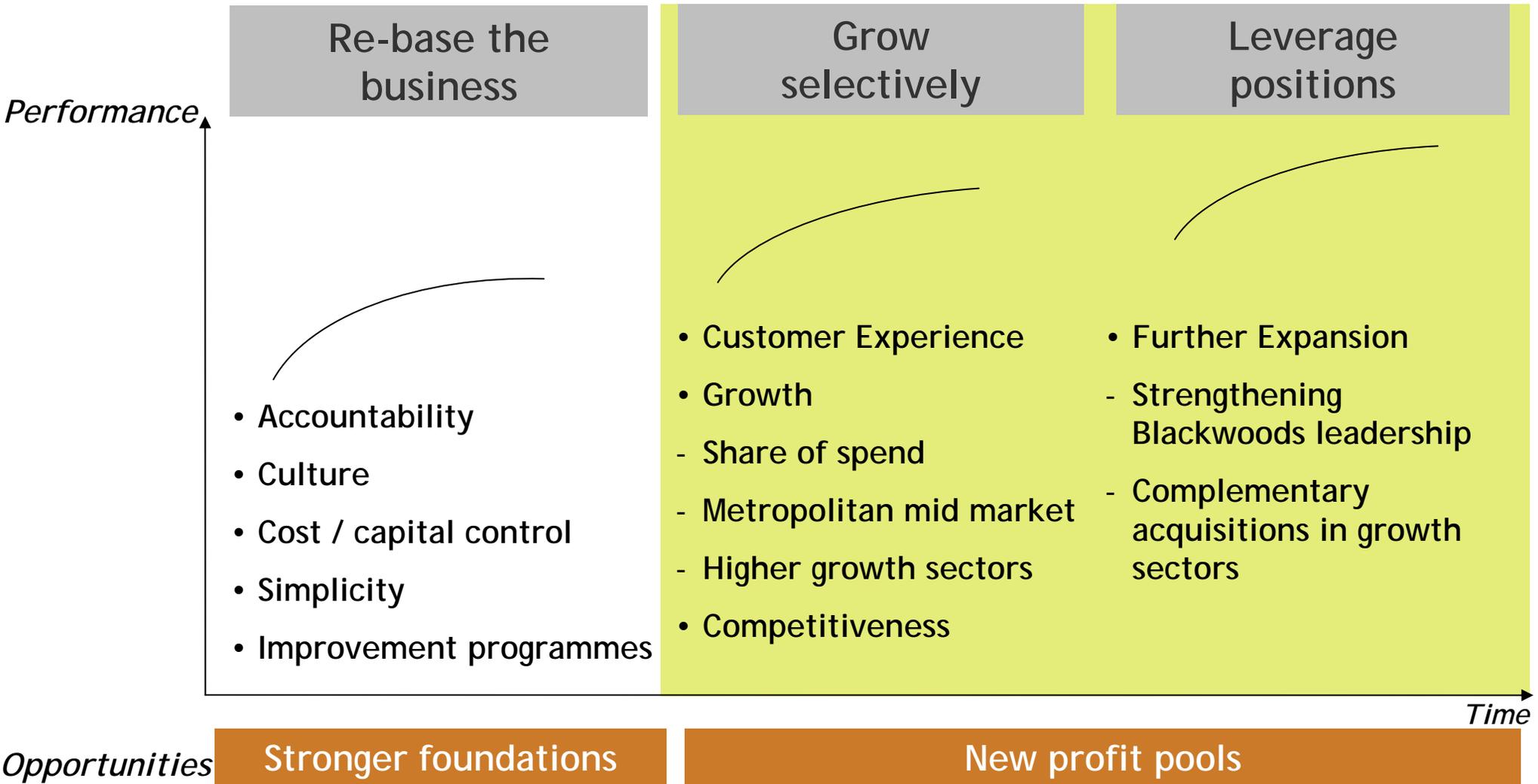
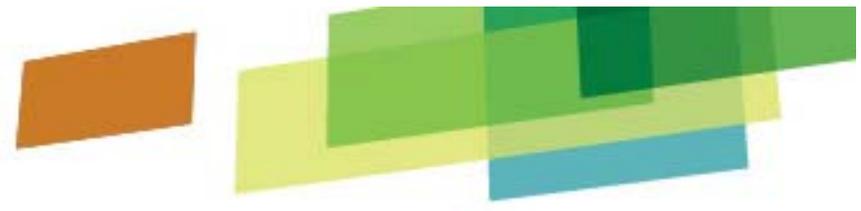


Improvements across the supply chain

- **Inventory management**
 - Automatic replenishment and purchasing efficiency
 - Enhanced sales demand forecasting and planning
 - Supplier lead time management
- **DC network improvements**
 - DC process improvements to provide the most efficient pick, pack and dispatch for product
 - Technology to provide the safest and most accurate environment (wireless warehousing)
- **Freight management**
 - Online Freight Management System / Chain of Responsibility
 - Electronic manifests
- **International supply chain**
 - Ongoing improvements to QA and logistics capabilities
- **Won best industrial supply chain management award**
 - Australia, Dec. 2007 (IBIS World / Logistics Magazine)



Enhanced focus on growth



Growth strategy #1

Increase sales to existing customers



Strategic Initiatives	Progress	Achievements
Increase sales to existing customers	✓ (ongoing)	Ongoing focus on customer service Supply chain efficiency and delivery performance Technical and industry expertise Leveraging contract platform
	✓ (ongoing)	Developing capabilities and resources of our sales teams Improved key account management Investment in resources, tools and processes to lift sales effectiveness
	✓ (ongoing)	Better value propositions Specialist range extensions e-Business processes and resources Pricing consistency Market and customer specific catalogues Supported by regular customer surveys



Increase sales to existing customers

Illustration: Blackwoods

Delivery performance

- DC process improvements contributing to improved DIFOT
- Improved inventory forecasting & replenishment systems



Service

- Technical expertise through product specialists
- Customer service focus



Offering

- Positioning as “All your workplace needs”
- Complementary range extensions
- On-site services & specialised services
- Scalable eBusiness solutions



Sales support

- Key Account and contract management processes
- Industry specialists
- Sales tools, market and category catalogues



Pricing

- Implementation complete, smooth transition
- Rewarding growth of spend



Increase sales to existing customers

Illustration: Protector Alsafe

Contracts

- National contract management processes
- Improvements to Key Account Management approach

Range

- Working closely with major vendors
- Home branded products (e.g. Prosafe, Protector)
- 2008 catalogue under development

Services

- Clothing management and embroidery services
- Full range of OHS training services

Branding awareness

- Improved branch and brand signage being rolled out

Pricing

- Implementation complete according to plan



Growth strategy #2

Improve metropolitan sales performance



Strategic Initiatives	Progress	Achievements
Improve metropolitan sales performance	✓ (ongoing)	Small customer targeting Metropolitan sales force reorganised by industry Expanded product specialist resources Further improvements to incentive schemes' upside
	WIP	Telesales development Active across New Zealand businesses Pilot underway within Blackwood, getting good traction
	✓ (ongoing)	Marketing and brand support Competitive pricing and promotions Substantial progress on branch upgrades across networks Website upgrades including credit card ordering



Increasing mid-market penetration

Illustration: New Zealand

Blackwoods Paykels

NZ'S LARGEST RANGE OF ENGINEERING SUPPLIES AND TECHNICAL SERVICES



- Loyalty incentives driving SME sales growth
- Development of Technical services offering
- Network expansion (GTM Queenstown)
- Leveraging WIS home brands



Packaging House

Building partnerships, delivering solutions



- Good development of telesales and web-based sales
- Solid growth in food service customer base
- Expansion of hygiene offering
- Improved pricing systems



NZ Safety

Specialists in Safety & Protection



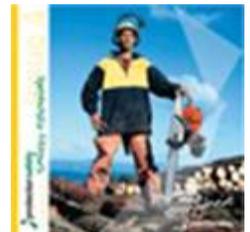
- Strong telesales in place
- Retail shop refurbishment programme
- New catalogue in development
- Leveraging  SAFETY SOURCE services



protectorsafety



- Brand relaunch complete; new catalogues & home brands
- Solid telesales growth
- Merchandising / retail development programme, including vans
- Cash sales internal incentive



Growth strategy #3

Target higher growth sectors

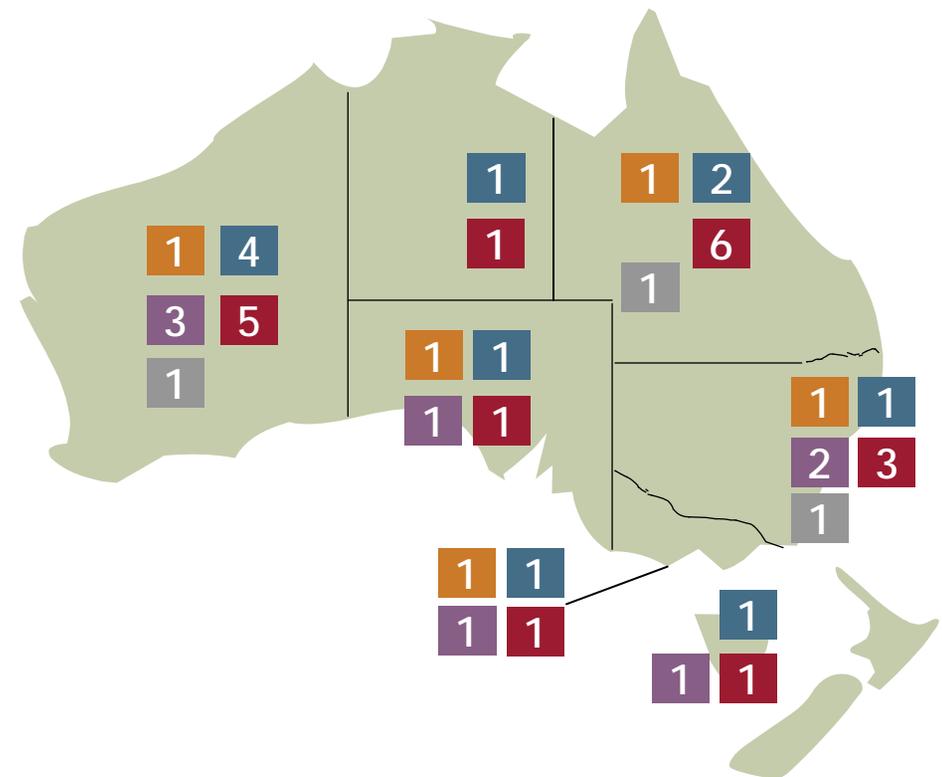


Strategic Initiatives	Progress	Achievements
Target higher growth sectors	<p style="text-align: center;">✓ (ongoing)</p>	<p>Expanding range of services</p> <ul style="list-style-type: none"> Protector Alsafe OH&S training & embroidery services Blackwoods On-Site Services (BOSS) Bullivants installation, testing and inspection services Motion Industries gearing & workshop services NZ safety source & technical service offerings
	<p style="text-align: center;">WIP</p>	<p>Targeting growth sectors through sales force focus</p> <ul style="list-style-type: none"> Blackwoods industry specialists (mining, construction, transport, food services) Industrial specialists (mining, infrastructure) Packaging House (food, hospitality, healthcare)
	<p style="text-align: center;">✓ (ongoing)</p>	<p>Acquisitions increasing exposure to high growth sectors</p> <ul style="list-style-type: none"> Industry specialists exposed to mining and construction markets Network expansion in mining areas (Bowen Basin, Hunter Valley) <p>Mining construction and services now up to 70% of Australian sales</p>

Successful roll-out of national services

Illustration: Australia

Services	Businesses	No
OHS training centres		5
BOSS ¹		11
Embroidery facilities ²		8
		
Testing facilities		18
Gearing repair workshop		3



¹ Branch base location

² QLD / NT currently outsourced, Victoria being implemented



Target higher growth sectors

Illustration: Industrial specialists



- Height safety systems (construction, mining, transport)
- Product range expansions e.g. mining ropes
- Developing installation, service and inspection service offering
- Growth of export markets



- New branding platform to support future growth
- Expanded exposure to construction (Meredith acquisition)
- Bolt-on acquisitions exposed to mining & construction markets
- Development of product range and Marketing collaterals



- Launch of new catalogue & market specific catalogues
- Dragline database supporting offering to mining customers
- Improvements in contract management
- Continuing to grow value added services with gearing & workshops



WIS is in a stronger position going forward

- **Leading supplier of engineering, industrial consumables and safety products to industry and government across Australia and New Zealand**
 - “All your workplace needs” Blackwoods offering
 - Complemented by leading specialists
- **Leading supply chain backbone with extensive distribution and branch network**
- **Broadest product range - leading supplier brands completed by quality home brands**
- **Value-add services including strong eBusiness platforms**
- **Knowledgeable & passionate team of 3,200 employees**

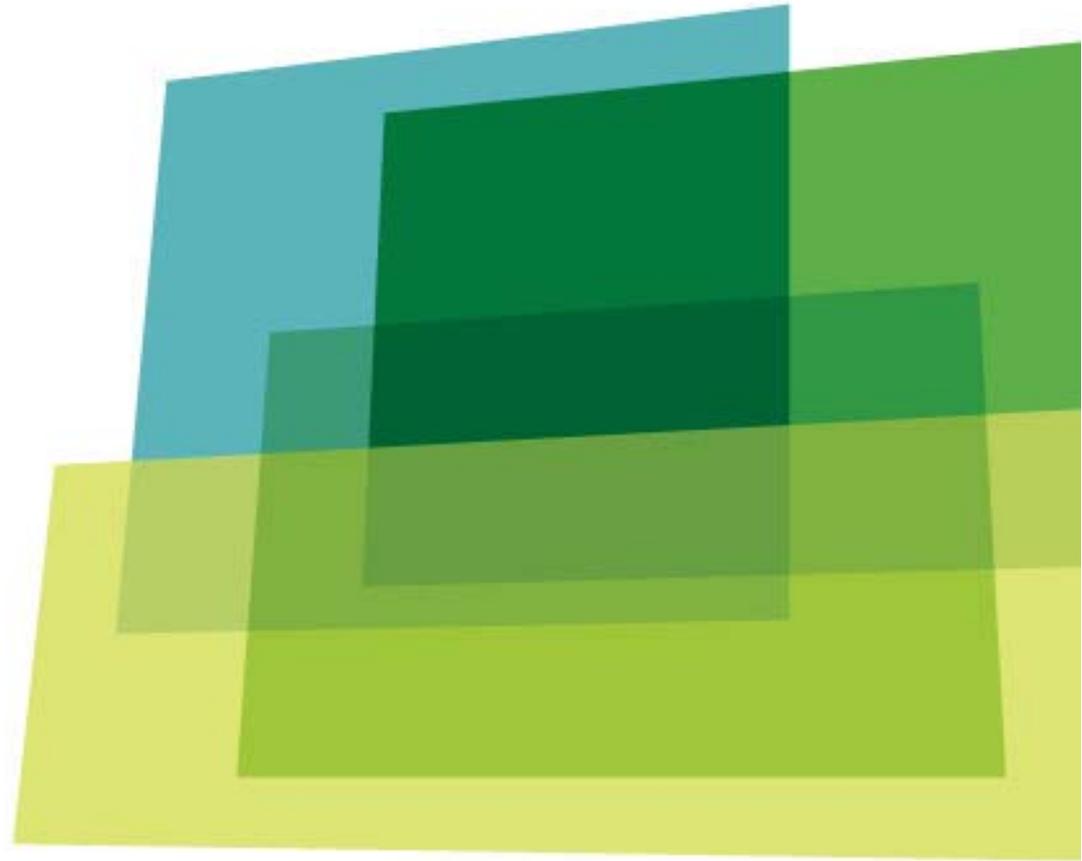


Outlook



- **Leveraging competitive foundations to address ongoing challenges**
 - Increasing exposure to growth markets while optimising our positioning in traditional markets
 - Continuously improving value proposition & service ahead of the competition
 - Attracting and retaining key talent
- **Good earnings growth is expected**
 - Continued growth in Blackwoods and strengthening position of specialists
 - Margin management disciplines
 - Benefits from sales force effectiveness and telesales initiatives
 - Ongoing review of acquisition opportunities to improve value to customers



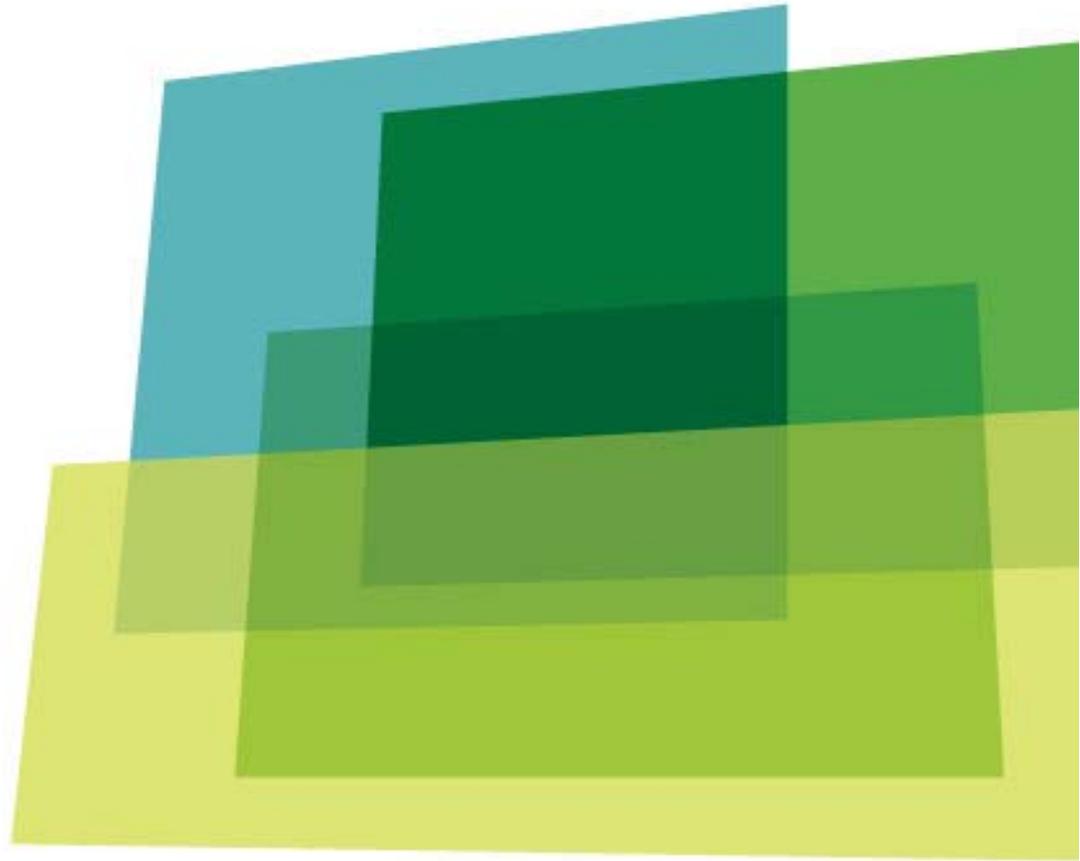


Questions



Energy

Tim Bult

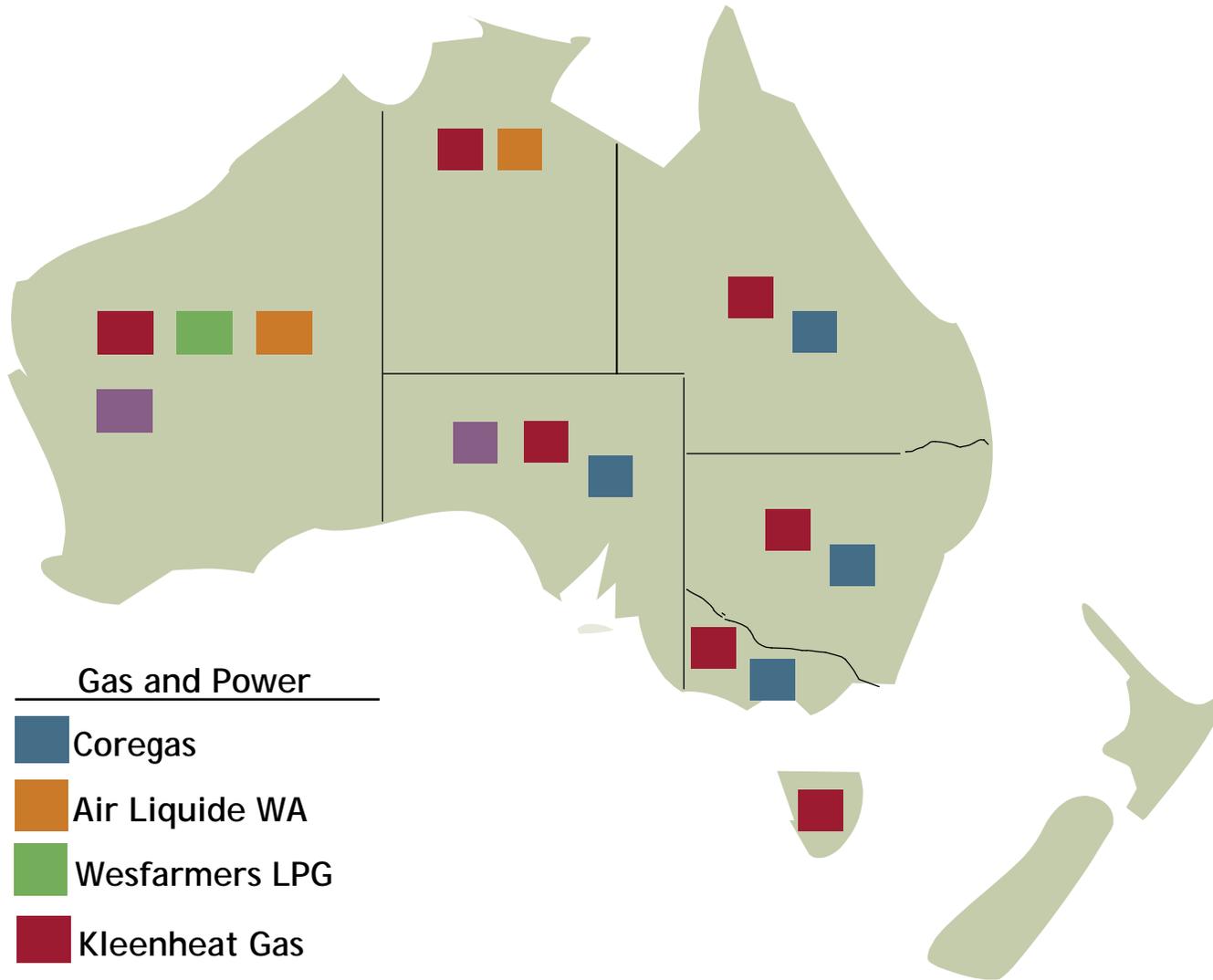


Wesfarmers Energy



	Business	Geography	Products	Key customers
	Gas production & distribution	NSW, Vic, Qld, SA	Oxygen, nitrogen, acetylene, argon, carbon dioxide, etc	Metals, manufacturing, utilities, water, healthcare, metals, food & hospitality, pharmaceuticals, research, education, manufacturing
	Gas production & distribution	WA, NT		
	Gas production	WA	Bulk LPG & LNG	Gas distributors
	Gas distribution	National	Bulk & cylinder LPG and bulk LNG	Commercial, industrial, residential, leisure, autogas, transport, power generation
	Power	WA, SA	Electricity, Power station – D&C, O&M	Remote townships, mine-sites

Wesfarmers Energy



- Gas and Power
- Coregas
 - Air Liquide WA
 - Wesfarmers LPG
 - Kleenheat Gas
 - enGen

925 employees
277,720 gas customers
21 remote power stations
3 air separation units
1 LPG extraction plant
1 hydrogen plant



Highlights

- Divisional performance broadly in line with plans
- Coregas
 - completion of liquid nitrogen project
 - progressing acetylene project
- Sale of UNIGAS interest completed
- WLPG export volumes
- Aboriginal remote communities project – achieved commercial operation
- WA LNG project remains on budget

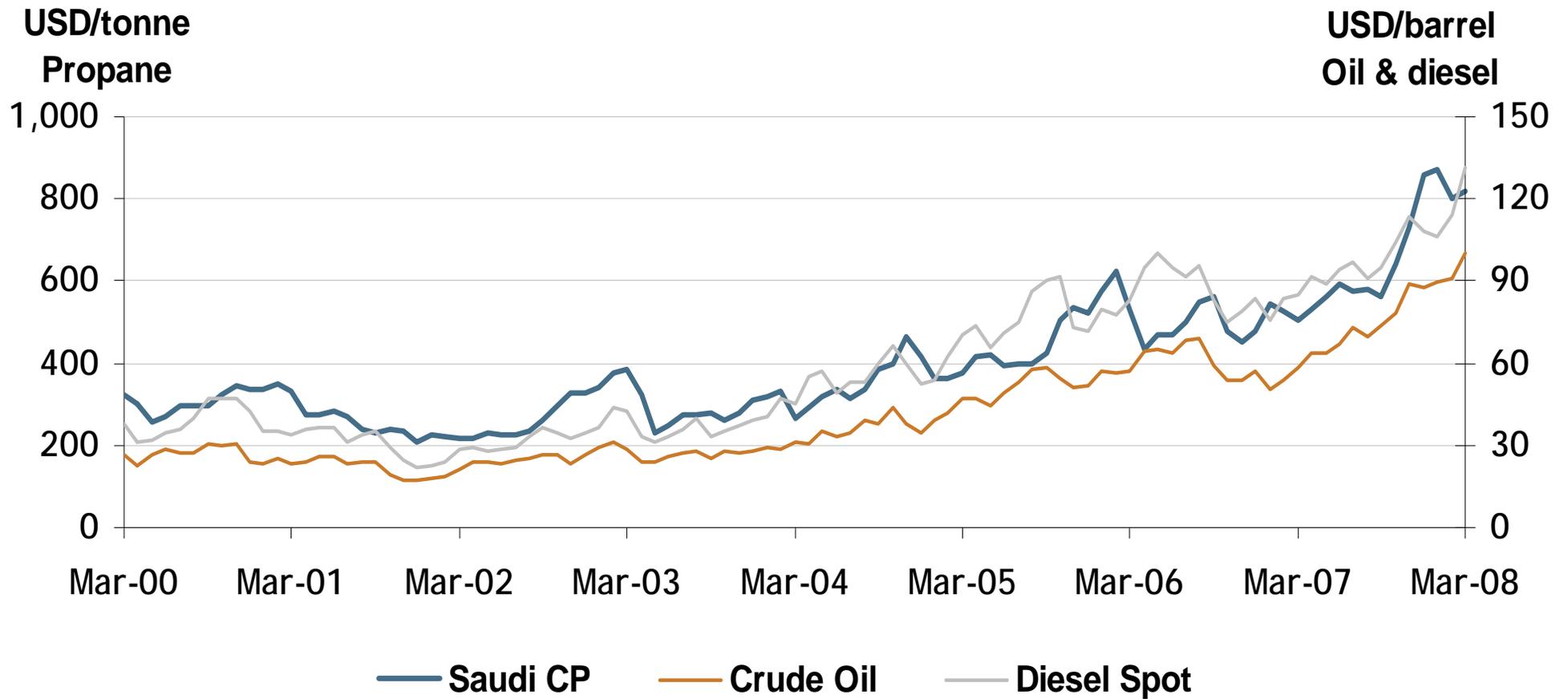
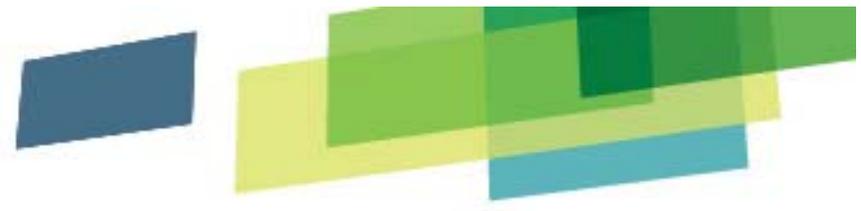


Current market conditions

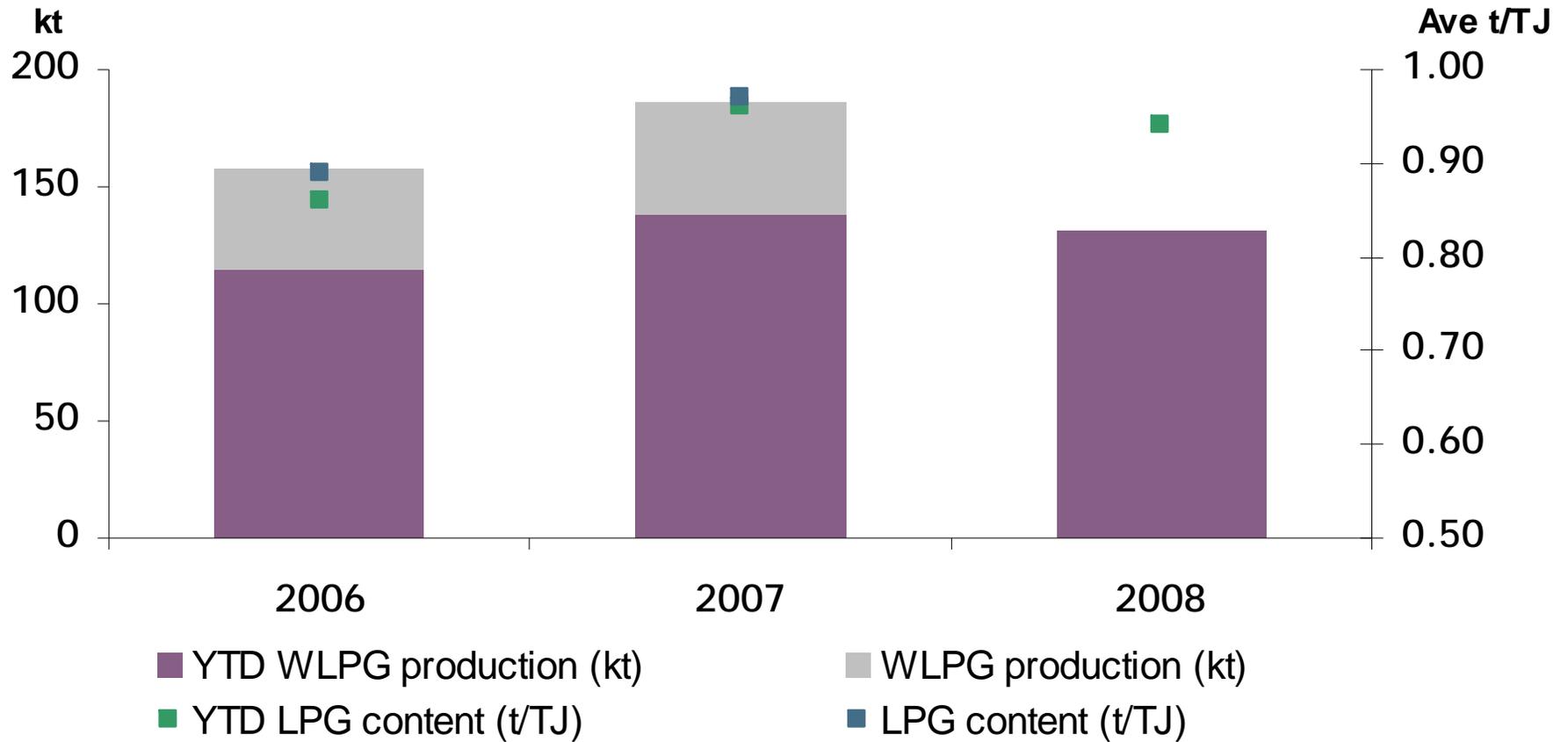
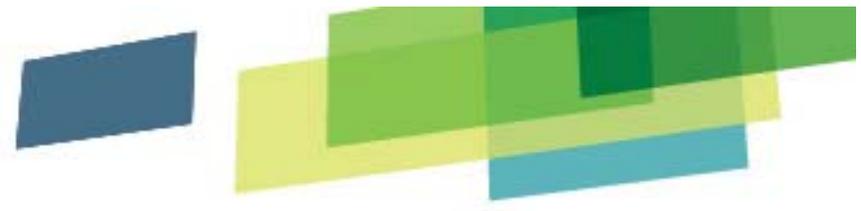
- Strong international energy prices – ‘double edged sword’
- Experiencing subdued market activity for some industrial gas customer & geographical segments
- Uncertain LPG content in DBP
- Power generation – some mine closures
- Tight employment markets



World energy prices



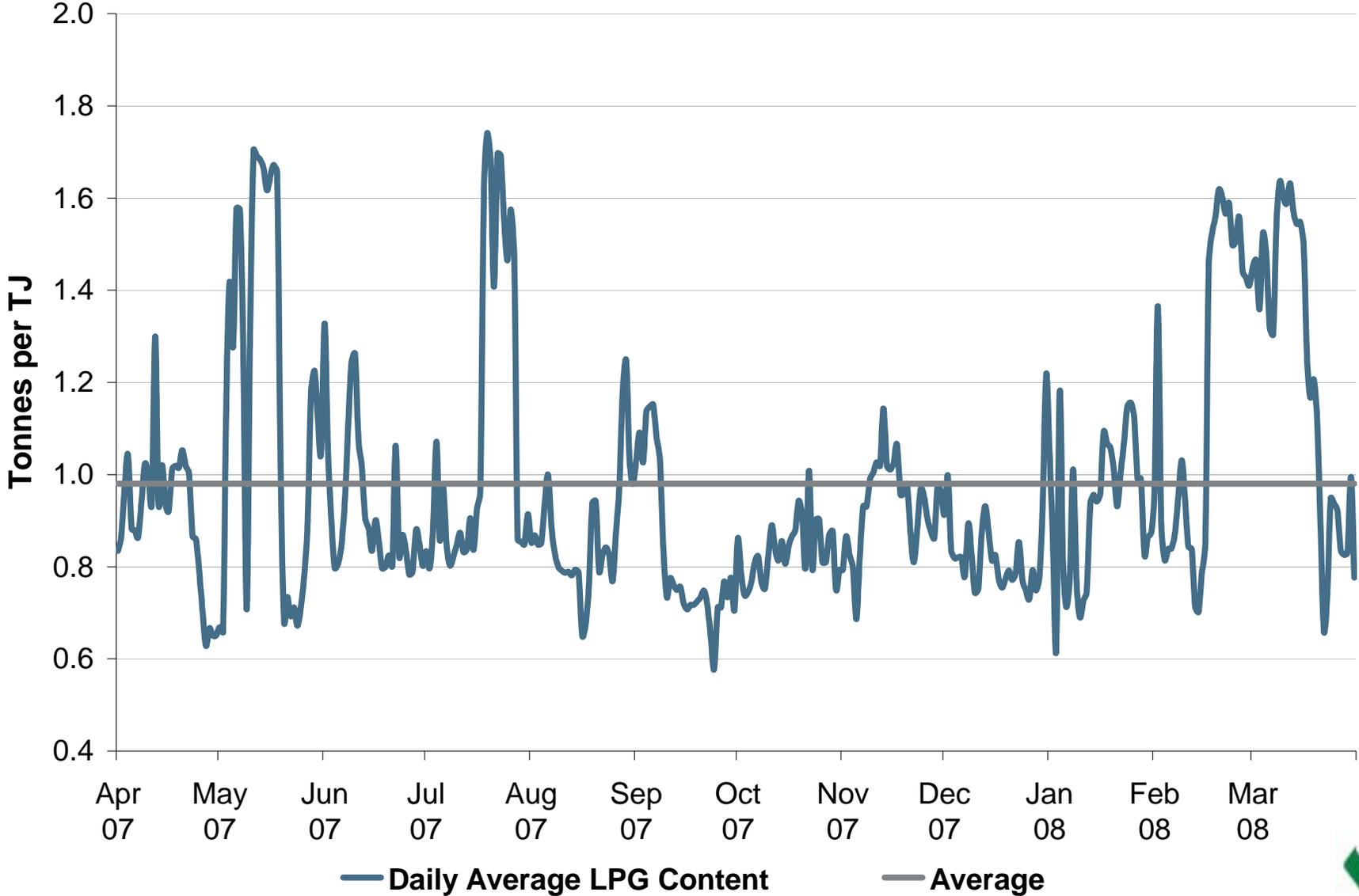
WLPG Production



Year to date WLPG production 5% below previous year



LPG feed gas content



Strategies



Strategies	Segment	Status
Improve – Existing Businesses	Industrial gas growth in: <ul style="list-style-type: none"> • eastern states sales; & • oil and gas sector 	Underway Continuing
	Maximise LPG production	Exploring options
	LPG distribution: <ul style="list-style-type: none"> • customer focus; & • controllable costs 	Ongoing
	Pursue new power generation projects	Refocus
Expand – Deliver Projects	Industrial gas – supply projects	Progressing well
	LNG – WA Project: <ul style="list-style-type: none"> • Plant / Distribution • HDV market development • Power stations 	Commissioning delayed; on budget; and on track On track
Evaluate – New Opportunities	LNG projects – east coast	Progressing
	Other alternative fuels and renewables	Ongoing review

Improve - existing businesses: Industrial & medical gases

Coregas

- New appointments
- Continuing emphasis on safety
- Business improvement programme
- Sales team refocussed
- New nitrogen contracts
- BU collaboration

Air Liquide WA (40%)

- Supply chain optimisation
- Enhanced sales focus
- Oil and gas opportunities





Expand - deliver projects: Industrial & medical gases



- Liquid nitrogen plant – commissioned and operating

The compressor and cool box at the 200 tpd liquid nitrogen plant



Expand - deliver projects: Industrial & medical gas



- Acetylene plant - on budget and on schedule



Acetylene plant construction, Yennora, NSW, January 2008

Expand - deliver projects: LNG - WA Project - plant

- Plant remains on budget
- Mechanical completion – end April
- Commercial production – mid May
- First LNG production and practical completion – end May



Expand - deliver projects:

LNG - WA Project - distribution & customers

Customers

- Power stations
 - Darlot commissioning nearing completion
 - Sunrise Dam - three generation sets installed Sunrise Dam
- Heavy duty vehicle (HDV)
 - customer conversions well advanced

Distribution

- Majority of trailers now delivered
- Most refuellers now installed & operating
- Mine-site vessels installed & commissioned



Kleenheat Gas LNG tanker refuelling in Kewdale, WA

Evaluate - new opportunities

- LNG - east coast
- Alternative fuels & energy
- Gas & power



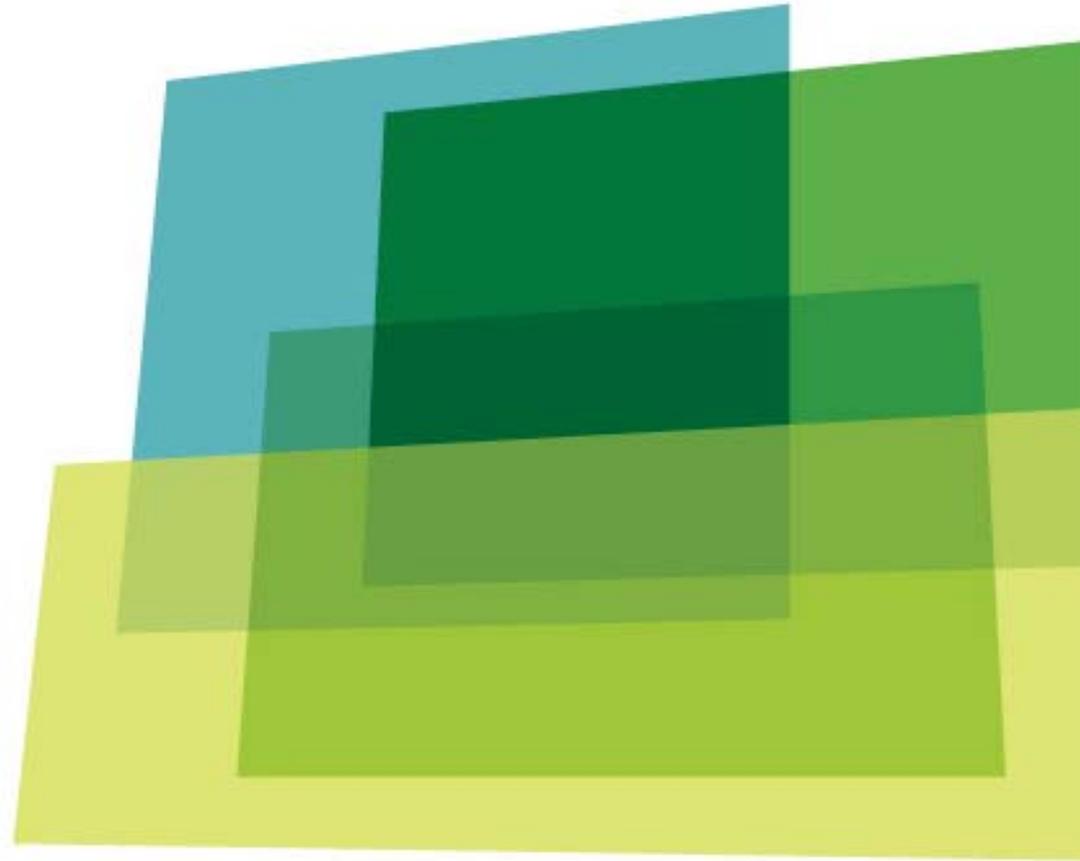
Outlook

- Dependent on international energy prices and LPG content in DBP
- Lower autogas sales
- Completion of industrial gas supply projects
- WA LNG Project
 - commissioning of Kwinana plant, distribution assets and power stations
 - 2009 contribution
- Investments for long term growth & increasing R12 capital employed
 - full year of Coregas
 - new project CAPEX





Questions





Other Businesses / Capital Management

Gene Tilbrook



Wespine (50% owned)



Strategic Issues

Strategies and Achievements

Long term, consistent supplies

- Developing supply arrangements post 2012

Regional competitiveness

- Seeking further opportunities to utilise resources more effectively

Safe, stable workforce

- Continuing recruiting and training programmes



Gresham Private Equity

Fund 1

- Current investment \$31.4m
- Exit of Riviera expected over next several years
- Gross cash realised IRR 30+%

CURRENT INVESTMENT PORTFOLIO

Riviera

Ocean Cruisers



Gresham Private Equity

Fund 2

- Wesfarmers' current commitment \$180m; Capital invested \$141m
- Some pressure on revaluations

CURRENT INVESTMENT PORTFOLIO



*electrical retailer
(New Zealand)*



*manufacturer & distributor
of disposable nappies (Australia)*



*leading commercial printing
business (NZ + Aust)*



women's fashion apparel



contract mining services



leisure travel services



Gresham Private Equity

Fund 3

- Planning to raise \$600 million fund
- Wesfarmers expects to make a commitment to Fund 3



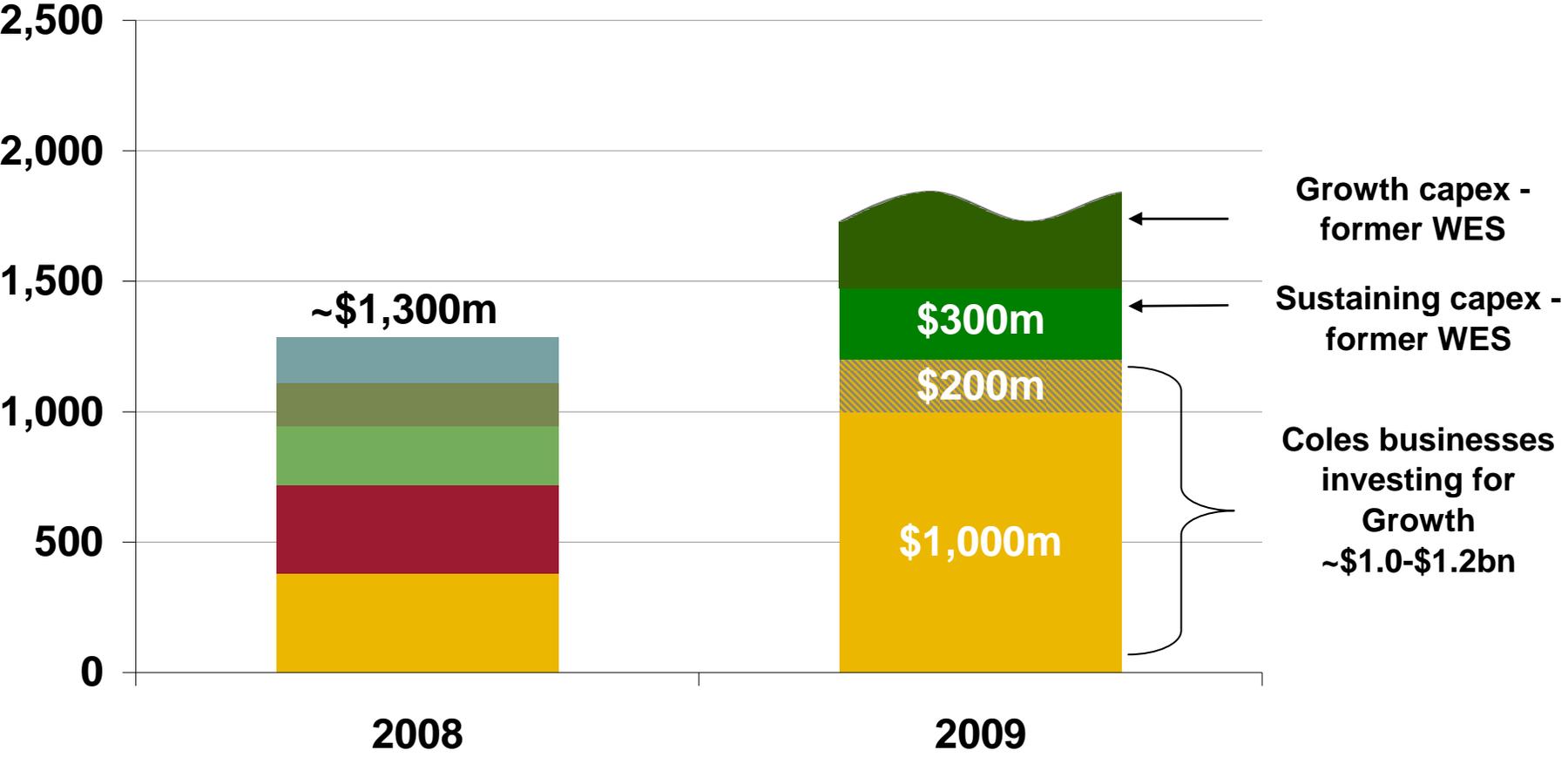
Capital Management

- Indicative Capital Expenditure
- Balance Sheet
- Interest Coverage



Indicative Capital Expenditure

\$ million



■ Coles Businesses
 ■ Home Improvement
 ■ Chemicals and Fertilisers
 ■ Resources
 ■ Other

Balance Sheet



- Net debt reduces from \$11.5 - \$12.0 billion to \$9.0 - \$9.5 billion
- Net debt to equity at lower end of target (pro forma 31 December 2007)
- Stronger balance sheet will improve interest coverage



Interest and Coverage



- ~60% of typical debt levels hedged for 3 years at average ~7.5%
- Average margins for 1-3 year financing < 1.0%, including fees
- Recent US\$ bonds effective margin 4.0%
- Refinancing into bond markets would, at current market levels, increase weighted average margin





Questions

Q & A

Richard Goyder
Managing Director, Wesfarmers Limited

Gene Tilbrook
Finance Director, Wesfarmers Limited





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