Wesfarmers Limited
ABN 28 008 984 049

20 August 2009

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

APPENDIX 4E - PRELIMINARY FINAL REPORT & 2009 FULL YEAR RESULTS

In accordance with ASX Listing Rule 4.3A, the following documents are attached for release to the market:

- Appendix 4E – Preliminary Final Report; and
- 2009 Full Year Results Announcement.

An analyst briefing will be held following the release of this announcement. This briefing will be webcast and can be accessed at:

Analyst Briefing 12:30 pm (WST)
http://www.thomson-webcast.net/au/dispatching/?event_id=6e3e620d4b19c8a9c9d464205ddeae2e&portal_id=cff2f208e945b0c05d992e6231cc3d44

Yours faithfully,

L J KENYON
COMPANY SECRETARY

Enc.

Appendix 4E - Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2009 - WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

ABN 28 008 984 049

RESULTS FOR ANNOUNCEMENT TO THE MARKET		$m
Revenue from ordinary activities	up 52% to	**50,982**
Profit from ordinary activities after tax attributable to members	up 44% to	**1,535**
Net profit for the full year attributable to members	up 44% to	**1,535**

DIVIDENDS	Amount per security	Franked amount per security
Interim dividend	50 cents	50 cents
Final dividend	60 cents	60 cents
Previous corresponding period		
Interim dividend	65 cents	65 cents
Final dividend	135 cents	135 cents

Record date for determining entitlements to the dividend	5:00pm (WST) on 31 August 2009
Date the final dividend is payable	1 October 2009

DIVIDEND INVESTMENT PLAN

The Company operates a Dividend Investment Plan (the "Plan") which allows eligible shareholders to elect to invest dividends in ordinary shares which rank equally with Wesfarmers ordinary shares. The allocation price for shares under the Plan will be calculated as the average of the daily volume weighted average price of Wesfarmers ordinary shares on each of the 15 consecutive trading days from and including the second trading day after the record date 31 August 2009 for participation in the Plan, being 2 September 2009 to 22 September 2009.

The last date for receipt of applications to participate in or to cease or vary participation in the Plan is by 5:00pm (WST) on 31 August 2009. The Directors have determined that no discount shall apply to the allocation price and the Plan will not be underwritten. Shares to be allocated under the Plan will be acquired on-market and transferred to participants on 1 October 2009. A broker will be engaged to assist in this process.

NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share (excluding employee reserved shares): $3.14 (2008: -$1.36). This has increased due to the repayment of debt during the period following an equity raising as outlined in Note 12.

OPERATING CASH FLOW PER SHARE

Operating cash flow per share: $3.25 (2008: $2.47). This has been calculated by dividing the net cash flow from operating activities by the weighted average number of ordinary shares (including employee reserved shares) on issue during the year.

ACQUISITIONS

The finalisation of acquisition accounting for prior period acquisitions was completed during the period, resulting in an increase in the fair value of identifiable assets and liabilities and a corresponding decrease to goodwill recognised on acquisition. Further details of these transactions are included within this report.

AUDIT

This report is based on accounts which are in the process of being audited.

PREVIOUS CORRESPONDING PERIOD

The previous corresponding period is the year ended 30 June 2008.

COMMENTARY ON RESULTS FOR THE PERIOD

A commentary on the results for the period is contained in the press release dated 20 August 2009 accompanying this statement.

Income Statement

FOR THE YEAR ENDED 30 JUNE 2009 - WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

		CONSOLIDATED	
		2009	2008
	Note	**$m**	$m
Revenue			
Sale of goods		**49,023**	31,650
Rendering of services		**1,618**	1,651
Interest		**146**	121
Dividends		**-**	32
Other		**195**	130
		50,982	33,584
Expenses			
Raw materials and inventory purchased		**(33,719)**	(21,788)
Employee benefits expenses	3	**(6,535)**	(4,464)
Insurance expenses		**(1,203)**	(1,104)
Freight and other related expenses		**(802)**	(499)
Occupancy-related expenses	3	**(2,008)**	(1,231)
Depreciation and amortisation	3	**(1,024)**	(660)
Other expenses	3	**(2,833)**	(1,745)
		(48,124)	(31,491)
Other income	3	**169**	96
Finance costs	3	**(963)**	(800)
Share of profits and losses of associates	8	**(50)**	40
Profit before income tax		**2,014**	1,429
Income tax expense	6	**(479)**	(366)
Profit attributable to members of the parent		**1,535**	1,063
Earnings per share (cents per share)	1		
– basic for profit for the period attributable to ordinary equity holders of the parent		**160.0**	174.2
– diluted for profit for the period attributable to ordinary equity holders of the parent		**159.6**	173.3

Dilution to earnings per share arises as a result of the employee reserved shares issued under the employee share plan being accounted for as in-substance options.

Dividends per share paid or declared out of profits for the year (cents per share)		**110.0**	200.0

Balance Sheet

AT 30 JUNE 2009 - WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	Note	CONSOLIDATED **2009** **$m**	2008 $m
ASSETS			
Current Assets			
Cash and cash equivalents		**2,124**	725
Trade and other receivables		**1,893**	2,022
Inventories		**4,685**	4,638
Derivatives		**38**	138
Investments backing insurance contracts		**1,003**	871
Other		**221**	211
Total Current Assets		**9,964**	8,605
Non-current Assets			
Receivables		**211**	135
Available-for-sale investments		**18**	36
Investment in associates		**392**	465
Deferred tax assets		**765**	489
Property, plant and equipment		**7,126**	6,561
Identifiable intangible assets		**4,365**	4,408
Goodwill		**16,273**	16,269
Derivatives		**147**	149
Other		**34**	61
Total Non-current Assets		**29,331**	28,573
TOTAL ASSETS		**39,295**	37,178
LIABILITIES			
Current Liabilities			
Trade and other payables		**4,037**	3,905
Interest-bearing loans and borrowings		**634**	1,261
Income tax payable		**27**	106
Provisions		**1,066**	1,083
Insurance liabilities		**1,198**	1,137
Derivatives		**413**	53
Other		**336**	277
Total Current Liabilities		**7,711**	7,822
Non-current Liabilities			
Payables		**3**	25
Interest-bearing loans and borrowings		**5,535**	8,256
Provisions		**1,042**	922
Insurance liabilities		**503**	340
Derivatives		**153**	89
Other		**96**	126
Total Non-current Liabilities		**7,332**	9,758
TOTAL LIABILITIES		**15,043**	17,580
NET ASSETS		**24,252**	19,598
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	10	**23,286**	18,173
Employee reserved shares	10	**(62)**	(76)
Retained earnings	5	**1,183**	1,176
Reserves		**(155)**	325
TOTAL EQUITY		**24,252**	19,598

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2009 - WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	Note	CONSOLIDATED **2009** **$m**	2008 $m
Cash flows from operating activities			
Receipts from customers		**54,169**	35,826
Payments to suppliers and employees		**(49,909)**	(33,561)
Dividends and distributions received from associates		**51**	27
Dividends received from others		**-**	32
Interest received		**147**	121
Borrowing costs		**(816)**	(620)
Income tax paid		**(598)**	(374)
Net cash flows from operating activities	7	**3,044**	1,451
Cash flows from investing activities			
Net acquisition of insurance deposits		**(132)**	(55)
Purchase of property, plant and equipment and intangibles		**(1,503)**	(1,241)
Proceeds from sale of property, plant and equipment		**61**	72
Proceeds from sale of controlled entities		**9**	23
Net investments in associates and joint ventures		**(46)**	(80)
Acquisition of subsidiaries, net of cash acquired		**(16)**	(4,198)
Purchase of available-for-sale financial assets		**-**	(22)
Net cash flows used in investing activities		**(1,627)**	(5,501)
Cash flows from financing activities			
Proceeds from borrowings		**2,242**	10,489
Repayment of borrowings		**(5,706)**	(8,178)
Proceeds from exercise of in-substance options under the employee share plan		**6**	24
Equity dividends paid		**(1,066)**	(754)
Proceeds from issue of shares		**4,646**	2,952
Transaction costs from issue of shares		**(53)**	(61)
Net cash flows from financing activities		**69**	4,472
Net increase in cash and cash equivalents		**1,486**	422
Cash and cash equivalents at beginning of period		**638**	216
Cash and cash equivalents at end of period	7	**2,124**	638

Statement of Recognised Income and Expense

FOR THE YEAR ENDED 30 JUNE 2009 - WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

		CONSOLIDATED	
		2009	2008
	Note	**$m**	$m
Foreign currency translation reserve			
Exchange differences on translation of foreign operations		**(7)**	(19)
Available-for-sale financial assets reserve			
Changes in the fair value of available-for-sale assets net of tax		**(2)**	26
Cash flow hedge reserve			
Changes in the fair value of cash flow hedges net of tax	14	**(468)**	51
Restructure tax reserve			
Recognition of tax losses arising on the 2001 ownership simplification plan		-	40
Retained earnings			
Actuarial loss on defined benefit plan	5	**(41)**	(21)
Net profit recognised directly in equity		**(518)**	77
Net profit for the period		**1,535**	1,063
Total recognised income and expense for the period		**1,017**	1,140

Notes to the Financial Statements

1 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to members of the parent, by the weighted average number of ordinary shares outstanding during the year (excluding employee reserved shares).

Diluted earnings per share amounts are calculated by dividing net profit attributable to ordinary equity holders of the parent, by the weighted average number of ordinary shares outstanding during the year (excluding employee reserved shares) plus, the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares.

Each partially protected ordinary share confers rights on a partially protected shareholder that are the same in all respects to those conferred by an ordinary share on an ordinary shareholder on an equal basis.

Basic and dilutive earnings per share calculations are as follows:

	CONSOLIDATED	
	2009	2008
	$m	$m
Profit attributable to members of the parent	**1,535**	1,063
	shares (m)	shares (m)
Weighted average number of ordinary shares for basic earnings per share	**932**	581
Effect of dilution - employee reserved shares	**2**	3
Weighted average number of ordinary shares adjusted for the effect of dilution	**934**	584
Earnings per share (cents per share)	**cents**	cents
– basic for profit for the period attributable to ordinary equity holders of the parent	**160.0**	174.2
– diluted for profit for the period attributable to ordinary equity holders of the parent	**159.6**	173.3

Prior period earnings per share have been restated with an adjustment factor of 1.05 as a result of the entitlement offer announced on 22 Janaury 2009. Current year earnings per share have been adjusted by a factor of 1.03 reflecting settlement of the entitlement offer part way through the financial year.

As outlined in Note 12 below, the Company announced on 22 January 2009 an equity issue including a 3 for 7 accelerated pro-rata non-renounceable entitlement offer at an offer price of $13.50 per share which included a fully underwritten institutional component and additional proceeds of $900 million raised by placements to two strategic investors.

On settlement of the institutional entitlement offer and placement on 6 February 2009, the Company issued 208.6 million shares at an average price of $13.94 per share.

After settlement of the retail component of the entitlement offer, on 3 March 2009 the Company issued 128.7 million shares at a price of $13.50 per share.

The total amount raised was $4,646 million with 337.3 million shares issued.

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements, apart from the normal conversion of employee reserved shares (treated as in-substance options) to unrestricted ordinary shares and the conversion of partially protected ordinary shares to ordinary shares.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009 - WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

2 SEGMENT INFORMATION

	COLES[1]		HOME IMPROVEMENT AND OFFICE SUPPLIES		RESOURCES[2]		INSURANCE[3]		KMART		TARGET		INDUSTRIAL AND SAFETY		ENERGY[4]		CHEMICALS AND FERTILISERS[4]		OTHER[5]		CONSOLIDATED	
	2009 $m	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m	**2009 $m**	2008 $m
Segment revenue	**28,799**	16,876	**7,151**	6,160	**2,411**	1,311	**1,720**	1,649	**3,998**	2,454	**3,788**	2,198	**1,294**	1,309	**598**	565	**1,162**	997	**61**	65	**50,982**	33,584
Segment result																						
Earnings before interest, tax, depreciation, amortisation (EBITDA) and corporate overheads	**1,216**	715	**817**	700	**1,188**	571	**116**	150	**171**	148	**417**	254	**127**	141	**122**	128	**115**	172	**(187)**	(2)	**4,102**	2,977
Depreciation and amortisation	**(385)**	(240)	**(93)**	(75)	**(273)**	(148)	**(25)**	(28)	**(62)**	(37)	**(60)**	(33)	**(13)**	(11)	**(47)**	(38)	**(63)**	(48)	**(3)**	(2)	**(1,024)**	(660)
Earnings before interest, tax (EBIT) and corporate overheads	**831**	475	**724**	625	**915**	423	**91**	122	**109**	111	**357**	221	**114**	130	**75**	90	**52**	124	**(190)**	(4)	**3,078**	2,317
Finance costs[6]																					**(963)**	(800)
Corporate overheads																					**(101)**	(88)
Profit before income tax expense																					**2,014**	1,429
Income tax expense																					**(479)**	(366)
Profit attributable to members of the parent																					**1,535**	1,063
Assets and liabilities																						
Segment assets	**17,995**	18,358	**4,217**	3,891	**1,749**	1,595	**3,561**	3,293	**1,444**	1,533	**3,886**	3,887	**967**	982	**894**	904	**1,262**	1,219	**2,163**	562	**38,138**	36,224
Investments in associates	**31**	14	**-**	-	**-**	-	**-**	17	**-**	-	**-**	-	**-**	-	**2**	3	**73**	68	**286**	363	**392**	465
Tax assets																					**765**	489
Total assets																					**39,295**	37,178
Segment liabilities	**2,855**	3,041	**637**	598	**655**	522	**2,190**	2,001	**497**	494	**487**	429	**163**	192	**97**	107	**139**	263	**1,127**	310	**8,847**	7,957
Tax liabilities																					**27**	106
Interest bearing liabilities																					**6,169**	9,517
Total liabilities																					**15,043**	17,580
Other segment information																						
Capital expenditure[7]	**606**	351	**378**	302	**252**	146	**26**	18	**63**	41	**91**	60	**25**	20	**40**	118	**44**	252	**14**	5	**1,539**	1,313
Share of net profit or loss of associates included in EBIT	**-**	-	**-**	-	**1**	-	**-**	1	**-**	-	**-**	-	**-**	-	**4**	4	**5**	8	**(60)**	27	**(50)**	40
Non-cash expenses other than depreciation and amortisation	**122**	194	**134**	105	**95**	40	**24**	56	**8**	49	**11**	31	**21**	23	**6**	6	**3**	3	**39**	8	**463**	515

The 2008 segment results for the former Coles Group businesses, comprising Coles, Office Supplies, Kmart and Target, are for the period from the date of acquisition on 23 November 2007 to 30 June 2008.

[1] Coles Division includes the supermarket, liquor, convenience and Coles property businesses, and previously unallocated Coles retail support costs.

[2] Included in the Resources 2009 segment result is $204 million of hedge losses (2008: $102 million gain) in relation to foreign exchange forward contracts incurred by Curragh, including $88 million of losses associated with the early close out of certain contracts.

[3] The Insurance 2008 segment result has been restated relating to non-reinsurance recoveries in the balance sheet of Lumley General New Zealand of $10 million.

[4] 2009 results were affected by the gas supply disruption caused by the explosion at Varanus Island during the period. These disruptions are subject to an insurance recovery process which is yet to be resolved.

[5] 2009 includes a loss on associates ($60 million), Coles Property impairment ($82 million), Coles store exit provision writeback ($30 million), Kmart supply chain and restructuring costs ($70 million) and Insurance restructuring costs and impairment of the Company's investment in Centrepoint Alliance Limited ($15 million).

[6] Finance costs include $136 million relating to the recognition of a cumulative loss on a hedging instrument transferred from equity as the forecast transactions are no longer expected to occur. This is the result of losses being recognised on interest rate swaps used to hedge the maturity profile of debt facilities repaid with the proceeds of the share entitlement offer announced on 22 January 2009.

[7] Capital expenditure includes accruals to represent costs incurred during the year. The amount excluding accruals is $1,503 million (2008: $1,241 million).

3 REVENUE AND EXPENSES

	CONSOLIDATED	
	2009	**2008**
	$m	$m
Other income		
Gains on disposal of property, plant and equipment	**13**	15
Gains on sale of controlled entities	**1**	17
Other income	**155**	64
	169	96
Finance costs		
Interest expense	**737**	708
Discount adjustment	**53**	55
Interest capitalised	**-**	(16)
Ineffective interest rate swap losses (refer to Note 2, footnote (6))	**136**	-
Other	**37**	53
	963	800
Employee benefits expenses		
Remuneration, bonuses and on-costs	**6,033**	4,128
Amounts provided for employee entitlements	**434**	294
Share based payments expense	**68**	42
	6,535	4,464
Depreciation and amortisation		
Depreciation	**667**	483
Amortisation of intangibles	**83**	53
Amortisation of Stanwell rebate	**170**	58
Amortisation other	**104**	66
	1,024	660
Occupancy related expenses		
Minimum lease payments	**1,602**	992
Other	**406**	239
	2,008	1,231
Impairment expense		
Impairment of freehold property	**82**	-
Impairment of property, plant and equipment	**5**	59
Impairment other	**31**	55
	118	114
Other expenses included in income statement		
Government mining royalties	**208**	73
Repairs and maintenance	**378**	224

	CONSOLIDATED	
	2009	**2008**
	$m	$m
4 DIVIDENDS PAID AND PROPOSED		
Declared and paid during the period (fully franked at 30%)		
Final franked dividend for 2008: $1.35 (2007: $1.40)	**1,079**	543
Interim franked dividend for 2009: $0.50 (2008: $0.65)	**408**	454
Proposed and not recognised as a liability (fully franked at 30%)		
Final franked dividend for 2009: $0.60 (2008: $1.35)	**694**	1,079
5 RETAINED EARNINGS		
Balance as at 1 July	**1,176**	1,131
Net profit	**1,535**	1,063
Dividends	**(1,487)**	(997)
Actuarial loss on defined benefit plan	**(41)**	(21)
Balance as at 30 June	**1,183**	1,176
6 INCOME TAX		
Accounting profit before income tax	**2,014**	1,429
At the statutory income tax rate of 30% (2008: 30%):	**604**	429
Adjustments in respect of current income tax of previous years	**(41)**	(4)
Carried forward tax losses now recognised	**-**	(24)
Additional Federal Government Investment Allowance deductions	**(11)**	-
Non-deductible writedown of investments	**30**	-
Share of associated companies net loss/(profit) after tax	**4**	(7)
Tax on undistributed associates profit	**4**	2
Research and development costs	**(26)**	-
Deferred tax asset not previously recognised	**(84)**	-
Finalisation of acquisition accounting adjustment	**-**	(23)
Other	**(1)**	(7)
Income tax expense/(credit) reported in the consolidated income statement	**479**	366

7 Reconciliation to cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are comprised of the following:

	CONSOLIDATED 2009 $m	2008 $m
Cash on hand and in transit	**311**	413
Cash at bank and on deposit	**1,734**	241
Insurance broking trust accounts	**79**	71
Bank overdraft	**-**	(87)
	2,124	638

Reconciliation of net profit after tax to net cash flows from operations

	CONSOLIDATED 2009 $m	2008 $m
Net profit	**1,535**	1,063
Adjustments		
Depreciation and amortisation	**1,024**	660
Impairment of assets	**118**	75
Net gain on sale of controlled entities	**-**	(14)
Net (gain)/loss on disposal of property, plant and equipment	**55**	8
Share of associates' net (profit) / loss	**50**	(40)
Dividends and distributions received from associates	**51**	27
Capitalised borrowing costs	**-**	(16)
Discount adjustment	**53**	55
Amortisation of debt establishment costs	**(7)**	33
Non-cash issue of shares	**66**	44
Ineffective interest rate swap losses	**98**	-
Other	**(25)**	30
Changes in assets and liabilities		
(Increase)/decrease in inventories	**(49)**	257
(Increase)/decrease in trade and other receivables	**73**	(78)
(Increase)/decrease in prepayments	**(14)**	(45)
(Increase)/decrease in pension assets	**(35)**	-
(Increase)/decrease in deferred tax assets	**(35)**	(74)
(Decrease)/increase in current tax liability	**(84)**	59
(Decrease)/increase in trade and other payables	**131**	(623)
(Decrease)/increase in provisions	**39**	30
Net cash from operating activities	**3,044**	1,451

Non-cash financing and investing activities

	CONSOLIDATED 2009 $m	2008 $m
Issue of share capital under employee long term incentive plans	**66**	44
Issue of share capital under dividend investment plan	**415**	231
Issue of share capital for Coles Group acquisition	**-**	12,733
Acquisition of rights to mine via coal rebates payable	**183**	183

8 INVESTMENTS IN ASSOCIATES

Associate	Principal Activity	Ownership 2009 %	Ownership 2008 %	Share of profit/(loss) 2009 $m	Share of profit/(loss) 2008 $m
Air Liquide WA Pty Ltd	Industrial gases	**40.0**	40.0	**4**	4
Albany Woolstores Pty Ltd	Wool handling	**35.0**	35.0	**-**	-
Bengalla Agricultural Company Pty Limited	Agriculture	**40.0**	40.0	**1**	-
Bengalla Coal Sales Company Pty Limited	Sales agent	**40.0**	40.0	**-**	-
Bengalla Mining Company Pty Limited	Management company	**40.0**	40.0	**-**	-
Bunnings Warehouse Property Trust	Property investment	**22.7**	22.6	**(8)**	-
Centrepoint Alliance Limited (b)	Commercial finance	**-**	24.6	**-**	1
Gresham Partners Group Limited	Investment banking	**50.0**	50.0	**1**	5
Gresham Private Equity Funds	Private equity fund	**(a)**	(a)	**(57)**	16
HAL Property Trust	Property ownership	**50.0**	50.0	**-**	-
Queensland Nitrates Management Pty Ltd	Chemical manufacture	**50.0**	50.0	**5**	8
Queensland Nitrates Pty Ltd	Chemical manufacture	**50.0**	50.0	**-**	-
Unigas	LP gas distribution	**-**	-	**-**	1
Wespine Industries Pty Ltd	Pine sawmillers	**50.0**	50.0	**4**	5
				(50)	40

Each of the above entities is incorporated in Australia and has a reporting date of 30 June with the exception of Gresham Partners Group Limited which has a reporting date of 30 September and the Bengalla companies that have a reporting date of 31 December.

(a) Gresham Private Equity Funds
Whilst the consolidated entity's interest in the unitholders' funds of Gresham Private Equity Fund No. 1 and 2 amounts to 50.6% and 67.4% respectively, they are not controlled entities as the consolidated entity does not have the capacity to dominate decision making in relation to their financial and operating policies. Such control requires a unitholders' resolution of 75% of votes pursuant to the Funds' trust deeds. The consolidated entity's interest in the unitholders' fund of Gresham Private Equity Fund No. 3 is below 75%. The fund is subject to future capital calls and the consolidated entity's interest is expected to reduce over time.

Gresham Private Equity Fund 1 has investments in Riviera being its sole investment. Riviera was placed into receivership on 8 May 2009. An impairment loss has been recognised by the fund. The Company's share of this loss of $35 million has been recognised in earnings. The managers of the fund are awaiting a report from the Administrators of Riviera and based on its findings are intending to wind up the fund.

(b) Centrepoint Alliance Limited was sold on 30 June 2009.

9 BUSINESS COMBINATIONS

Finalisation of acquisition accounting

Australian Vinyls Corporation
On 31 August 2008, the provisional acquisition accounting period ended for the acquisition of Australian Vinyls Corporation. There were no significant adjustments to the fair value of identifiable assets and liabilities since those disclosed provisionally at 30 June 2008.

Coles Group Limited (“Coles Group”)
On 22 November 2008, the provisional acquisition accounting period ended for the acquisition of the Coles Group. Adjustments were made in finalising the acquisition accounting, resulting in the fair value of identifiable assets and liabilities recognised on acquisition increasing by $117.9 million compared to the provisional fair value amounts previously reported at 30 June 2008. This increase is due largely to an increase in deferred tax assets, relating to property, plant and equipment, and provisions, as a result of finalising the tax effect accounting. The increase in the fair value of identifiable assets and liabilities results in a corresponding decrease to goodwill recognised on acquisition.

The impact on retained earnings as at 30 June 2008 as a result of the above changes is an increase of $19.2 million. This is due largely to a decrease in income tax expense. The impact to net profit after tax for the 12 months to 30 June 2009 is not considered by the Company to be significant.

10 CONTRIBUTED EQUITY

Movement in ordinary shares on issue	Thousands	$m
At 1 July 2007	388,069	2,256
Issue of shares under non executive director plan at $40.94 per share	3	-
Issue of shares as consideration for Coles Group acquisition at $41.48 per share	152,606	6,331
Issue of shares under employee long term incentive plans at $41.21 per share	1,064	44
Issue of shares under dividend investment plan at $40.47 per share	3,068	124
Issue of shares under non executive director plan at $39.57 per share	2	-
Issue of shares under dividend investment plan at $36.56 per share	2,920	107
Issue of shares under underwriting agreement at $36.56 per share	9,424	344
Issue of shares under entitlement offer at $29.00 per share	89,030	2,583
Issue of shares under institutional book build at $38.75 per share	654	25
Partially protected ordinary shares converted to ordinary shares at $41.95 per share	343	14
Transaction costs associated with entitlement offer	-	(43)
At 30 June 2008	**647,183**	**11,785**
Issue of shares under non executive director plan at $31.82 per share	**5**	**-**
Issue of shares under salary sacrifice share plan at $29.09 per share	**57**	**2**
Issue of shares under dividend investment plan at $30.46 per share	**11,230**	**342**
Issue of shares under employee long term incentive plans at $18.11 per share	**4,575**	**83**
Issue of shares under salary sacrifice plan at $16.25 per share	**141**	**2**
Issue of shares under salary sacrifice plan at $18.72 per share	**87**	**2**
Issue of shares under placement at $14.25 per share	**63,158**	**900**
Issue of shares under institutional book build at $15.00 per share	**30,153**	**452**
Issue of shares under institutional entitlement offer at $13.50 per share	**115,282**	**1,556**
Issue of shares under non executive director plan at $16.86 per share	**9**	**-**
Issue of shares under retail entitlement offer at $13.50 per share	**128,661**	**1,737**
Issue of shares under dividend investment plan at $17.37 per share	**4,217**	**73**
Issue of shares under retail entitlement offer at $13.50 per share	**59**	**1**
Partially protected ordinary shares converted to ordinary shares at $41.95 per share	**310**	**13**
Transaction costs associated with entitlement offer	-	**(37)**
At 30 June 2009	**1,005,127**	**16,911**

Movement in partially protected ordinary shares on issue	Thousands	$m
At 1 July 2007	-	-
Issue of shares as consideration for Coles Group acquisition at $41.95 per share	152,598	6,402
Partially protected ordinary shares converted to ordinary shares at $41.95 per share	(343)	(14)
At 30 June 2008	**152,255**	**6,388**
Partially protected ordinary shares converted to ordinary shares at $41.95 per share	**(310)**	**(13)**
At 30 June 2009	**151,945**	**6,375**
Total contributed equity	**1,157,072**	**23,286**

Movement in employee reserved shares on issue	Thousands	$m
At 30 June 2007	6,426	111
Exercise of in-substance options	(1,156)	(24)
Dividends applied	-	(11)
At 30 June 2008	**5,270**	**76**
Exercise of in-substance options	**(497)**	**(6)**
Dividends applied	-	**(8)**
At 30 June 2009	**4,773**	**62**

11 EVENTS AFTER THE BALANCE SHEET DATE

Dividend

A fully franked dividend of 60 cents per share resulting in a dividend payment of $694 million was declared for payment on 1 October 2009. The dividend has not been provided for in the 30 June 2009 full year financial statements.

12 EQUITY RAISING

On 22 January 2009, the Company announced it had launched an equity raising comprising: a 3 for 7 accelerated pro-rata non-renounceable entitlement offer, at an offer price of $13.50 per share, which included a fully underwritten institutional component, and additional proceeds of $900.0 million to be raised by placements to two strategic investors.

Settlement of the institutional component and strategic investor placement occurred on 6 February 2009. On settlement, the Company issued 208.6 million shares at an average price of $13.94 per share. After settlement of the retail component of the entitlement offer, on 3 March 2009 the Company issued 128.7 million shares at a price of $13.50 per share. The total amount raised was $4,646 million with 337.3 million shares issued.

The proceeds of the equity raising have been used by the Company to repay bank debt and to provide additional liquidity. The Company has also secured extensions to a substantial proportion of debt facilities originally expiring in 2009 and 2010.

Interest rate swaps held as hedges of interest rate movements on the repaid debt have been closed out, or offset by entering into equal and opposite derivative contracts.

Costs incurred in relation to the equity raising and subsequent repayment of debt were $212.3 million comprising:

- interest rate hedge losses of $135.6 million were recognised in earnings for the period ended 30 June 2009;
- debt establishment costs of $25.0 million have been incurred and increased amortisation and write-downs totalling $5.5 million ($3.8 million after tax) were recognised during the period ended 30 June 2009; and
- directly attributable equity raising costs incurred of $51.7 million ($36.2 million after tax) were recognised directly in equity.

The total impact on earnings for the period of the above adjustments is $141.1 million ($98.7 million after tax).

13 IMPAIRMENT TESTING

The Company has completed detailed impairment testing of its non-current assets, as required under Australian Accounting Standards. The carrying value of these assets did not exceed their recoverable amounts determined for impairment testing purposes. These recoverable amounts remain sensitive, however, to changes in underlying assumptions including discount rates and general trading conditions. Included in the non-current assets tested for impairment were goodwill and other intangible assets recognised on acquisition of businesses including the Coles Group.

Refer to Note 3 for a break-down of the impairment expense recognised in relation to investments and property, plant and equipment for the year ended 30 June 2009.

14 CASH FLOW HEDGE RESERVE

The change in cash flow hedge reserve for the year ended 30 June 2009 includes the after-tax net movement in market value of effective cash flow hedges from 30 June 2008 and comprised: ($221.4) million of interest rate swaps and ($246.9) million of foreign exchange rate contracts.

Wesfarmers Limited
ABN 28 008 984 049

NEWS

20 August 2009

2009 Full Year Results

- 44 per cent increase in net profit after tax to $1,535 million*
- 52 per cent increase in revenue to $51.0 billion*
- 34 per cent increase in earnings before interest and tax (EBIT) to $2,977 million*
- 110 per cent increase in operating cash flow to $3,044 million*
- $1.60 earnings per share for the full-year compared with $1.74 for 2008
- $0.60 fully-franked final dividend per share declared, above earlier guidance

Wesfarmers Limited announced today a net profit after tax of $1,535 million for the 2008/09 financial year, an increase of 44 per cent on the $1,063 million reported for the previous year.

The result was achieved due to significant revenue and earnings growth in the Resources, Coles, Bunnings and Target divisions.

Resources generated record earnings through solid sales volumes enabling the business to capitalise on higher export coal prices during the first three quarters of the year.

The turnaround of Coles continues to meet the company's expectations with a stronger in-store offer driving increasing customer numbers and basket growth.

Bunnings and Target both delivered strong performances reflecting the quality of their customer offers and ability to continue to drive organic growth.

The business transformations underway at Officeworks and Kmart progressed well albeit, in the case of Kmart, improvement is still at an early stage.

External factors and a slowing economy significantly affected the results for the Insurance and the Chemicals & Fertilisers, Energy and Industrial & Safety divisions.

Operating cash flow was strong as strategies delivered improvements in working capital management in Coles, Target and Kmart.

The balance sheet was strengthened with net debt reduced by $4.8 billion during the year resulting in a closing net debt to equity ratio of 18.3 per cent.

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* Coles, Kmart, Officeworks and Target included for the period of 23 Nov 07 to 30 Jun 08.

Managing Director Richard Goyder said the 44 per cent profit increase was a good result in what had been a challenging year in the context of the global and national economic downturn and localised factors affecting some of the Wesfarmers businesses.

“At a time of continuing concern about the impact of the economic crisis on employment in Australia, I am very pleased that we have continued to invest in all of our businesses, in particular the retail operations, leading to the creation of more than 10,000 new jobs in the past year,” said Mr Goyder.

“Positive support from our shareholders for the equity offer earlier this year, combined with strong free cash flow generation, added strength to the balance sheet and takes the Group into 2010 in a solid position.

“Pleasingly the Group has been able to declare a fully-franked final dividend of 60 cents per share, which is above the guidance provided in February, and brings the full-year dividend to $1.10 per share, fully-franked.

“We now have exceptional teams in place leading all of our businesses with clear strategies that underpin future growth plans. In particular, the improvement in Coles is very encouraging with its performance reflecting good customer response as we progress through the early stages of the five year turnaround plan.

“The strength of the Bunnings and Target leadership teams and respective customer offers were evident in the quality of their results and shows each of these businesses to be world-class.

“The Resources division’s record results demonstrated the outstanding value of these assets to the Group, and also reflected management’s operational performance to take advantage of buoyant times.

“External factors including the Varanus Island gas disruption, adverse national weather conditions and dramatically lower interest rates, combined to substantially reduce earnings from the Energy, Chemicals & Fertilisers and Insurance divisions.”

Results Summary

Year ended 30 June	2009	2008*	Variance %
KEY FINANCIALS ($m)			
Revenue	**50,982**	33,584	*51.8*
EBITDA	**4,001**	2,889	*38.5*
EBIT	**2,977**	2,229	*33.6*
Net profit after tax (pre significant items)	**1,641**	1,132	*45.0*
Net profit after tax (post significant items)	**1,535**	1,063	*44.4*
Operating cash flow	**3,044**	1,451	*109.8*
Net debt	**4,435**	9,276	*(52.2)*
KEY SHARE DATA (cents per share)			
Earnings per share^	**160.0**	174.2	*(8.2)*
Operating cash flow per share	**324.8**	247.2	*31.4*
Dividends per share	**110**	200	*(45.0)*
KEY RATIOS			
Net debt to equity (%)	**18.3**	47.3	*29.0pt*
Interest cover (cash basis) (times)	**5.5**	4.9	*12.2*
Return on shareholders' funds (%)	**7.4**	8.6	*(1.2)pt*

Divisional Summary

Year ended 30 June ($m)	2009	2008*	Variance %
EBIT			
Coles	**831**	475	*n.m.*
Home Improvement	**659**	589	*11.9*
Office Supplies	**65**	36	*n.m.*
Target	**357**	221	*n.m.*
Kmart	**109**	111	*n.m.*
Resources	**915**	423	*116.3*
Insurance	**91**	122	*(25.4)*
Industrial & Safety	**114**	130	*(12.3)*
Chemicals & Fertilisers	**52**	124	*(58.1)*
Energy	**75**	90	*(16.7)*
Other (including non-trading items)	**(190)**	(4)	*n.m.*
Divisional EBIT	**3,078**	2,317	*32.8*
Corporate overheads	**(101)**	(88)	*(14.8)*
Group EBIT	**2,977**	2,229	*33.6*

* Coles, Kmart, Officeworks and Target included for period of 23 Nov 07 to 30 Jun 08. Small adjustments to last year's reported figures reflecting finalisation of acquisition accounting of Coles Group and Insurance adjustment.

^ 2008 restated for equity raising in accordance with AIFRS.

n.m. = not meaningful

Retail

Performance across the retail businesses was strong against the backdrop of the slowing economy.

The Coles division (supermarkets, liquor, fuel and convenience) had total operating revenue of $28.8 billion and underlying EBIT of $831 million for the year.

The trend over successive quarters in Coles' food and liquor comparable store sales growth was encouraging, with fourth quarter growth of 7.3 per cent (adjusted for Easter timing). This was driven by increased customer numbers and basket growth. For the full-year, total food and liquor store sales growth was 6.2 per cent and comparable store sales growth was 4.6 per cent.

Bunnings continued to deliver outstanding results, with EBIT up 11.9 per cent on the previous year to $659 million, driven by good execution of merchandising and operational strategies. Cash sales growth of 13 per cent was achieved for the year, with underlying store-on-store cash sales increasing by 10.1 per cent following growth of 12.9 per cent in the second half.

Operating revenue for Officeworks was $1.3 billion for the year with the retail network recording sales growth of 7.7 per cent and a second half growth of 11.1 per cent. EBIT was $65 million with increasingly encouraging results from its reset strategic agenda.

Target again delivered a strong performance generating EBIT of $357 million for the year through a tight focus on merchandising disciplines and cost control. Operating revenue of $3.8 billion was driven through comparable store sales growth of 4.2 per cent (6.4 per cent in the fourth quarter, adjusted for Easter timing).

Kmart's turnaround is showing early signs of progress following the introduction of new leadership and strategies in the second half of the year. It achieved operating revenue of $4.0 billion for the year and generated underlying EBIT of $109 million. Comparable store sales growth for the year was flat.

Industrial

Record revenue and EBIT were achieved by the Resources division through higher export coal prices during the first nine months of the year and solid sales volumes throughout the year. Resources' EBIT was $915 million, compared to $423 million for the previous year, an increase of 116 per cent. This result included $88 million in costs associated with early close out of a number of foreign exchange hedge contracts.

The coal operations at Curragh in Queensland and Premier Coal in Western Australia both delivered record production and sales for the year, with total sales volumes for Curragh increasing by 9.1 per cent and Premier by 19.8 per cent.

Following recent periods of industry-wide cost pressures, mine cash costs are expected to reduce in 2009/10. Metallurgical coal sales in 2009/10 are now expected to be in the range of 6.2 to 6.7 million tonnes.

The Industrial & Safety, Energy and Chemicals & Fertilisers divisions recorded lower results due mainly to external events outside their control.

The widespread industry slow down in the second half of the year negatively affected the Industrial & Safety division, resulting in a decline in EBIT of 12.3 per cent to $114 million.

The June 2008 disruption to the Varanus Island gas facilities restricted earnings throughout the year for both Chemicals & Fertilisers and Energy. Fertiliser sales were also significantly lower due to a late seasonal break in Western Australia and tighter credit conditions experienced by farmers.

Chemicals & Fertilisers recorded EBIT for the year of $52 million which was 58.1 per cent lower than the previous year. Energy recorded a 16.7 per cent decrease in EBIT to $75 million.

Insurance

Despite moderate growth from its broking businesses, Wesfarmers Insurance experienced a difficult year in underwriting due to higher claims related to adverse weather conditions and reduced investment income from substantially lower interest rates.

Underlying EBIT decreased by 25.4 per cent to $91 million.

Restructuring in the Lumley Australia and New Zealand businesses progressed well during the year and the move to a single underwriting licence in Australia is now complete.

Other Businesses

Contributions from other businesses this year were significantly affected by non-cash revaluations and impairments and one-off restructuring costs.

The share of profit from the partly-owned Gresham Partners amounted to $1 million while the Gresham Private Equity Funds generated a loss of $57 million. This result included a number of non-cash revaluations, including a write-down of $35 million following Riviera being placed into receivership during the year. Riviera was the last remaining investment of Gresham Private Equity Fund 1 which, including this write-off, generated a cash internal rate of return of 27 per cent per annum since inception.

There was a loss of $8 million from Wesfarmers' investment in the Bunnings Warehouse Property Trust.

The 50 per cent-owned Wespine Industries delivered earnings of $4 million.

Non-trading items, including restructuring costs and non-cash impairments, totalled $121 million (after-tax).

Other significant non-recurring items included in the year’s result were costs associated with the closing-out of interest rate swaps of $95 million (after-tax) following significant repayments of debt in the second half. The Group also recorded a one-off tax benefit of $110 million following reviews of the tax base of leasehold improvements and research and development claims.

Non Trading & Significant Items ($m)	FY09 Pre-tax	FY09 Post-tax	Segment	Comment
Coles	**(52)**	(60)	Other	Property impairments partially offset by write-back of store exit provision
Kmart	**(70)**	(49)	Other	Supply chain and other restructuring
Insurance & Other	**(15)**	(12)	Other	Single licence and other restructuring including Centrepoint exit
Non-trading items	**(137)**	(121)		
Other	**(136)**	(95)	Finance costs	Interest rate swap close-outs post debt repayment
Tax adjustment	**0**	110	Tax	Reviews of leasehold tax base and R&D claims
Total	**(273)**	(106)		

Capital Management

Cash realisation of 117 per cent for the year was a good result and followed particular emphasis on improving working capital in Coles, Target and Kmart.

Operating cash flows for the period were $3,044 million, compared to $1,451 million for the previous year. Replacement and expansionary capital expenditure was $1,503 million for the year, in line with guidance given in April. Free cash flow of $1,541 million compares to $210 million in the previous year.

Further balance sheet strengthening through the successful equity raising earlier this year resulted in debt repayments of $3.5 billion with additional proceeds raised retained in cash.

The Group's closing net debt to equity ratio as at 30 June 2009 was 18.3 per cent with ratings from Standard and Poor's of BBB+ (stable) and from Moody's of Baa1 (stable).

Final Dividend

Consistent with the Group's dividend policy, which was revised in January, the directors have declared a fully-franked final dividend of 60 cents per share. This is higher than guidance given in February due to the strong cash generation by the Group and outlook.

While economic conditions remain uncertain, the Board's decision is based on the company's current and projected cash position, having regard to capital expenditure requirements, retained earnings, franking credits, debt levels and business and economic conditions generally. Wesfarmers will seek to deliver stable and growing dividends in the future.

The dividend will be paid on 1 October 2009 to shareholders on the company's register on 31 August 2009, the record date for the final dividend.

Given the preference of many shareholders to receive dividends in the form of equity, the directors have decided to continue the operation of the Dividend Investment Plan (the "Plan"). The allocation price for shares under the Plan will be calculated as the average of the daily volume weighted average price of Wesfarmers shares on each of the 15 consecutive trading days from and including the second trading day after 31 August 2009. No discount will apply to the allocation price and the Plan will not be underwritten. Given Wesfarmers' current capital structure and strong balance sheet, shares will be acquired on-market and transferred to participants to satisfy any shares to be issued under the Plan on 1 October 2009.

Outlook

Underlying retail trading conditions remain somewhat volatile and difficult to predict despite recent signs of growing consumer confidence. The expected absence of further Government stimulus packages, which had some impact on this year's results, is another factor contributing to a degree of uncertainty about the future. The strong focus on the Group's retail business turnaround will continue.

Earnings from the Resources division will reduce significantly in 2009/10, due mainly to lower export coal prices. Subject to economic conditions, improvement is generally expected from the other industrial businesses, in particular Chemicals & Fertilisers, as they recover from the external events that affected them during the year.

Insurance earnings should increase, assuming a return to a more normal claims environment, however investment earnings will remain subdued while interest rates are low.

Wesfarmers remains cautiously optimistic about the economic outlook over the next 12 months although cognisant of a degree of ongoing fragility.

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Coles Division

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008* ($m)**
Revenue	**28,799**	**16,876**
EBITDA	**1,216**	**715**
Depreciation & Amortisation	**(385)**	**(240)**
EBIT	**831**	**475**

* Period 23 November 07 – 30 June 08

Operating revenue for the Coles division (supermarkets, liquor, fuel and convenience) for the year totalled $28.8 billion, with earnings before interest and tax (EBIT) and non-trading items of $831 million.

Food and liquor store sales growth excluding property, was 6.2 per cent, with comparable store sales growth of 4.6 per cent.

The results were driven by strong customer response to an improved in-store offer, particularly on-shelf availability, in-store value, quality, and service. Targeted promotional activity, including Coles' "$10 meal deal" concepts, met with strong customer support, as did Coles' increased commitment to local products in stores and support for Australian-made or grown products.

These initiatives have seen increasing customer numbers and basket growth.

Liquor sales also benefited from improved store service standards and significant reinvestment in lower prices.

Coles Express delivered revenue of $6.3 billion and comparable shop sales growth of 6.4 per cent for the year. Performance was driven by an improving convenience store offer and roll-out of Coles Express own-brand products.

Coles is continuing to build the foundations for its five year transformation.

Supporting the experienced leadership team, new appointments in both store operations and the support centre have further brought new retailing talent into the business.

As part of driving a new store-focused culture, Coles launched its "Retail Leaders" programme to foster and develop promising store team members. The business also launched a graduate recruitment programme.

Coles continued to grow its store network, opening 31 supermarkets, 32 liquor stores, nine Coles Express sites and two hotels. The refurbishment programme also continued in all supermarkets, 80 Liquorland stores and 26 Coles Express sites.

At year-end, Coles had 763 supermarkets, 775 liquor stores, 625 Coles Express sites and 95 hotels. On 30 June, Coles announced the transfer of 45 Coles and Bi-Lo stores and eight associated Liquorland stores to FoodWorks. This store transfer is expected to be completed by April 2010. Coles still expects to have a net increase in its store network over the next 12 months as a result of its annual new store programme.

Supermarkets commenced its store renewal pilot programme during the year, with 13 new store formats opening. Customer response has been positive. Coles is continuing to develop a new store format for the future based on what customers are saying they want.

Outlook

The current uncertain economic conditions are expected to continue. Despite recent signs of improving consumer confidence, it remains subdued, affecting customer purchasing patterns, such as eating out less, cooking at home more and a strong focus on value. Coles intends to meet customer demand for value, to improve its fresh quality and housebrand ranges and improve service.

The five year business turnaround programme is still in its early stages and meaningful and sustainable change will take time. However, the Coles management team are focused on driving change at pace to ensure the turnaround is achieved.

Home Improvement and Office Supplies Division

Bunnings

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008 ($m)**
Revenue	**5,845**	**5,359**
EBITDA	**736**	**652**
Depreciation & Amortisation	**(77)**	**(63)**
EBIT	**659**	**589**

Operating revenue from the Bunnings home improvement business increased by 9.1 per cent to $5.8 billion for the full-year while earnings before interest and tax grew 11.9 per cent to $659 million. Trading earnings (net of property sale contributions) increased by more than 13.9 per cent.

Cash sales growth in Bunnings of 13.0 per cent was achieved during the year, with underlying store-on-store cash sales increasing by 10.1 per cent, reflecting continued strong organic growth in the business. Pleasing results were achieved in all Australian states and across all product ranges driven by good execution of merchandising and operational strategies. New Zealand results continued to be affected by the tight economic conditions in that market although Bunnings performed well against its key competitors.

The business was well placed to benefit from increased customer spending associated with the Australian Government's stimulus packages. This was assisted by a strong focus on the value proposition for customers and on the cost of doing business.

Trade sales were 2.8 per cent lower than last year, which was a satisfactory result given the significant weakness in the housing construction market in a number of parts of Australia and New Zealand. This performance reflects good progress in enhancing the trade offer from a customer perspective.

During the year, 10 new warehouse stores, three smaller format stores and 10 trade centres were opened. At year-end there were 175 warehouses, 56 smaller format stores and 22 trade centres operating across Australia and New Zealand. Investment in bringing current merchandising standards into older parts of the network continued, together with extensive category specific upgrade work across the whole network.

Outlook

The business is well positioned in the current trading environment with a continuing strong focus on merchandising and network expansion opportunities, enhancing service, lowering costs and improving the effectiveness of operations. The store network will continue to expand with 10 to 14 warehouse stores expected to open annually for the foreseeable future.

Continued retail sales growth on a normalised basis (adjusting for the impact of recent government stimulus actions) is expected in 2009/10. Trade sales are expected to improve as the economy recovers.

Home Improvement and Office Supplies Division

Officeworks

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008* ($m)**
Revenue	**1,306**	**801**
EBITDA	**81**	**48**
Depreciation & Amortisation	**(16)**	**(12)**
EBIT	**65**	**36**

* Period 23 November 07 – 30 June 08

Operating revenue for the office supplies businesses was $1.3 billion for the full-year with earnings before interest and tax of $65 million. For the second half of 2008/09, operating revenue was 2.5 per cent above the prior comparative half while second half earnings were 10.5 per cent above normalised earnings.

Headline sales growth across the Officeworks retail store network for the year was 7.7 per cent. Adverse sales trends were experienced in Officeworks Business and Harris Technology which were both affected by a lack of confidence amongst their core customer base of small-to-medium sized businesses, as well as being disrupted by strategy re-set work.

Good progress was made on the strategic agenda during the year. The expansion and alignment of the customer offer across the different channels of the business was particularly pleasing. Investment in a new website and the roll-out of a new photo, print and copy offer were highlights for the year. The focus on improving inventory management processes and systems produced positive results and brought further opportunities to light.

During the year, eight new Officeworks stores were opened and seven Officeworks stores were totally upgraded. At year-end, there were 123 Officeworks stores and five Harris Technology business centres operating across the country. Six Harris Technology business centres were closed in line with a revised growth strategy.

The primary focus remains on re-invigorating the business through a range of strategic initiatives. Investment to further enhance the customer offer will continue, as will work to lower costs and remove operational complexity.

Outlook

Moderate sales growth is expected in 2009/10 despite an economic environment that is expected to remain challenging. Ongoing improvements in the customer offer will underpin growth.

Target Division

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008* ($m)**
Revenue	**3,788**	**2,198**
EBITDA	**417**	**254**
Depreciation & Amortisation	**(60)**	**(33)**
EBIT	**357**	**221**

* Period 23 November 07 – 30 June 08

Target's operating revenue for the year was $3.8 billion, with comparable store sales growth of 4.2 per cent. Earnings before interest and tax were $357 million, with an EBIT margin of 9.4 per cent.

Target's EBIT margin was maintained by tight management of expenses and a strong focus on the merchandise mix and inventory volumes ensuring they met customer demand.

Although operating in a challenging and competitive environment, Target did benefit from lower interest rates and petrol prices, as well as the Australian Government's stimulus packages.

All merchandise departments recorded growth during the financial year, with particularly strong results in technology based products, toys and baby-related merchandise.

Inventory levels in comparable stores at year end were below last year allowing a clean move into new ranges for the 2009/10 year.

During the year, 16 stores were opened (including five replacement stores) and two Target Country stores closed. At year-end there were 170 full line Target stores and 116 Target Country stores.

Continued investment in the existing store network resulted in 33 store refurbishments with new store design standards including layout, fixtures, flooring and signage.

Outlook

Target is cautious about the outlook for 2010 with the global and national economies remaining difficult to predict, coupled with no further stimulus packages expected for 2009/10.

Continued investment in the network is planned with seven new stores and 20 refurbishments in 2009/10.

Expense control and cash flow management will remain priorities with strong inventory control allowing the business to maximise merchandise opportunities as they arise.

Kmart Division

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008* ($m)**
Revenue	**3,998**	**2,454**
EBITDA	**171**	**148**
Depreciation & Amortisation	**(62)**	**(37)**
EBIT	**109**	**111**

* Period 23 November 07 – 30 June 08

Kmart's operating revenue for the year was $4.0 billion with underlying earnings before interest and tax and non-trading items of $109 million.

Comparable store sales growth for the year was 0.2 per cent. Retail trading was challenging but recovered slightly following the release of government stimulus funding.

The main areas of growth were achieved in the apparel departments, whilst the hard goods area saw a decline as a number of unprofitable categories were exited.

Overall discounting activity was reduced, enabling margins to be maintained despite the challenging trade.

Kmart Tyre & Auto Service experienced sales growth across all categories, in particular tyres.

In October 2008, Wesfarmers appointed former McDonald's Managing Director, Guy Russo, as the Managing Director of Kmart and a major review was commenced covering all aspects of store operations, supply chain, merchandising and marketing. Following the appointment of a new leadership team, revised business strategies to turn around the business have been developed and are currently being implemented.

As part of early restructuring, more than 150 non-store roles were removed and a more aligned store and customer-focused structure implemented.

Work immediately commenced on restructuring the supply chain network to better service stores and gain efficiencies through the reduction of storage costs. This has resulted in the closure of 62 storage off-sites and the reduction in inventory of $100 million.

Product ranges are being reviewed to offer customers quality products at low prices, and there is a focus on making promotions simpler and easier for customers to understand.

Restructuring costs not included in underlying earnings in the current year totalled $70 million before tax. Further work and costs to complete supply chain restructuring is expected over the next year.

The business focused on improving customer service and lifting store presentation standards. Two new stores were opened during the year. At year-end there were 184 Kmart and 255 Kmart Tyre & Auto Service stores.

Outlook

The turnaround of Kmart faces a number of challenges. With the new management team appointed, a strong focus will be placed on rebuilding a solid foundation for the business and a platform for sustainable growth.

Trading conditions are likely to remain somewhat volatile given the turnaround underway and the likely absence of any further government stimulus packages. Kmart will continue to improve the in-store experience for customers and rebuild trust by offering quality products at great prices every day.

An additional two new stores are planned to be opened in the forthcoming year.

Resources Division

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008 ($m)**
Revenue	**2,411**	**1,311**
EBITDA	**1,188**	**571**
Depreciation & Amortisation	**(273)**	**(148)**
EBIT	**915**	**423**

Revenue increased to $2.4 billion, 83.9 per cent above last year. Earnings before interest and tax (EBIT) of $915 million were 116.3 per cent higher than last year's $423 million. Higher export coal prices during the first three quarters were the major factor in the improved 2008/09 result.

Total coal sales volumes for the year from Curragh of 9.8 million tonnes (6.5 million metallurgical and 3.3 million steaming) were 9.1 per cent above those achieved in 2007/08. Premier Coal's steaming coal sales volumes of 3.4 million tonnes in 2008/09 were 19.8 per cent higher than last year.

Joint venture steaming coal sales volumes from Bengalla of 5.2 million tonnes (4.6 million export and 0.6 million domestic) were 7.3 per cent lower than last year.

Curragh: Record EBIT and strong metallurgical coal sales volumes were achieved, with metallurgical coal production of 6.7 million tonnes for the year despite major structural damage to a dragline's boom in December which necessitated increased truck and shovel activity over the second half. The dragline returned to service during May 2009, ahead of expectations.

Factors affecting costs included: record government royalties ($208 million); a record Stanwell expense ($170 million); foreign exchange hedge close-outs; plus the cost of discretionary incremental truck and shovel and other initiatives to optimise production in line with record export prices.

Annual price negotiations were concluded in April 2009, and long-term contracts to supply world-leading steelmakers in Asia, Europe and South America set.

A feasibility study continues into the expansion of Curragh to achieve annual export tonnages of between 8.0 and 8.5 million tonnes of metallurgical coal.

Premier Coal: Increased coal sales volumes of 19.8 per cent were achieved due to increased demand from Verve Energy during the Western Australian gas shortage caused by the Varanus Island gas disruption. EBIT was lower than last year, due to the shutdown and write-off of the pilot char plant.

Growth within the Premier Power Sales business was promising.

Bengalla: Record EBIT and steaming coal prices were achieved. A feasibility study to determine the viability of increasing the annual run of mine capacity from 8.7 million tonnes to 10.7 million tonnes continues.

Outlook

Earnings will decrease significantly in 2009/10 due to a substantial reduction in export coal prices together with lower export demand. Two non-operational issues affecting Curragh, the timing of Stanwell rebate obligations and locked-in foreign exchange rate hedge losses will also affect earnings.

Lower mine cash costs are expected to be achieved as the division implements aggressive cost reduction programmes.

The $130 million Blackwater Creek diversion project, which will increase Curragh's mine potential, is on budget and scheduled for completion in December 2010.

Metallurgical coal sales from the Curragh mine are expected to be in the range of 6.2 to 6.7 million tonnes for the full-year subject to mine operating performance and infrastructure constraints.

Industrial and Safety Division

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008 ($m)**
Revenue	**1,294**	**1,309**
EBITDA	**127**	**141**
Depreciation & Amortisation	**(13)**	**(11)**
EBIT	**114**	**130**

Industrial & Safety delivered a solid performance in a challenging economic environment. Operating revenue declined by 1.1 per cent during the year to $1.3 billion, despite being 7.0 per cent higher than last year in the first six months, due to the business activity slowdown in the second half.

Sales were lower in most businesses, particularly in Victoria and New Zealand. Bullivants performed strongly, and all businesses, especially Blackwoods, continued to strengthen positions with major customers in the resources sector.

Earnings before interest and tax of $114 million were 12.3 per cent lower than last year, with reduced sales and increased margin pressure being only partially offset by expense reductions. Strong earnings growth was achieved by Bullivants and the division's Western Australian activities.

Due to lower earnings, return on capital reduced to 14.1 per cent compared with 16.8 per cent achieved last year.

Over the year, the division continued to strengthen its capabilities, with a major focus on sales force effectiveness.

Delivery performance continued to improve and a strong focus on markets and customers has underpinned an overall strengthening of market positions. Significant focus has been directed at the supply chain, with a new demand management system being implemented. The international supply chain, including sourcing, quality assurance and logistics, has also been further enhanced.

Upgrading distribution capabilities continued with the near-completion of the Blackwoods Paykels Auckland and Blackwoods Perth distribution centres. Branch network development included ongoing refurbishment activity and a number of small acquisitions and greenfield branches for specialist businesses, while a small number of non-performing locations were closed.

A highlight in New Zealand included the migration of Blackwoods Paykels onto the common New Zealand IT platform, to enable better customer service at the growing number of shared Blackwoods Paykels/Protector Safety locations.

The combination of strong relationships with key suppliers and expanding direct sourcing capability has supported the continued development of the range of products and services offered. This was complemented by marketing activities and new catalogues. Protector Alsafe further expanded its training offer, while Bullivants introduced a new asset management service. E-business functionalities have continued to be developed, with strong growth achieved in this channel over the year.

New investments in resources and equipment have targeted the oil and gas, infrastructure and construction, and hospitality sectors.

Finally, good progress was also made on initiatives to deliver more effective operations, particularly to further increase the performance of the branch networks.

Outlook

While the economic environment is affecting the division's performance, the competitiveness of its business portfolio and ongoing improvement programmes position it well to benefit from economic recovery. Over the next year, resources and infrastructure-based activity are expected to provide growth opportunities and enable the division to further strengthen its competitive position.

Chemicals and Fertilisers Division

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008 ($m)**
Revenue	**1,162**	**997**
EBITDA	**115**	**172**
Depreciation & Amortisation	**(63)**	**(48)**
EBIT	**52**	**124**

Chemicals & Fertilisers' operating revenue of $1,162 million was 16.5 per cent higher than last year as a result of higher ammonium nitrate sales volumes and fertiliser prices. Earnings before interest and tax of $52 million were 58.1 per cent lower than the previous year's $124 million due to reduced earnings from fertilisers and all chemical businesses, except for ammonium nitrate.

The ammonia business recorded a loss for the year due to an incident at the Varanus Island gas facilities in Western Australia, affecting production and costs throughout the year.

Total fertiliser sales volumes declined by 30.1 per cent due to a late seasonal break, reduced farmers' terms of trade in the pasture market and lower application rates reflecting tighter credit and liquidity conditions.

Chemicals

Increased ammonium nitrate production was supplied into the local resource sector and export markets, resulting in a 52.1 per cent rise in volumes and a lift in earnings from the previous year.

The ammonia business recorded lower production and sales compared to last year, due to operations being suspended and then restricted following the disruption of gas supplies related to the incident at Varanus Island. This required the importing of ammonia at a higher cost in order to meet demand from external customers and as a feedstock for the manufacture of ammonium nitrate.

Production from the 50 per cent-owned Queensland Nitrates (QNP) integrated ammonia/ammonium nitrate facility was lower than the previous year due to a planned maintenance shutdown and debottlenecking. Demand remained strong and the expansion of production capacity from 185,000 tonnes per annum to 215,000 tonnes per annum was all contracted. The commissioning of the expansion was completed in February 2009.

The 75 per cent-owned Australian Gold Reagents (AGR) business recorded sodium cyanide sales below historical levels due to the impact of the Varanus Island gas outage on Western Australian gold mines, with stable volumes of exported solid product. AGR is currently expanding the production capacity of sodium cyanide solution at Kwinana to meet the requirements of the Boddington Gold Mine Project, due to be commissioned by October 2009.

Australian Vinyls Corporation has resolved customer and operational issues associated with an upgrade to the distributed control system during the year. However, sales volumes have been adversely affected by the slowdown in the building market impacting PVC pipe production. The combination of these two issues resulted in a loss for the year.

Fertilisers

Significantly lower than historical sales volumes in both pasture and cropping markets resulted in reduced fertiliser earnings. The break to the season was affected by the fourth driest autumn on record for the southwest of Western Australia, resulting in later than normal buying decisions.

Outlook

Increased ammonium nitrate production at both QNP and Kwinana will make a positive contribution to earnings. Local demand for sodium cyanide will be influenced by the timing of the commissioning of the Boddington Gold Mine.

Production and earnings from the ammonia plant will increase as gas restrictions, related to the incident at the Varanus Island facilities, ceased in July 2009.

Australian Vinyls

Energy Division

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008 ($m)**
Revenue	**598**	**565**
EBITDA	**122**	**128**
Depreciation & Amortisation	**(47)**	**(38)**
EBIT	**75**	**90**

Operating revenue for the Energy division increased to $598 million, 5.8 per cent above last year. Earnings before interest and tax of $75 million were 16.7 per cent lower than last year. The reduced earnings were largely due to lower international LPG prices and the impact of the Varanus Island gas disruption in Western Australia.

Industrial, medical and specialty gases

Coregas: Earnings were slightly higher than last year, despite reduced demand from Coregas' major customer and subdued market activity in Victoria and New South Wales.

Air Liquide WA: Earnings growth was achieved despite supply shortages during the Varanus Island gas disruption and sharply weaker second half demand, particularly in the resource sector. Operation of the Air Separation Unit (ASU) was suspended in December 2008 due to the shutdown of the HIsmelt plant in Kwinana.

LPG and LNG

Wesfarmers LPG: Revenue was slightly above last year due to higher sales volumes and a lower AUD:USD foreign exchange rate, partially offset by lower international LPG prices. Earnings were significantly lower due to lower average selling prices and inventory write-downs associated with the Varanus Island gas disruption and lower full-year international LPG prices.

Production increased by 1.6 per cent to 170,300 tonnes as content in the Dampier to Bunbury pipeline was higher for the year, despite lower content in the period initially following the Varanus Island gas disruption. Imported LPG and emergency inventory holdings ensured continuity of LPG supply for the Western Australian market during the gas disruption.

LNG: The Varanus Island gas disruption delayed commissioning of the 175 tonne-per-day LNG plant at Kwinana by three months, until September 2008. LNG production has steadily increased as off-take customers increase demand.

Kleenheat Gas: Earnings from continuing operations in Australia were lower than last year due to the impact of higher international LPG prices in the first half and the Varanus Island gas disruption. LPG cylinder sales volumes increased slightly due to growth in the cylinder exchange Kwik-Gas business, while bulk volumes were broadly in line with last year.

During the period, Kleenheat Gas launched "EVOL LNG", its brand for marketing LNG to the heavy duty vehicle market.

Power generation

enGen: Earnings were below last year primarily due to the delayed commencement of LNG-fuelled power stations at Sunrise Dam and Darlot in Western Australia.

Outlook

Growth of LNG sales is expected through the development of the Western Australian heavy duty vehicle market and a full-year contribution from the plant. The ASU supplying HIsmelt is anticipated to remain in "care and maintenance" until at least March 2010.

LPG earnings will continue to remain heavily dependent on international LPG prices, LPG content in the Dampier to Bunbury pipeline and the gas market in Western Australia.

Insurance Division

Performance Summary		
Full year ended 30 June	**2009 ($m)**	**2008 ($m)**
Revenue	**1,720**	**1,649**
EBITDA	**116**	**150**
Depreciation	**(13)**	**(14)**
EBITA	**103**	**136**

Wesfarmers Insurance achieved 4.3 per cent growth in operating revenue to $1.7 billion with solid support from targeted market sectors. Underlying earnings before interest, tax and amortisation (EBITA) was $103 million compared with $136 million for the previous year. The combined operating ratio (COR) for underwriting was 103.2 per cent and the EBITA margin for our broking businesses was 27.9 per cent.

Earnings before interest and tax for the year were $91 million. This included amortisation of intangibles of $12 million associated with the OAMPS and Crombie Lockwood acquisitions.

Lumley Australia's results were substantially affected by higher than expected claims resulting from adverse weather conditions and the Victorian bushfires.

During the year a substantial change programme was undertaken at Lumley Australia. A new CEO and management team were appointed and a new organisational structure was put in place. Following a detailed portfolio review, several unprofitable classes of business were exited.

Pleasingly, Lumley New Zealand's results improved substantially over last year following restructuring in this business and a strong focus on underwriting and claims disciplines. Revenue remained strong and profitability improved by $32 million over the previous year.

WFI generated growth in premium income which was offset by higher than normal claims. Continued investment in the sales force and customer service helped improve client retention rates. Fifteen declared natural disasters, including the worst crop losses since 1992, contributed to a decline in insurance margin.

The two Australian underwriting licences were consolidated during the year which will result in capital efficiencies in the order of $25 million and operational efficiencies arising from the development of shared services.

Revenue and earnings growth was achieved in the broking businesses despite the economic downturn in Australia, New Zealand and the United Kingdom.

A focus on delivering value and security to clients enabled all broking businesses to grow earnings in the difficult economic circumstances.

OAMPS Australia introduced a new sales management system through the year and also reduced operating expenses. OAMPS UK delivered earnings growth in its London market operations and environmental consulting.

Crombie Lockwood consolidated its position as the second largest broker in New Zealand with strong client retention rates and the completion of two bolt-on acquisitions.

Outlook

Subject to more normal weather conditions in Australia, earnings are expected to improve in 2009/10 as a result of the business improvement and growth initiatives implemented over the past two years.

Our underwriting businesses will focus on underwriting and claims disciplines whilst building capability in key market segments. Lumley New Zealand will build on the momentum developed over the past year and the new management team in Lumley Australia will follow a similar strategy to improve profitability in the intermediated market. WFI's earnings are expected to improve on the basis of more normal weather and crop conditions. The effect of these strategies will be realised across the 2009/10 and 2010/11 periods.

Our broking businesses are expected to continue their earnings improvement through a combination of organic growth, targeted acquisition and business process enhancement.