

Wesfarmers Limited

Michael Chaney
Managing Director & CEO

Richard Goyder
Finance Director

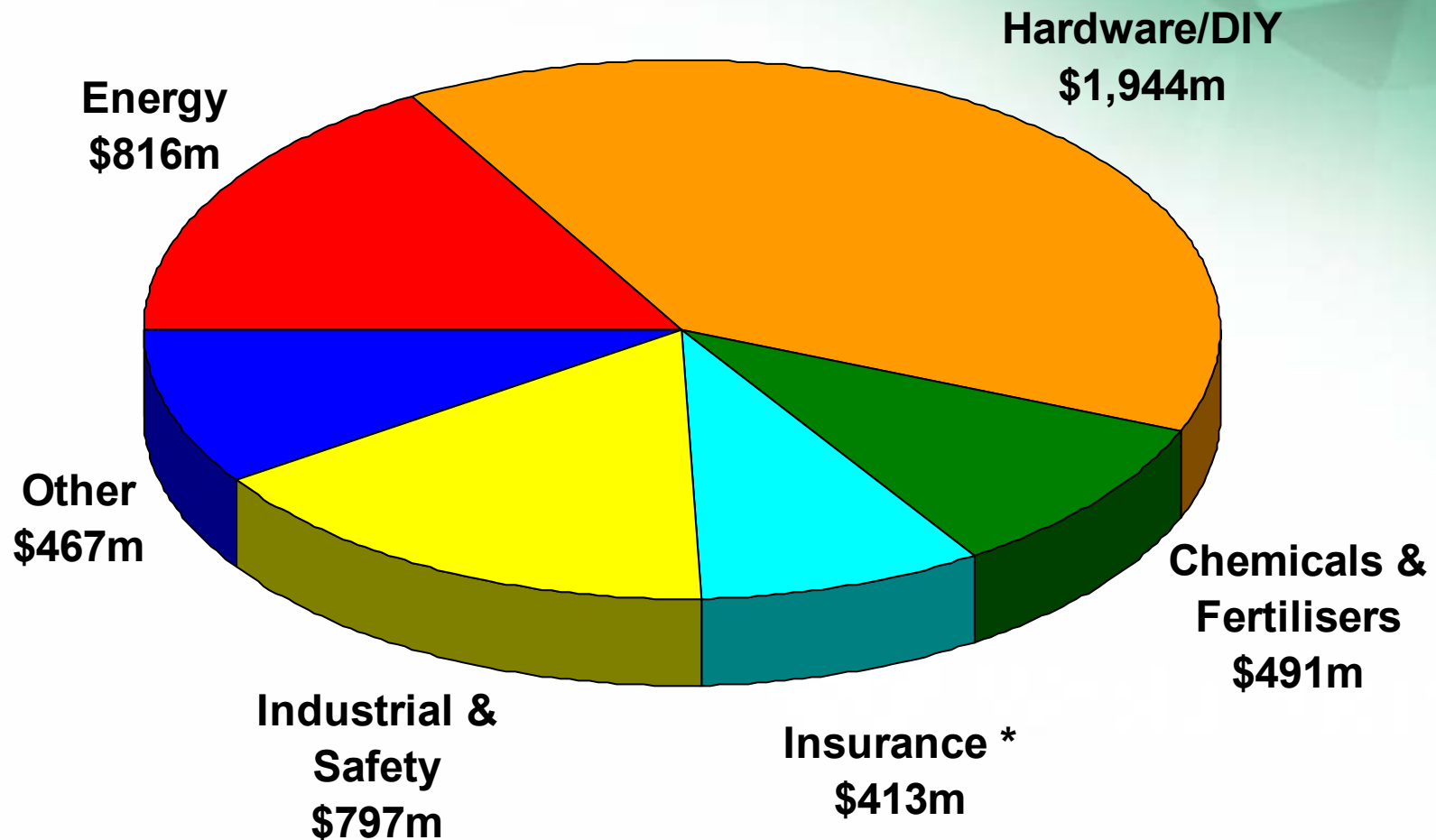
October 2003



Wesfarmers

Capital Employed

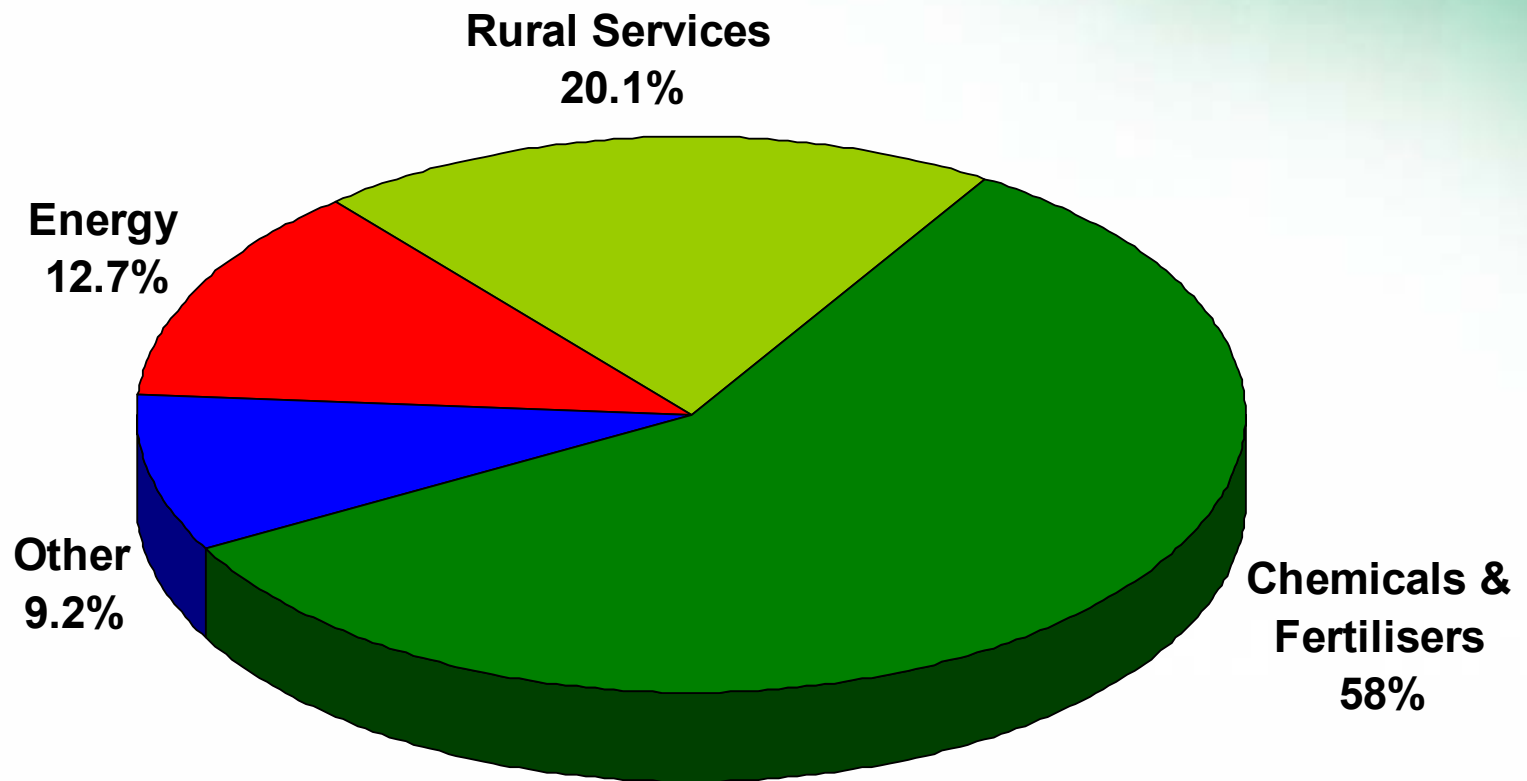
June 2003 *



* Proforma - including Lumley acquisition and excluding Landmark

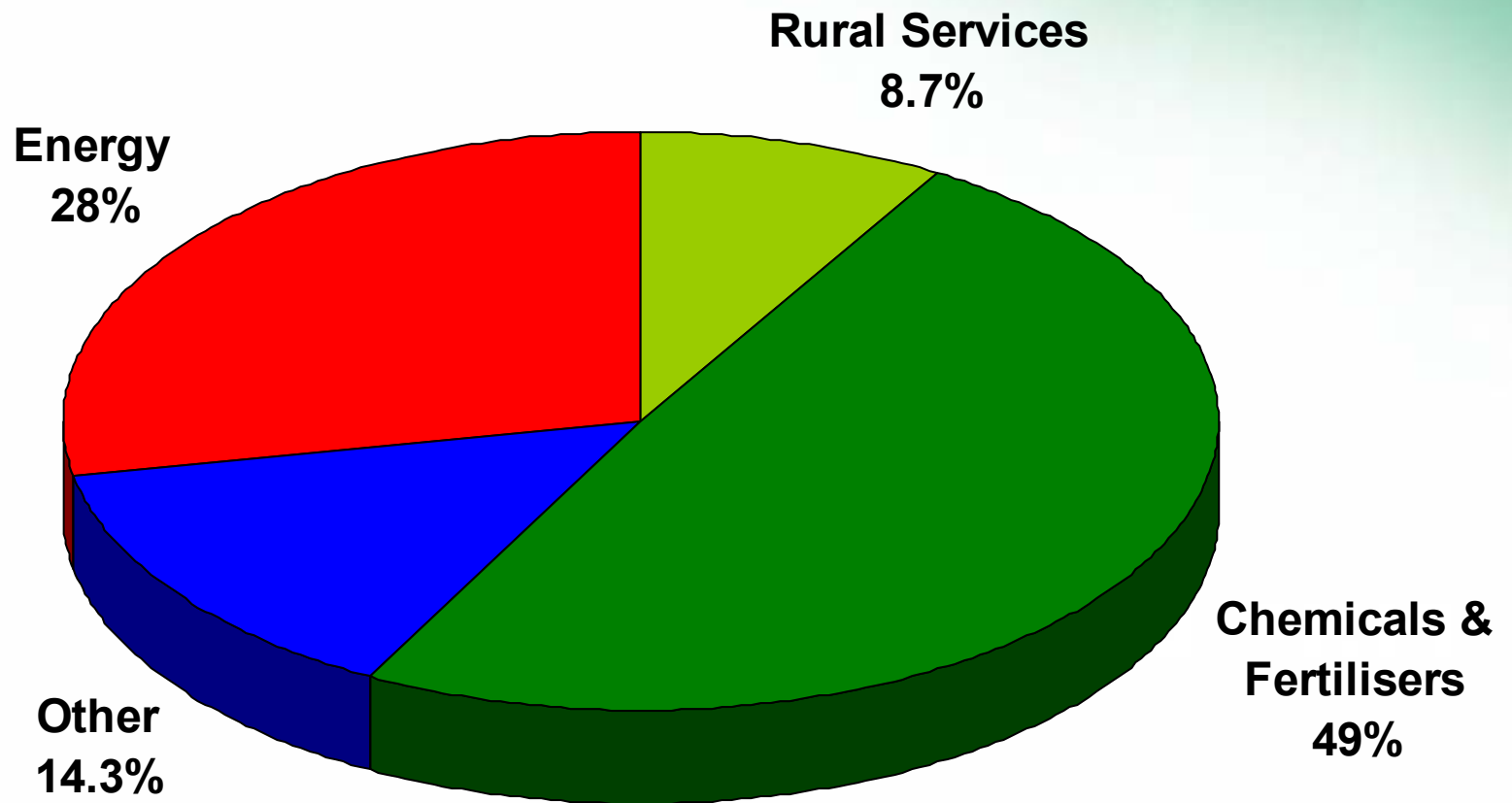
EBIT - 1985

Total EBIT \$35.9m



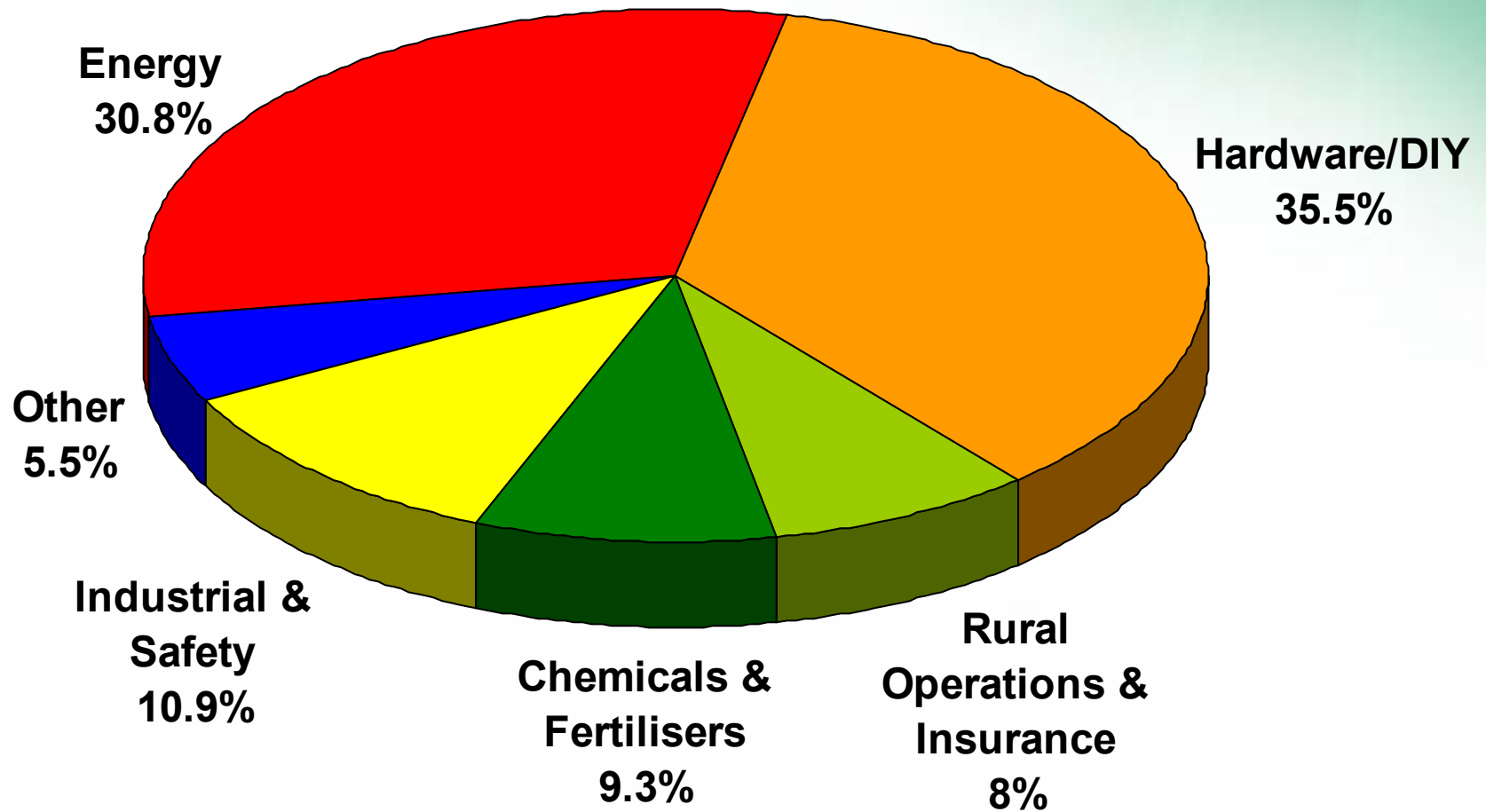
EBIT - 1990

Total EBIT \$130m



EBIT – 2003

Total EBIT \$841.9m



Performance Summary

Year Ended 30 June (\$m)	2002	2003	↑%
Operating Revenue	7,385.6	7,753.4	5.0
Net Profit (before goodwill)	493.3	623.9	26.5
Goodwill Amortisation	(79.3)	(85.7)	8.1
Net Profit (after goodwill)	413.9	538.2	30.0
Net Profit (after goodwill excluding Girrah)	413.9	481.9	16.4
Earnings Per Share (before goodwill) (cents)	138.2	165.7	19.9
Earnings Per Share (before g/will ex. Girrah) (cents)	138.2	150.7	9.0

2003 Performance Highlights

- Strong performance from Energy and Industrial and Safety
- Continued growth in hardware business
- Improved performance from CSBP
- Pisces / Girrah transaction
- Rural services business negatively impacted by the drought

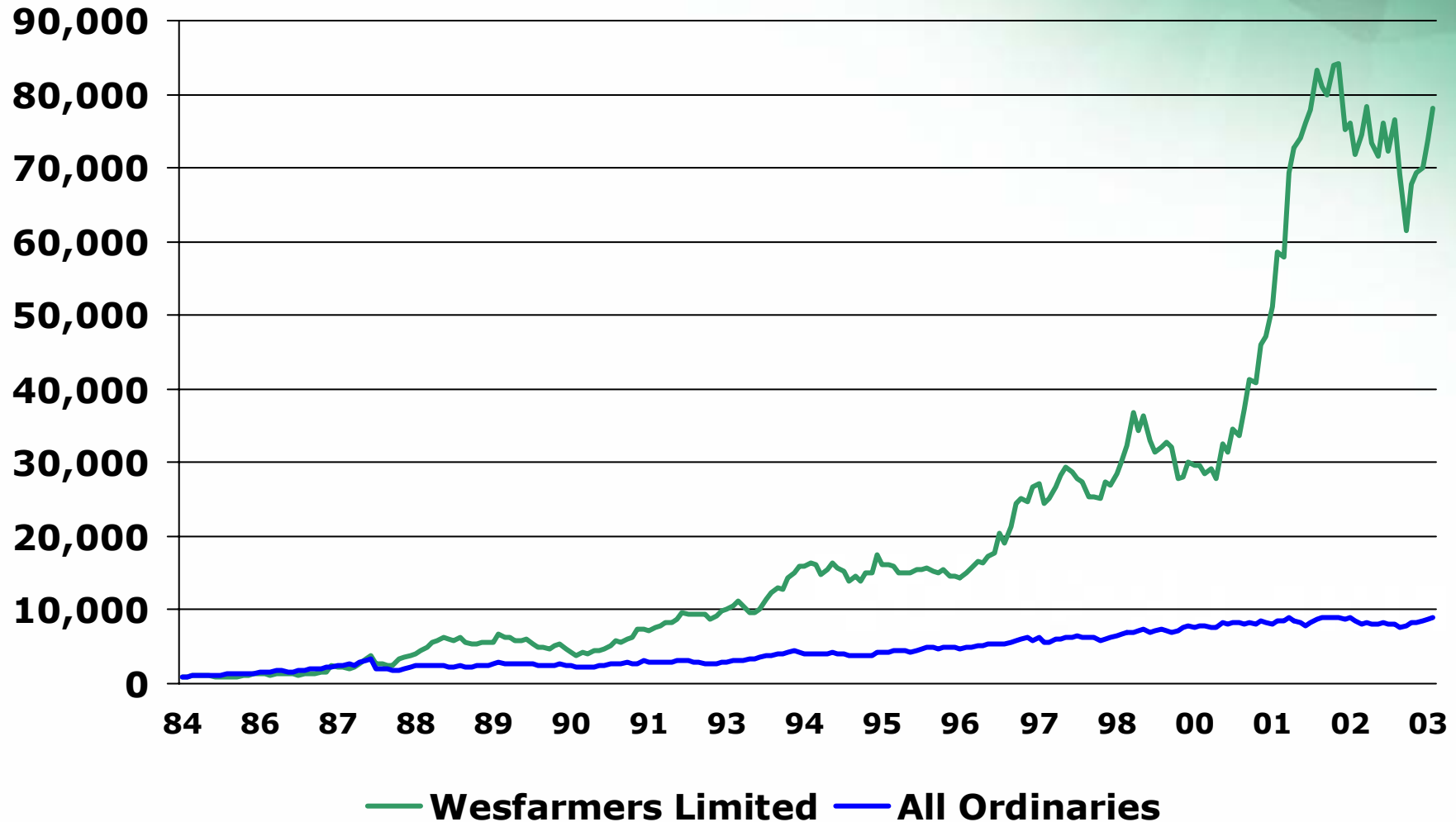
Corporate Objective

To provide a satisfactory
return to shareholders

Share Price vs Earnings Per Share (pre goodwill amortisation and abnormals)



Australian Accumulation Indices 1984 - 2003



Growth Philosophy

Logical Incrementalism

Corporate Strategies

1. Improve performance of existing businesses
2. Expand existing businesses
3. Portfolio management

Corporate Strategies

- 1. Improve performance of existing businesses**
2. Expand existing businesses
3. Portfolio management

Integrated Shareholder-Focused Systems

- Objective Setting
- Performance Measures
- Performance Targets
- Management Accounts
- Cash Management
- Corporate Planning
- Project Evaluation
- Remuneration

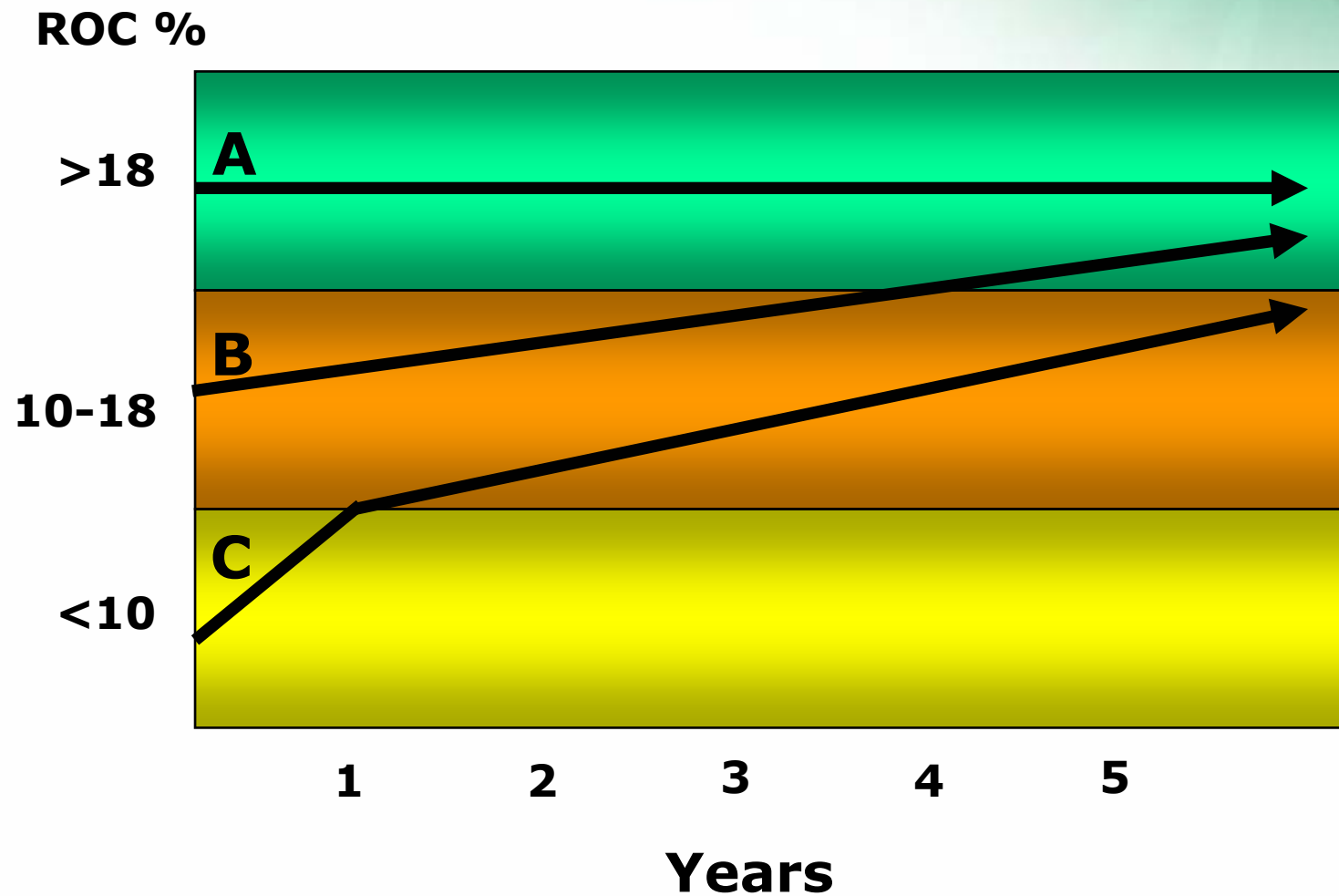
Performance Targets

➤ Group ROE = 17% after tax

➤ Divisions ROC = 18% before tax

➤ Projects IRR = 10% after tax

Performance Requirements



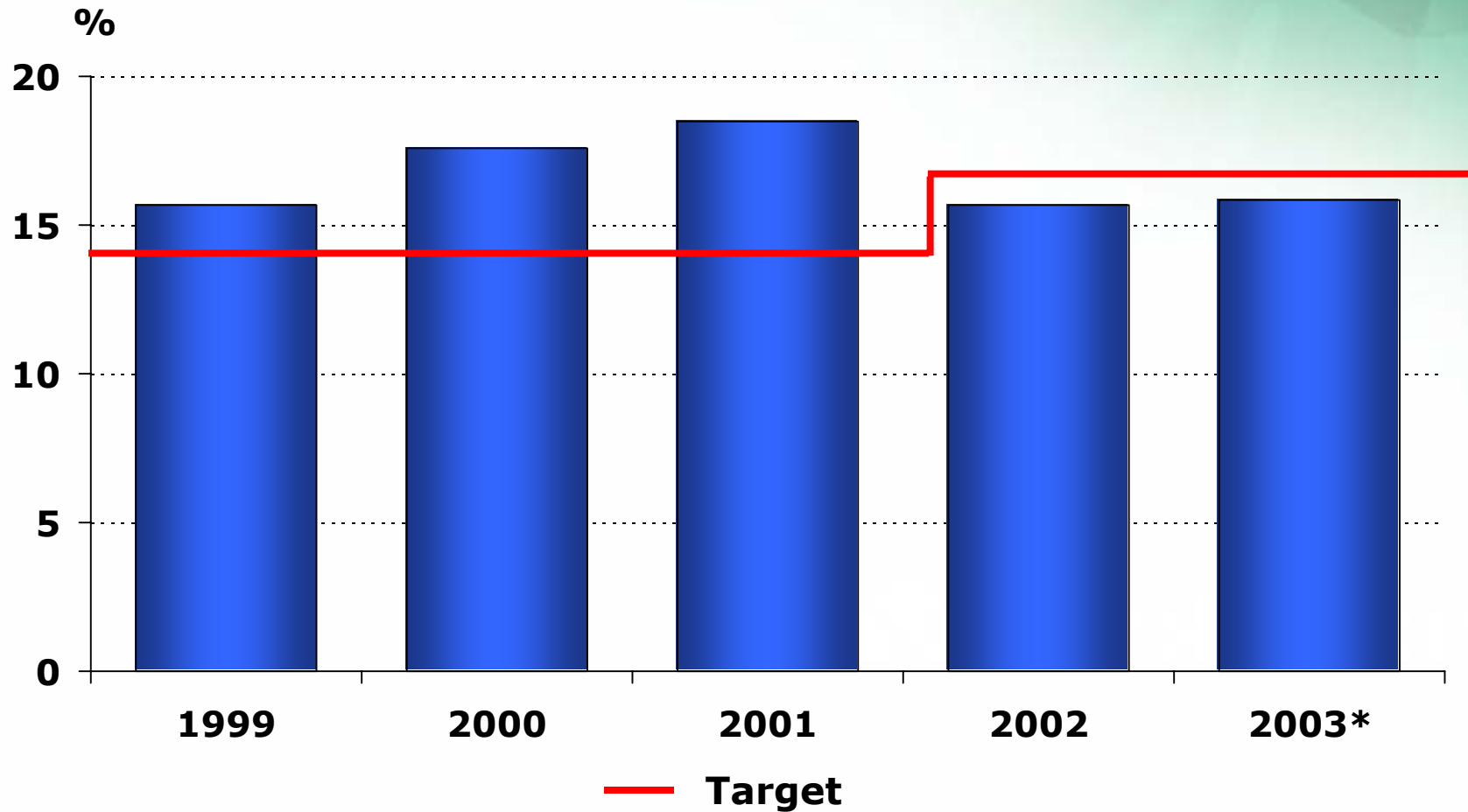
Divisional ROC & Capital Employed

(before goodwill amortisation)

Rolling 12 months to 30 June	2003			2002 ROC %
	EBITA \$m	Capital Employed \$m	ROC %	
Hardware	349.0	1,993.9	17.5	15.7
Energy	259.8 [*]	816.2	31.8	28.0
Rural Operations & Insurance	76.3	439.8	17.4	17.7
Industrial & Safety	117.2	822.5	14.2	11.6
Chemicals & Fertilisers	78.9	491.4	16.1	14.3

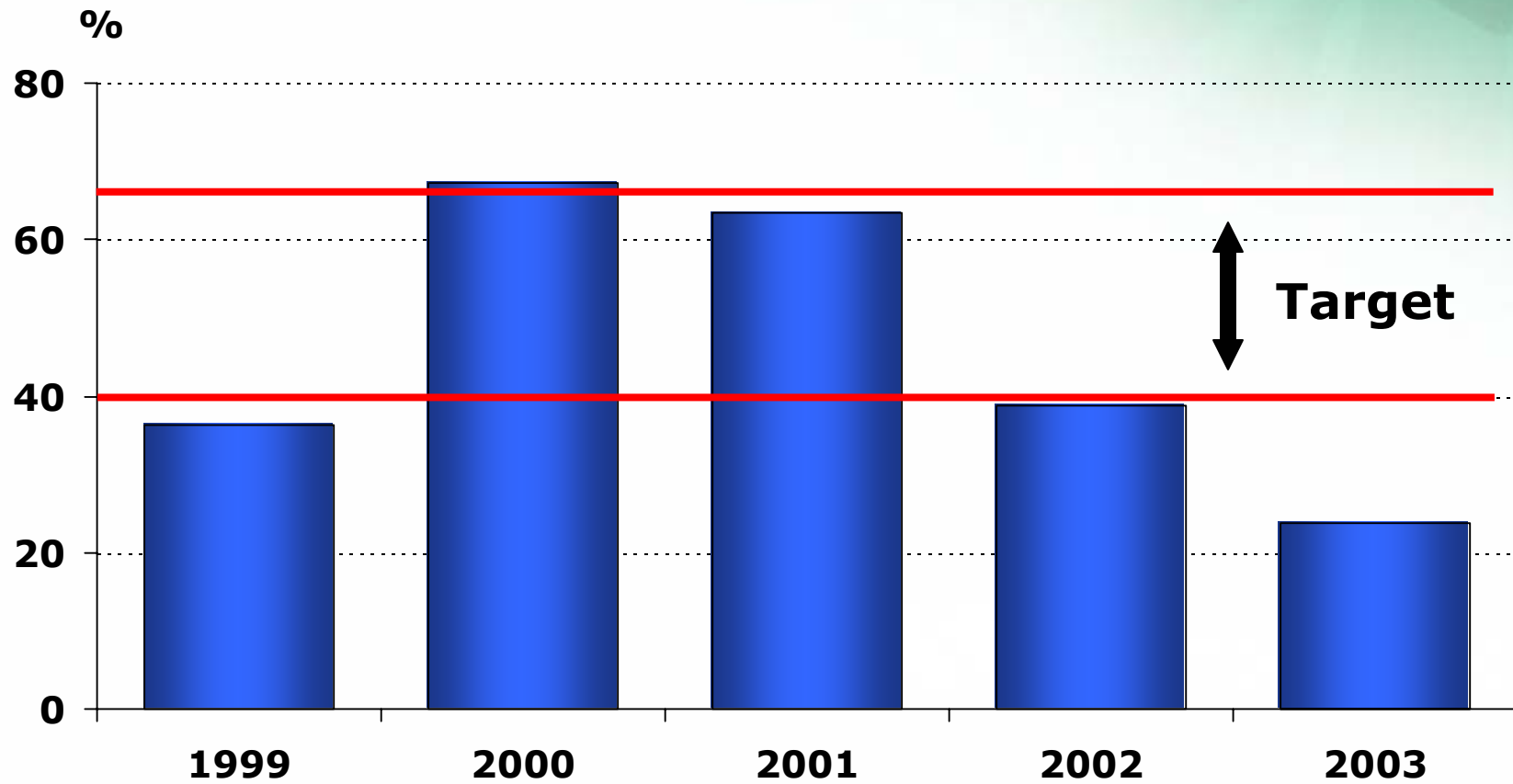
* Excluding Girrah

Return on Shareholders' Funds (before goodwill amortisation)



* Excluding Girrah

Net Debt/Equity



Capital Management

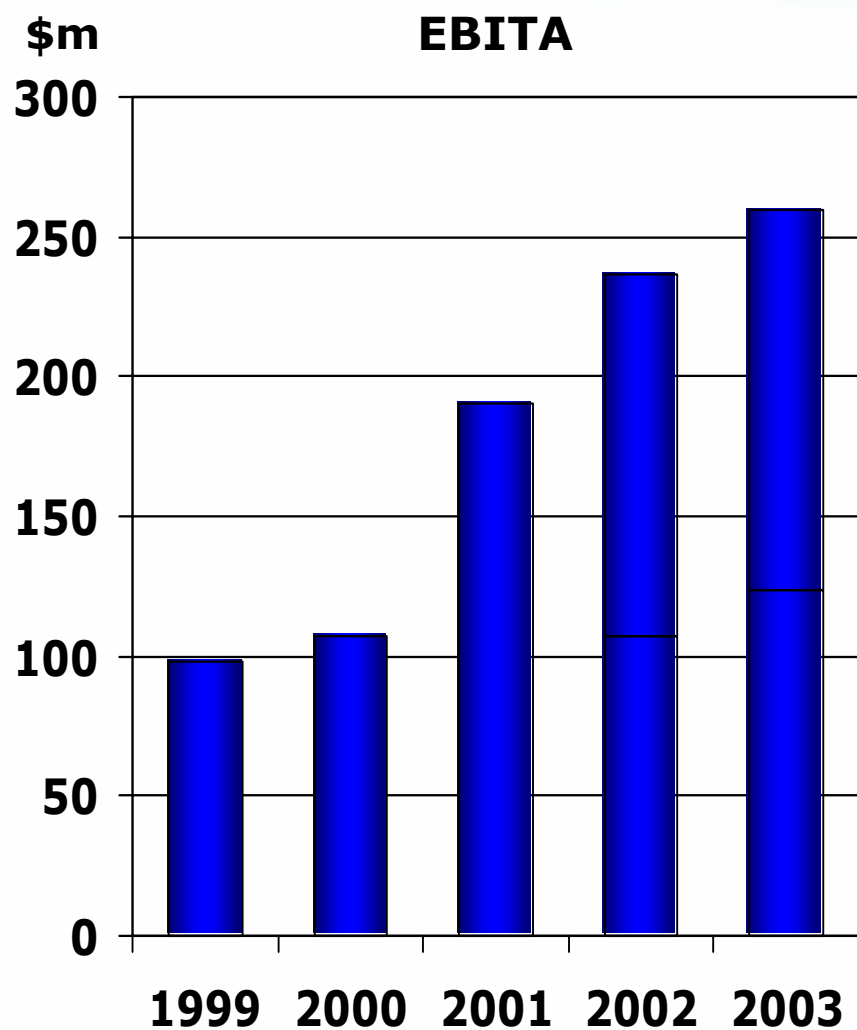
- On market buyback of up to five percent of Wesfarmers shares
 - At 30 September 2003, approximately 6.2 million shares (1.6%) repurchased at an average price of \$25.17
- Other alternatives under consideration

Corporate Strategies

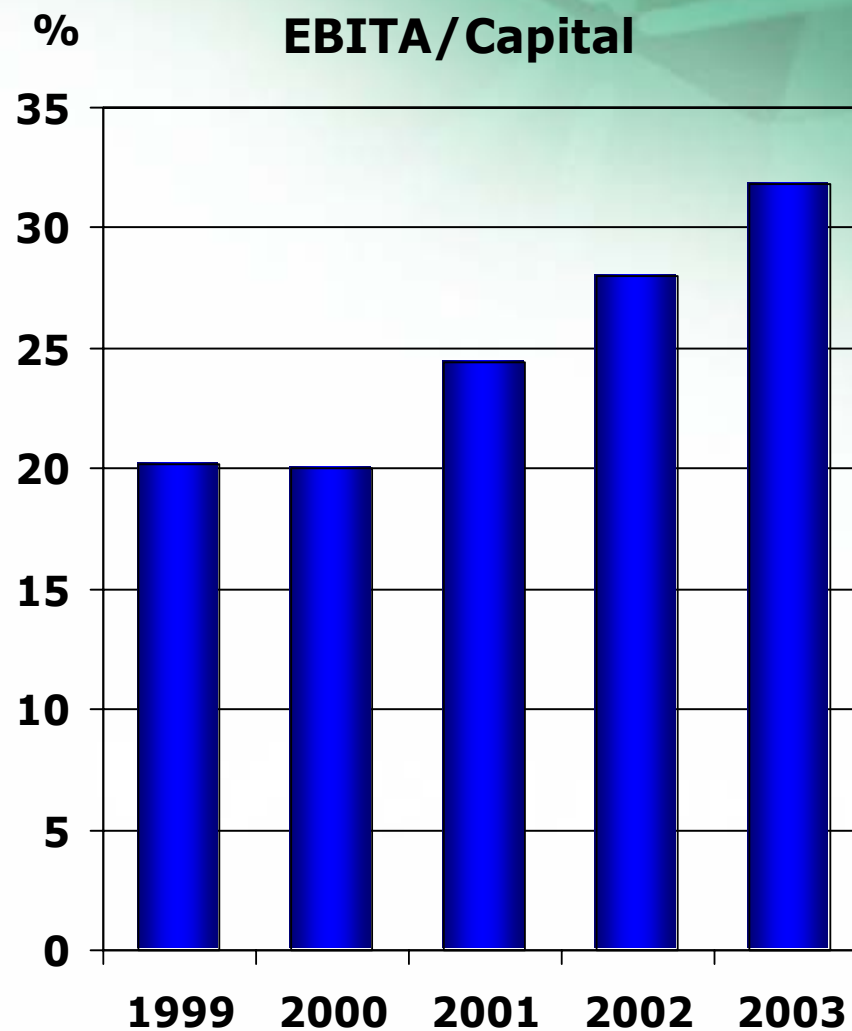
1. Improve performance of existing businesses
- 2. Expand existing businesses**
3. Portfolio management

Energy Division

Financial Performance



* Excludes Girrah \$80.5m in 2003



Wesfarmers Coal

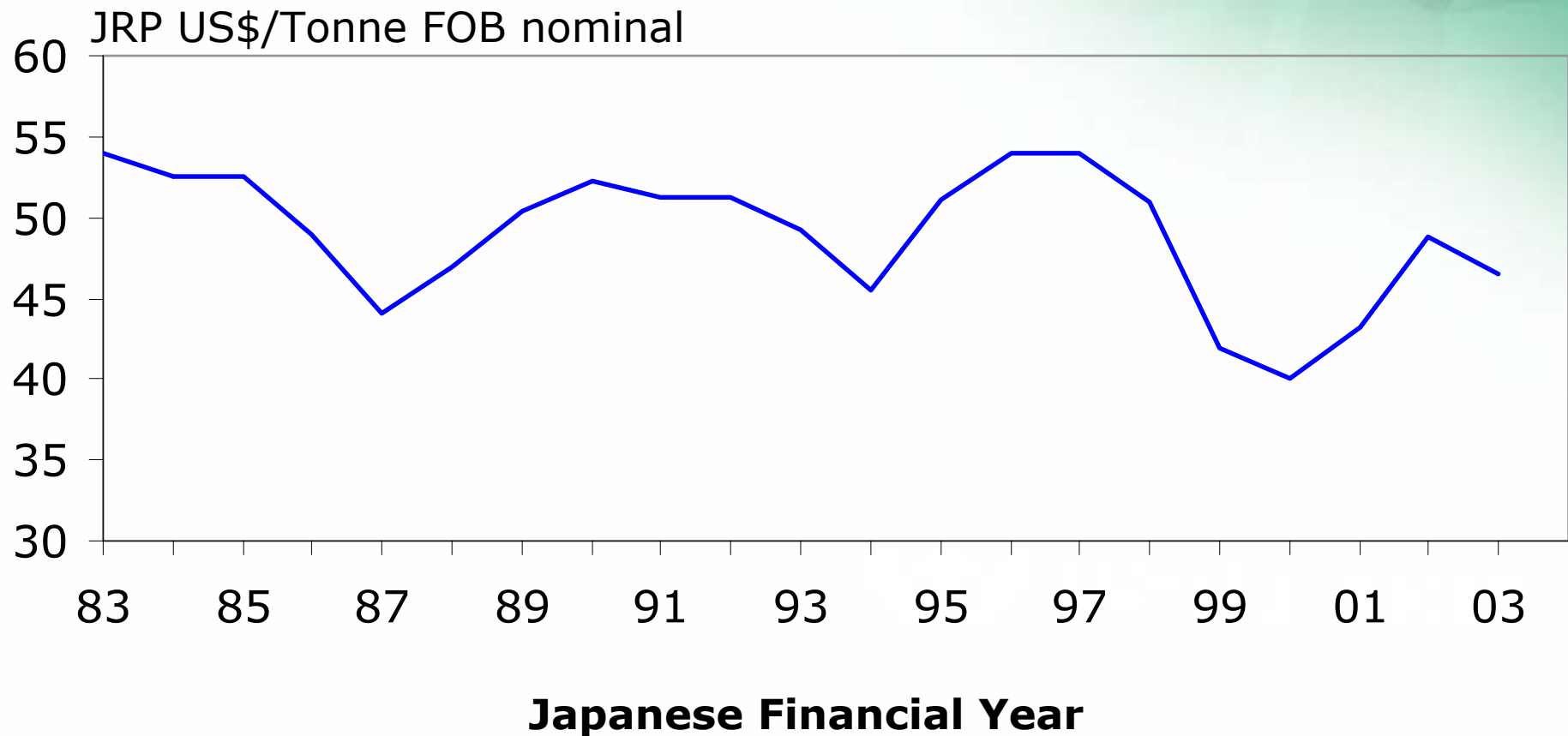
- 3.4mt domestic energy coal at Collie, WA
- 7.0mt domestic energy and export coking at Curragh, QLD
- 6.2mt export energy at Bengalla, NSW (40% owned)

Coal Type and Destination 2003/4

(million tonne)	Domestic Energy	Export Energy	Export Coking	Total
Collie, WA	3.4			3.4
Bengalla, NSW (Wes share)	0.8	1.7		2.5
Curragh, QLD	2.4		4.6	7.0
	6.6	1.7	4.6	12.9

Energy 2003 Environment

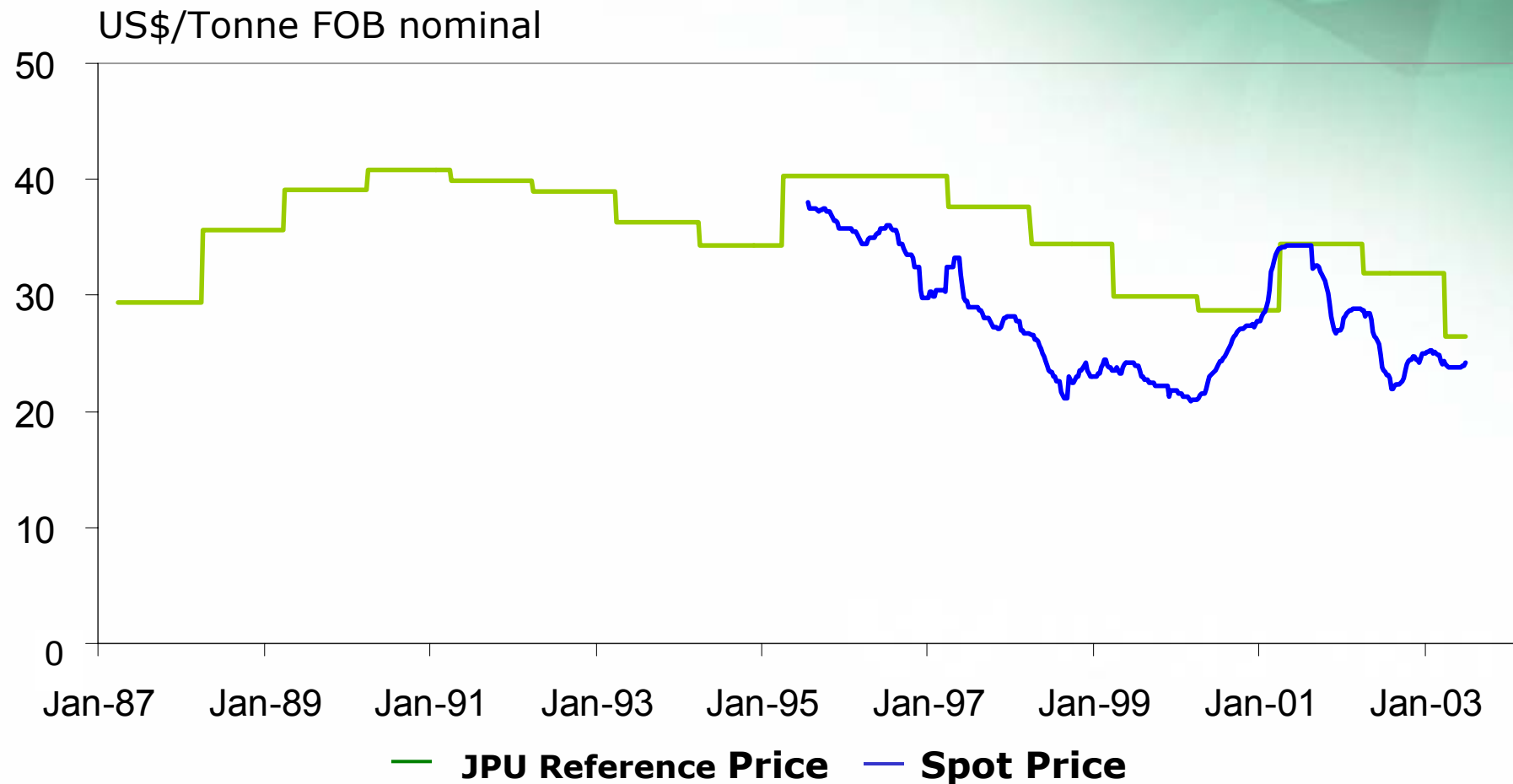
Hard Coking Coal Prices



2004 price outlook: positive

Energy 2003 Environment

Thermal Coal Prices



Source: Barlow Jonker

2004 price outlook: neutral

Wesfarmers Curragh Hedging Profile

	Proportion of USD revenue hedged *	Average AUD/USD hedge rate
2003/4	90%	0.5730
2004/5	70%	0.5767
2005/6	50%	0.5621
2006/7	30%	0.5798
2007/8	10%	0.5872

* Calculated after adjusting for USD capital and operational expenditure and USD royalty payments.

2004 Coal Issues

- Curragh
 - Export tonnes up 0.6 mt (domestic up 0.2 mt)
 - Export prices down around 5 percent
 - Average AUD/USD rate up from 0.56 to 0.58
 - \$14 m dragline shutdown
- Bengalla
 - Export prices comparable with '03
 - Export volumes up 0.5 mt (0.2mt net)
- Premier
 - Flat sales
 - Price down marginally

Wesfarmers Gas

- 345,000 t LPG extraction plant in WA, for domestic and export
- 500,000t Australia-wide LPG distribution business - Kleenheat
- 40% interest in ALWA industrial gases

2004 Gas Issues

- LPG prices lower
- AUD/USD higher
- Some volume growth but tighter margins in national Kleenheat LPG business

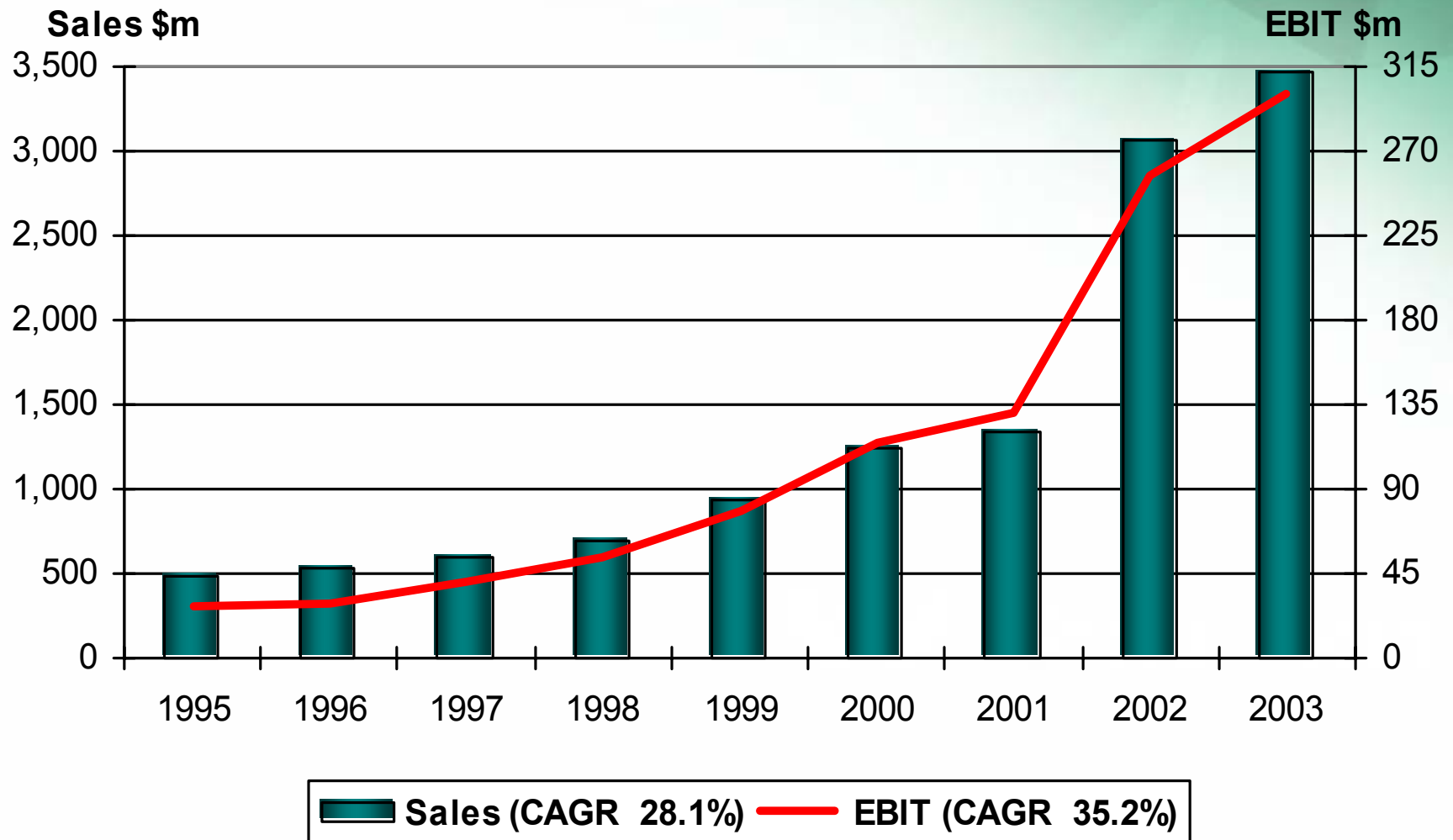
Bunnings



Bunnings

- 211 hardware stores in Australia and New Zealand
 - including 116 warehouse stores
- Sales of \$3.2 billion
- Rollout 8-12 warehouses per annum
- Plus 4 new 3000 series per annum from 2005

Performance Summary



Key Issues 2004

- Ongoing development of store network
 - Openings
 - Departmental and range upgrades
 - Store upgrades and conversions
- Continuous improvement
 - Consistent offer (price, range, service)
 - Attracting, developing and retaining the right people
 - Safety

Key Issues 2004 (continued)

- Cost and capital management
 - Investment in technology
 - Merchandise / inventory systems and process development
- Continued growth in DIY and renovation markets
- Slower growth in domestic building trade sector

Industrial & Safety

- Blackwoods/Alsafe/Protector
- Revenue around \$1 billion
- EBITA around \$115 million
- Over 200 distribution centres in Australia and 50 in New Zealand

Highlights for 2003

- Metals disposal
- Integration of Protector and Alsafe
- Rationalisation of distribution centres and customer service centres
- Blackwoods catalogue published April
- Paykels acquisition

Outlook & Priorities 2004

- Australia
 - Generally positive
 - Easing of drought
 - Continued spending in mining and transport infrastructure
- New Zealand
 - Steady
 - MRO growth through acquisition of Paykels
- Overall modest profit growth after large increase in 2003

Wesfarmers Federation Insurance

- Rural and regional general insurer
- Earns consistent underwriting profits
- Steady premium growth in 2003 despite drought
- Combined operating ratio in 2003 of 90.9%
- 2003 EBIT of \$25m

Lumley Insurance

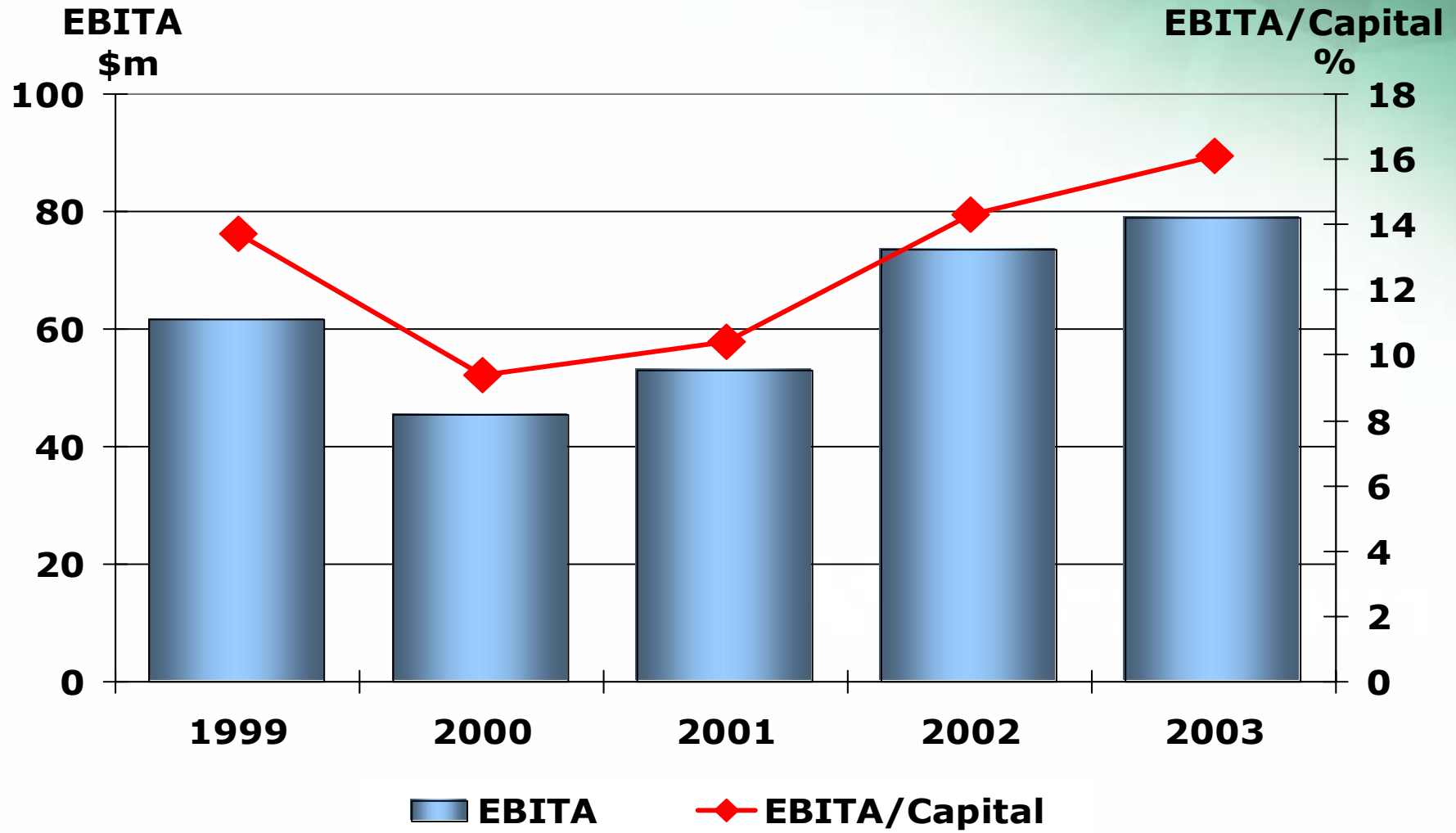
- Purchase for \$320m approx.
- General / financing / technology
- Signed 30 June 2003
- Completion expected during October
- Formation of new Insurance division

CSBP – Fertilisers and Chemicals

- Western Australian fertiliser manufacturer and importer
 - Sales around 1 million tonnes
 - Competitive market
- Producer of mining chemicals
 - High market share
 - Plant expansions continuing

EBITA and EBITA/Capital

5 Year Trend



Chemicals - Outlook & Priorities 2004

- Firm demand for ammonia in customer base
 - Export excess production
 - Capacity upgrade in planned shutdown
- Solid resource sector demand for ammonium nitrate
- Improving sodium cyanide conditions
- Evaluating growth opportunities

Fertilisers - Outlook & Priorities 2004

- Positive outlook for 2003 harvest
- Highly competitive market
- Focus on strong market offer
 - Product range development
 - Increased sales and service presence
- Further cost base and supply chain improvements
- Seeking new markets for proprietary fertilisers

Sotico

- Forest products business
- 2003 EBIT was \$12.6m
- Exit by 2004

Sale of Wesfarmers Landmark

- Sold to AWB, 29 August 2003, for approximately \$825 million
 - \$396 million pre tax profit
- Ongoing arrangements with
 - CSBP – Fertiliser
 - WFI - Insurance

Australian Railroad Group

- 50% owned
- WA and SA rail networks
 - above and below rail
- Positive outlook in 2004
 - Record wheat harvest
 - Lower incident (derailment) expectation

Gresham Private Equity

50% Interest



- \$155m invested in Fund 1 (WES share \$77.5m)
- Fund 1 commenced in 1999
- Good returns expected in 2004, 2005 and 2006
- Planning for Fund 2

Corporate Strategies

1. Improve performance of existing businesses
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- 3. Portfolio management**

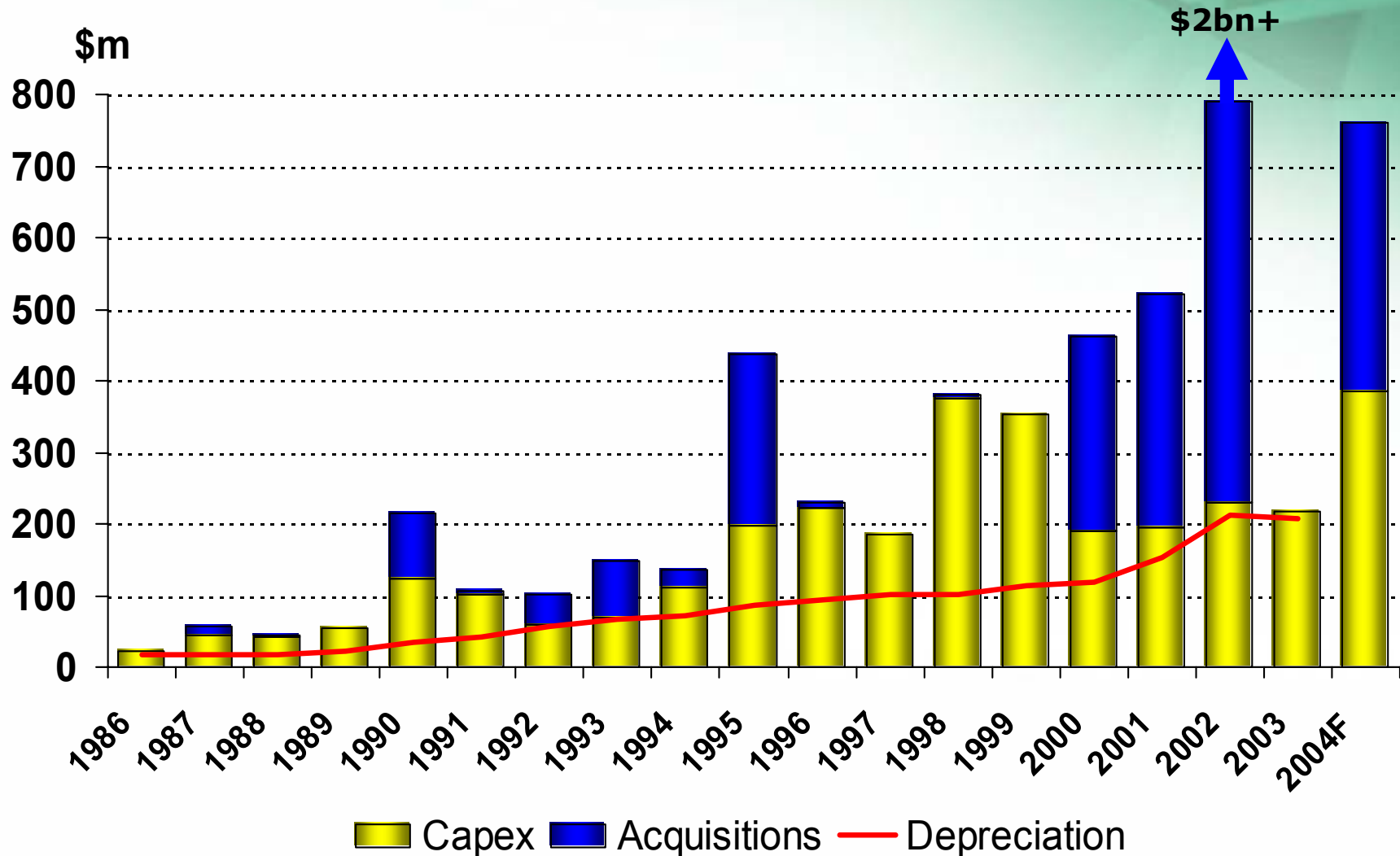
Portfolio Management Highlights in 2003

- Girrah sale
- Curragh North arrangements
- Sale of Metals from WISD
- Purchase of Paykel
- Lumley Insurance purchase
- Sale of Landmark

Key Success Factors

1. Financial Focus
2. Strict Disciplines
3. Building Growth-Enabling Competencies
4. Culture
 - succession planning

Capital Expenditure & Depreciation



Share Price vs Earnings Per Share (pre goodwill amortisation and abnormals)



www.wesfarmers.com.au



Wesfarmers