



30 May 2012

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

PRESENTATION TO BE GIVEN AT STRATEGY BRIEFING DAY - SYDNEY

Following is a presentation that is to be given today at a Strategy Briefing day in Sydney which is scheduled to commence at 8:45 am (AEST).

This briefing will be webcast and can be accessed at:

<http://www.media-server.com/m/p/2i7ewv2i>

Yours faithfully,

A handwritten signature in black ink, appearing to be "L J Kenyon".

L J KENYON
COMPANY SECRETARY

Enc.

Wesfarmers Limited Strategy Briefing Day

30 May 2012



Wesfarmers

Agenda

8.45	Introduction
9.05	Coles
10.00	Home Improvement & Office Supplies
10.55	Morning Tea
11.20	Target
12.05	Kmart
12.50	Lunch
1.35	Resources
2.20	Chemicals, Energy & Fertilisers
2.50	Industrial & Safety
3.30	Afternoon Tea
3.35	Insurance
4.05	Capital Management
4.20	Q&A
4.35	Close

Richard Goyder

Managing Director, Wesfarmers Limited



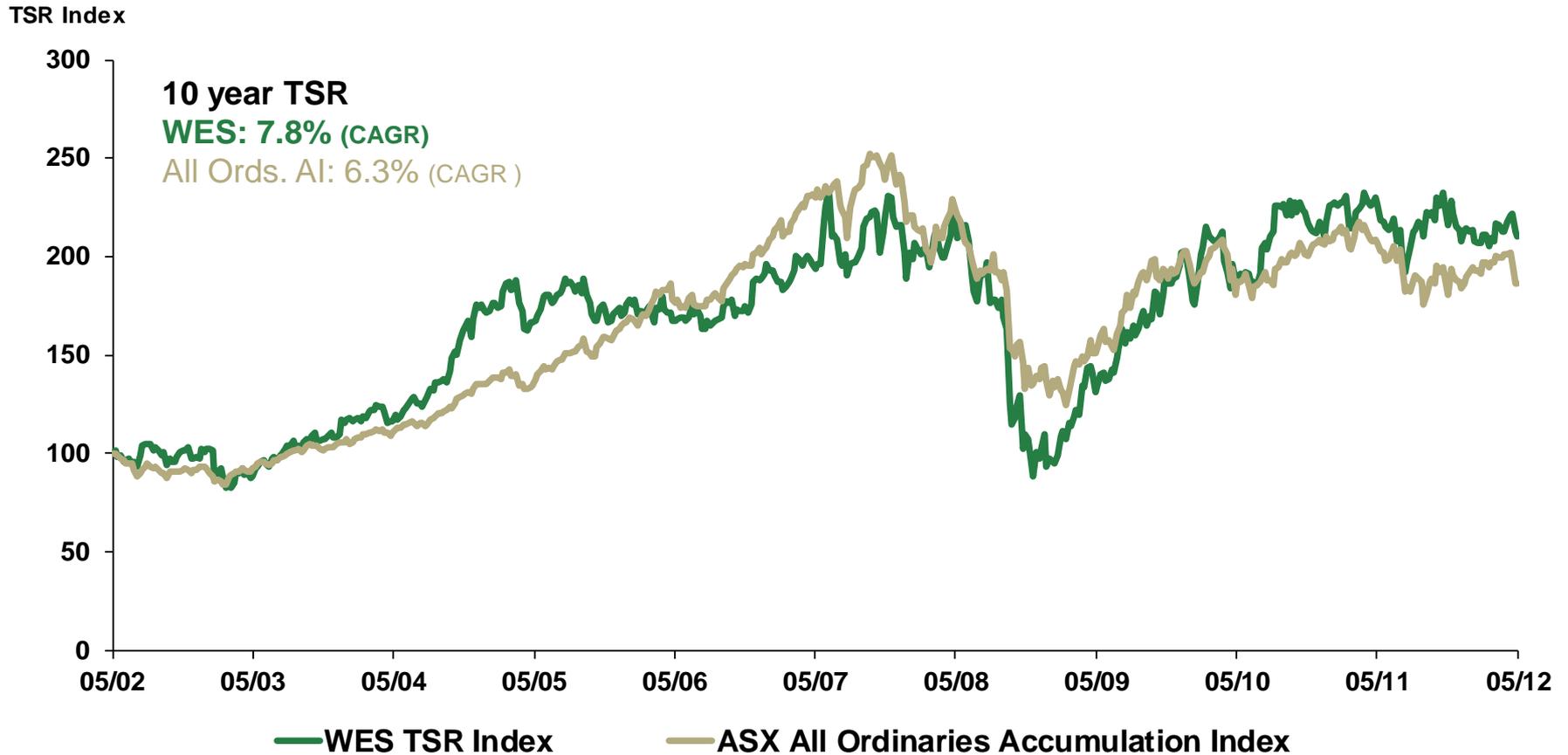
Wesfarmers

Wesfarmers' primary objective

4

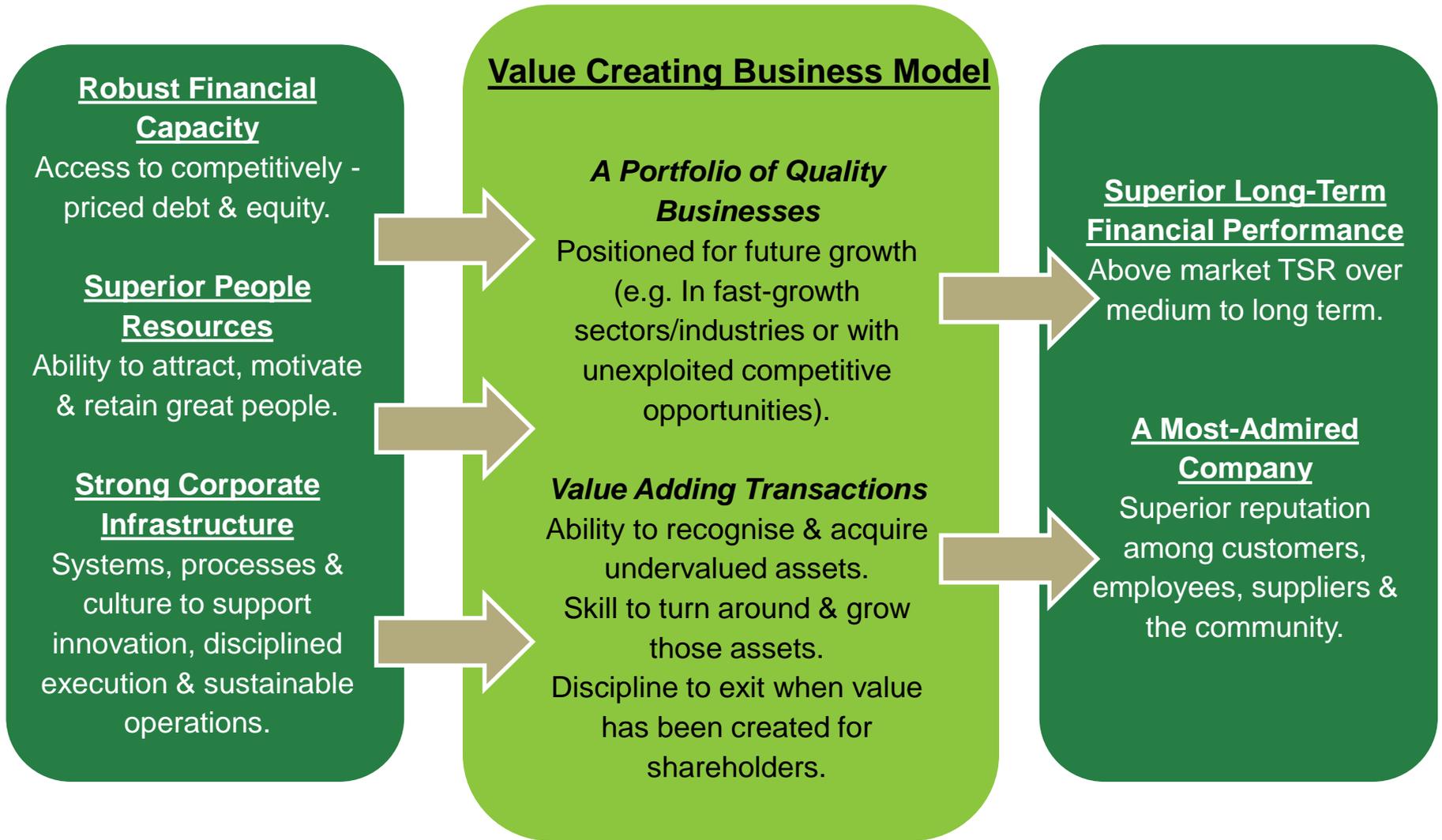
To provide a satisfactory return to shareholders

TSR outperformance



(1) Assumes 100% dividend reinvestment on the ex-dividend date, & full participation in capital management initiatives e.g. rights issues, share buybacks.
Source: IRESS

Wesfarmers' operating model



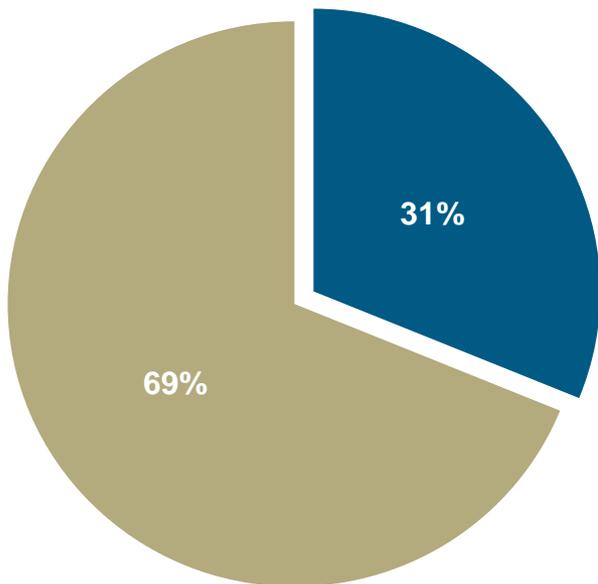
Growth enablers

- Robust financial capacity
 - Portfolio of cash generating assets
 - Strong credit rating
 - Stable & growing dividends
- Superior people resources
 - Empowering culture
 - Commercially focused & performance driven
 - Importance of diversity
- Strong corporate infrastructure
 - Integrated shareholder focused systems
 - Rigorous financial disciplines
 - Innovation promoted
 - Socially responsible company



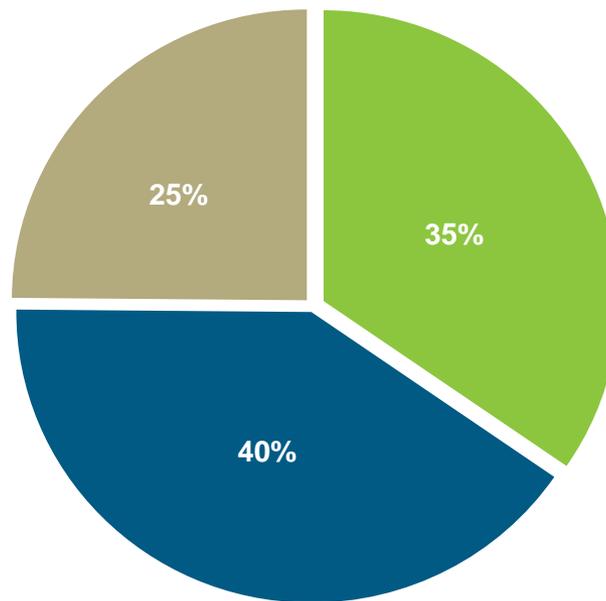
Diversity of earnings

2006 Divisional EBIT



■ Retail ■ Industrials & Insurance

2011 Divisional EBIT



■ Coles¹ ■ Retail ■ Industrials & Insurance

(1) Food, liquor & convenience

- The Group's diversity provides a wide range of long term growth opportunities

Retail

- Strategic agendas to improve the customer offer, expand categories, increase operational efficiency & strengthen channels

Insurance

- Growth in broking income, premium revenue & personal lines with improved risk selection & exposure

Industrial Supplies

- Well placed to leverage from growth in the Australian resources sector
- Continuing improvements in business performance

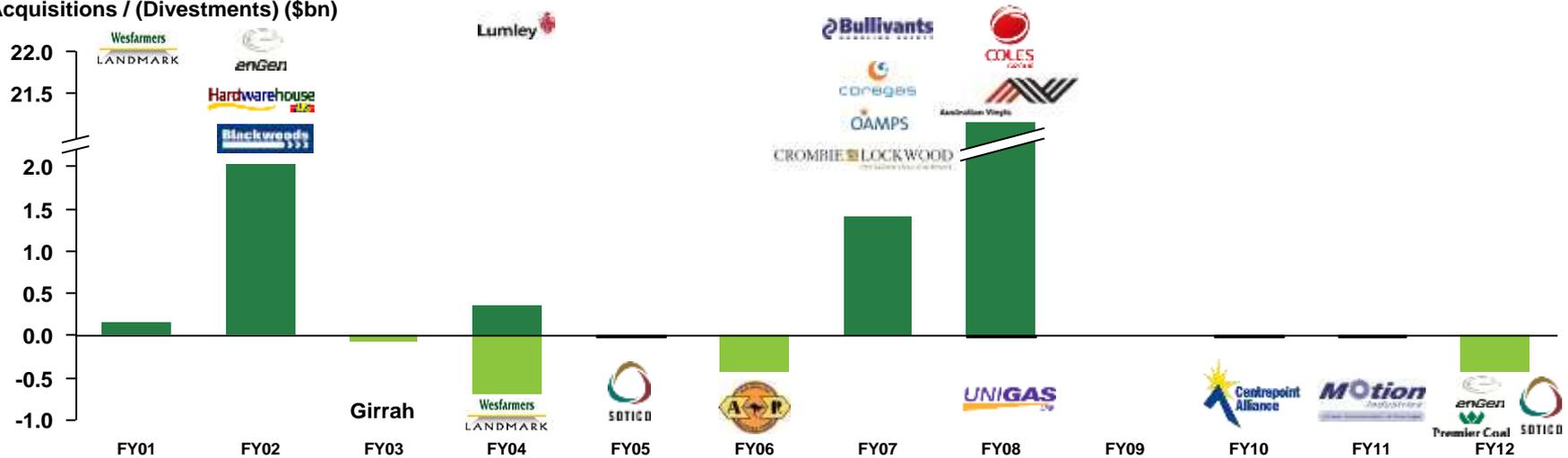
Resources

- Feasibility studies underway

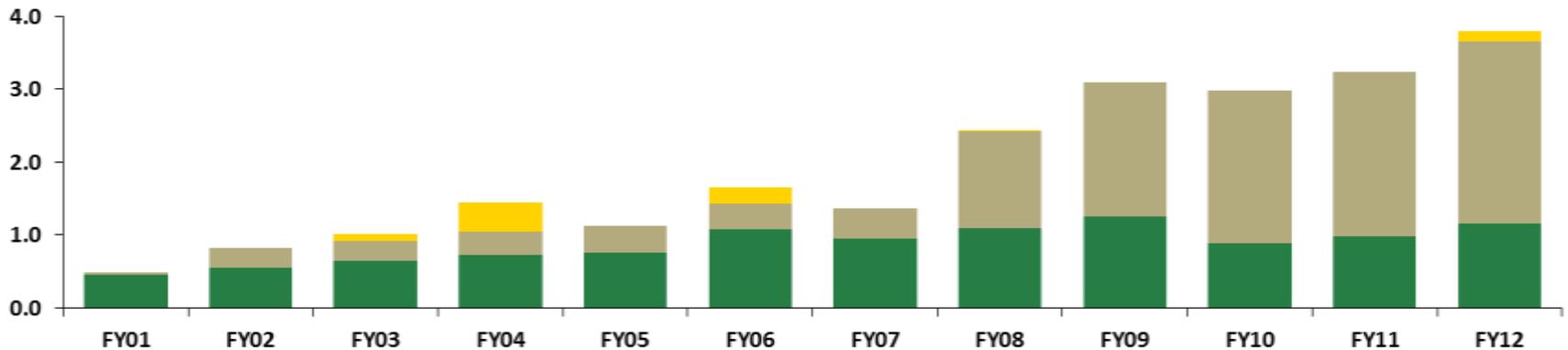
Value adding transactions

Strong history of creating value through opportunistic portfolio management

Acquisitions / (Divestments) (\$bn)



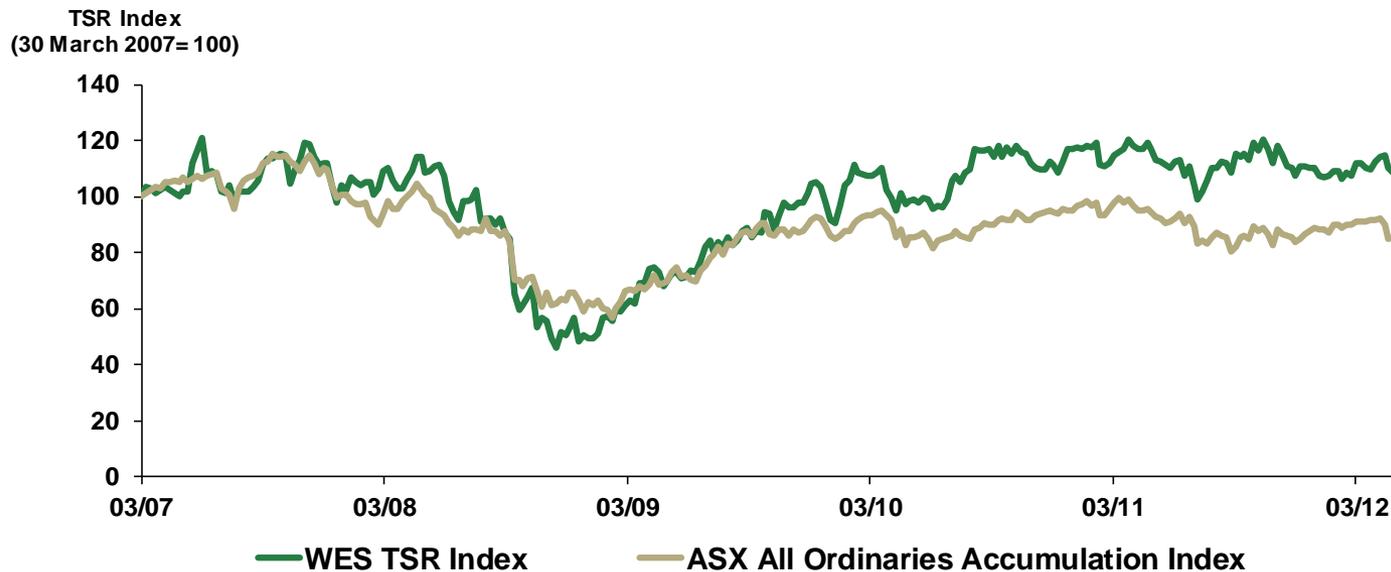
EBIT (\$bn)



■ Pre-2001 Businesses (inc. businesses subsequently sold) ■ Acquisitions ■ Divestments (Gain on Sale)

TSR outperformance since Coles

- Positive momentum in Coles, Kmart & Officeworks
- Continuing implementation of Bunnings' strategic agenda
- Lower broker consensus valuation for Resources



Assumes 100% dividend reinvestment on ex-dividend date & full participation in pro-rata capital management initiatives
Wesfarmers announces proposal to acquire Coles Group 3 April 2007
Source: IRESS



Strong sustainability focus

Long term success requires responsible management

Six sustainability priorities identified at a Group level with actions & accountability held at a divisional level:

1. Promoting the safety & development of people
2. Carbon emissions reduction & energy management
3. Community support through effective partnerships
4. A reduced overall environmental footprint
5. A strong economic contribution
6. Ethical & responsible sourcing



Coles

Ian McLeod

Managing Director



The prospect of a turnaround was difficult...

“The Coles Businesses are Struggling”

14 October 2008

“Soft comparable store sales growth”

15 October 2008

“Coles Turnaround Remains a Significant Challenge”

13 February 2009

“Coles turnaround has a long way to go”

14 October 2008

“Market share loss unlikely to be halted soon”

15 October 2008

“Earnings direction negative for Coles”

15 October 2008

...with a business in decline & decay



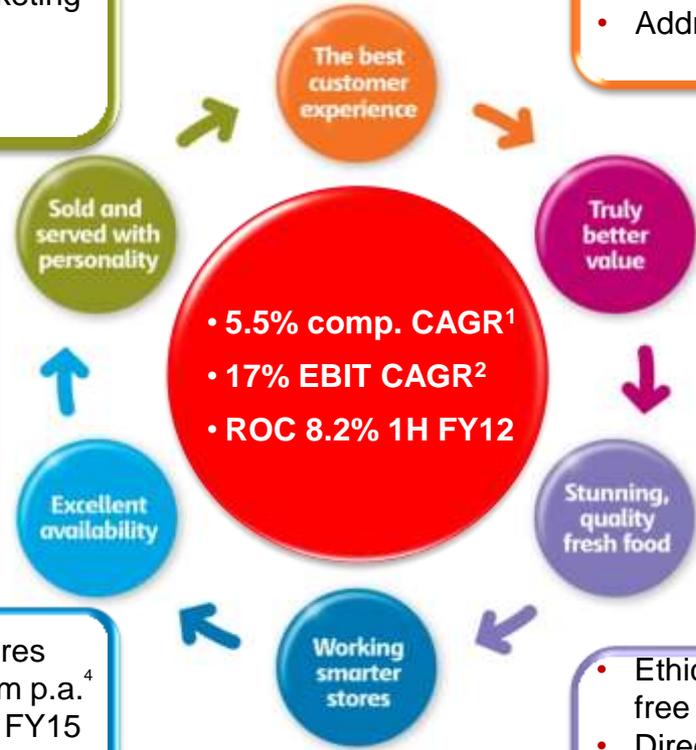
Bold turnaround delivering success

- 70% casual to 70% permanent team
- Almost 1 million training hours
- 2,000 Retail Leaders forging careers
- Compelling, engaging & unique marketing
- Flybuys reinvigorated
- Community investments: SFS, flood appeal, bushfire appeal

- Closed 87 underperforming stores³
- Opened 87 bigger & better new stores³
- 222 renewal stores (inc. 34 extensions)
- Addressed years of under-investment

- Easy Ordering & Easy Warehousing complete
- Gaps on shelves halved
- DC productivity up 14%
- R12 cost per carton down 10%
- Improved safety performance
- DCs from 43 to 23

- 2,400 self-scan checkouts in 330 stores
- Cumulative GNFR savings of >\$200m p.a.⁴
- Investment to offset carbon costs by FY15
- Already saving \$25m energy costs p.a.



- Saved consumers >\$800m p.a.
- Waste savings \$400m p.a.⁴
- Down Down, Super Specials, my5 properties
- Capital investment in bakeries, growers, dairy & meat processors

- Ethical sourcing (WWF, RSPCA, cage-free eggs, sow stall-free pork)
- Direct grower buying doubled
- 0% to 90% planned produce purchases
- Bakery production in 629 stores
- MSG / additives removed from Coles brand

⁽¹⁾ Coles F&L comparative sales CAGR Q1 FY09 to Q2 FY12

⁽²⁾ Coles Division EBIT CAGR H1 FY09 to H1 FY12

⁽³⁾ Forecast to 30 June FY12

⁽⁴⁾ R12 31 December 2011 compared to FY08

Platform for growth established

Building a Solid Foundation

Performance ↑



- Create a strong top team
- Cultural change
- Availability & store standards
- Value & customer trust
- Store renewal development
- Liquor renewal
- IT & supply chain infrastructure
- Efficient use of capital

Year 1 - 2

Delivering Consistently Well



- Embed the new culture
- Team member development
- Improved customer service
- Appealing Fresh food offer
- Stronger delivery of value
- Scale rollout of new formats
- Improved efficiency
- Easy ordering completed

Year 2 - 4

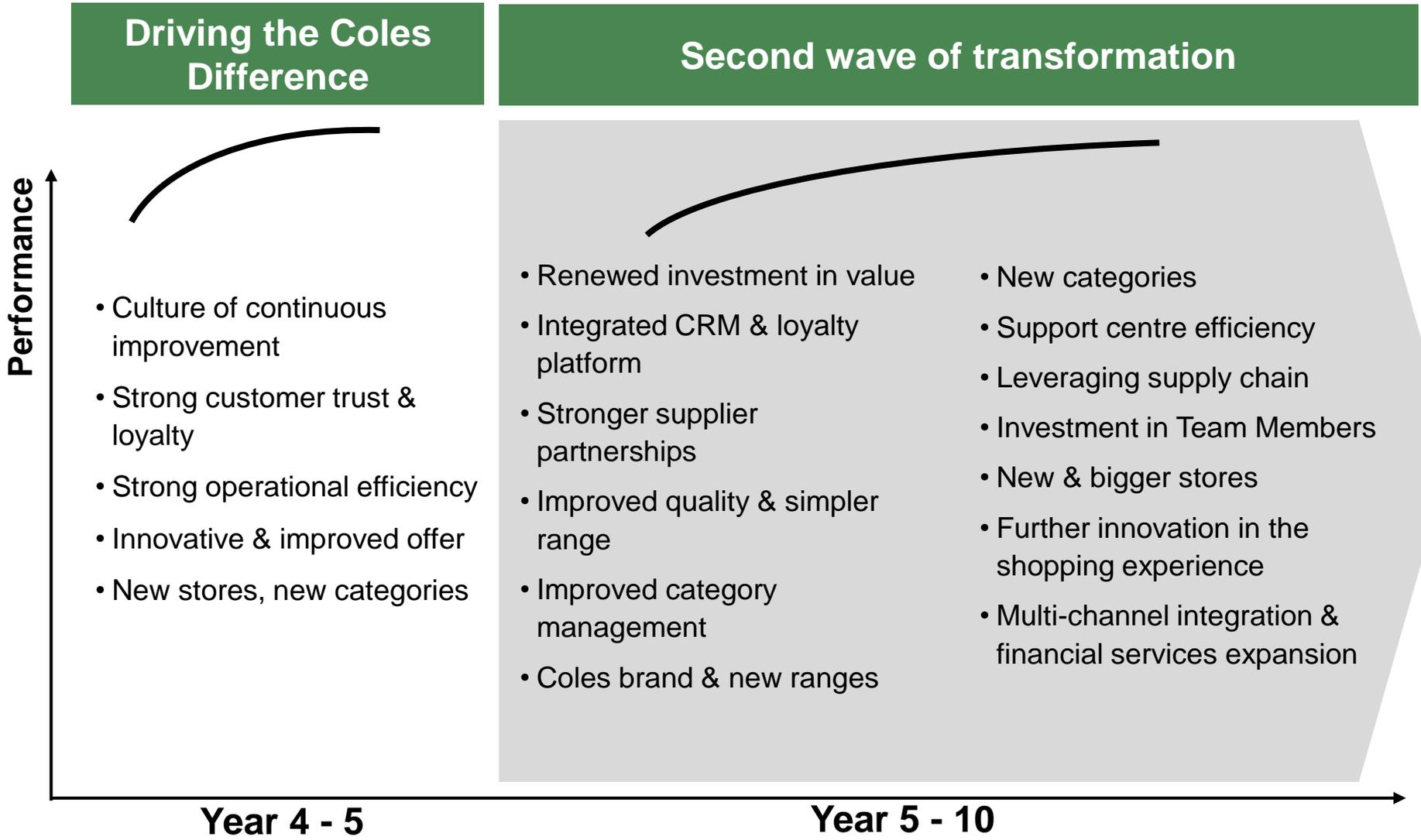
Driving the Coles Difference



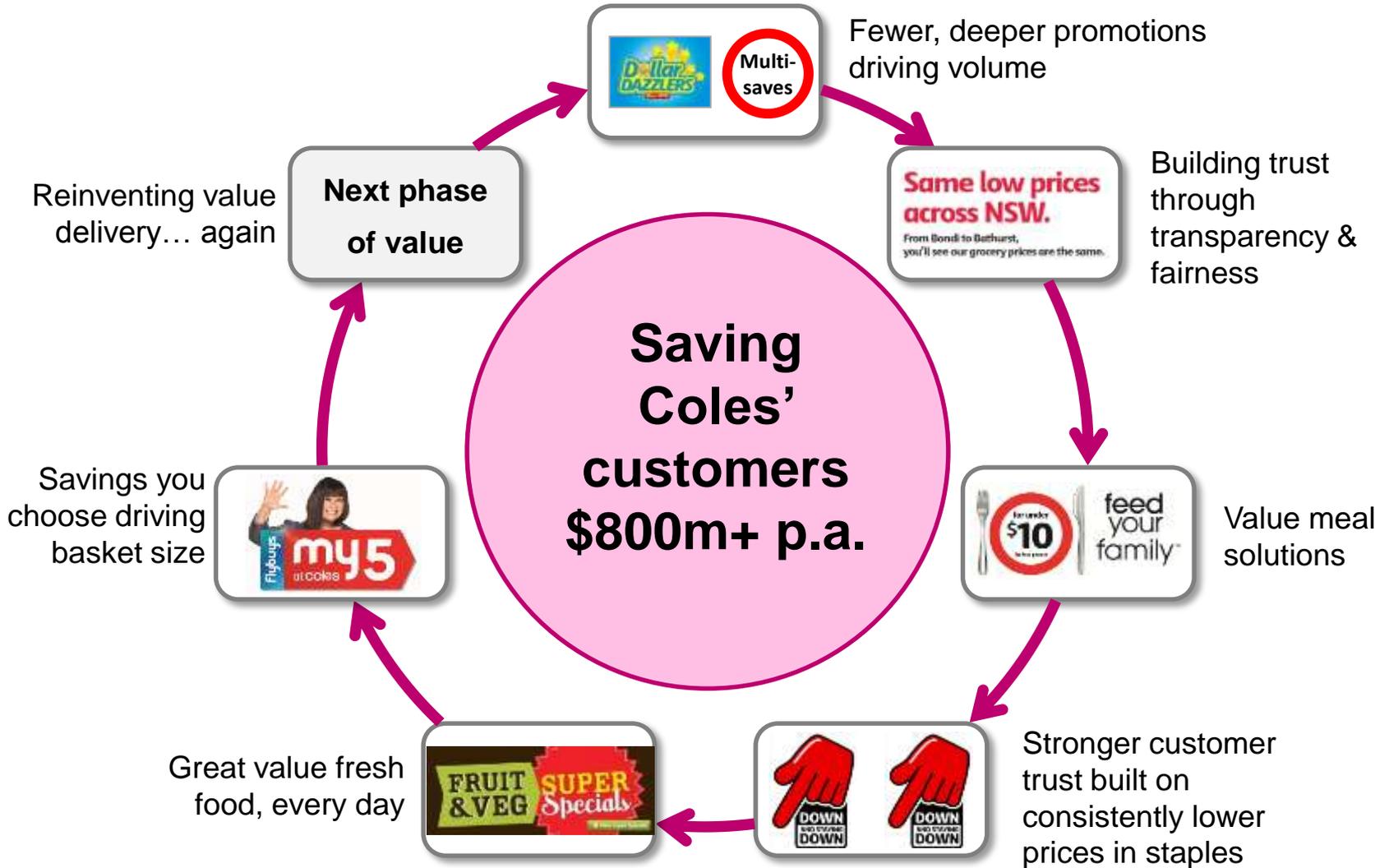
- Culture of continuous improvement
- Strong customer trust & loyalty
- Strong operational efficiency
- Innovative & improved offer
- New stores, new categories

Year 4 - 5

Platform for growth established



Regaining trust through value

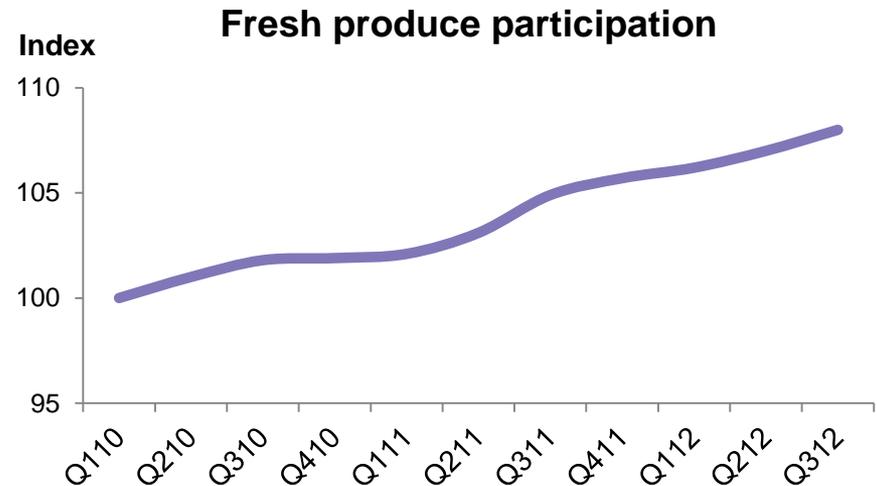
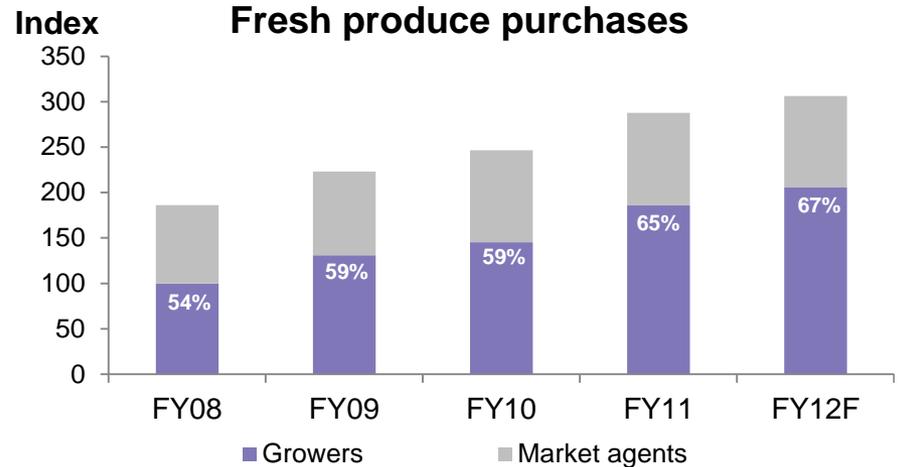


- Growing a new generation of Australian suppliers
 - Capital investment in unique technology to improve quality & freshness
 - Volume commitments providing greater certainty to invest in capacity & product innovation
- Supporting the Australian food industry
 - 'Australia First' sourcing policy
 - 100% meat, 97%+ fresh produce Australian grown
 - Supporting creation of 10,000 new jobs by suppliers through volume growth
 - Coles brands almost 90% Australian made



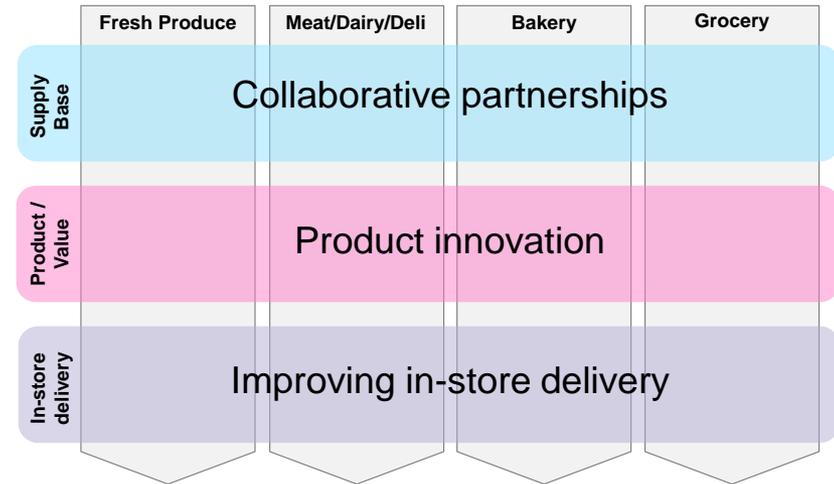
No freshness like Coles freshness

- Better, direct relationships with growers
 - Doubled value of fresh produce sourced directly from Australian growers
 - Structural shift from 100% spot purchases to 90% planned purchases
 - Better, fresher products & even better value for customers
- Investment in supply chain & store infrastructure to improve quality
 - Invested >\$200 million in refrigeration, bakery, meat & deli departments
 - Streamlining DCs to increase velocity
- Result: \$1.6 billion extra fresh food sales per year



Improved category management

- End-to-end drive to improve quality, value & innovation in core food categories
- Collaborative partnerships with Australian suppliers
 - Developing products exclusive to Coles
- Product innovation
 - Better ranging to come for local & ethnic communities
 - Ethical sourcing for changing customer demands
- Improving in-store delivery
 - Planned traineeships in bakery & meat
 - All Team Members to be trained to Coles improved standards



- Financial services growing fast
 - Already surpassed 100,000+ policies this year (>1% market share¹)
 - 250,000+ Coles MasterCards activated since launch in February 2012
 - Target to reach 1 million customers
 - Integrated reward offer to customers
- Planning Mix presence in 200+ stores within 2 seasons
 - Online transactional site launched
 - Children's apparel coming soon
- Coles Mobile expansion
 - Independent advice on pre-paid, post-paid & mobile broadband plans

coles MasterCard



flybuys



coles Insurance



Present your flybuys card	Pay with your Coles MasterCard	Take out Coles Comprehensive Car Insurance	Take out Coles Home Insurance	Join 1 st Choice Wine Drop	Points earned per \$1 spent at Coles
					1 point per \$1
					3 points per \$1
					4 points per \$1
					5 points per \$1
					6 points per \$1

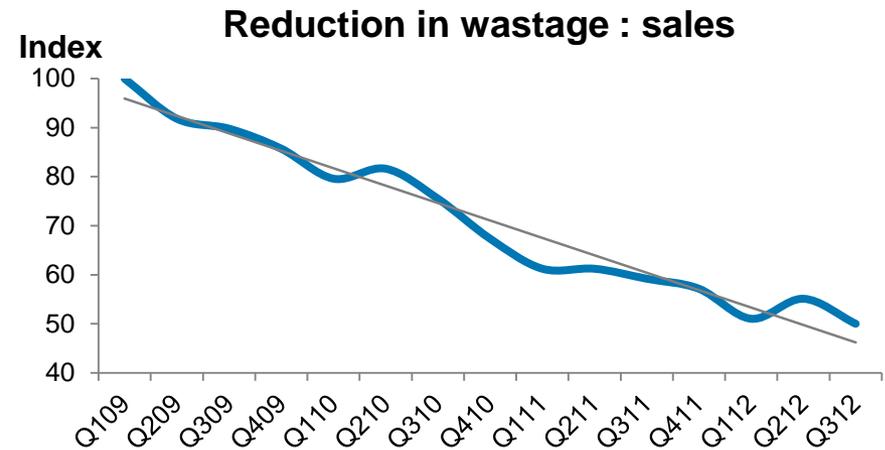
colesmobile

Mix

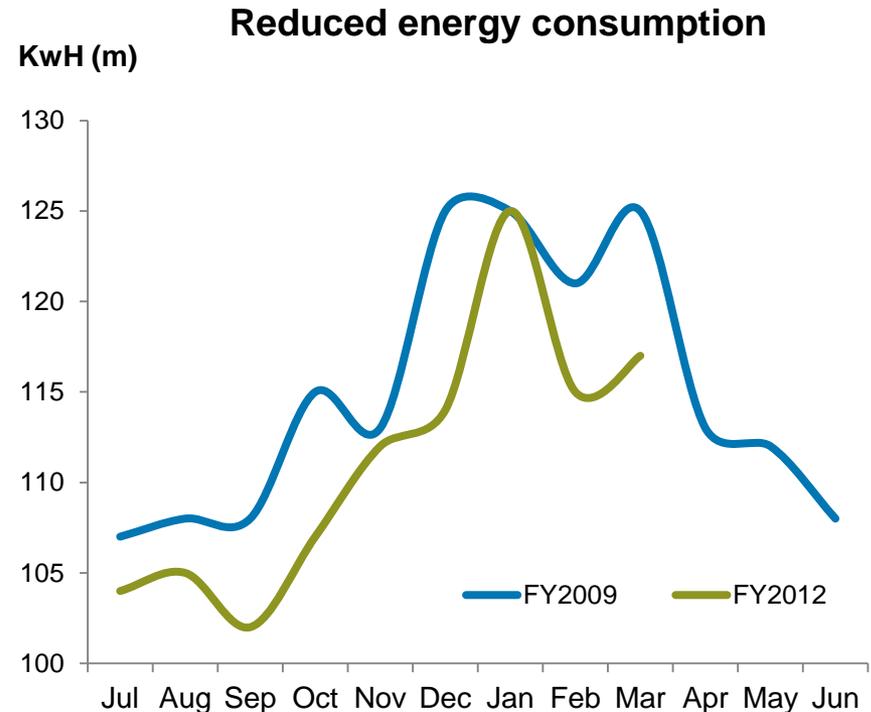
⁽¹⁾ Source: Roy Morgan Research

Efficiency focus – business wide

- Generating savings to invest in lower prices
 - \$400 million wastage reduction
 - 40,000+ Team Member rosters changed, with a structural move from casual to permanent employment
 - Easy Ordering driving replenishment efficiency & improved availability
- Store-wide productivity programs to lower costs
 - In-store production planning to drive more wastage savings
 - Reduced reliance on casual employment & refined sales-based rostering
 - More efficient replenishment
 - Reduction of in-store administrative procedures

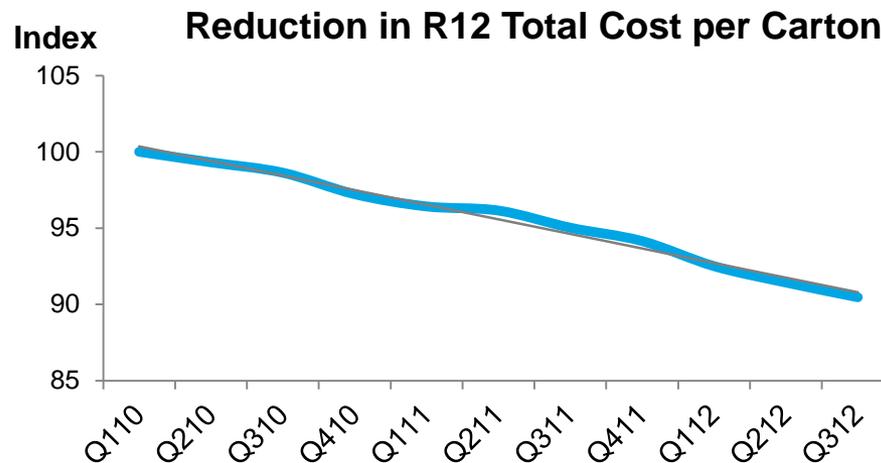
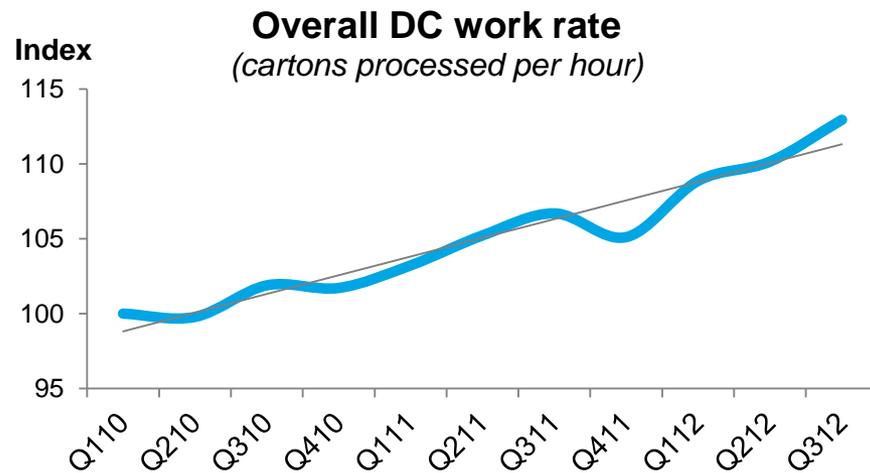


- Preparing for the carbon tax with a proactive mitigation strategy
 - 11% lower energy consumption despite 20% growth in sales
 - Intention to fully mitigate energy cost increases by FY15 through Coles investment
- Continuous reduction in 'goods not for resale' costs - \$200 million p.a.¹
- Lean & efficient store support
 - Ongoing commitment to cost consciousness
 - Continued move towards end-to-end category management
 - Invested in improved above store systems, increasing efficiency



⁽¹⁾ Coles Division R12 31 December 2011 compared to FY08

- Significant efficiency gains throughout the supply chain
 - Improvement in DC processes to drive productivity
 - Easy Ordering & Easy Warehousing complete for grocery, chilled & frozen
 - Reduction in DC stock, stock holding improved by 5 days¹
- Availability improved with 50% reduction in out of stock items
- Improved safety throughout the supply chain
 - Focus on better processes & continued training



(1) 1H FY12 compared to 1H FY09

Next phase of transformation

DC footprint & operations

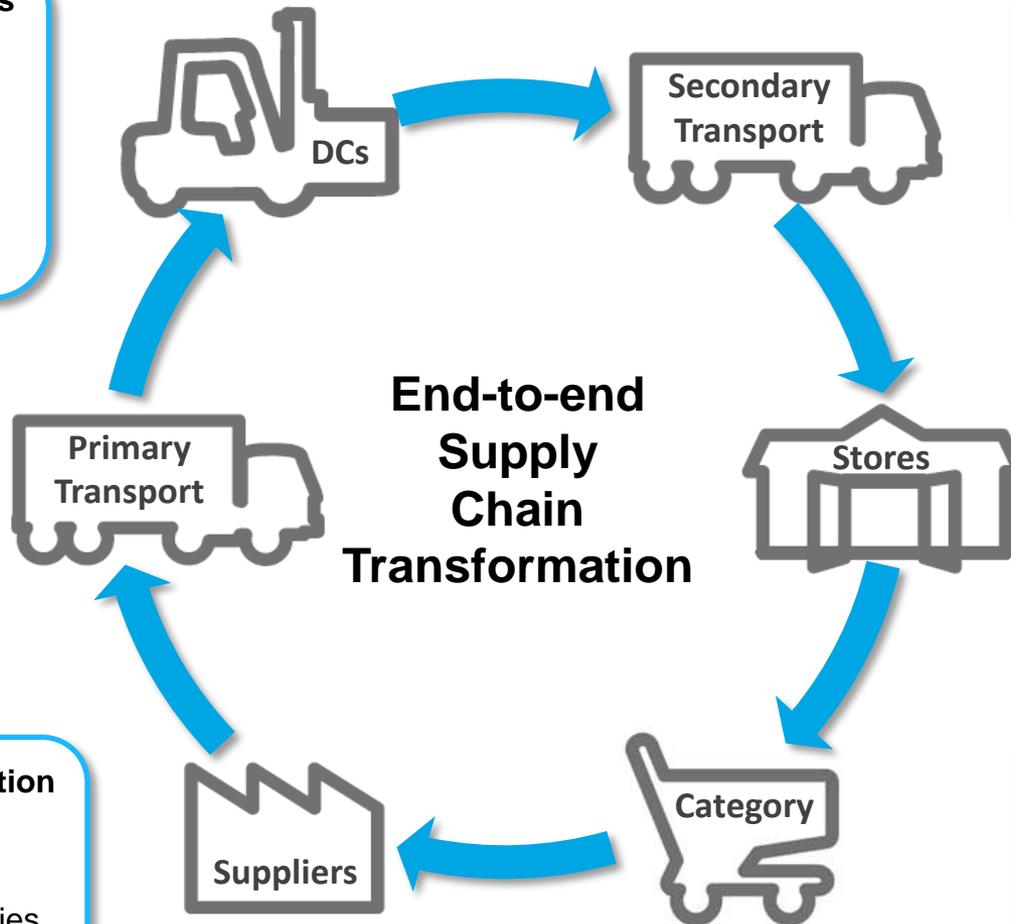
- Safety No.1 priority
- Consolidate produce & chilled
- Fast ambient site productivity improvements

Accelerate flows, reduce inventory

- Fast, slow network
- Reduce stock holding
- Chain of responsibility focus

Better supplier collaboration

- Deep partnerships
- Forecast visibility
- Economic Order Quantities
- Charter for Suppliers



Transparency & control over transport

- Right size & control
- Reset service levels
- Backhaul to serve suppliers

Streamline replenishment

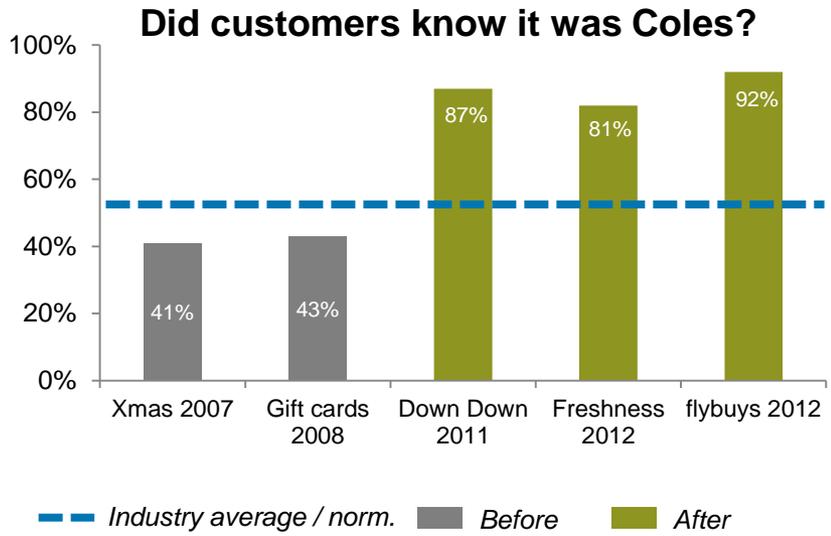
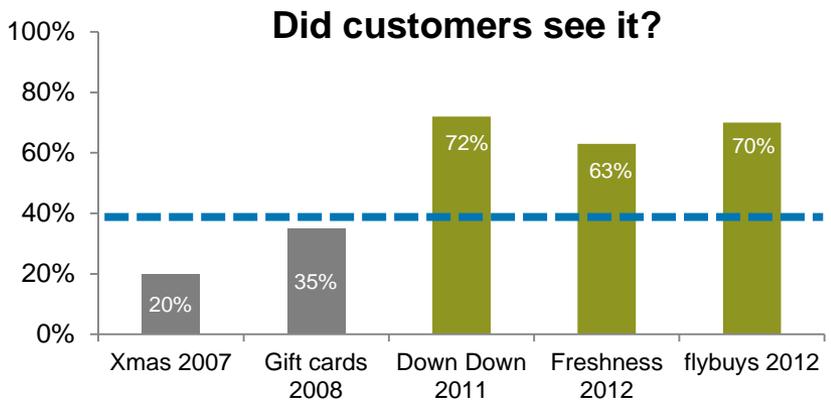
- Store specific schedules
- 'One touch'
- Re-visit store layouts / process

Easy Inventory management

- Integrate Ordering & Warehousing
- Rollout to Fresh
- Optimise end-to-end

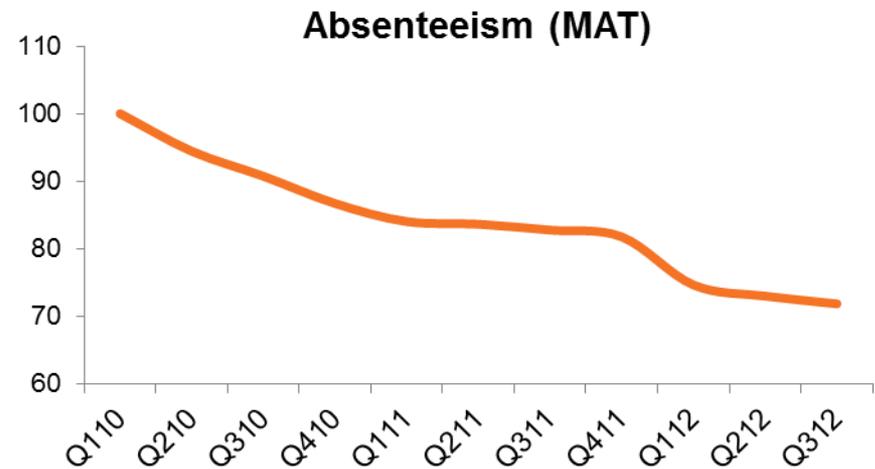
Compelling, engaging & unique

- **Compelling, engaging & unique Brand Platforms**
 - Intent on building one of the most famous Brands in Australia
 - Connecting with Australian families
 - Consistent Brand Platforms famous for delivering Quality, Value & Community
- **Consistency in Message**
 - Fewer & bigger campaigns
 - Reinforcing 'Quality food costs less at Coles'
 - Cut-through & brand linkage consistently above industry norm

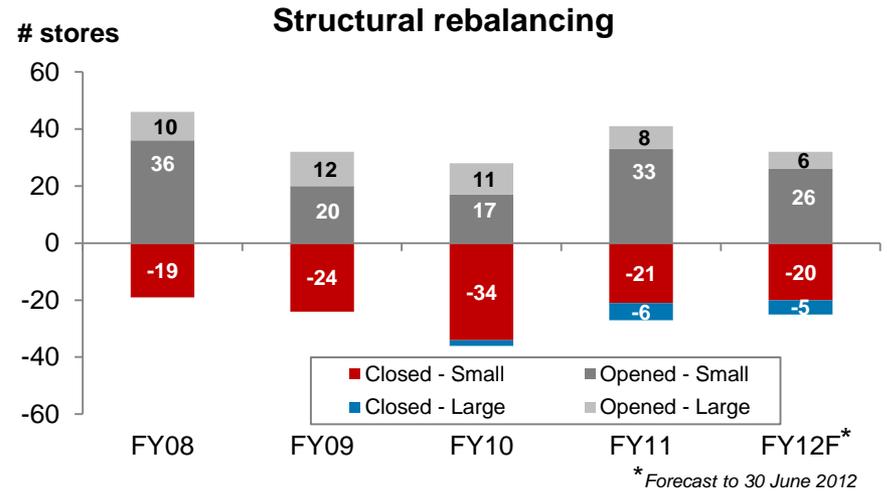


'I wouldn't work anywhere else!'

- Forging careers with more than 2,000 Retail Leaders 'graduates'
 - Talent development programs for all levels of our businesses
 - Structural shift to internal development
- Developing craft skills
 - 125 meat & seafood apprenticeships & traineeships p.a.
 - All 5,000+ deli Team Members to receive specific product training
 - All fresh food Team Members to be trained in improved 'Coles Way' processes & standards
- A safe, diverse & rewarding environment
 - Re-training 100,000 Team Members on health & safety to industry leading standards

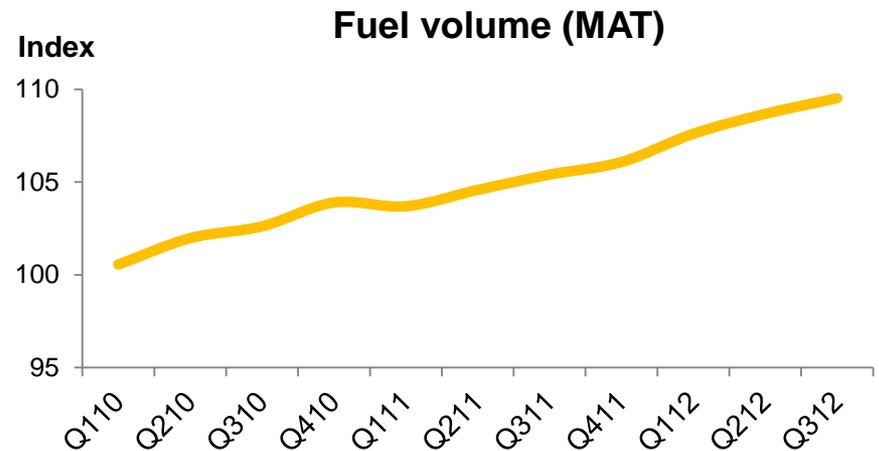


- Transformation behind, more to do, team restructured to accelerate change
- Addressing structural challenges
 - IT systems now fit for purpose & will support future growth
 - Refocus portfolio, large formats, supermarket co-location & online
 - More efficient supply chain & stronger private label range
- Improving the customer experience
 - Tighter range & tailored to local demographics
 - Better value through fewer, more compelling promotions
 - Product presentation & helping customers select with confidence

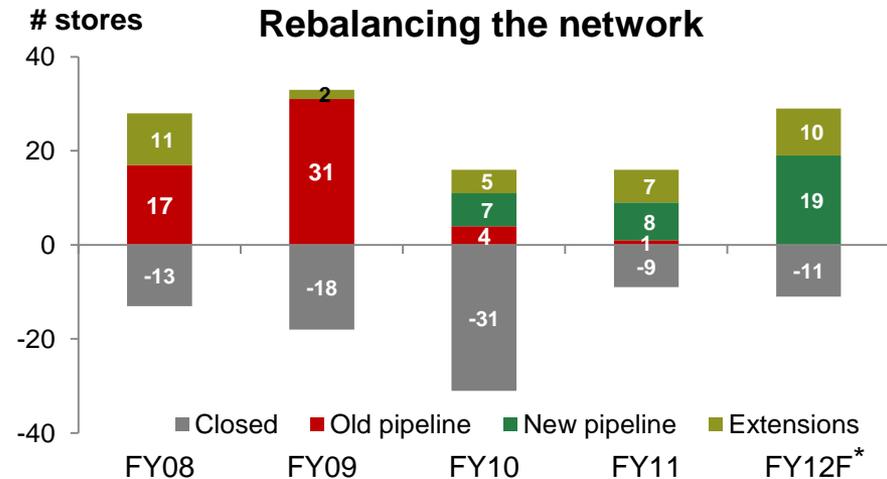
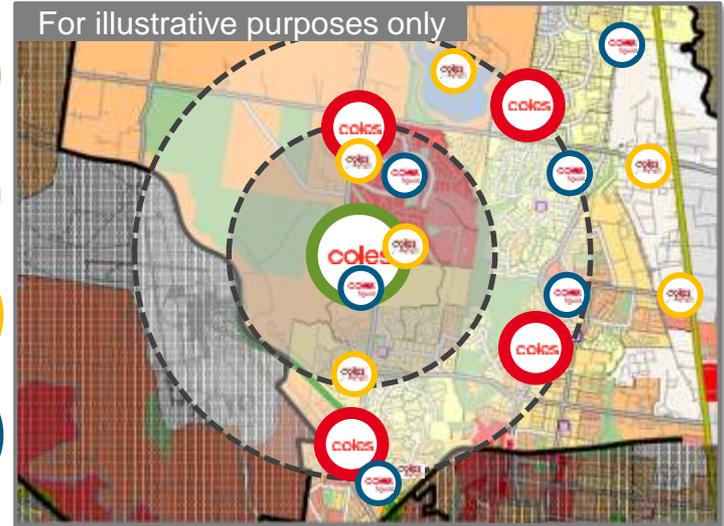


- Profitability through volume growth
 - Quality fuel products at great value (VPower)
 - Enterprise approach to site selection & development
 - 5-10 Coles-developed sites p.a. & ~10 Shell Alliance-developed sites p.a.

- Developing the convenience offer
 - Almost 4 million customers visiting fuel sites every week
 - Customer expectations of convenience have changed
 - Store offer needs to be re-aligned with changing convenience needs



- Moving towards an integrated network development strategy
 - Analytics capabilities to inform site, size & format delivery
 - Co-locating stores to drive cross-channel shopping
 - Freehold filling void of developer activity
 - Return on investment & customer provision focus, not smother
- Re-balanced more than 20% of the network
 - Closed 87 poorly located, smaller, underperforming stores*
 - Opened 87 new stores, net space growth of 5% post acquisition*
 - Pipeline re-built with expectation of more than 2% net space growth p.a.
- Average new store size increasing to 2,800m²

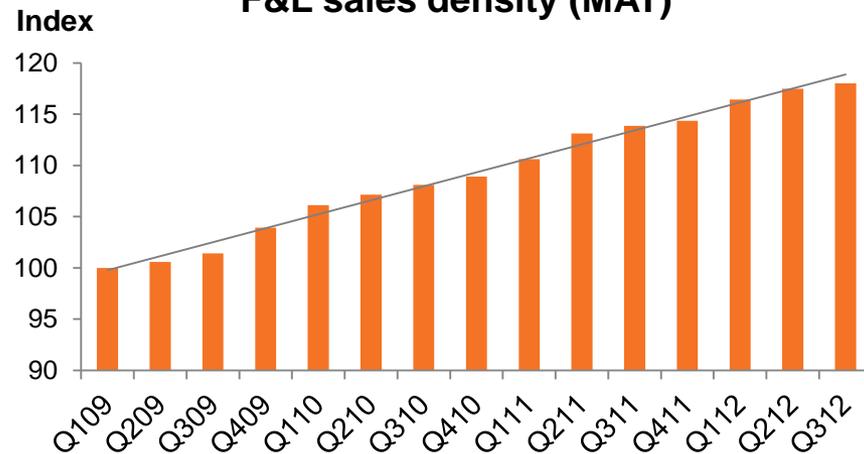


* Forecast to 30 June 2012

Sustaining format advantage

- Improved standards across the entire network
 - 222 renewal stores, 522 stores with concept changes (e.g. HBB & EPS)
 - 18% improvement in average sales per square metre
 - Opportunity to improve further with 300-400 stores to be refurbished
- Return on capital focus
 - End-to-end drive to reduce capital cost of refurbishment
 - Refurbished stores generating above threshold returns
 - Further productivity gains in renewal stores
- Continued evolution
 - Innovation in format & range development
 - Improved operating model

F&L sales density (MAT)



Developing a seamless & engaging customer experience

Core basics

- Replatforming Online to increase capacity
- Apparel & general merchandise breadth
- Liquor online simplification / wine plans
- Driving pick & drop efficiency



Product / service ordering & fulfilment integration

- Single view of the customer
- *Ordering*: online, mobile, in-store
- *Delivery*: home, store, Click & Collect
- Coordination of food, liquor, FS & GM&A



Digital customer dialogue & community

- Tripling digital marketing spend
- Coles.com.au redesign
- Mobile sites launched, better smartphone apps
- >150 million personalised emails in FY13



Building internal capability

- Dedicated multi-channel development team
- Investing in systems & logistics infrastructure
- Enhancing data analytics capability



Driving innovation

- Greater trigger email campaigns & penetration
- Personalised eCatalogues
- 1 million online financial services customers



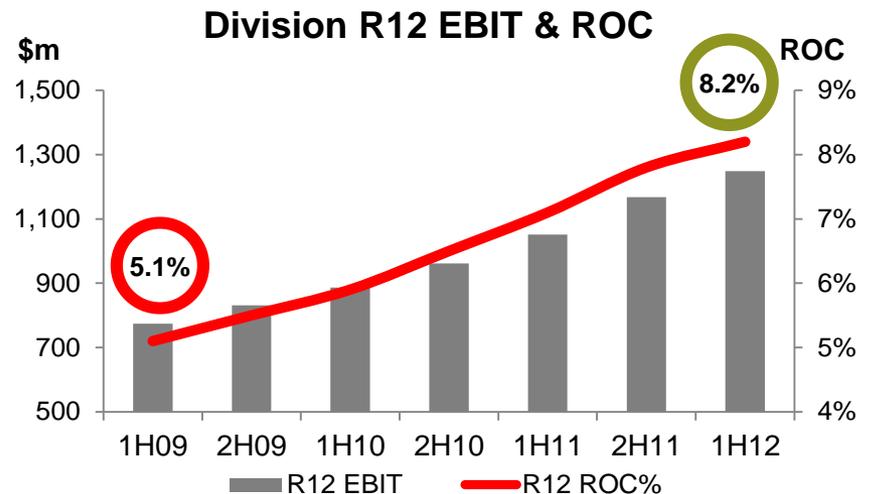
Industry leading financial growth

- Addressing years of under investment
 - Rectifying legacy underinvestment
 - Invested \$900 million in growth capital in existing estate, including property
 - Partly funded through working capital improvements

- Delivering strong earnings & ROC growth despite a tough market
 - 20% cumulative volume growth
 - 17% EBIT CAGR
 - 310bps ROC expansion

Capital expenditure FY09-1HFY12

	\$m
Net capital expenditure	2,502
Depreciation	(1,407)
Work in progress	c.(200)
Growth capital expenditure (inc. property)	895



In Coles the only constant is change

- Cautious consumers will maintain value focus to combat rising costs of living
- Better customer trust in quality & value positions Coles well
- Strong drive maintained to broaden & deepen our turnaround programs
- Building a solid platform for future growth for years to come
- New opportunities emerging continually to build sustainable, organic, long term shareholder value



Questions



Home Improvement & Office Supplies

John Gillam / Mark Ward



Agenda

1. Bunnings

- Background & market trends
- Strategic agenda
- Current trading & outlook



2. Officeworks

- Background, market & capability
- Strategic agenda
- Current trading & outlook



3. Q&A



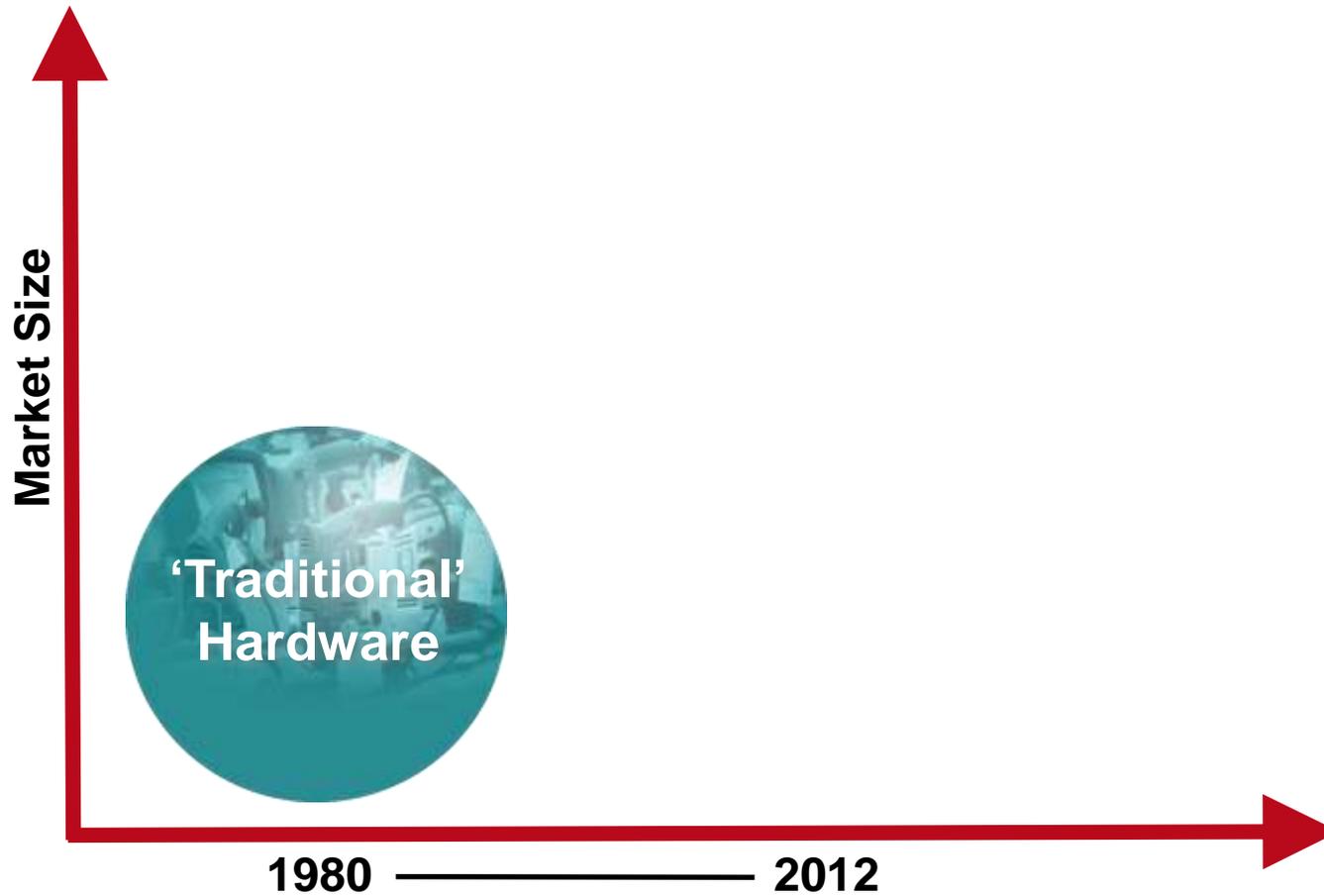
Long-term value creation

1. A winning offer to customers
2. An engaged, focused & committed workforce
3. Business behaviour that builds trust
4. Sustainable satisfactory shareholder returns

Achieving growth in every store & by expansion

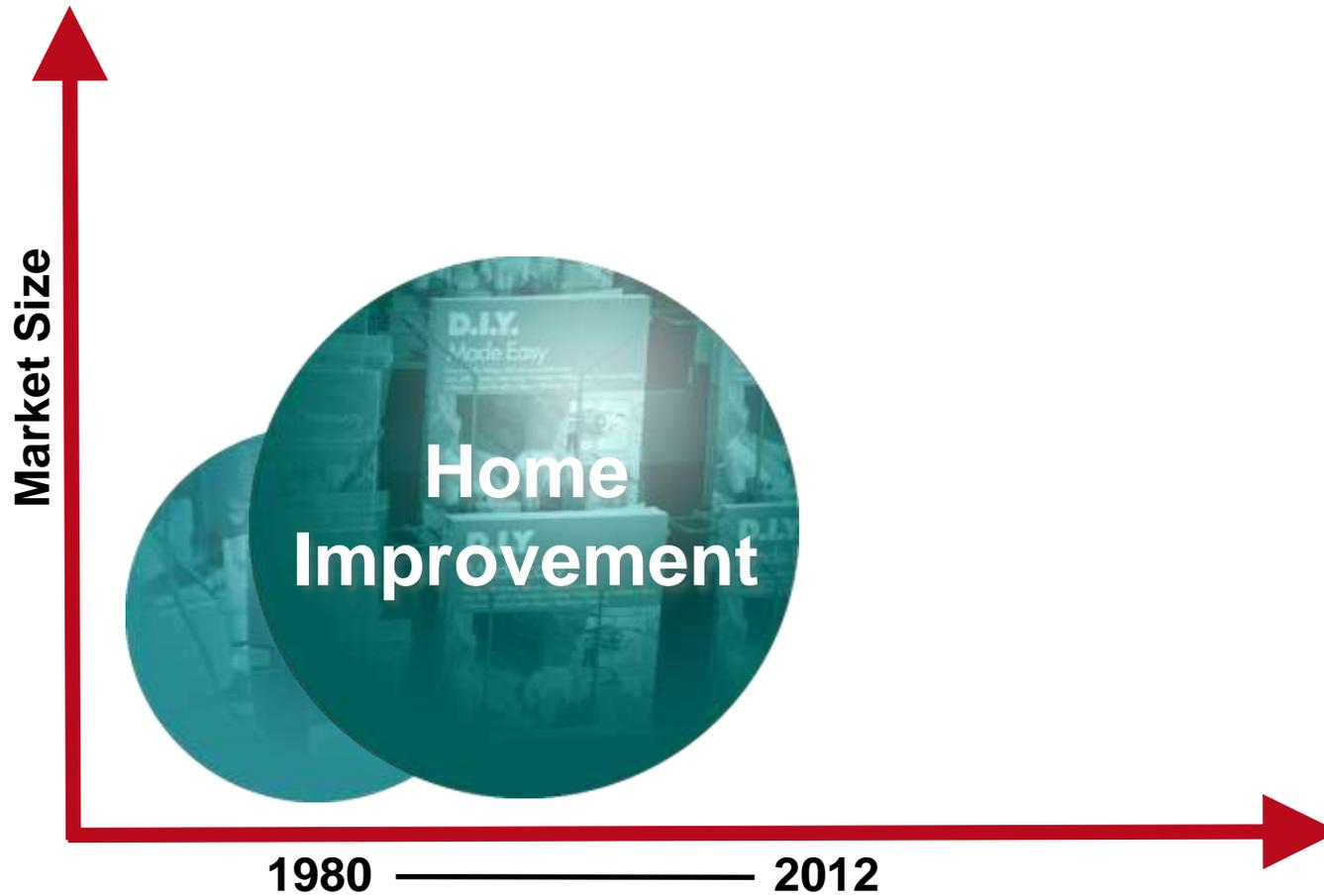
Aust. & NZ market trends

... evolution across 3 decades ...



Aust. & NZ market trends

... evolution across 3 decades ...



Aust. & NZ market trends

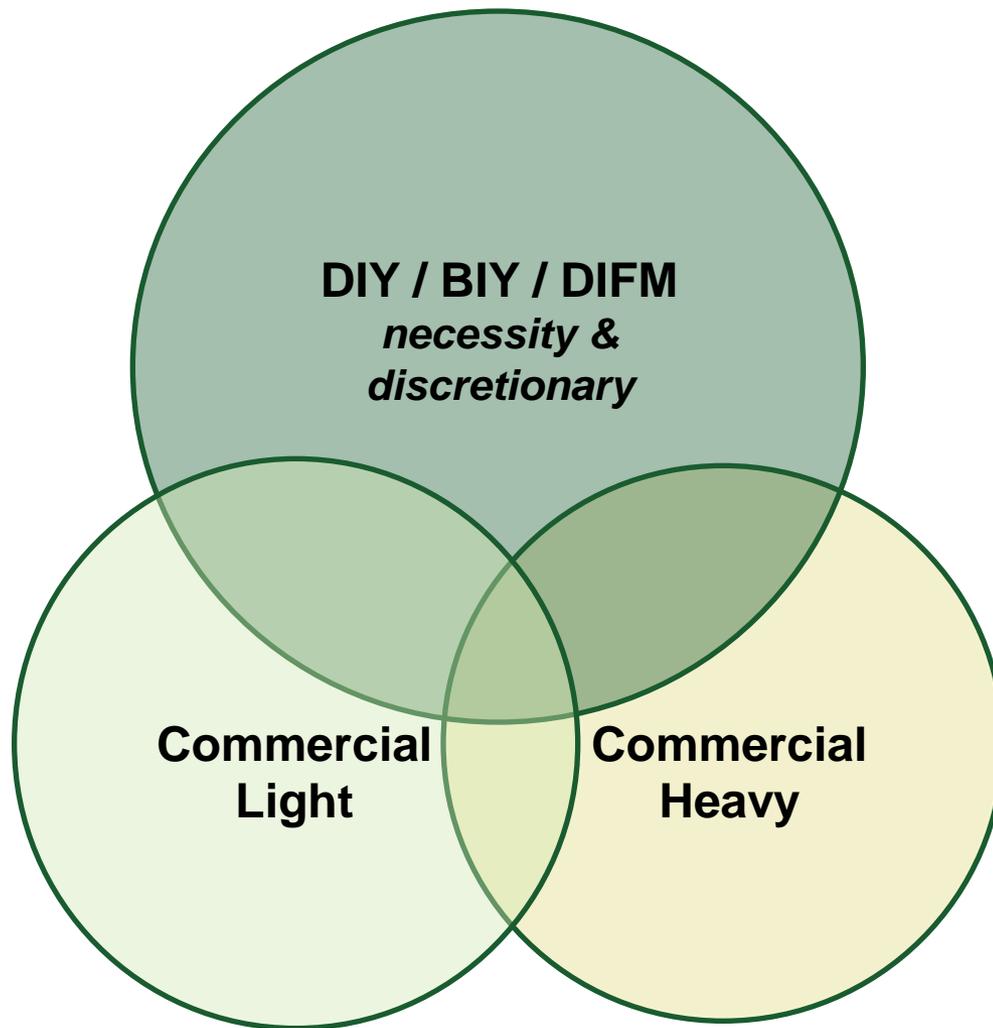
... evolution across 3 decades ...



Market size

- Home Improvement & Outdoor Living (HIOL)
 - Consistent methodology in market size estimation
- Market Size (2011 estimate)
 - Australia: \$42 billion
 - New Zealand: NZ\$6 billion
- Wide array of HIOL competitors
 - Dual consumer / commercial focus prevalent
 - Most participants of scale 'vertically capable'

Market structure & drivers



Multiple Drivers

- Household disposable income
- Alterations & additions activity
- Housing churn
- Household value
- Weather
- Housing formation
- Lifestyle/Demographic trends
- Other external factors
 - Government activity
 - Technology

Competitive landscape



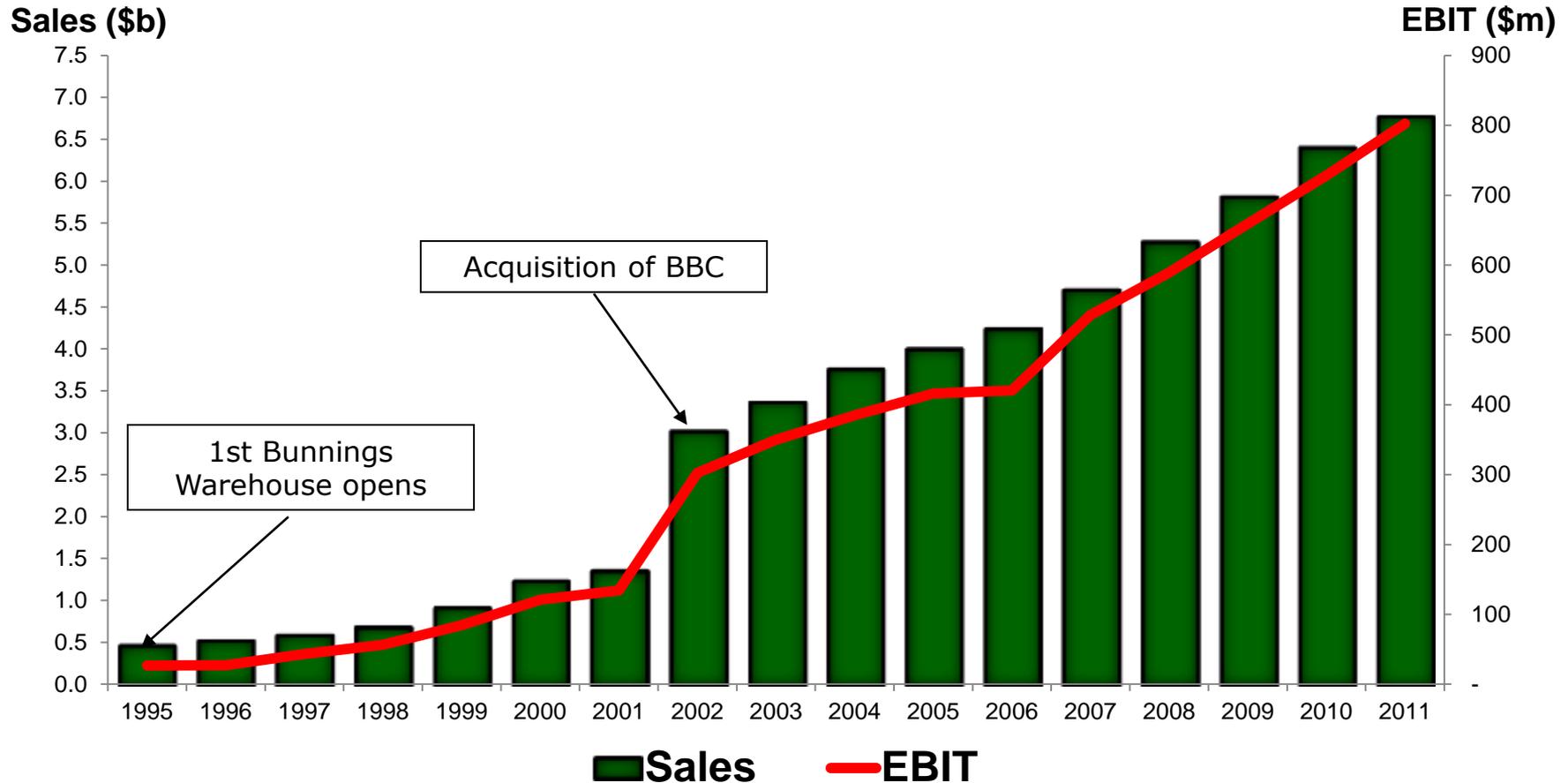
Varied Formats

1. Category specialists
2. Hard goods mass merchants
3. Traditional hardware
4. Suppliers direct-to-market
5. DDS & supermarkets
6. HIOL category killer

nb: Online activity prevalent in all formats



Bunnings: sales & EBIT growth



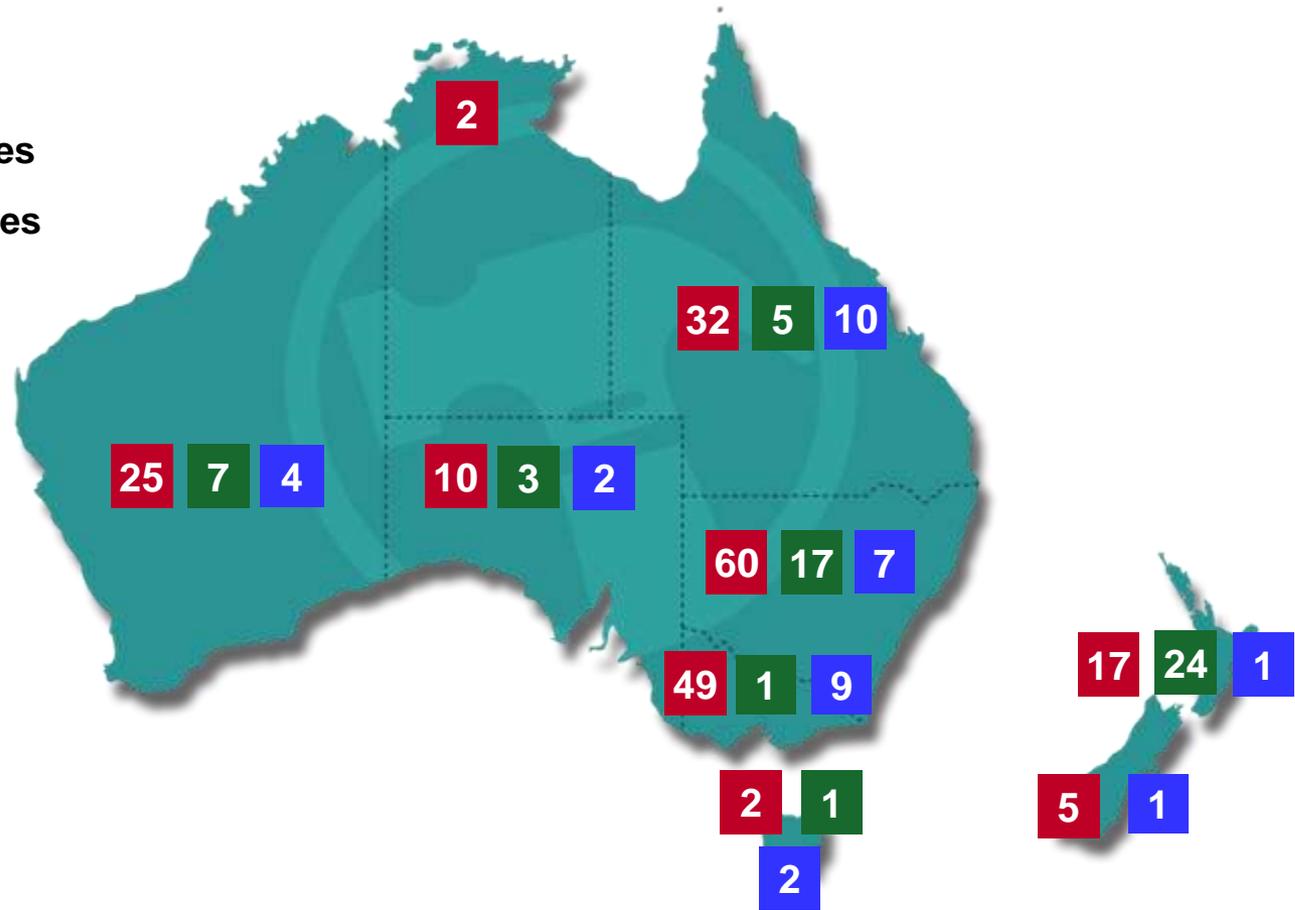
Store & trade centre network

At May 2012

■ 202 Warehouse stores

■ 58 Small format stores

■ 36 Trade Centres





Strategic agenda

1. Profitable sales growth
2. Better stock flow
3. Stronger team
4. Productivity gains
5. Community & sustainability involvement

... conscious choices across all business activities aimed at delivering customers the best offer

Strategic agenda

Today's discussion focused on 'Profitable Sales Growth'

For the other elements of our strategic agenda:

- Summary of key work areas follows on next 2 pages
- Significant drive is being achieved through these areas
 - Material gains for customers, team, CODB & brand trust
 - Further benefits expected in FY13



BUNNINGS



Wesfarmers

Strategic agenda

Better stock flow

- Hybrid model delivers best outcomes for diverse stock types
 - Productivity gains planned across all components
- Higher in-stock performance a priority
- Whole-of-chain cost reductions & GMROI¹ improvements



Stronger team

- Achieving high team member engagement & retention
 - Deep connection with Bunnings brand
- Continuing investments in product knowledge, development & safety

(1) GMROI: Gross margin return on inventory

Strategic agenda

Productivity gains

- Focus on making core processes faster & easier
 - Better for customers; lifts team availability
- Strong drive to be 'simply better'



Community & sustainability involvement

- Essential for customers & team
 - 'what we sell, what we do & what we say'
- Sincere, localised & meaningful actions
- Less energy, less waste, less water = less cost



Profitable sales growth

Multiple growth drivers

- a) Service & services
- b) Merchandising initiatives
- c) Network development
- d) Commercial markets
- e) Productivity loop



Service & services

Long term goal to provide better customer experiences

- Service basics delivered by great team
 - Pleasing research trends; positive momentum
 - Ongoing investments in team know how
- Building deeper customer centricity
 - More effective listening posts
 - Clearer customer communication; in-store & online
- Further enhancements in the pipeline
 1. Coverage
 2. Technology: mobile & web
 3. Services; in-store, online, in-home
 4. Product availability

Merchandising initiatives

Evolution & innovation drives new ranges & category expansion

- Lifestyle trends, environmental & economical changes
- Product & project innovation with DIY focus; expands whole market
- Core merchandising team capability & ongoing growth driver
 - Strong support from key suppliers

Merchandising 'basics' drives underlying performance

- Great outcomes from 'Range reset' project

Leveraging the world's leading & Australia's best brands







Bunnings Warehouse Stores



- Large format
- Cornerstone brand
- 3 core footprints + multi-levels
- Retail & commercial customers
- 202 in network at May 2012
- Open 10 to 14 p.a. longer term
- Likely to open 18 in FY13
- Current pipeline 80+ sites



BUNNINGS

Bunnings Stores



- Smaller format, highly flexible
- Regional & metro markets
- Retail & commercial customers
- 58 in network at May 2012
- Open 2 to 4 p.a. longer term
- Greenfield pipeline 8+
- Plus acquisitions

BUNNINGS



Wesfarmers

**BUNNINGS
TRADE**

Trade Centres



- Specialised 'DIFOT' format
- Narrow & deep ranging
- Builds customer relationships
- Lowest cost
- Commercial 'delivered' market
- 36 in network at May 2012
- Open 4 to 8 p.a. longer term
- Likely to open less in FY13



Total Market Capability

Store Network DIY & Trade



- Retail & commercial customers
- Price / range / service
- Wide commercial mix
 - Pick-up & small deliveries
 - Local trades, maintenance, repair, government, business & corporate
- Local relationships

BUNNINGS
warehouse

BUNNINGS



Trade Centres



- DIFOT focus
- Specific customer
 - Medium & large building trades in project volumes
- Core trade product ranges
 - Cover all building stages
 - Frame & truss capability
- Business relationships

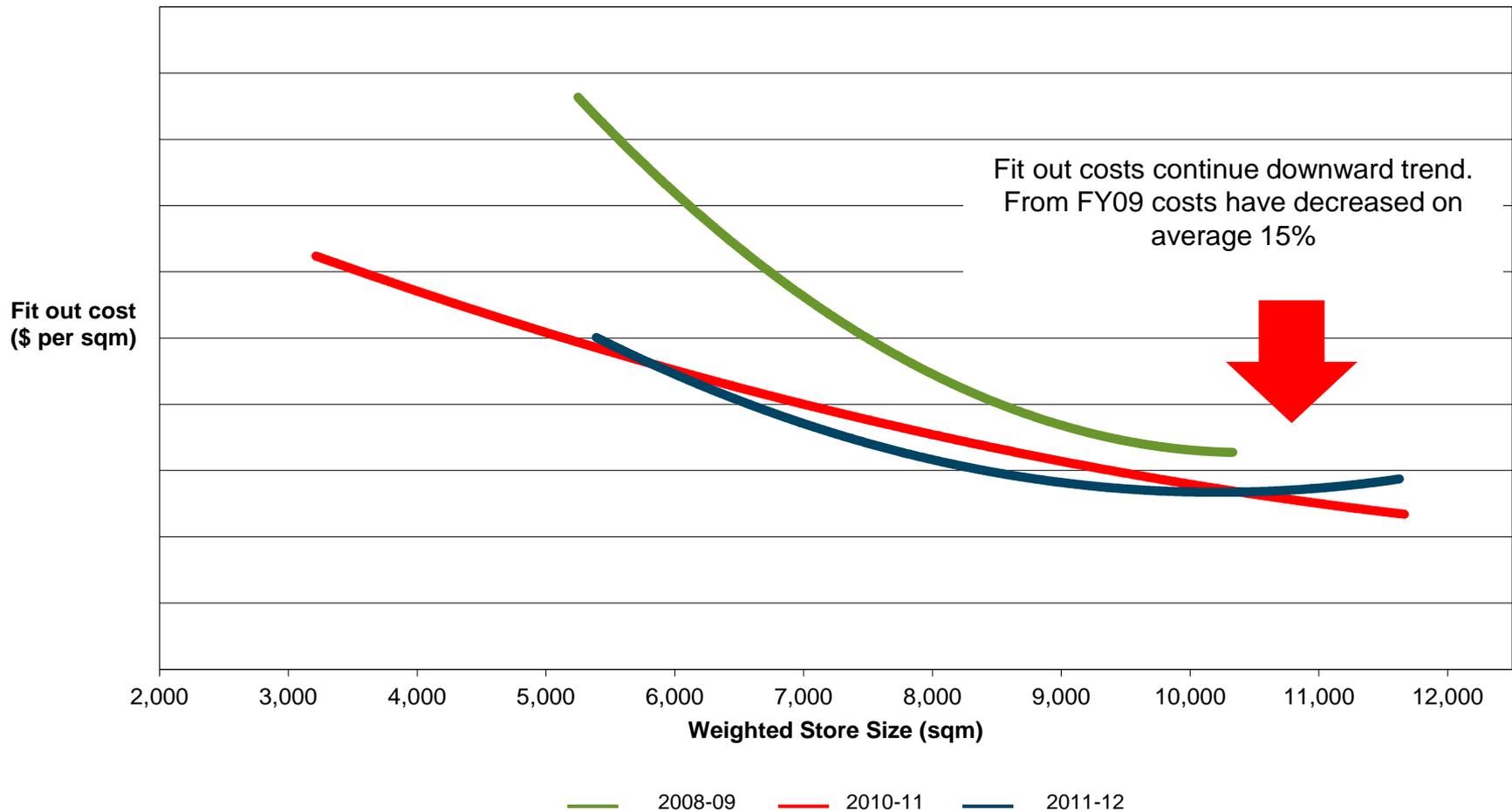
BUNNINGS
TRADE



Network development

- Considerable long term opportunity for new stores
 - Increased by format innovation
- Strong property pipeline
 - Uncompromising focus on site location & amenity
 - Range of store sizes; larger stores showcase & grow range
- Long standing store reinvestment program
 - Expand existing stores where feasible
 - Reinvigorate with new merchandising standards & concepts
- Existing warehouse network average age sub 5 years
- Strong focus on reducing construction & fit out costs

Reducing construction & fit out costs



Commercial markets

- Good long term growth prospects in commercial areas
- Leveraging strength of network & brand
 - Total market capability; stores, trade centres, in-field, on-line
- Ongoing work in 3 areas;
 1. Light commercial
 - Better ranges, service & services
 - Enhanced direct marketing to all segments
 2. Heavier commercial
 - Building stronger customer relationships
 3. Stronger operational disciplines
 - Create greater customer value; sell wider range

Productivity loop

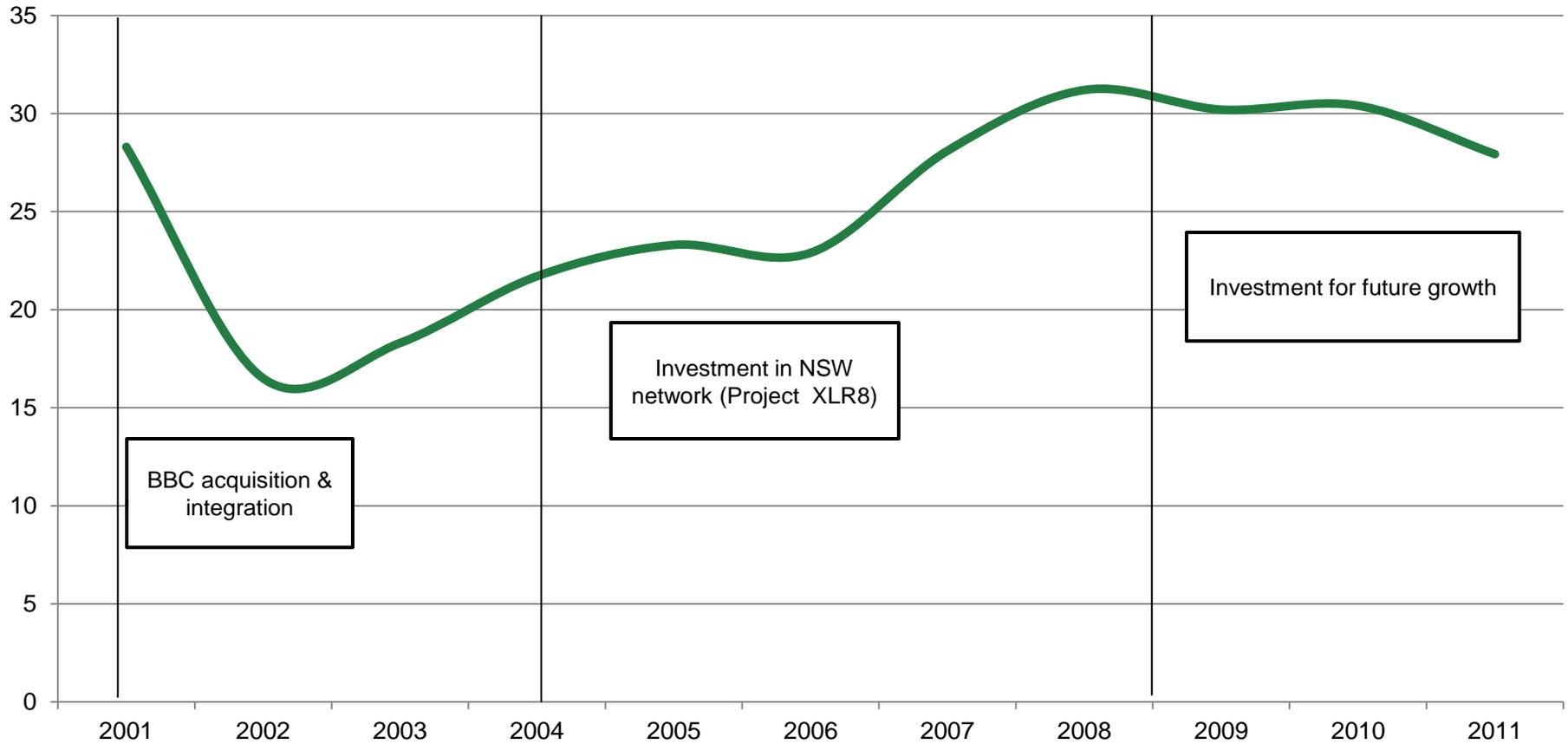
- 'Lowest prices' ... cornerstone of a winning offer
- Driving hard to create 'breathtaking value'
 - Strong element of ongoing plans
- Fuelled by cost & productivity agenda
 - Controlling deflation





Capital management

Return on Capital (%) FY2001 to FY2011



Current trading & outlook

- 9 months to 31 March 2012
 - Store sales growth of 6.3% (3Q growth 4.7%)
 - YTD store-on-store growth of 4.0% (3Q growth 2.6%)
 - Good commercial sales growth
- Strong transaction growth
- Good performance despite
 - Deflationary impacts
 - Challenging trading conditions

Positioned for continued growth

- \$42 billion market
- Strong customer loyalty & trust
- Significant growth opportunities through multiple drivers
 - Service
 - Network expansion & store reinvestment
 - New categories & merchandising
 - Commercial
 - Value
- Committed, engaged & energised team
- Strong cost disciplines & productivity improvements
 - Fueling the productivity loop





Agenda

1. Bunnings

- Background & market trends
- Strategic agenda
- Current trading & outlook



2. Officeworks

- Background, market & capability
- Strategic agenda
- Current trading & outlook



3. Q&A



Background

1994



First store opened in
Richmond, Victoria

2003

Officeworks acquires
Viking

2004



Harris Technology becomes
part of Officeworks

2005



Officeworks' online business
& Viking merged

2007



Wesfarmers acquires
Officeworks

1990s

- Big box office supplies
- B2B focused
- EDLP

By end of 2007

- Strategy off track
- Deep 'hi-lo' pricing
- Smaller store sizes
- Compromised range
- Losing customer trust

2008 - 2012

- Category killer focus
- EDLP position
- Rebuilding trust
- Wider customer base
- Every channel focus

Market trends & environment

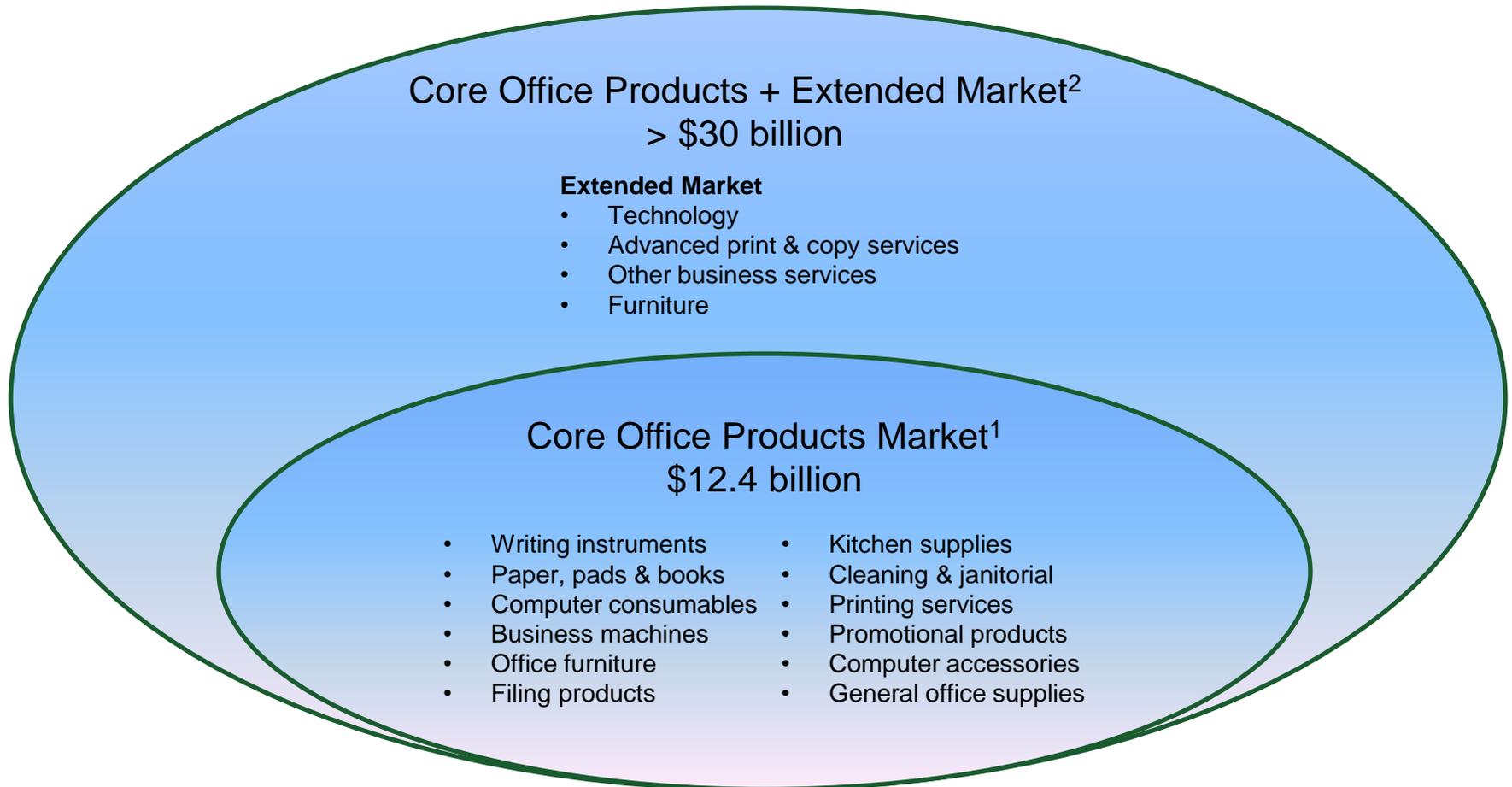
- Changing consumer behaviour
 - Increased use of technology to shop any time, any place
 - Stronger understanding of relative value
 - Global price transparency
- Tight trading conditions
 - Deflationary headwinds
 - Strong price competition

Strategic platform



Market size

- Total addressable market > \$30 billion
- Wide spread of competitors across each category
 - Servicing retail & B2B customers
 - Rapidly changing competitive environment
 - Highly commoditised product base



(1) 2010 – 2012 Office Products in Aust, Penfolds Research

(2) Officeworks Estimate

Competitive landscape



- Multiple competitors
- Commoditised products
- Variety of formats
 - Pure play online
 - Category specialists
 - DDS / Supermarkets
 - Category killers
 - Direct to market suppliers

Every channel capability



Customer Engagement



Internet



Social Media



'Traditional Media'
(e.g. TV, catalogues,
etc)



Digital Media
(e.g. EDMs, etc)



Apps



Call Centre Team
Members



Store Team
Members



B2B Sales Reps /
Account Managers



Every channel capability

Officeworks



Officeworks Store Network

LOWEST PRICES
EVERYDAY



- Well known & trusted brand
- 139 stores - 3 core footprints
- Retail & business customers
- 8 – 10 new stores p.a.
- Strong FY13 pipeline
- Format innovation
 - CBD
 - Regional
 - Upgrades

Officeworks



LOWEST PRICES
EVERYDAY


Wesfarmers

Every channel capability

Officeworks



www.officeworks.com.au

LOWEST PRICES
EVERYDAY



- Largest trading 'store'
- Mobile & social media enabled
- Continued investment driving:
 - 20 million visitors per year
 - Retail & B2B customer growth
 - Sales growth 20% +

Officeworks



LOWEST PRICES
EVERYDAY


Wesfarmers

Every channel capability

Officeworks



Ph. 1300 OFFICE (633 423)

LOWEST PRICES
EVERYDAY



- Call centres
- Focus on outbound sales
- Rapidly expanding sales force:
 - SME
 - Education
 - Corporate

Officeworks



LOWEST PRICES
EVERYDAY


Wesfarmers

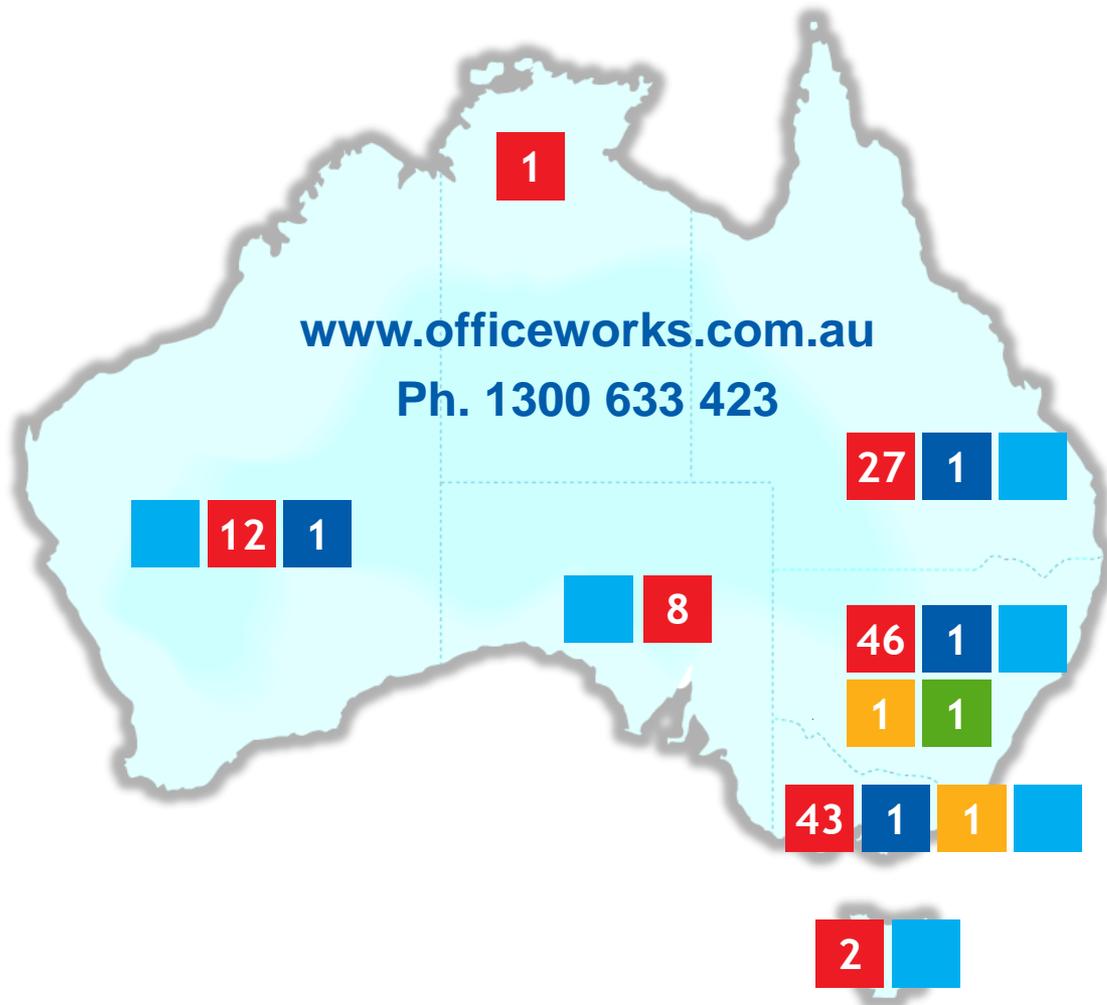
Every channel uniqueness



- Face-to-face service
- Services e.g. print & copy
- Convenience / immediacy
- Interactivity / classes
- Kids area, meeting rooms
- Click & collect
- Community involvement
- Convenience / ease of use
- Free same day delivery⁽¹⁾
- No hidden fees
- Mobile sites
- Facebook
- Tailored websites
- Online visibility of store stock on hand
- Personal contact
- Guidance & help
- Convenience

(1) Order > \$55 before 11:00am

Every channel presence



- 139 Retail Stores
- 4 Fulfilment Centres
- 2 Call Centres
- 1 Print Hub
- B2B Sales Force

At May 2012



Strategic agenda update

- Evolve our customer offer
- Improve our customer service
- Team development & engagement
- Reduce complexity & CODB¹
- Drive sales & profitability



(1) Cost of Doing Business

Evolve our customer offer

- Expand services & solutions offer
 - Office Fit Out
 - Pack, Post & Send
- Print & Copy enhancements & expansion
- Improve & grow furniture offer
 - Commercial furniture range
- Extend price leadership
- Continue to deliver widest range



Improve our customer service

- Expand B2B service
 - Account Managers
 - Sales Reps
- Consistent customer service
 - Simplified returns
- Further improvement in stores
 - Specialist knowledge in key categories
 - In-stock
 - Coverage



Team Development & Engagement

- 'Gain share' philosophy
- Targeted talent management
 - Career / succession planning
 - Future leaders program
 - Senior leaders development
- Health & wellbeing focus
- Diversity programs



Reduce complexity & CODB

- Incremental supply chain improvements
- Year-on-year improvement in shrinkage
- Back office cost savings & process improvements
- Re-invest hours saved into customer service
- Ongoing focus on removing costs & complexity

Drive sales & profitability

- Continued every channel enhancement
 - Network enhancement / expansion
 - Ongoing improvement in online offer
- Expected growth categories
 - Catering & cleaning
 - Tablets & smart phones
 - Furniture
 - Services
 - Print solutions & services



Trading update

Q3 Sales Results

- Headline sales +2.5%, YTD +1.3%
 - Strong transaction & unit growth
 - Lower average sale
 - Deflationary headwinds
- Store sales +1.1%, YTD +0.5%
 - 3 new stores, 3 upgrades¹
 - 139² store network with 42% trading under new format
- Online sales +33.8%, YTD +23.6%
 - OW Business team building capability & customer relationships

⁽¹⁾ YTD

⁽²⁾ As at 30 April 2012

- Challenging market conditions
 - Continued uncertainty weighing on customer sentiment
 - Competitive pressure on sales & margin
- Focus on executing strategic agenda



Questions



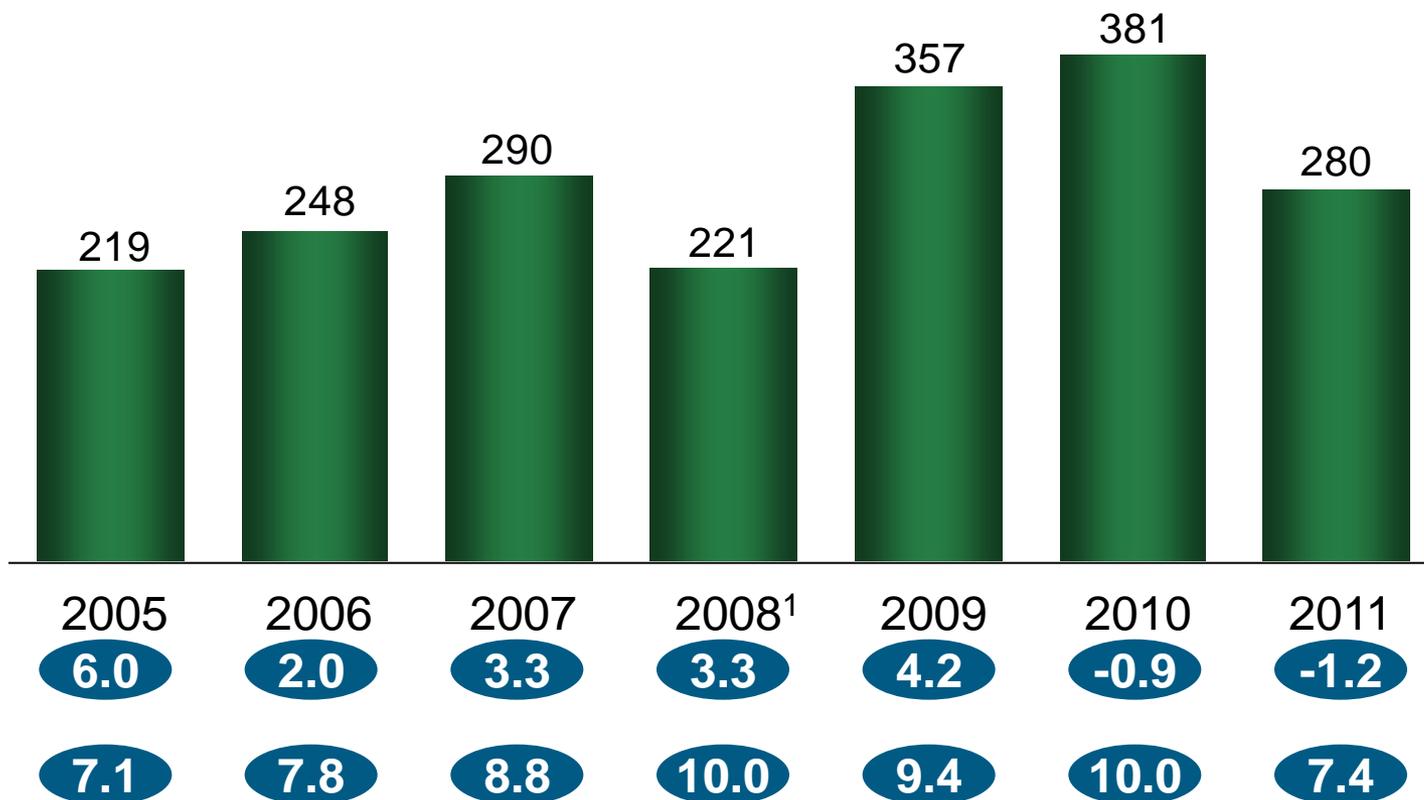
Target
Dene Rogers
Managing Director



Target is embarking on a 4 year turnaround to transform into a sustainable growth company

Target EBIT

\$ millions



(1) 7 months of Wesfarmers ownership 23 November 2007 – 30 June 2008

The vision is to become the leading mid-tier department store

Target 100

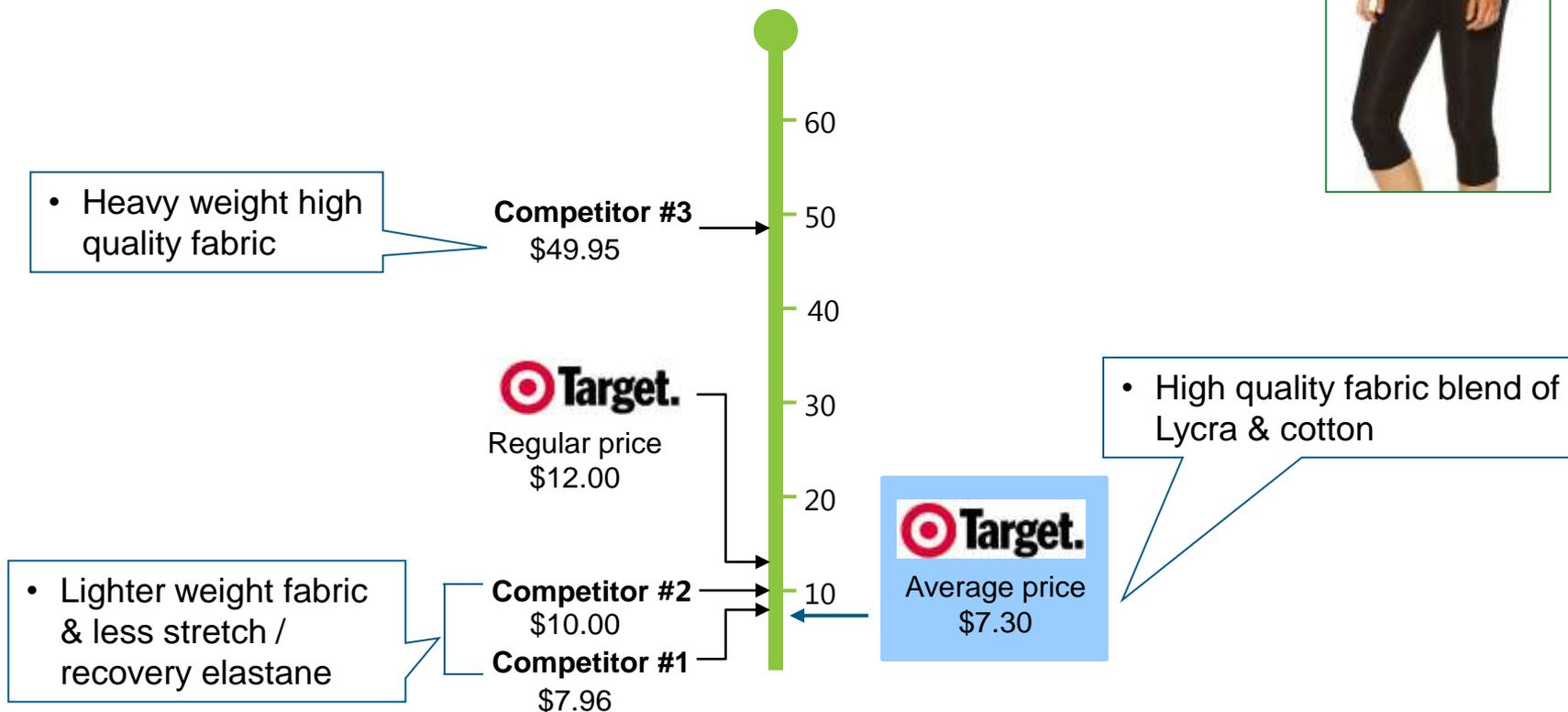


Opportunity: A price & service gap exists between the discounters & the upper-tier department stores

Vision: Target will be a leading mid-tier department store offering quality fashion & home products which are affordable to the mass market

Often Target's prices are lower, yet the quality is superior

LADIES 3/4 LEGGINGS



Note: Average price based on Target's price for the product over the last 20 weeks
Source: Price checks of competitor stores

Target's average prices are currently at, or just a little higher than the deep discount stores

PRICE COMPARISON ANALYSIS OF TYPICAL BASKETS OF AUSTRALIAN SHOPPERS

Teen girl



- Puffy sleeved shirt
- Long black legging
- Pyjama pants
- Glee Season 1 CD
- Hair straightener

Mum



- White cottontail briefs
- Bra
- 2-pack socks
- Girls basic leggings
- Women's pyjama pants

Young professional



- 2 pack opaque tights
- Bonds printed bikini
- Floral sleeveless dress
- Work pants
- Cut-off shorts
- Lightly padded bra

Total basket (In A\$, Comparing the in-market prices¹ of major Australian Department stores)



(1) Includes both regular-priced & promotional purchases
Source: Price checks conducted during February 2012

Target's quality is superior to the deep discount stores

QUALITY COMPARISON: LADIES LIP ELASTIC SINGLET EXAMPLE



Price comparison

Competitor 1 \$6.97

 **Target.** \$9.00

Quality & features of Target's product

- ✓ Tighter knit construction provides greatest stretch & best recovery for superior fit
- ✓ 17% heavier-weight fabric & fabric content (40 single cotton yarn; 20 denier elastane) for extra comfort & softer hand feel
- ✓ Single sizing for best fit, look & comfort (size 10 v size 10-12)
- ✓ Double stitching
- ✓ 8% longer body length
- ✓ 7% wider straps

The mid-tier position is a focus on a holistic definition of value

The Target strategy

Everything we do makes our customers feel good



Four year transformation

	FIX THE BASICS: YEARS 1 & 2	POSITION FOR SUSTAINABLE GROWTH: YEARS 3 & 4
1 Strengthen mid-tier	<ul style="list-style-type: none"> Reset value perception from 'price' only to 'style, quality & experience equals value' Expand 'Target Essentials' range of everyday value pricing Develop & launch customer segment strategies 	<ul style="list-style-type: none"> Reinforce 'Target Tested' branding & improve fashion reputation Optimise everyday value pricing model Excellence in product differentiation & innovation via design Accelerate customer segment strategies Embed customer trust & loyalty
2 Online & store network	<ul style="list-style-type: none"> Launch the omni / online business Lock in key store sites 	<ul style="list-style-type: none"> Expand online business Roll out new store model strategy Launch new in-store experiences
3 Direct sourcing	<ul style="list-style-type: none"> Increase direct sourcing & reduce expenses 	<ul style="list-style-type: none"> Maximise direct sourcing
4 Re-engineer Supply Chain	<ul style="list-style-type: none"> Restructure the supply chain Renew IT systems 	<ul style="list-style-type: none"> Maximise pull replenishment Sustainable lower inventory
5 Build organisation capabilities	<ul style="list-style-type: none"> Develop customer insights capabilities to breed innovation Align organisation to the strategy Recruit top leaders 	<ul style="list-style-type: none"> Upgrade IT systems Continued capability improvements Reinforce culture of efficiency & empowerment

1 Strengthen mid tier position: focus on quality

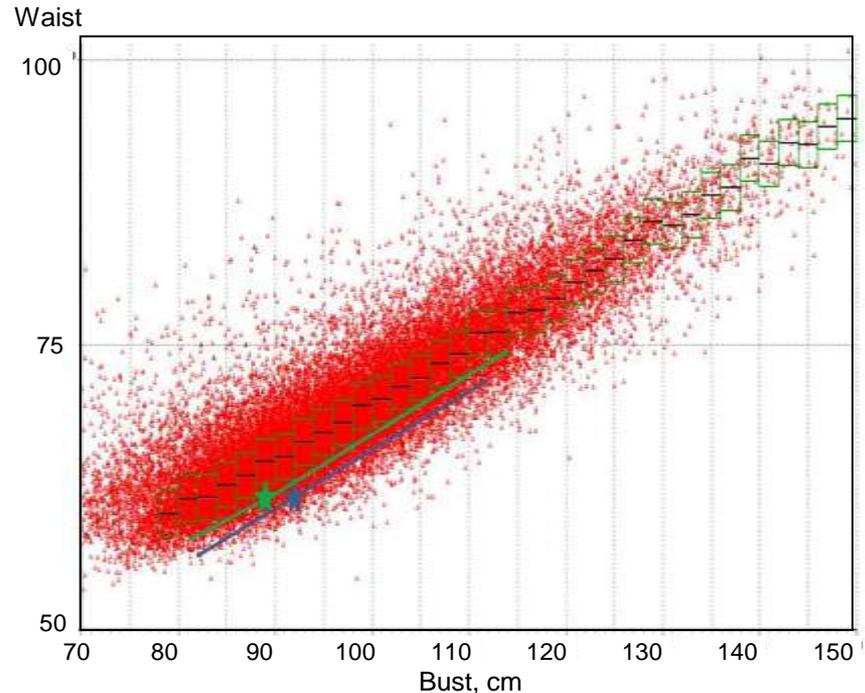
Target 106

OVERVIEW

- Fit is the biggest reason for apparel purchase dissatisfaction, e.g. 25-30% of online apparel is returned
- Target is investing in a national sizing study, the first & largest of its type in Australia using 3D technology
- Preliminary data (based on normalised US data) suggest only 59% of younger, & 50% of mature women will find a good fit at Target. After recommended resizing, ~95% will find a good fit



EXAMPLE: RECOMMENDED SIZING CHANGE FOR LADIES REGULAR TOPS (AGED 30 – 60)



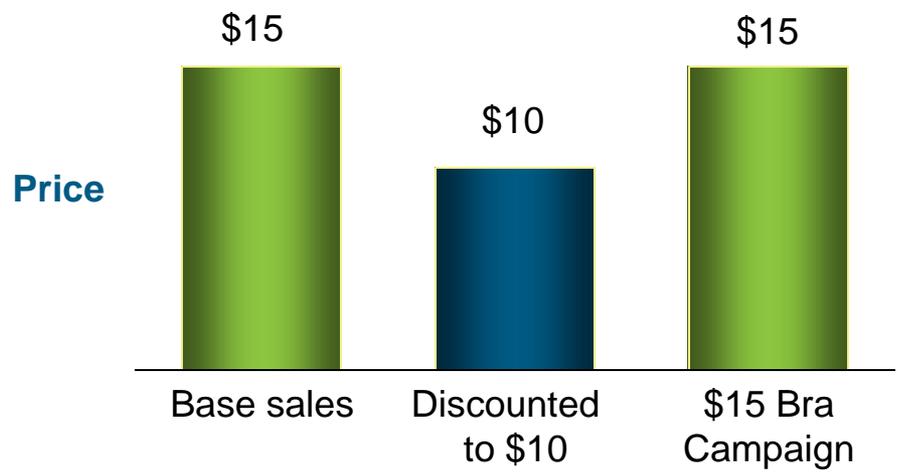
- Red dots: Population by size
- Blue line: Target's current size profile (e.g. size 12)
- Green line: Recommended move in Target's sizing profile to capture more customers

1 Strengthen mid tier position: focus on experience

TARGET BRANDS: EVERYDAY BRA EXAMPLE



Everyday Bra



Keys to success

- From customer insight sessions, let customers assess price/quality/value of Target vs. competitor bras
- Ask customers what in-store experiences are key to buying with confidence – *“it’s a bra that is comfortable”*
- To ensure comfort, offer bra fitting services or self-fit in-store with service comparable to Myer & David Jones

Sales increase	112% ↑
GM\$	200% ↑

1 Strengthen mid tier position: Target essentials

TARGET ESSENTIALS PILOT RESULTS

■ Before
■ After positioning as Target Essentials

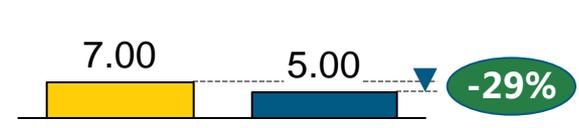
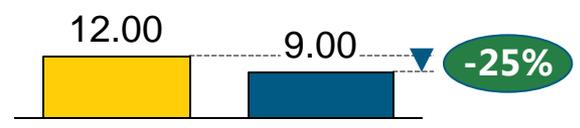


Product

Ladies Lip Elastic Top

Girls 1-6 Rib Long Sleeve Tee

Price
\$ per unit



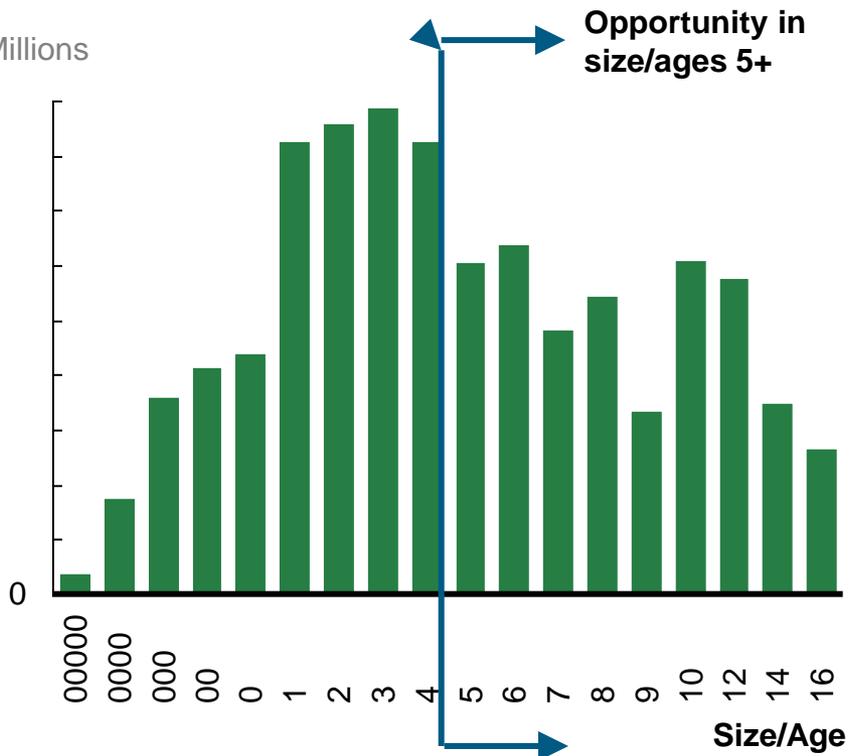
Gross margin
\$ per week



CHILDREN'S APPAREL EXAMPLE: NUMBER OF UNITS VERSUS SIZE

FY11 Sales units

Millions



- Sales & number of units decrease noticeably above size 5 (aged approximately 5 years old)
- At age 5 children begin to become independent & exercise their own choices
- Target communicates to parents / grandparents via the catalogue, but has not been developing relationships directly with kids
- Social media, kids TV channels, branding icons such as Disney represent new relationship-building opportunities

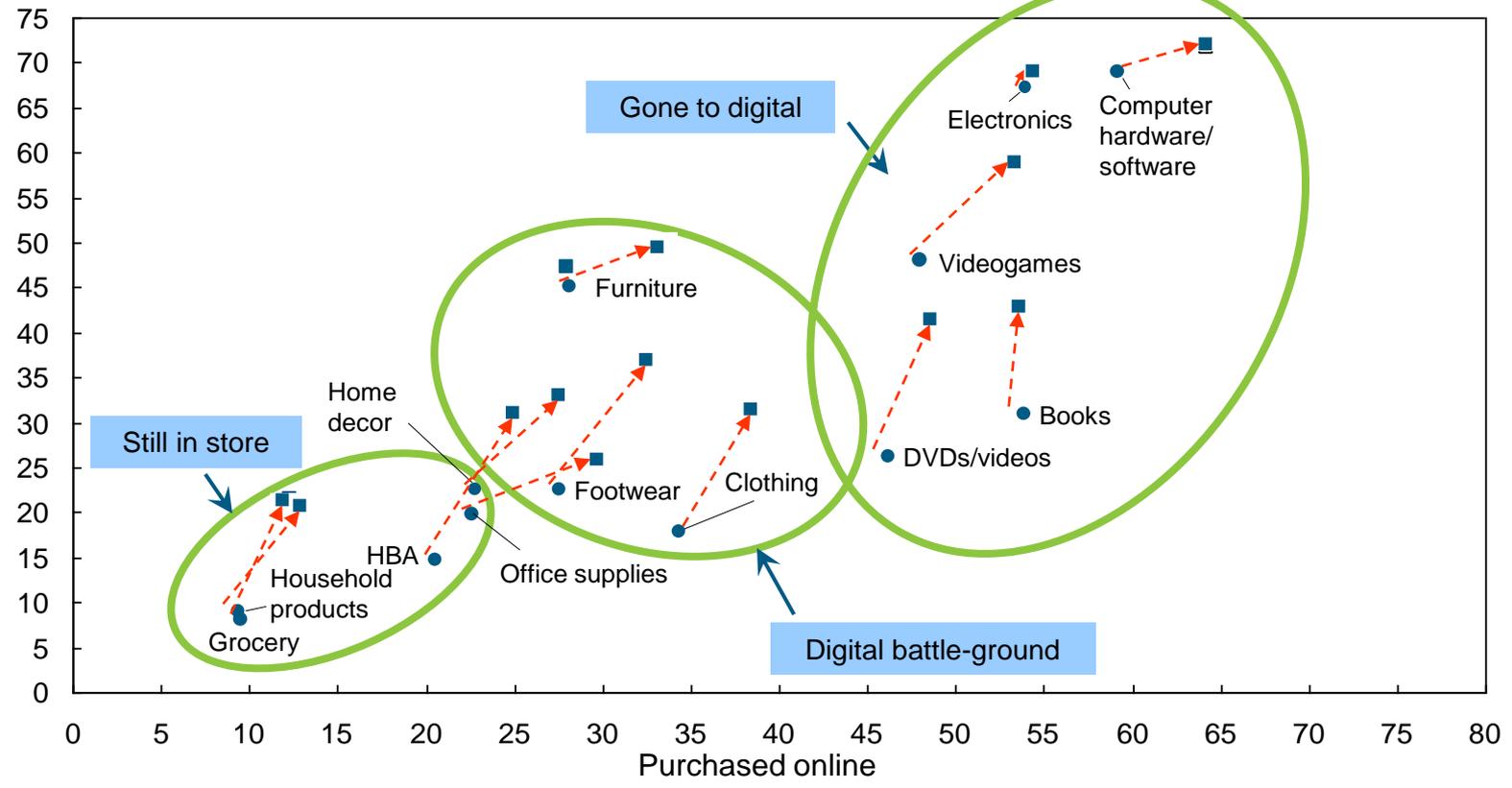
2 Launch omni business: some products have already 'gone to digital', while 'battle ground' categories are poised to move

% of respondents

U.S. Data

Research online

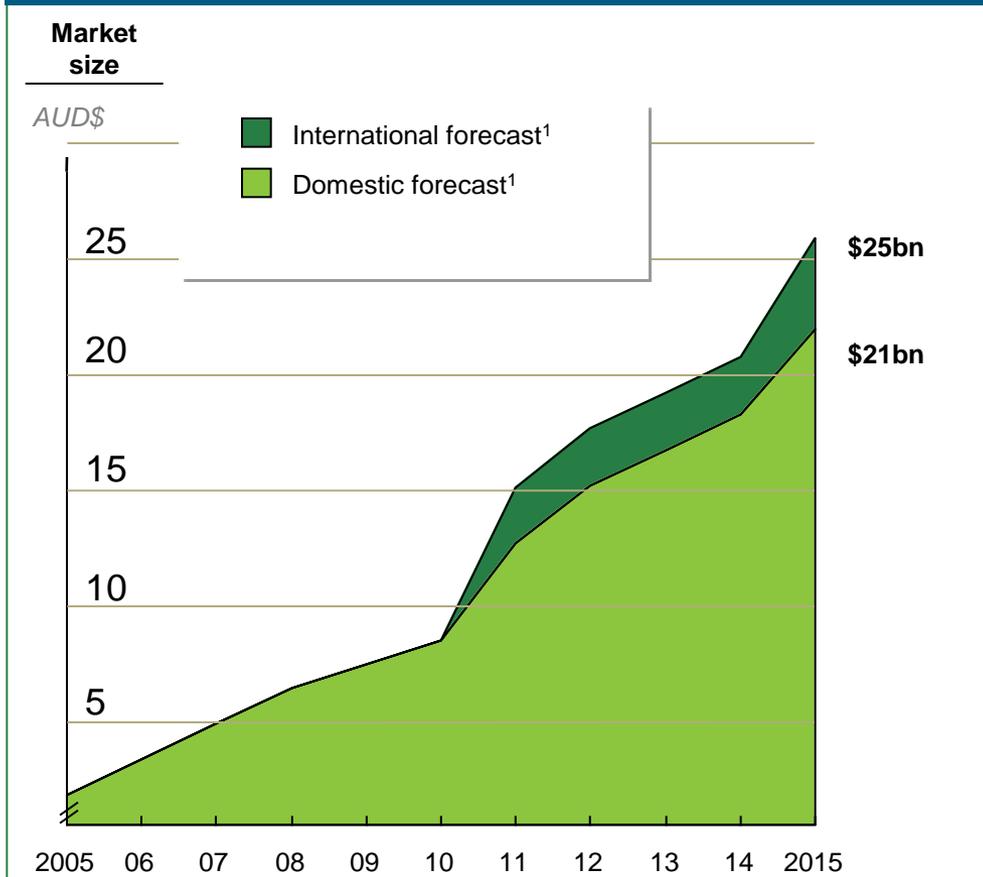
● 2009 ■ 2010



Source: McKinsey US Consumer survey, 2009 & 2010



FORECAST ONLINE MARKET SIZE



STEPS TO GROW TARGET'S ONLINE SALES

- Expanding online range to 60,000 SKUs
- Reduce delivery costs & other expenses to ensure profitable sales at lower ticket prices
- Increasing site functionality including:
 - Click & collect
 - Online layby
 - Mobile commerce
 - Social media
- Pick 'n Pack facilities in Asia
- 21% month-on-month sales growth in 2012

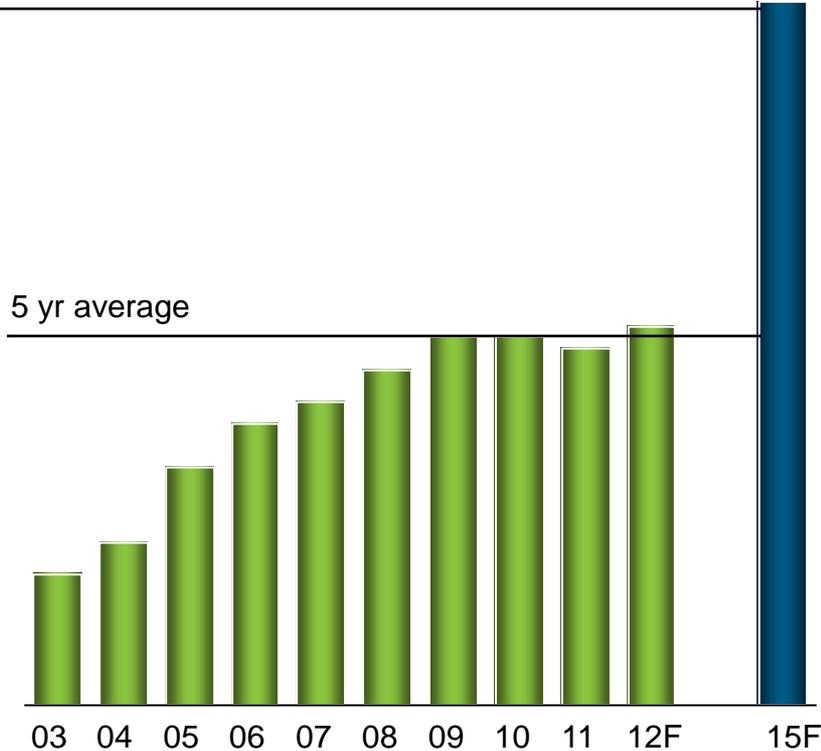
(1) Mid-growth figures.

Source: Forrester, Morgan Stanley Research; Citigroup; Bain; CCI

3 Increase direct sourcing

DIRECT SOURCING (% at cost)

c. 2 times 5 yr average



ACTIONS

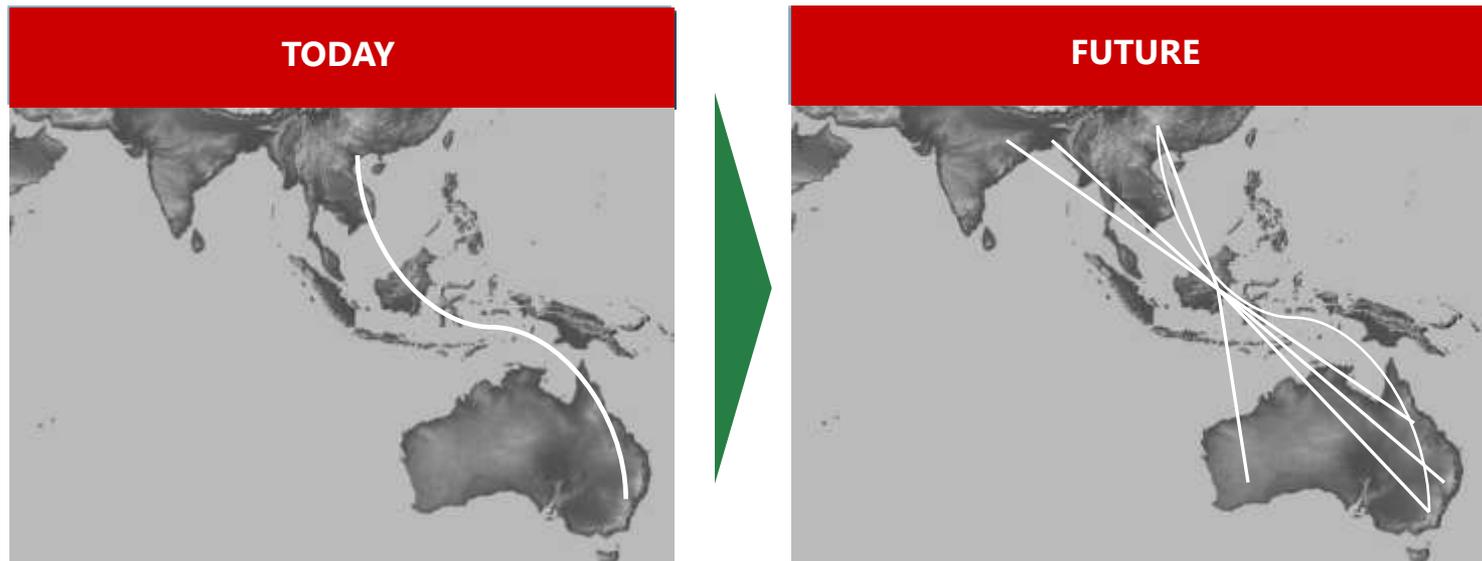
- Maximise percentage of direct sourcing
- Continue to diversify sourcing base & reduce reliance on China
- Consolidate factories to increase scale benefits

4 Re-engineer supply chain

Target

113

- Move from 'push' to 'pull' replenishment model which entails new IT & processes
- Currently only 18% of SKUs on 'pull' replenishment, ramp up quickly
- Create a regional network of DCs vs. a national single DC now
- Reduce lead times & enable 'fast fashion'
- Reduce handling & labour costs by operating from Asia
- \$30 million to \$40 million restructuring costs in FY12



5 Build organisation capabilities: Implement customer insights

Product – Moda

‘It’s not simply a question of cutting everything bigger. I want clothes that have shape & fit too.

“We don’t want to wear tents.”



Marketing - Bra Fitting Campaign

“I like the fact that you also show the fuller figure as it then shows that a wide variety is available for all.”



In-store – Toys

“Kids enjoy a sneak peak into how the toy works.”



SUSTAINABILITY

- Reduce carbon footprint
- Focus on Ethical Sourcing
- Carbon Tax preparedness

COMMUNITY

- National partnerships
 - The Alannah & Madeline Foundation: *Buddy Bag program*
 - Sids & Kids: *Red Nose Day merchandise*
 - St John: *Kids safe first aid courses*
 - Uniting Care: *Operation Santa - gift giving appeal*
 - Kids Teaching Kids: *Gold sponsor of educational/environmental programs*
- Local store program provides empowerment to support important community initiatives



- Customers expected to continue to seek value & not just lowest price
- Competitive intensity in store & online will not abate
- New strategic agenda expected to be implemented over 4 years
- Key programs launched to drive improvement in performance



Questions



Kmart
Guy Russo
Managing Director





Where families come first for the lowest prices on everyday items

1,000 mums campaign

On July 11, Kmart invited 1,000 mums

Kmart is helping mum & her family





Low prices across the store

Price
lowest prices



Driving lowest cost

Price
lowest prices



Building partnerships with suppliers

Price
lowest prices



Promoting volume



Product
high velocity

Our commitment to quality products



Product
high velocity



More customers, more often



Lower than ever, every day



'Lower than ever' campaign



Continued investment in our fleet



Increasing service efficiency



Investing in our team



Team member clothing offer



A strategy that creates value



Customers underpin every decision



Kmart is committed to sustainability



Kmart is committed to ethical sourcing



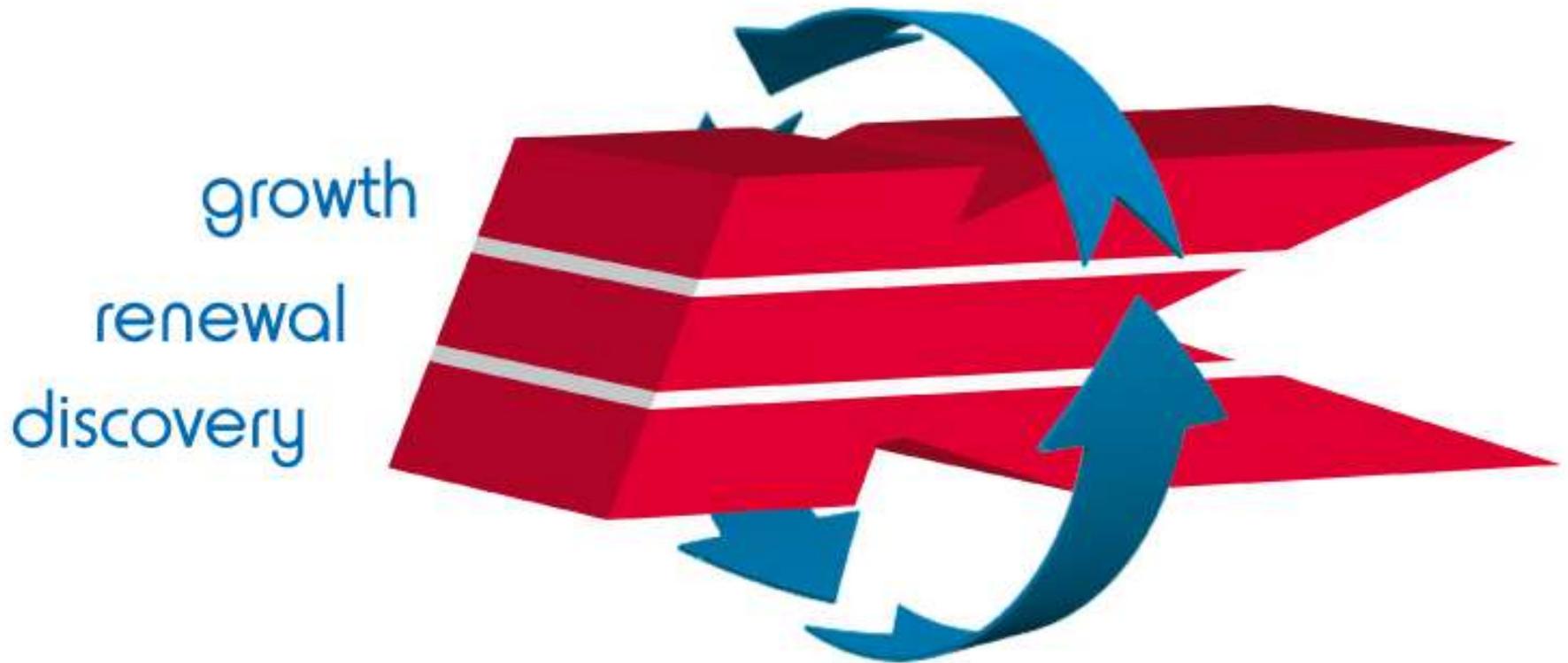
Giving back to communities



KTAS building for growth



Discovery & renewal always continues



- Continue to connect customers with the new Kmart
- Lead on price & value
- Continue to source at lowest cost
- Improve stock flow & availability
- Drive a low cost culture
- Always focus on team safety





Where families come first for the lowest prices on everyday items

Questions



Resources
Stewart Butel
Managing Director



Wesfarmers Resources

- Two world-scale coal mines
- Global markets with majority of exports to Asia
- Curragh QLD (100%)
 - Metallurgical coal for steel-making worldwide
 - Steaming coal for domestic power generation
- Bengalla NSW (40%)
 - Export steaming coal for Asia

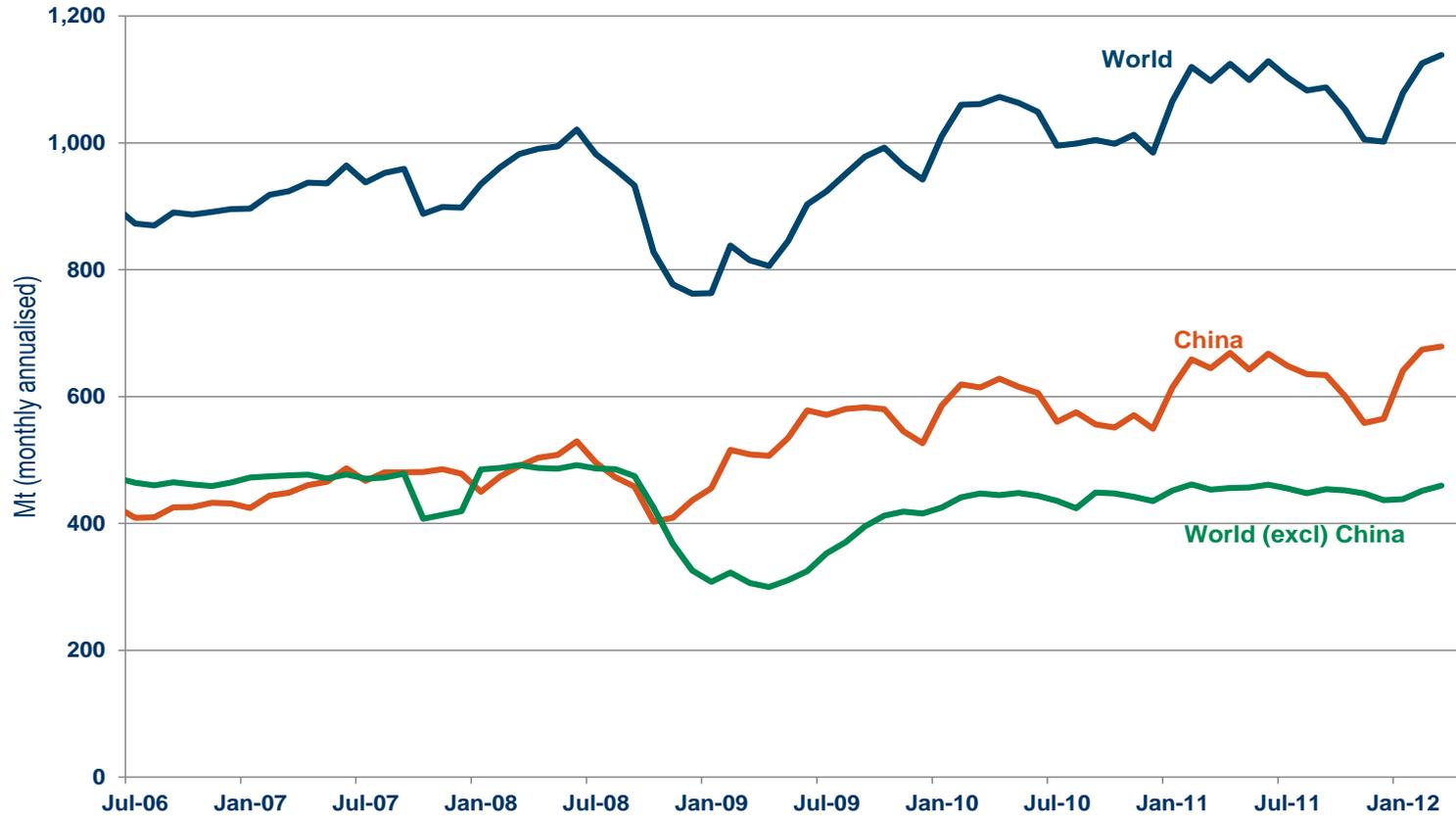


Business environment

- Metallurgical coal US\$ price reductions for April – June quarter
- Recent signs of recovery in metallurgical coal market
 - Increasing demand from Asian mills
 - Continued constrained supply from Australia
- Uncertain economic conditions in Eurozone
 - A\$/US\$ exchange rate volatility
- Ongoing tight labour market & industry cost pressures
- Long-term metallurgical coal outlook remains favorable
 - Driven by demand growth in India & China

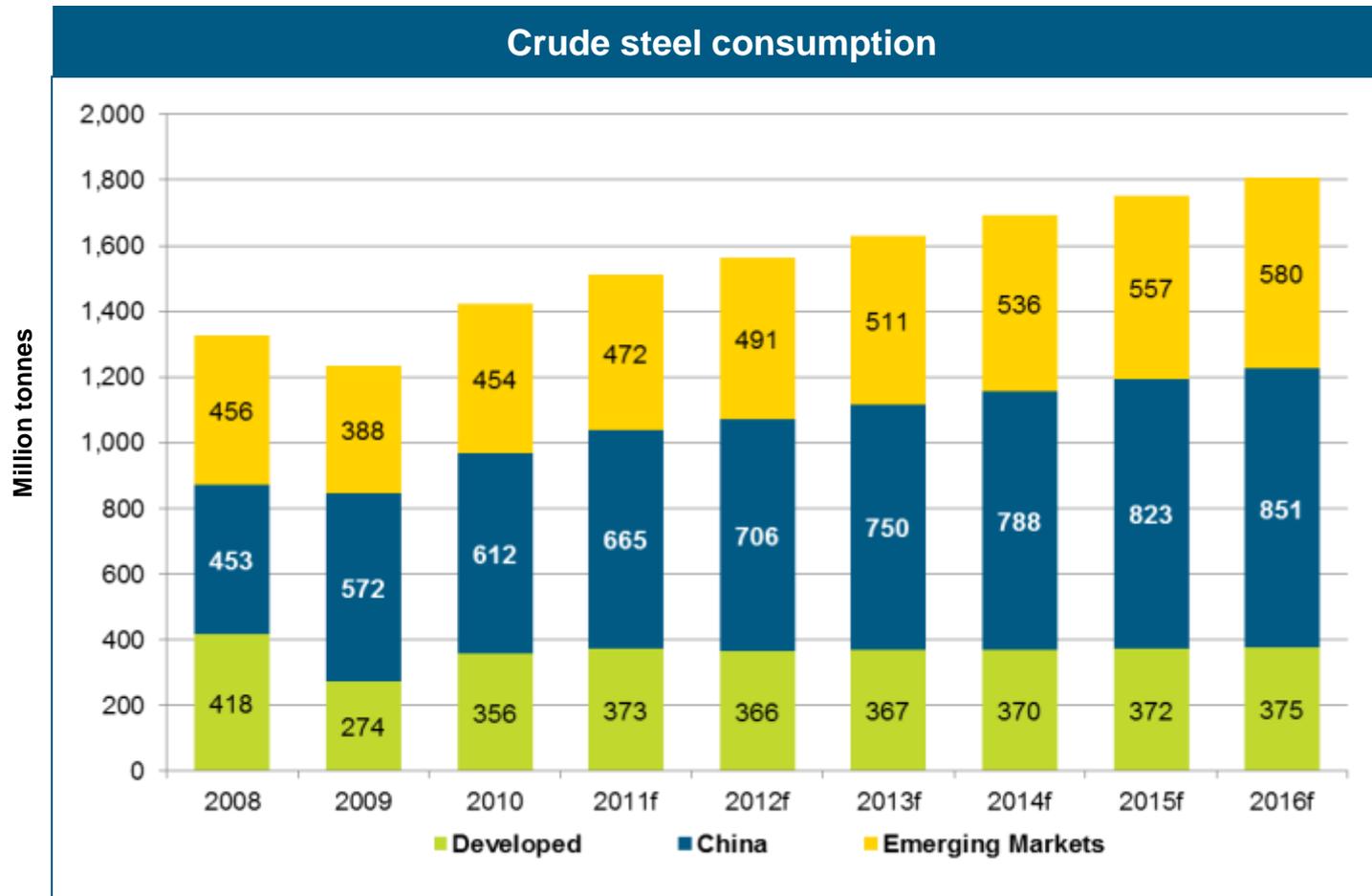
Production world pig iron

Blast Furnace Iron Production



Source: WSA

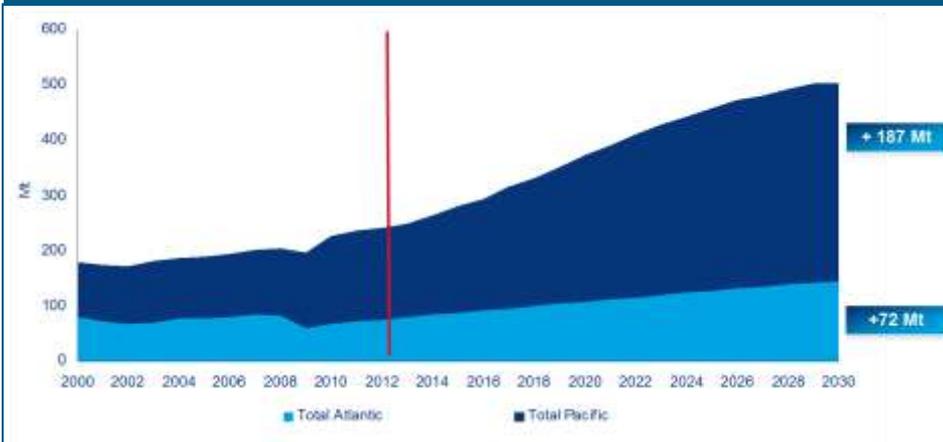
Global steel demand growth



Source: Worldsteel, Macquarie Research, January 2012

Metallurgical coal demand outlook

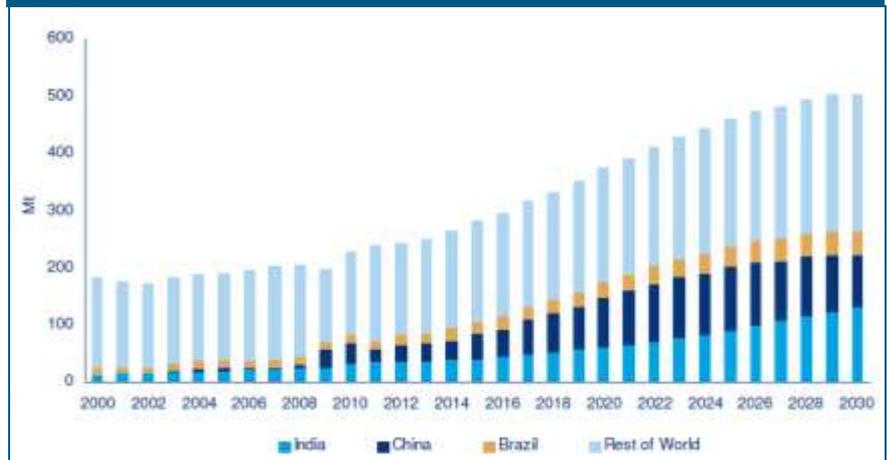
Total Seaborne Metallurgical coal imports (mt)



- Growth in emerging economies expected to drive demand for steel
- Forecast to push seaborne met. coal imports from 240mt (2012) to 498mt by 2030

- China's seaborne imports are expected to peak at 111mt in 2025 & taper as steel intensity slows
- India's import demand is expected to continue to grow to 2030 when it will reach 133mt
- Brazil's imports are expected to grow from about 15mt in 2011 to 42mt in 2030

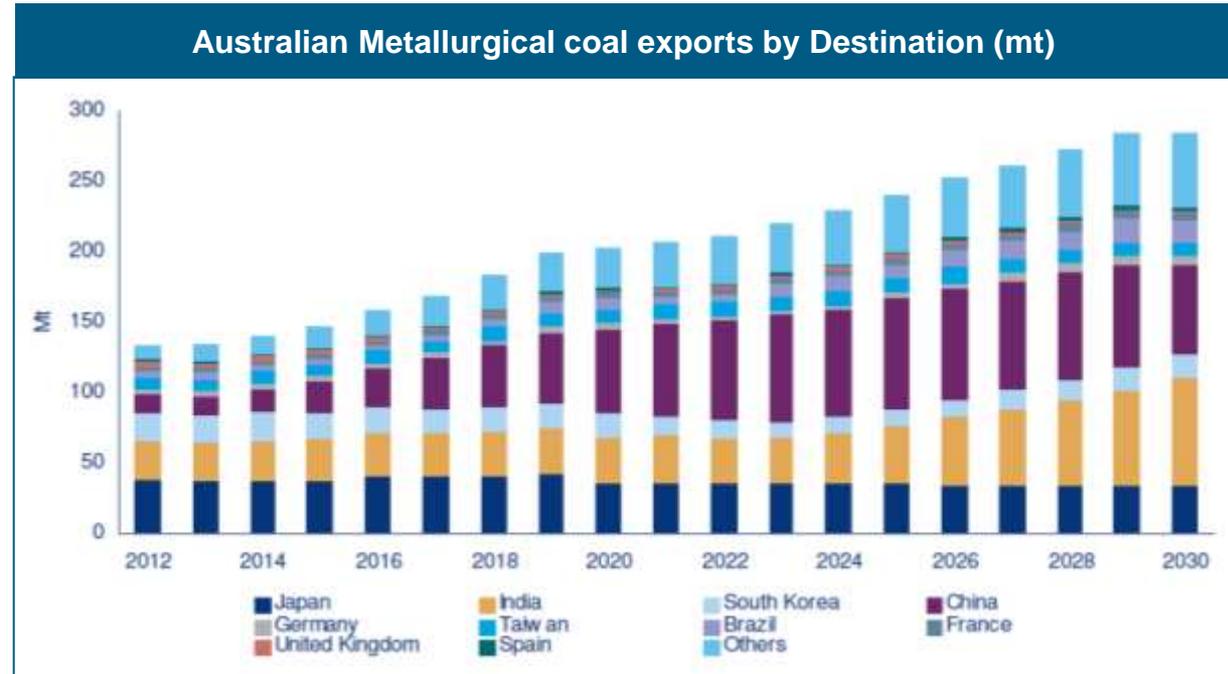
Total Seaborne Metallurgical coal import demand (mt)



Source: Wood Mackenzie Coal Market Service 2012

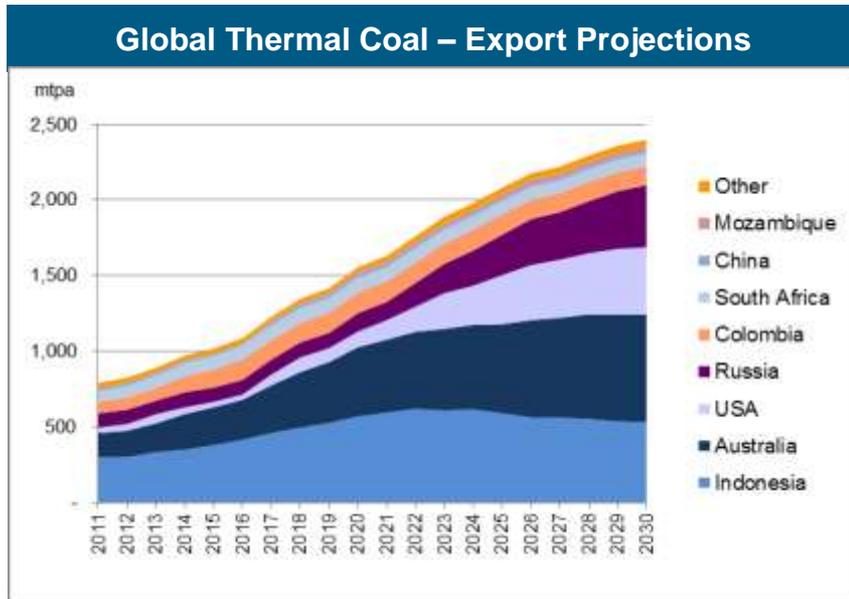
Metallurgical coal demand outlook

- Total Australian exports are forecast to grow from 132mt to 284mt between 2012 & 2030
- Exports to China are expected to peak in 2025 at 78mt
- Indian purchases are forecast to begin to increase significantly, as China's imports slow, reaching 76mt in 2030

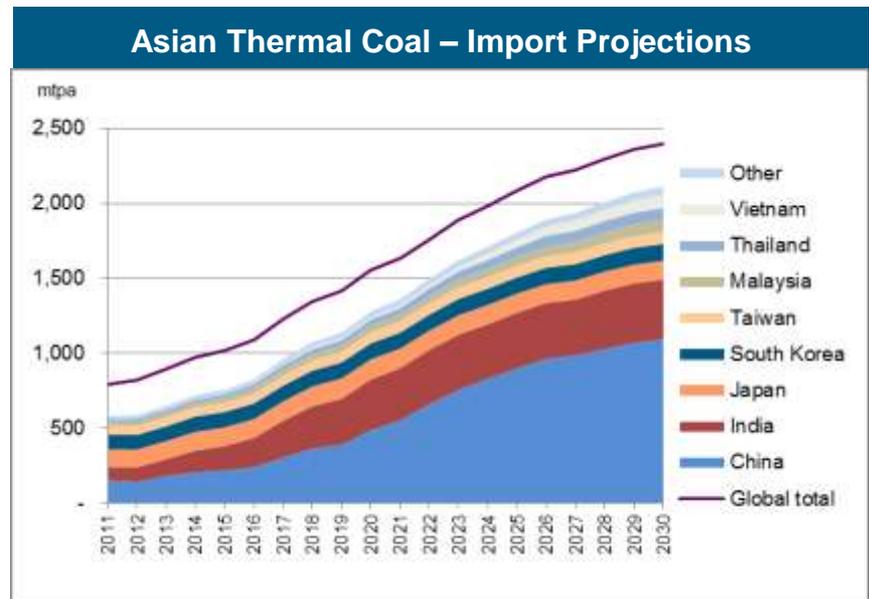


Source: Wood Mackenzie Coal Market Service 2012

Steaming coal demand outlook



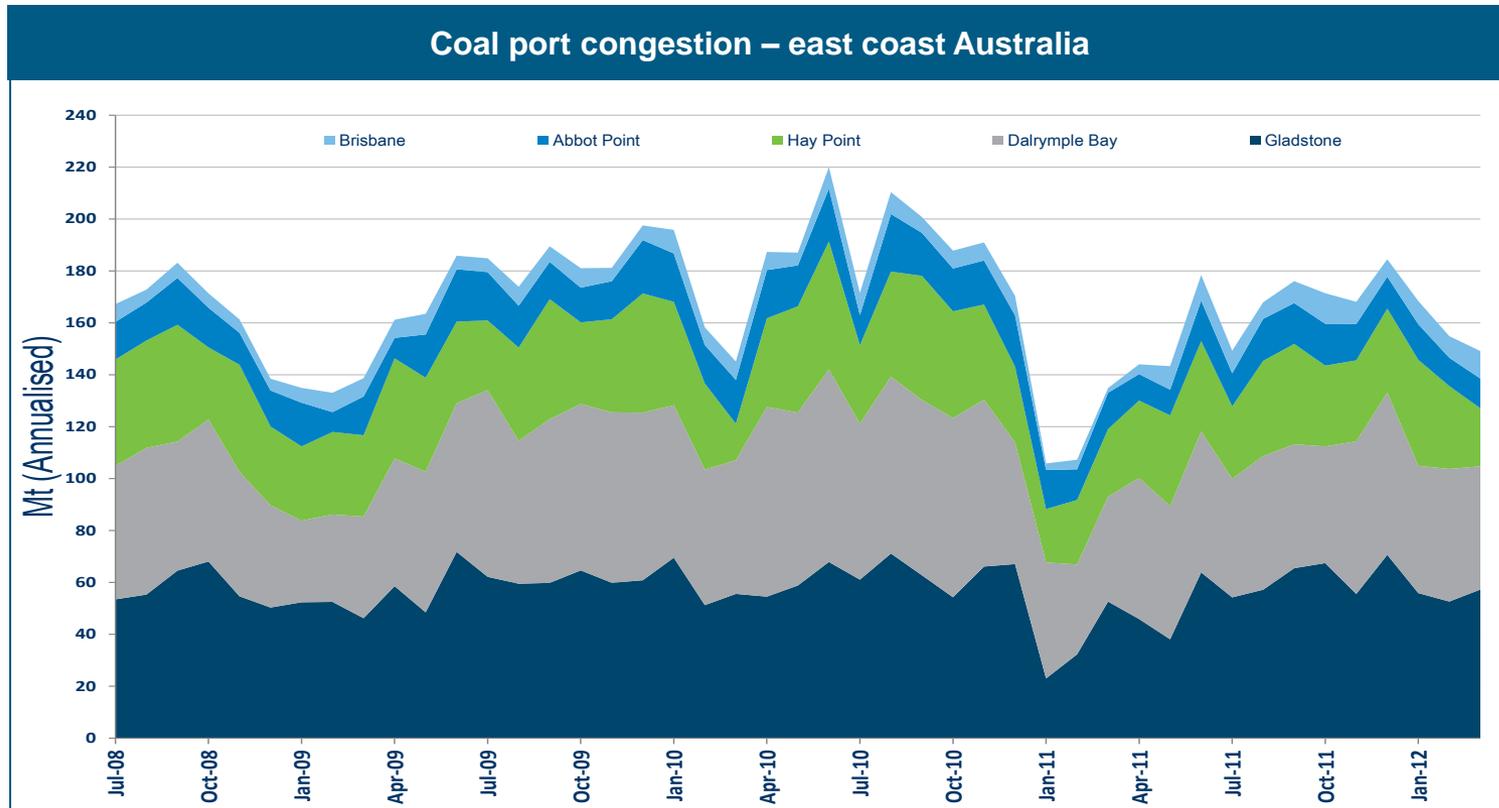
Source: Wood Mackenzie Coal Market Service 2012



Source: Wood Mackenzie Coal Market Service 2012

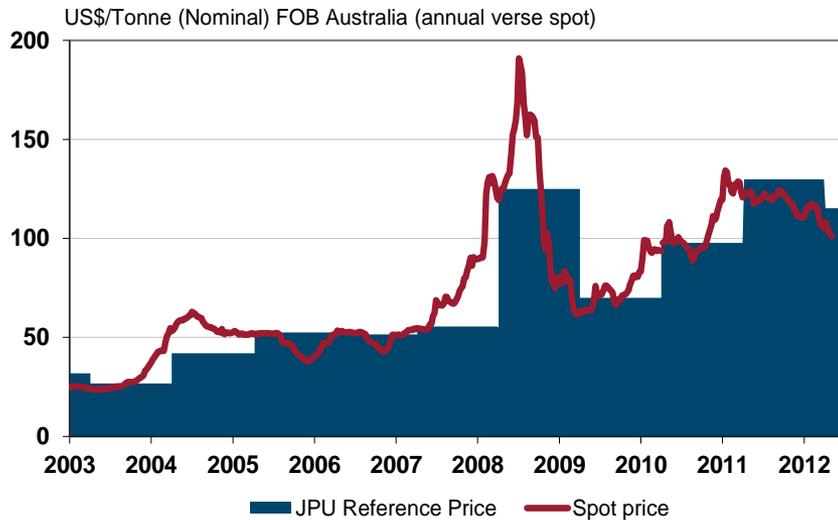
- Strong import demand growth from China & India
- Import demand growth from Taiwan, South Korea, EU-15 is likely to be subdued
- Indonesia & Australia to maintain their position as the main suppliers

- Difficult recovery from supply side impact

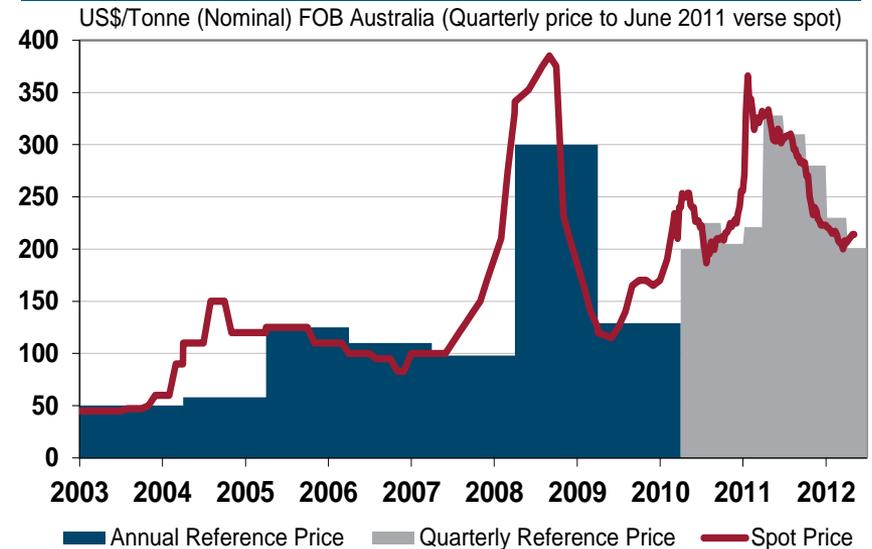


Source: Shipping data, McCloskey, January 2012

Australian steaming coal prices

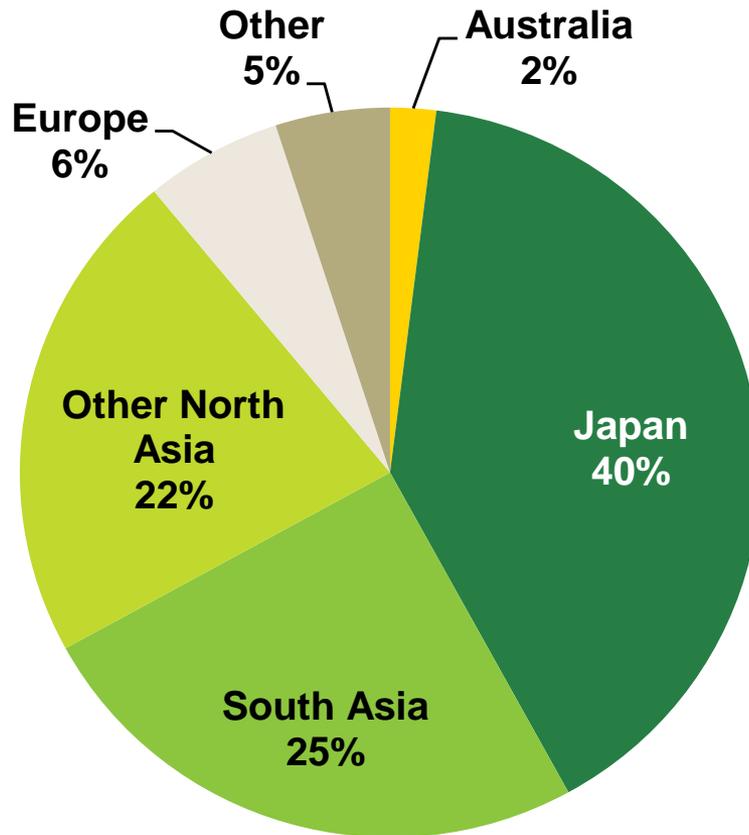


Australian hard coking coal prices



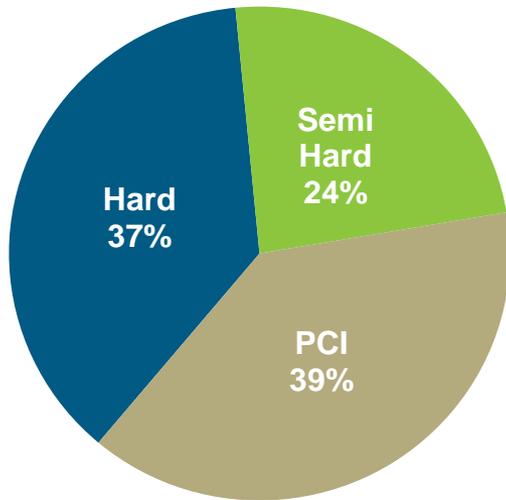
Source: Energy Publishing

Metallurgical coal sales by destination FY12



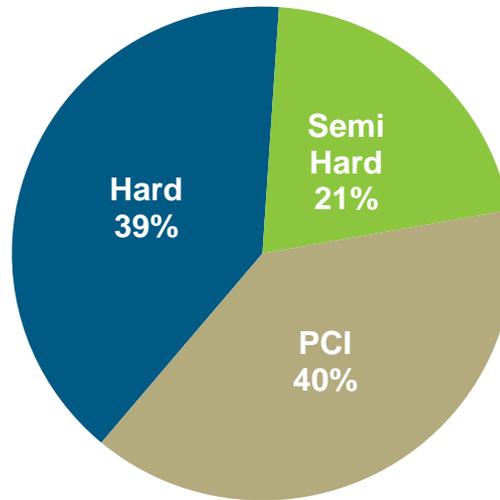
Queensland Japan Chamber of
Commerce & Industry
Export Excellence Awards - Winner

Curragh export metallurgical sales product mix



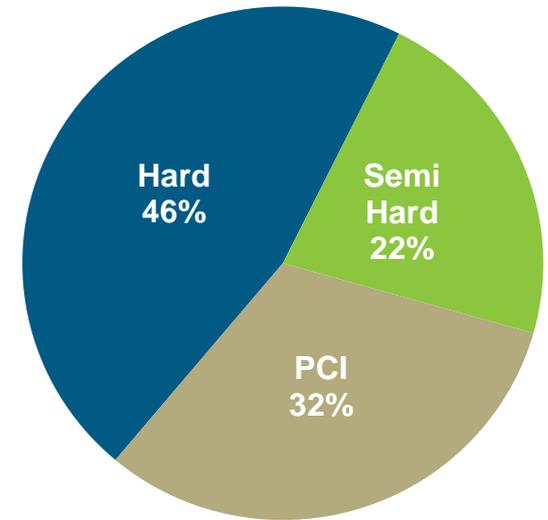
2011/12 actual

9 months to 31 March



2011/12 estimate

6.8 – 7.2 million tonnes



2012/13 outlook

8.0 – 8.5 million tonnes

Coal production volumes

Mine	Beneficial Interest	Coal Type	YTD ended ('000 tonnes)	
			Mar-12	Mar-11
Curragh, QLD	100%	Metallurgical	4,872	4,130
		Steaming	2,174	1,817
Bengalla, NSW ¹	40%	Steaming	1,576	1,707
Total¹			8,622	7,654

⁽¹⁾ Wesfarmers attributable production

Resources strategies

Strategy	Comments
Current mine optimisation	<ul style="list-style-type: none"> • Curragh expansion to 8.0 - 8.5mtpa export capacity expected Q4 FY12 • Bengalla expansion to 9.3mtpa ROM capacity completed
Cost control	<ul style="list-style-type: none"> • Industry cost pressures continue • Sustained international cost competitiveness is key • Target of sustainable lowest cost quartile cost structures for both HCC (Curragh) & export steaming coal (Bengalla)
Expand existing mines	<p>Curragh feasibility study</p> <ul style="list-style-type: none"> • Next stage expansion to 10.0 mtpa export capacity <p>Bengalla feasibility study</p> <ul style="list-style-type: none"> • Next stage expansion to 10.7mtpa ROM capacity
Extend product & market reach	<ul style="list-style-type: none"> • Evaluate acquisitions that offer economies of scale or downstream benefits • Brownfield growth opportunities
Sustainability	<ul style="list-style-type: none"> • Improved safety performance • Environmental performance • Community engagement

Curragh mine cash costs by process flow

Indicative – from overburden removal to train load-out

OVERBURDEN
REMOVAL



50%

Overburden removal is typically the major cost of world-scale open cut mining operations.

Split by cost: Cost issues: dragline overburden removal is, generally, significantly lower operating cost than truck & shovel, but requires higher capital investment

Split by volume: Dragline 51%; Truck & Shovel 49%

Key cost inputs include labour, electricity, explosives, fuel, lubricants tyres, HME parts & consumables

MINING
ANCILLARY &
SERVICES



17%

Maintenance support cost inputs include: labour, mining equipment, spare parts & consumables

COAL
MINING



9%

Cost inputs include fuel & labour

COAL
PROCESSING



11%

Coal processing includes: CHPP processing of ROM coal ('washing') to create a 'finished' saleable product

ADMIN &
SITE-BASED
SUPPORT

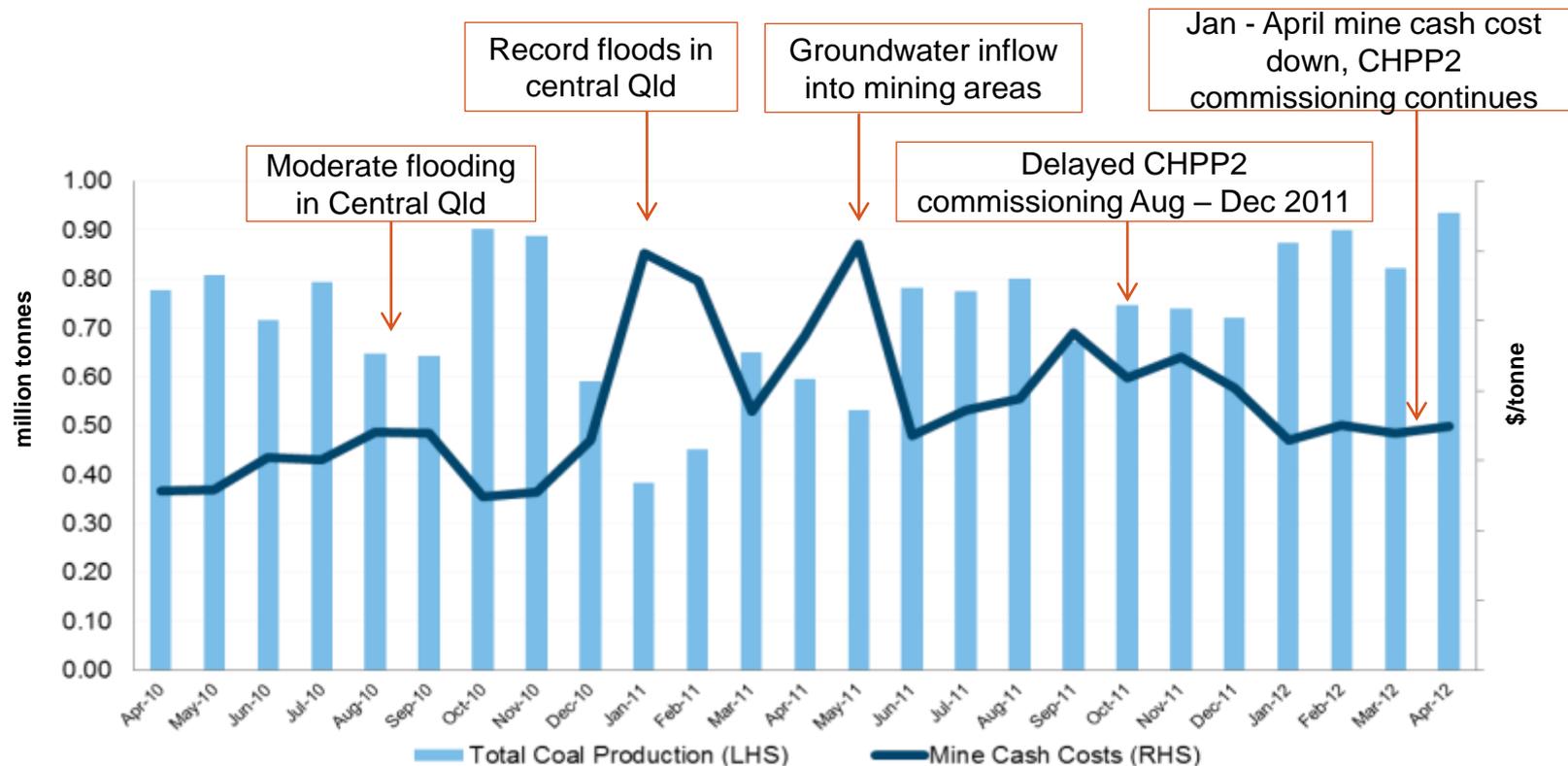


13%

Site-based support costs:
Mining tenement maintenance
Environment
Insurance
Geology, engineering & planning
Site management & HR
MRRT & carbon tax preparation

Curragh ongoing cost-control focus

- Underlying mining cash costs have increased 30% - 35% in the past 24 months
- Encouraging 2H12 progress in ongoing challenging environment



Curragh ongoing cost-control focus

- Finalise commissioning of CHPP2¹
 - Expected Q4 FY12
 - Increased throughput for efficient use of fixed cost base
- Cost control focus
 - Mining & processing practices
 - Equipment utilisation & productivities
 - Procurement optimisation on key input costs
 - Contractor usage & roles
 - Best practice benchmarking study underway
- Tight labour market conditions & broader industry cost pressures continue
 - Australia HCC FOB cash costs have increased c.70% since 2007²
 - High cost inflation for contractors, parts, consumables & power
 - Carbon tax impost in FY13

⁽¹⁾ CHPP: Coal handling preparation plant ⁽²⁾ Based on industry benchmarks

Curragh mine expansion

- Wesfarmers approved in November 2009 the investment of \$286 million to expand Curragh metallurgical coal exports to 8.0 – 8.5mtpa
- Commissioning of CHPP2 is well advanced
- Process throughput & yield improving
- Practical completion expected in Q4 FY12
- Capital expenditure within budget



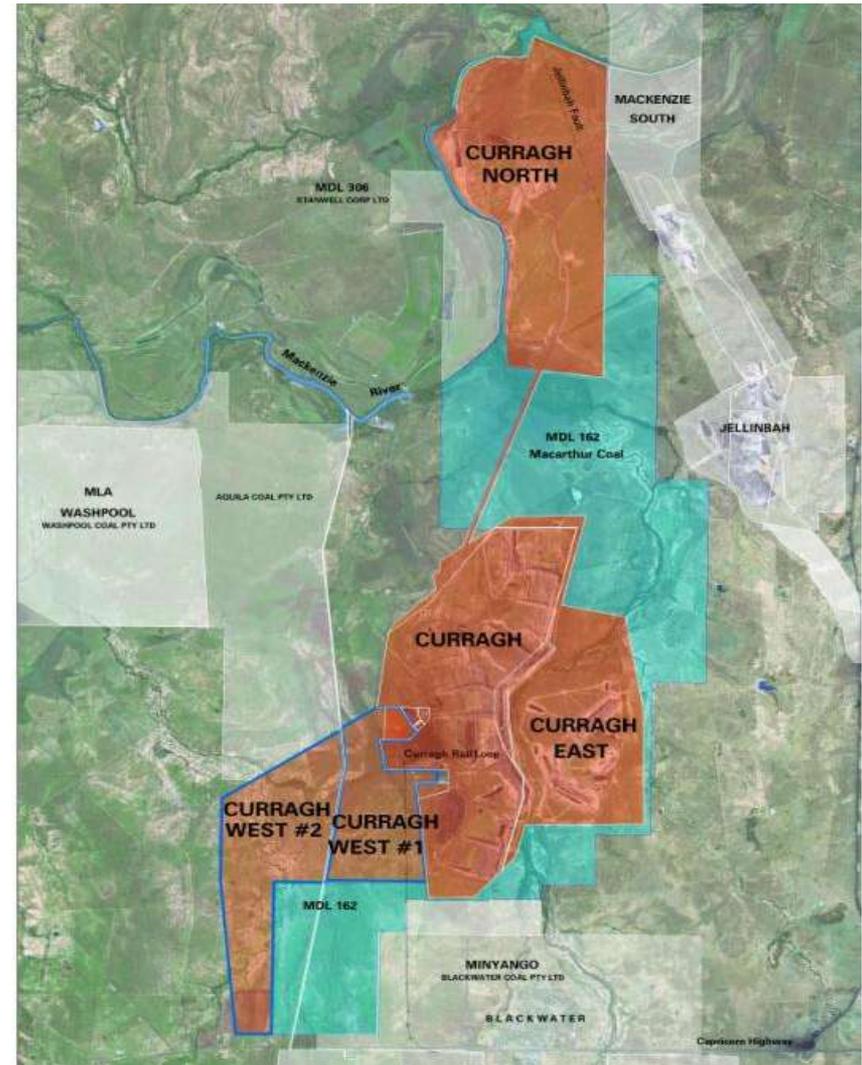
Wiggins Island coal export terminal (WICET)

- Construction of Stage 1 of WICET (27mtpa) underway
- First coal shipments target 2H CY14
- Curragh share of capacity is 1.5mtpa
- Curragh above & below track rail capacity secured
- Capacity underpins potential expansion of Curragh to 10mtpa export capacity



Curragh expansion study to 10mtpa

- Feasibility study ongoing
 - Subject to satisfactory returns on current expansion project
 - Additional overburden & coal mining capacity
 - Increased processing capacity with new CHPP2
 - Coal stockpile upgrade
- Potential to expand Curragh to 10mtpa export capacity from 2H CY14
 - Wiggins Island port capacity secured
 - Rail capacity secured
- Target feasibility study completion 2H CY12



Bengalla expansion – Stage 2

- Expansion to 10.7mtpa ROM tonnes through 2 stages:
 - Stage 1: 9.3mtpa ROM
 - Stage 2: 10.7mtpa ROM
- Stage 1 expansion now completed
- Project cost within budget
- Stage 2 feasibility study ongoing





SAFETY

- Unrelenting target of zero lost time injuries



ATTRACT, ENGAGE, RETAIN

- Provide a safe, stimulating & ethical working environment that encourages high levels of personal & professional development



CARBON & ENERGY MANAGEMENT

- Energy intensity up 3.1% & greenhouse gas emissions intensity down 2.2% in FY11
- Dewatering energy draw & expansion activities at Curragh will constrain unit intensity performance for FY12



ENVIRONMENT

- Water use for FY11 was down 20% on 2010
- FY11 land rehabilitated – 36.2 hectares



CITIZENSHIP & COMMUNITY

- Reporting & accountability - annual divisional Sustainability Report
- Community contributions through both direct economic contribution & community support



INDIGENOUS EMPLOYMENT

- As at January 2012 self-identified Aboriginal employees make up 2.8% of the workforce
- Curragh supports The Salvation Army Employment Plus program which sees 10 Aboriginal trainees on-site at Curragh

FX hedging profile 30 April 2012

CURRAGH			BENGALLA		
Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate	Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2013	750	0.87	2013	191	0.91
2014	465	0.86	2014	133	0.89
2015	294	0.85	2015	100	0.86
2016	162	0.90	2016	73	0.89

Resources outlook

- **FY12:** Curragh 2H earnings affected by delay in expansion project completion
 - Practical completion of CHPP2 expected in Q4 FY12
 - Estimated full-year export sales mix (HCC 39%; Semi-hard 21%; PCI 40%, including unwashed high-ash PCI)
 - Stanwell royalty estimate A\$205 - \$215 million for FY12 assuming average A\$:US\$ of \$1.00 for May & June
- **FY13:** Forecast Curragh metallurgical sales of 8.0 – 8.5mtpa
 - Estimated sales mix (Hard 46%; Semi-Hard 22%; PCI 32%)
 - Stanwell royalty estimate A\$180 - \$195 million for FY13 assuming A\$:US\$ of \$1.00
 - Industry cost pressures expected to remain

Questions



Chemicals, Energy & Fertilisers

Tom O'Leary
Managing Director



Business overview

	Business	Geography	Sector	Key Customers
	Ammonia	WA	Nickel, AN	BHP, Minara, internal
	Ammonium Nitrate (AN)	WA	Iron Ore, Gold	Dyno Nobel, Downer, Rio Tinto, Orica
 (50%)	Ammonium Nitrate (AN)	Qld	Coal	BMA, AngloCoal, Rio Tinto
 (75%)	Sodium Cyanide	WA/Global	Gold	Newmont, Barrick
	PVC Resin / Specialty Chemicals	Vic/Aust	Construction	Iplex, Vinidex, Pipemakers
	Gas Production & Distribution	WA/Aust	Residential, Transport, Industrial	Gas distributors, resources, engineering, residential, leisure, autogas, transport, power generation
 (40%)	Gas Production & Distribution	WA/NT	Industrial & commercial	TiWest, BHP Nickel West, BOC, oil & gas, gold mining
	Fertilisers	WA	Agriculture	Landmark, independent distributors

Health, safety & the environment

Health & Safety

- Ongoing investment is driving improved health & safety performance
- Development & trial of new approaches to safety leadership & safety culture evolution
- Continued focus on importance of process safety

Environment

- Positive results from abatement technology in AN plants (CO2 equivalent emissions)
- Continued focus on energy efficiency & minimisation of water use across all businesses
- CSBP recognised for sustainability initiatives
 - FIFA Environment Award
 - Most Sustainable Company Kookaburra Award



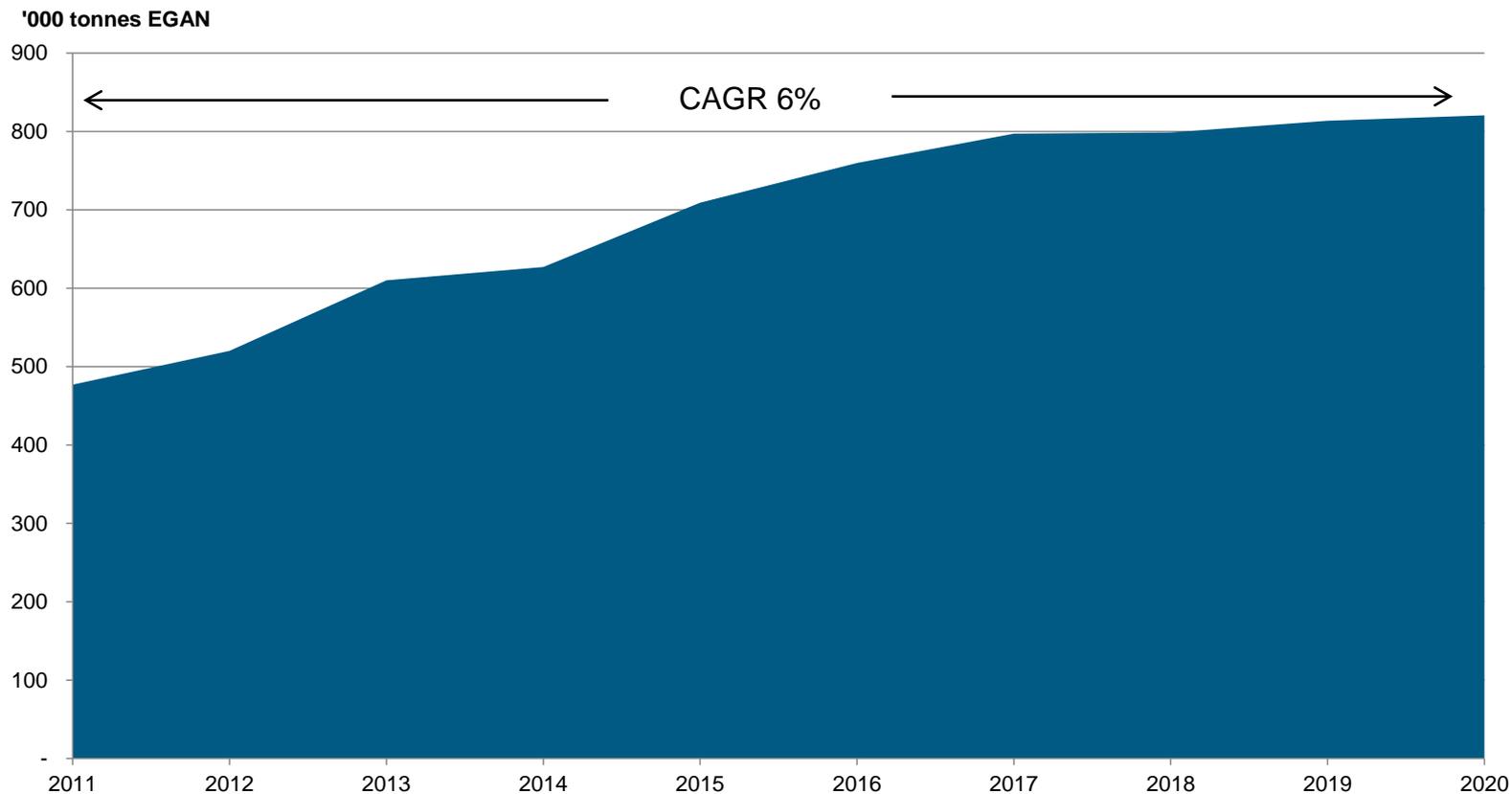
Market update – Chemicals

Ammonium Nitrate

- Explosive-grade Ammonium Nitrate (AN) growth in Western Australia (WA) of 10%+ p.a. over past 5 years
- Demand driven by iron ore production growth - forecast to remain strong in the medium to long term
- CSBP facilities servicing WA based customer operations since 1960s
- Excess production, when available, sold into export market or fertilisers (Flexi-N)
- Construction commenced to expand current production capacity from 520ktpa to 780ktpa. On track to be operational during H1 CY14



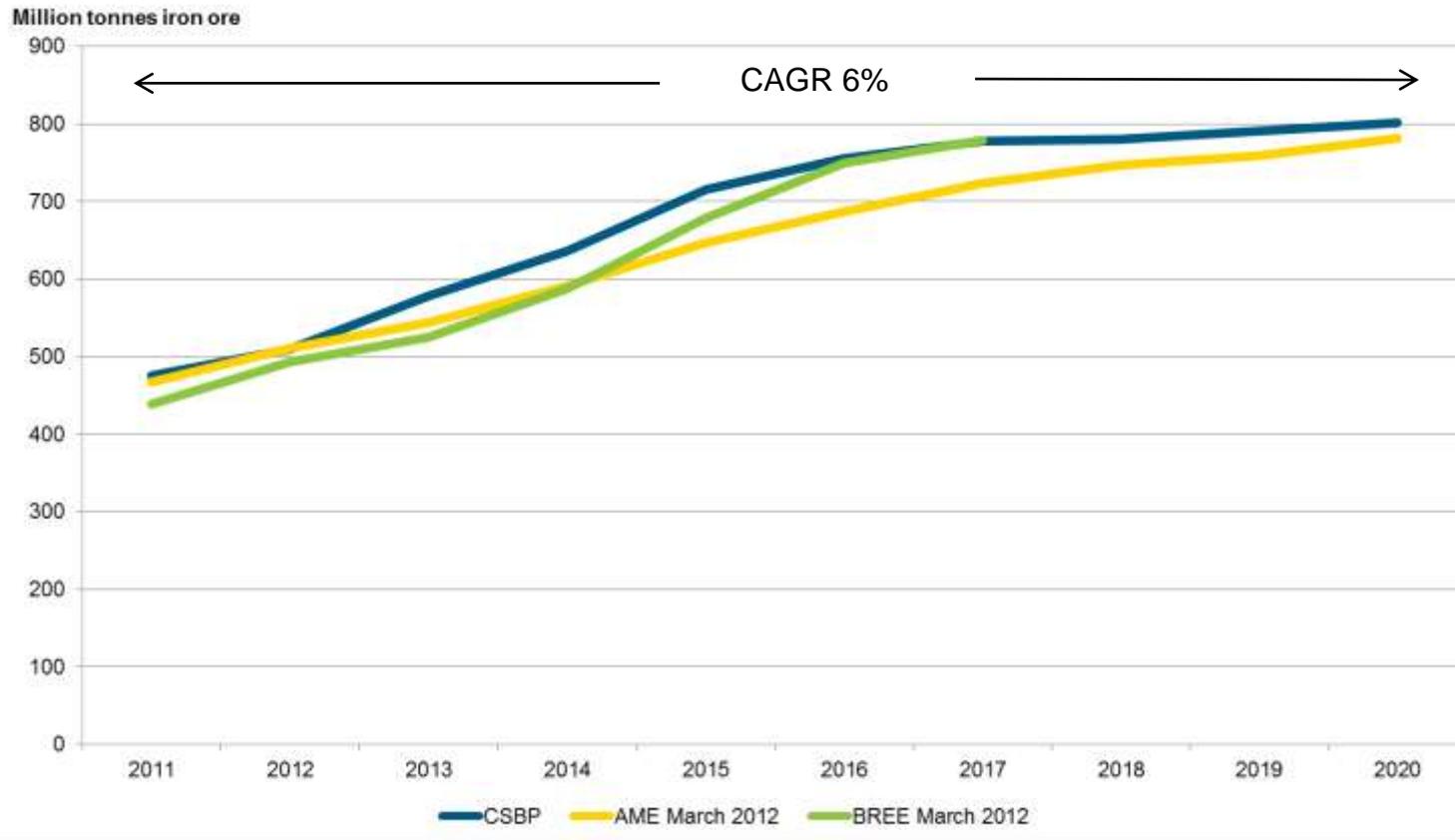
CSBP's projected WA explosives grade AN (EGAN) demand in 2020 is 820 ktpa



Source: CSBP

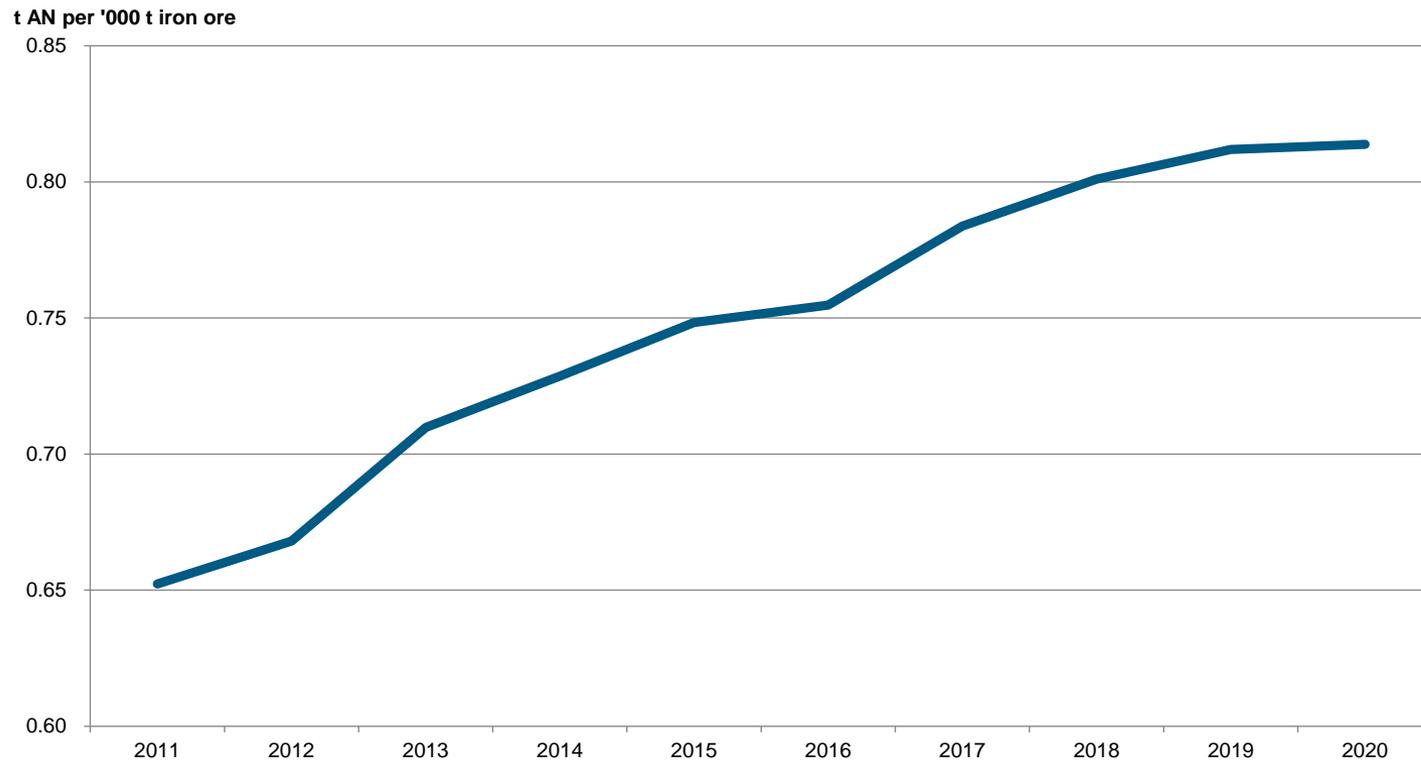
Market update – Chemicals

CSBP's projected iron ore production growth is broadly in line with third party sources



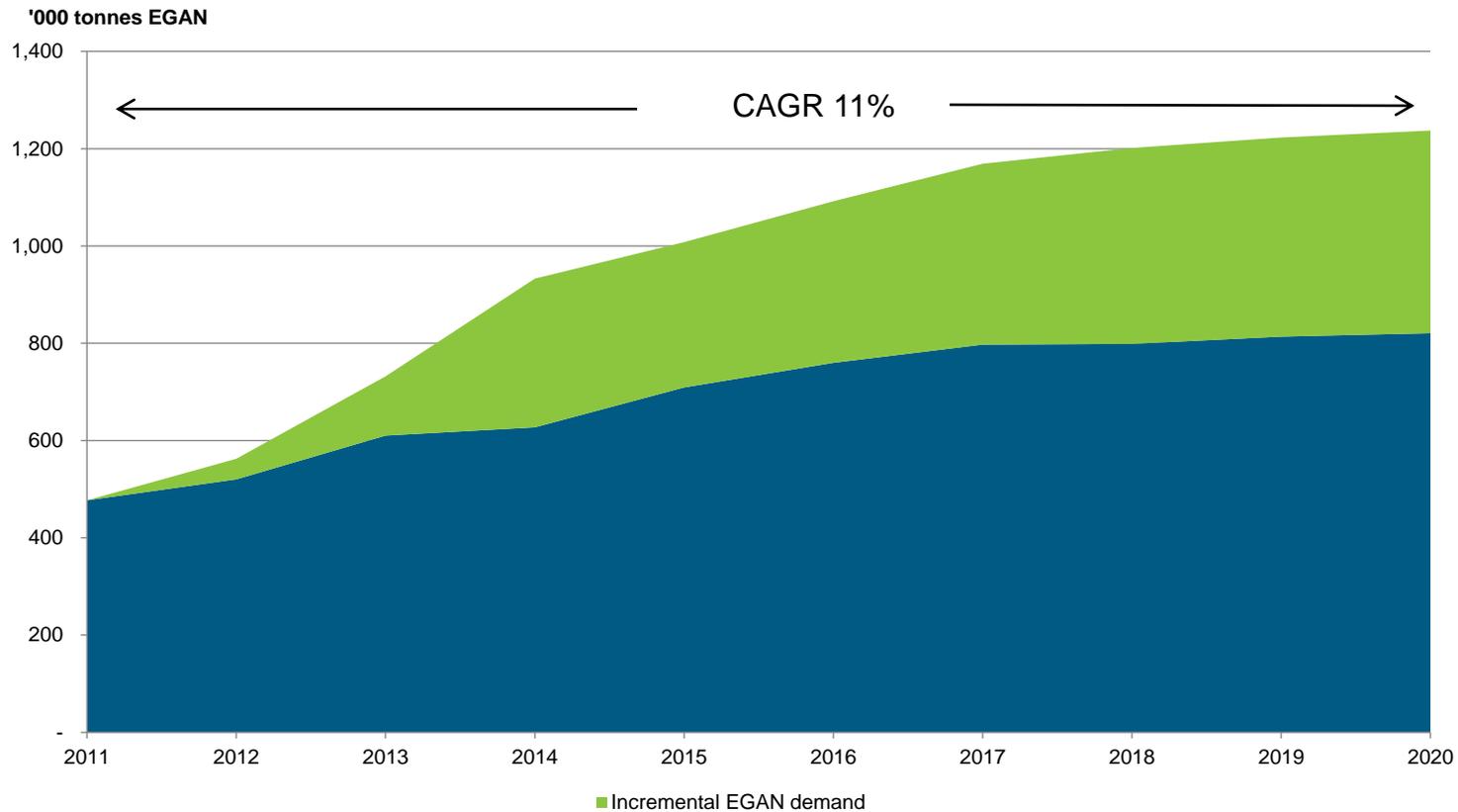
Source: AME Group, Bureau of Resources & Energy Economics

CSBP's projections include an increasing intensity of EGAN use driven by increasing strip ratios & explosives use



Source: CSBP

Projected WA EGAN demand would grow to 1,240 ktpa if all announced iron ore projects proceeded

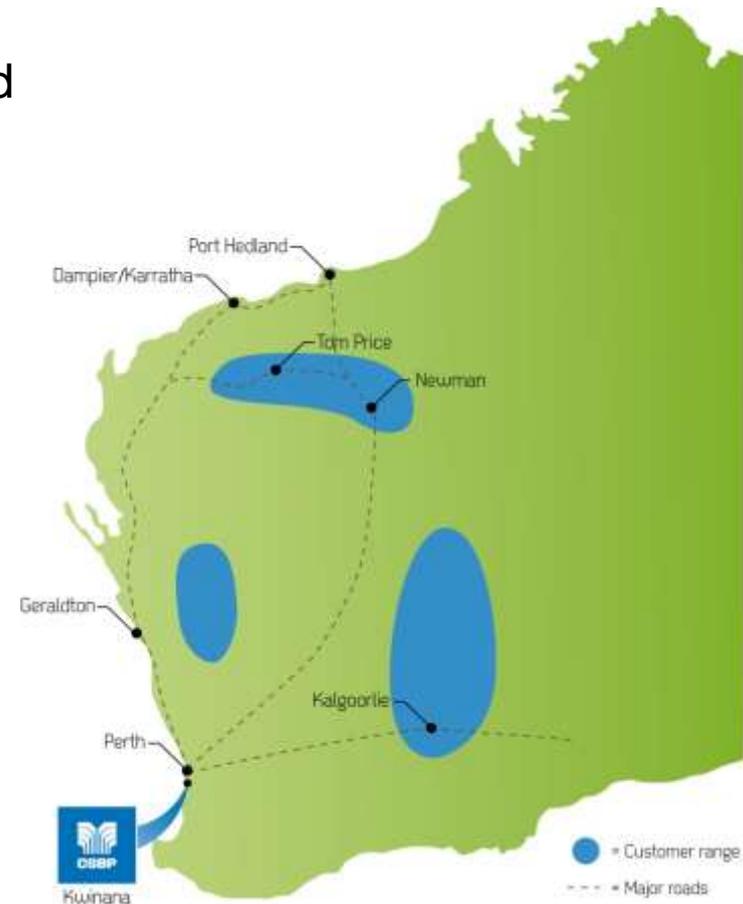


Source: CSBP

Market update – Chemicals

AN3 expansion

- Kwinana plant well placed to service WA based customers, while optimising capital investment requirement
- Off-take agreements in place underpin investment
- Budgeted investment of \$550 million, plus capitalised interest
- Long lead items (ordered in June 2011) due to commence delivery from mid CY12
- Earth works largely complete
- Expansion on track, at this early stage



Market update – Chemicals

Long lead item fabrication nearing completion



Absorber tower



Reactor/ boiler



Reactor/ boiler

Market update – Chemicals



March 2012

Site works as at early May 2012

- Nitric Acid tank bund complete
- Piling work underway



Market update – Chemicals

Ammonia

- Good production outcomes, including major (3 yearly) shut down completed ahead of time & budget in 1H FY12
- Stable demand from nickel customers, notwithstanding nickel pricing, with excess product consumed by AN business
- Ammonia price outlook underpinned by swing producers in Eastern Europe

Sodium Cyanide

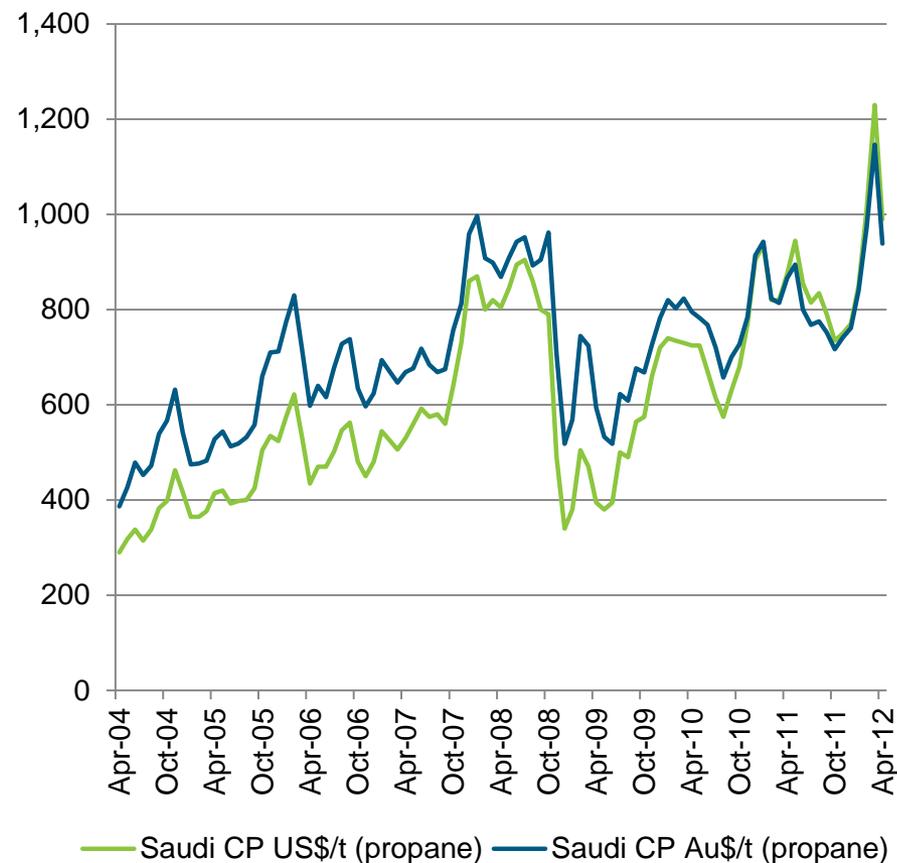
- Increased demand from local WA based gold producers
- Detailed engineering underway for up to 20% debottlenecking / expansion opportunities
 - Seek funding approval (~ \$15 million) in coming months, operational Q3 FY14



Market update

Kleenheat

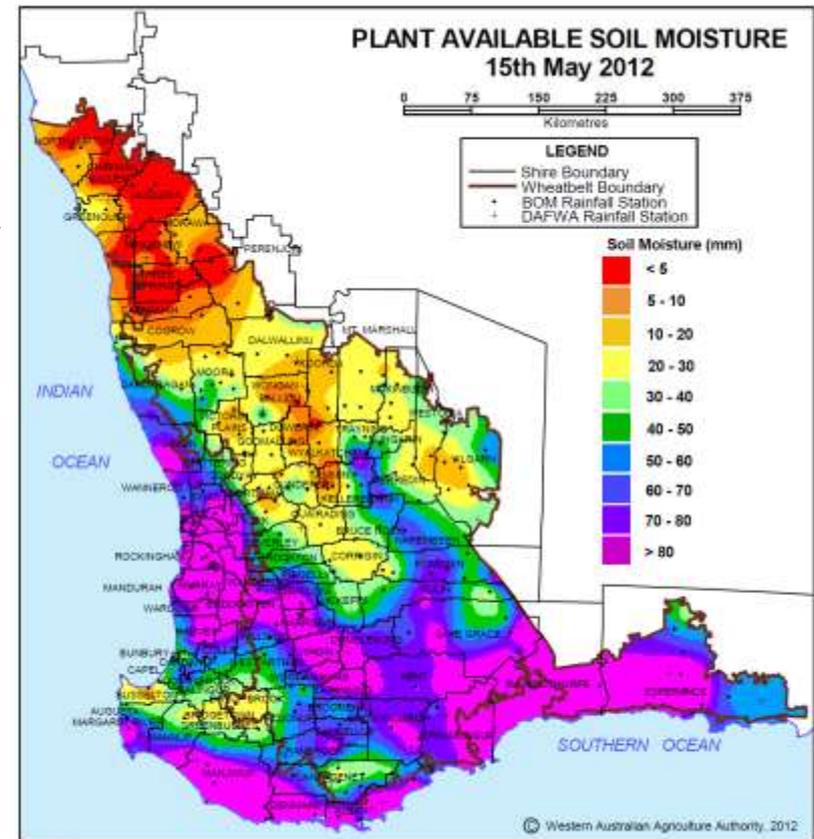
- Record Saudi CP prices experienced in March 2012 driven by the cold northern hemisphere winter, Asian growth & Middle East supply disruptions
- Deterioration of LPG production economics (declining LPG pipeline content & higher gas input costs) as expected
- Challenging domestic market conditions in the Autogas, Industrial & Commercial sectors



Market update

Fertilisers

- Average terms of trade for farmers in 2011, with high yields offsetting poor commodity prices
- Good opening rains received in early May 2012, enabling most areas to commence seeding programs
- Nutrient usage per hectare set to improve following low application rates & high yields in 2011
- More marginal returns for cereal producers expected to limit overall crop plantings despite widespread seasonal break



Key strategies update

	Strategy	Update
CHEMICALS	AN3 Expansion	<ul style="list-style-type: none"> • Board approval received in December 2011 • On track to commence production in 1H CY14 • Contracts executed to underpin capital investment • On track, at this early stage, to deliver on time & on budget (\$550 million budget plus capitalised interest)
	Growth	<ul style="list-style-type: none"> • Explore & evaluate further opportunities to debottleneck/ increase capacity • SCN expansion opportunity at detailed engineering stage
	Continuous improvement	<ul style="list-style-type: none"> • Continued focus on cost & process efficiency / utilisation of assets & business processes
KLEENHEAT	Growth	<ul style="list-style-type: none"> • Market share position maintained in a soft market • Grow LNG sales into heavy duty vehicle market – APG¹ trials, east coast refuellers & power generation markets
	Returns from existing businesses	<ul style="list-style-type: none"> • Cost & productivity improvement programs underway • Major plant shutdown successfully completed & turbine upgrades implemented

(1) American Power Group

Key strategies update

	Strategy	Update
FERTILISERS	Business efficiency	<ul style="list-style-type: none"> Investment in systems consolidation & enhancements
	Growth	<ul style="list-style-type: none"> Logistics & operational efficiencies Improved pricing analysis & contract management Implementation of fertiliser use efficiency technologies
	Business model	<ul style="list-style-type: none"> Market share maintained Further customer segmentation & target marketing
DIVISION	Culture	<ul style="list-style-type: none"> Continued investment: to strengthen Health, Safety & Environment culture; & in the attraction, development & retention of an engaged diverse workforce
	Growth	<ul style="list-style-type: none"> Evaluate opportunities to grow in existing & new markets
	Sustainability	<ul style="list-style-type: none"> Community acceptance & regulatory compliance Successful implementation of abatement technology in AN Successful commissioning of regenerative thermal oxidiser Remediation & sale of surplus land (Bayswater)

Carbon pricing mechanism

- Internal preparations underway & on track for 1 July 2012 implementation
- Carbon costs largely passed through & offset by free permits through 'Emissions Intensive Trade Exposed' classification
- LPG/LNG business' carbon liabilities to be collected via the excise scheme in FY13 before transferring into the carbon price mechanism in FY14
 - Continue to advocate that domestic LPG/LNG businesses receive further & equal assistance
- Ongoing evaluation as the various stages of the carbon pricing mechanism unfold & the market adjusts

Sustainability initiatives

- The importance of our people
 - Continued investment in leadership development, skills capability growth & talent management through an engaged diverse workforce
- Strong positive community partnerships
 - Ongoing investment in the communities in which we operate: Youth Focus; The Salvation Army; Clontarf Foundation; Regional Junior Cricket Program (WA)
- Other
 - Successful commissioning of regenerative thermal oxidiser to broaden phosphate rock supply alternatives



- Well placed to benefit from continuing strong demand for chemical inputs to the resource sector
 - Potential uncertainty in major iron ore expansion projects offset by strong key customer relationships & growth from existing projects
 - Ongoing assessment of expansions, greenfield opportunities & potential for further debottlenecking
- LPG earnings dependent on LPG production economics & global prices. LPG domestic market broadly flat
- Satisfactory seasonal outlook for fertilisers
 - Follow up rains & improvement in terms of trade required for optimal performance
 - Continue to hold strong position in competitive market



Questions



Industrial & Safety
Olivier Chretien
Managing Director



Generalists



Blackwoods Protector
One stop for industrial and safety

Safety specialists



Industrial specialists



Progress on key strategies

Substantial turnaround in performance over the past 5 years¹...

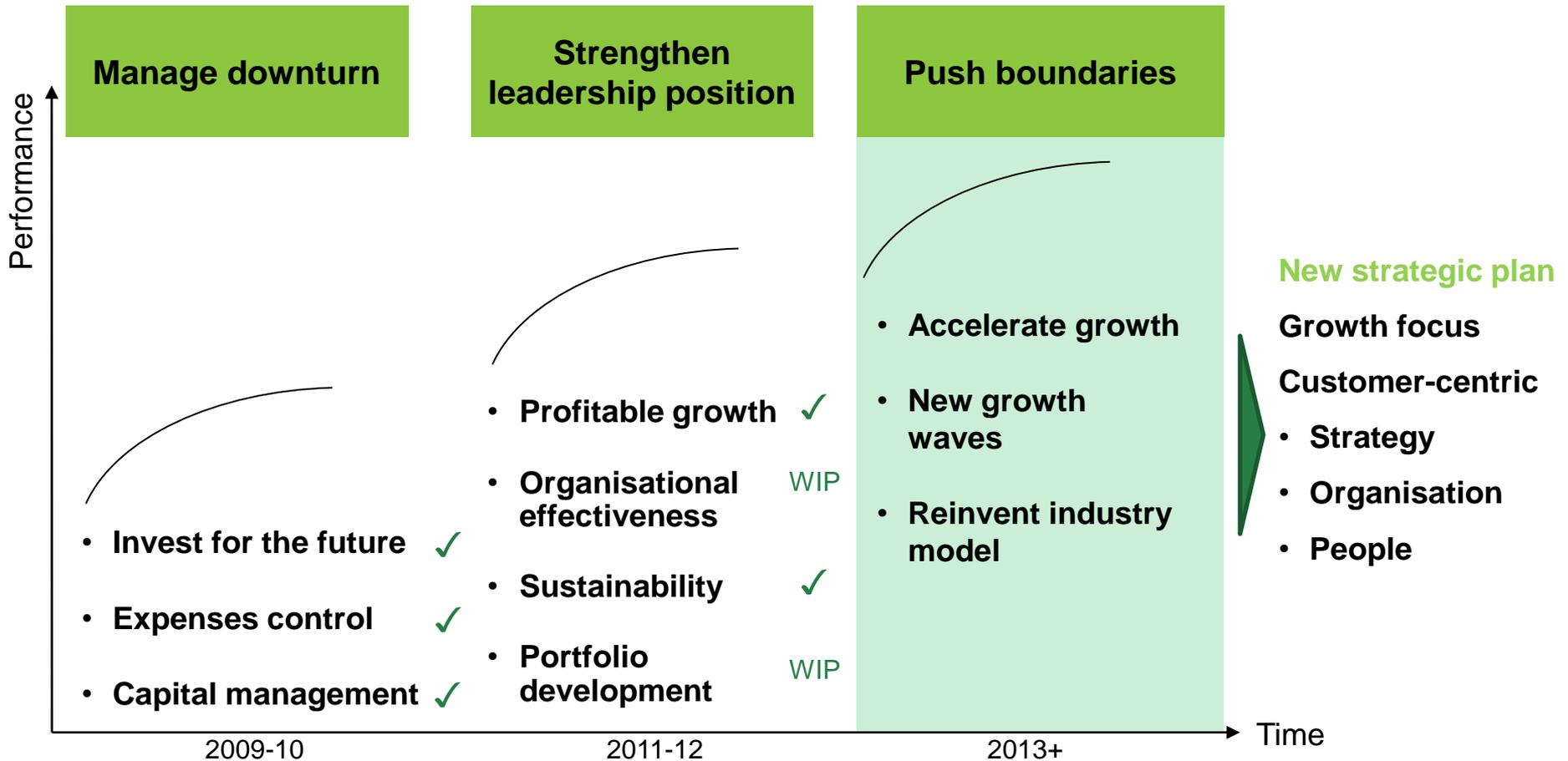
- ✓ Sales grew by \$470 million (>50% organic) to \$1.6 billion
- ✓ EBIT grew by \$82 million to \$184 million
- ✓ Range simplification from 400,000 SKUs to 210,000 SKUs
- ✓ Substantial increase in service levels: DIFOT² up from 78% to 94%
- ✓ Substantial growth in eBusiness from 10% to 25% of sales³
- ✓ Created China sourcing & supply base
- ✓ Safety: LTIFR down from 4.1 to 1.9
- ✓ Employee turnover down from 27% to 20% despite resources boom

⁽¹⁾ Financials relate to improvements between 2006 & 2011, for the 12 months ended 31 December

⁽²⁾ DIFOT: Delivery In Full On Time ⁽³⁾ Australian industrial & safety businesses

Progress on key strategies

...by delivering on strategic plan initiatives



WIP: Work In Progress

- 1 **Maximise share of customer spend**
- 2 **Meet talent & resourcing challenges**
- 3 **Enable growth: Efficient & customer centric organisation**
- 4 **Improve portfolio performance**
- 5 **Develop new growth platforms**

1 Complex customer requirements



1 Strengthening our value proposition

The trusted provider of industrial & safety supplies & services to enable our customers to seamlessly & cost efficiently run, maintain & grow their businesses

**Broad & competitive
'one-stop-shop'
product range**

**Value-add services &
eBusiness solutions**

**Security of supply &
service performance**

**Technical expertise
& market knowledge**

**Strong Key Account
focus, contract &
process management**

**International &
domestic sourcing &
supply chain expertise**

Strong ethical, safety & sustainability standards

1 Broadening our range

Ranging strategy & margin management

- Recent extensions include
 - Electrical
 - Mining rope
 - Own brand footwear
- Initiated full range review in Blackwoods
 - Good-Better-Best strategy
 - New products with key suppliers
 - Own brand opportunities
- Leveraging international supply chain
 - China sourcing, QA & logistics team
 - Multi-country DC (Shenzhen)
 - Customised sourcing solutions
- Marketing & merchandising support



1 Growing our services offering

On-site



Safety

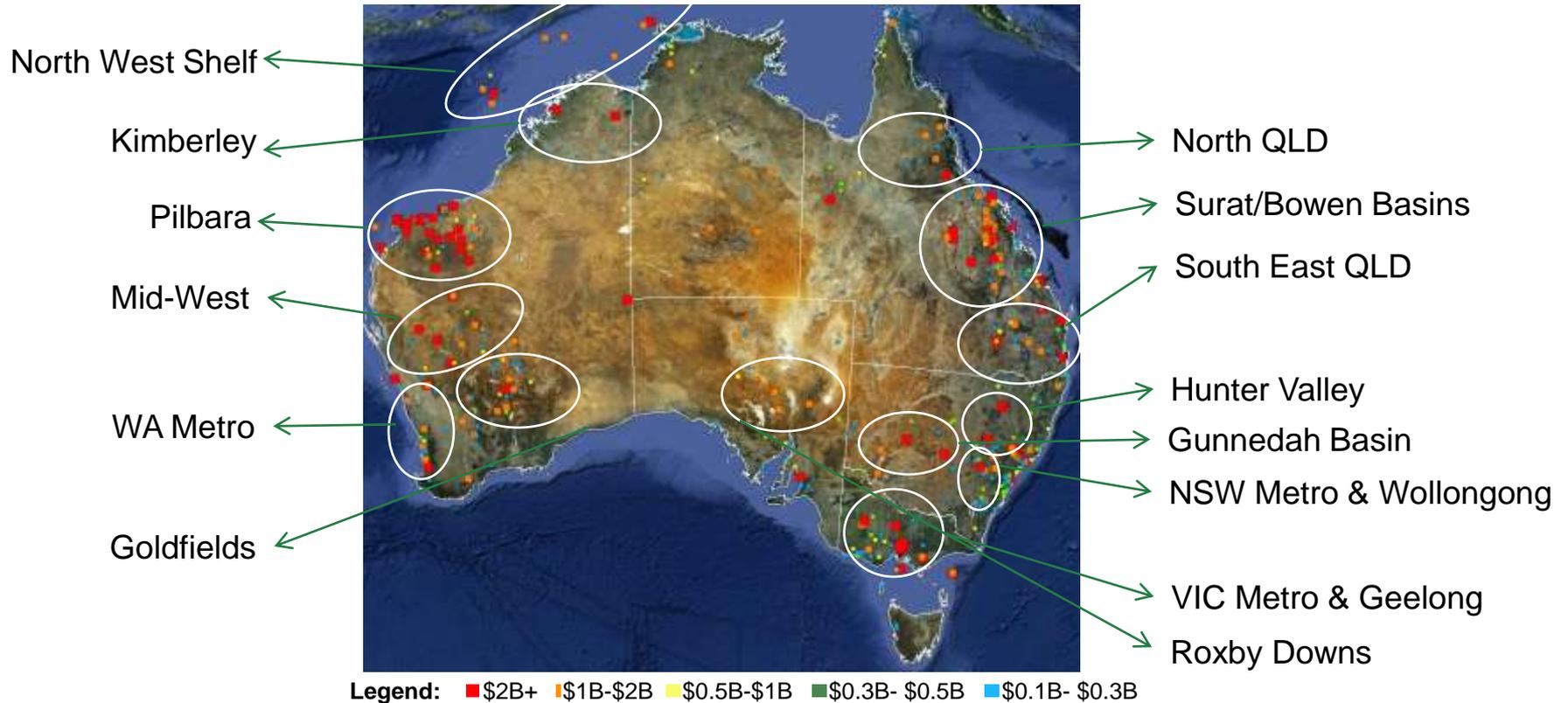


Technical



1 Expanding our network capacity

New openings, ongoing DC & branch expansions/relocations



Note: Colour dots represent committed & planned capital investments
Source: Access Economics. ACIF, Wesfarmers Industrial & Safety analysis

2 Meeting resourcing challenge

Talent pool development & expansion

Key issues

- Resourcing challenges in remote locations & for specialised roles
- Employee diversity

Increased investment in people

- Targeted development programs
- eLearning
- Housing & retention initiatives
- Succession & development

Greater talent diversity

- Diversify sources of talent pool
- Enhance employment branding

3 Customer-centric organisation

Closer to market needs, while lowering cost of doing business

Key issues

- Service
- Security of supply
- Markets & needs focus
- Knowledge sharing
- Cost efficiency
- Flexibility
- Speed

Network



Easy-to-use Catalogues



Technical Support



Customer Service



Key Account Management



CRM



eBusiness & Websites



Supply Chain



ERP



4 Improving portfolio performance

Coregas

- Secured long term supply at Port Kembla
- Sales trends promising
 - Growth with distributors & key accounts
- Key focus areas
 - Grow cylinder business & expand range
 - Expand distribution network
 - Leverage synergies with WIS

New Zealand

- Benefits of Blackwoods Protector merger

Branch networks

- Ongoing performance improvement



5 Developing new platforms for growth

Future growth & diversification of sources of revenues

Key issues

- Low share industries
- Low share segments
- Geographies
- Business models
- Acquisitions opportunities

Expand reach

- Industry diversification
- SME¹
- Selective offshore expansion

New business models

- Third party logistics operator
- Sourcing & supply aggregator

Expand scope

- New product ranges & services
- Acquisitions & partnerships

⁽¹⁾ Small & Medium Enterprises

5 Diversifying industry exposure

Mining



Energy



Infrastructure



Government



Manufacturing



Retail



Utilities



Transport



Strategic agenda: summary

1

Maximise share of customer spend

- ▶ Focus on customer needs & value creation
- ▶ Range, services & footprint expansion

2

Meet talent & resourcing challenges

- ▶ Investment in people
- ▶ Talent pool diversity

3

Enable growth: Efficient & customer centric organisation

- ▶ Market focus
- ▶ Supply chain excellence & technology

4

Improve portfolio performance

- ▶ Grow Coregas & NZ businesses
- ▶ Lift networks performance

5

Develop new growth platforms

- ▶ New industries, customer segments & geographies
- ▶ Business model evolution & acquisitions

Socially & environmentally responsible, economically viable

- People
 - Safety & workforce diversity focus
- Community
 - Aboriginal strategy & Fred Hollows Foundation partnership
 - Natural disasters support
- Supply Chain
 - Supplier audits
- Environment
 - Created internal 'carbon fund' to reduce greenhouse gas emissions
 - Energy efficiency, packaging & waste focus
- Customers
 - Sustainable product range solutions



- Industrial & Safety well placed to seize multiple opportunities
 - Customer centric focus for greater share of customers' spend
 - Major resources & infrastructure projects
 - Continued productivity & efficiency improvement
 - Further industry diversification
 - Development of new growth platforms & acquisition opportunities
- Outlook remains positive albeit uncertain
 - Well placed to leverage continuing opportunities in the resources sector
 - Global uncertainty remains, potential slow-down or deferral of major projects
 - Ongoing labour challenges & margin pressures

Questions



Insurance

Rob Scott

Managing Director





Wesfarmers Insurance



OUR MARKETS

(GWP)

AUS A\$30b
NZ NZ\$4b

Personal Lines

SME/Rural

Commercial

Corporate

Low Touch / Commoditised

High Touch / Complex

How we service each market

coles | Insurance
Wesfarmers Insurance



Lumley

OAMPS
Insurance Brokers

How we utilise our capital versus other markets

Wesfarmers Insurance

Lumley

Local & Foreign Insurers

London (Lloyds)

Reinsurers

Market conditions

- Rate increases in property & catastrophe affected classes
- Continued upward pressure on CAT reinsurance pricing
- Increased client focus on affordability
- Lower interest rates & increased volatility in investment markets
- Several Federal/State Government inquiries into insurance since 2011
- Proposed changes to APRA capital requirements from 1 January 2013
- Introduction of Prudential Supervision in New Zealand

Trading update

- Strong growth in broking revenue & earnings on prior year
- Expansion of distribution network through acquisition & recruitment
 - Acquisition of ACM Ahlers (NZ) effective 1 April 2012
- Premium rate increases across AUS & NZ
- Underwriting margins improving through
 - Positive premium rate increases (YTD 8.4% in AUS, 10.9% in NZ)
 - Reduction of exposures in high hazard areas
 - Claims costs improvements through alignment of AUS claims teams
- Strong growth in personal lines in AUS
- Lower interest rates impacting investment earnings & valuations



Christchurch earthquake

Feb 2011 EQ estimated as 1 in 2,500 year event¹



AFTER



Apportionment of damage to each Earthquake?

Insurer estimate of total damage different from EQC². Who is right?

The land needs to be tested to determine the type of repair? Who will pay?

EQC² is liable for land damage . How will that work?

What new foundations will be needed to meet Council requirements?

(1) GNS Science, is NZ's leading provider of earth, geoscience & isotope research & consultancy services

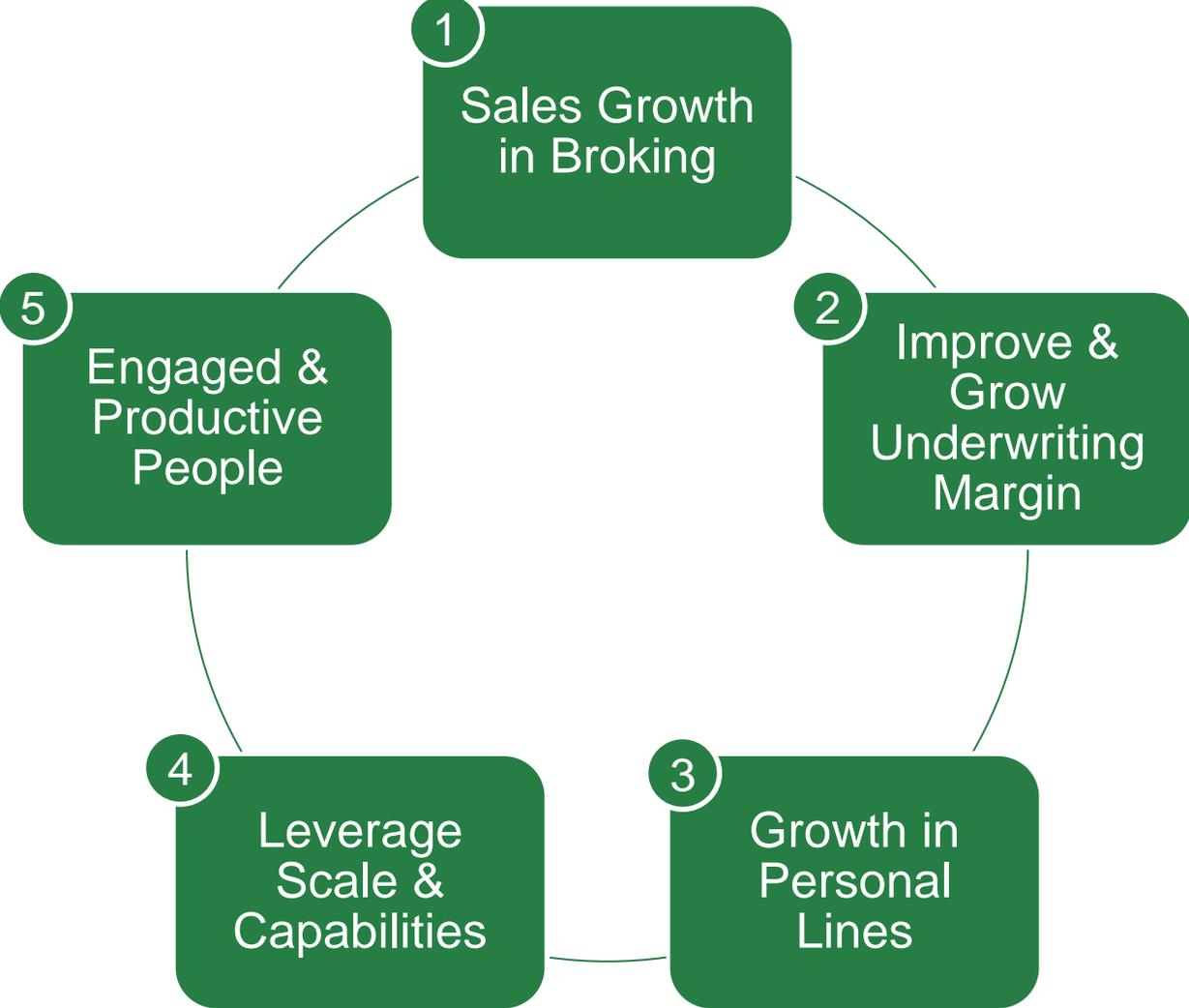
(2) Earthquake Commission New Zealand

Christchurch earthquake

- Numerous issues impacting accurate assessment of ultimate claims cost
 - Apportionment of damage between events
 - Land zonings (TC1; TC2; TC3) & consequent cost of foundation remediation
 - EQC¹ involvement & approach to land claims
 - Restricted access to properties in the Red Zone
- Proactive management of earthquake response & claims settlement
 - Project team of approximately 50 staff established
 - Strong focus on process, cost management & reporting
 - Completion of all domestic scopes of work by 31 May 2012 – providing more robust estimate of ultimate claims cost

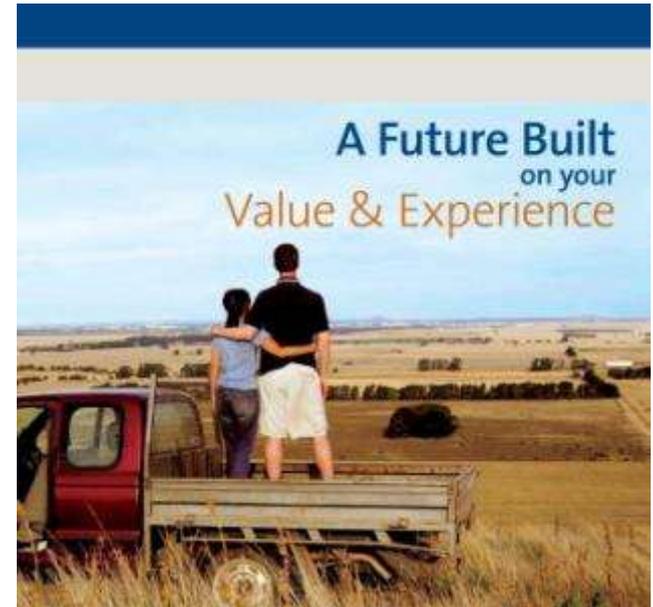
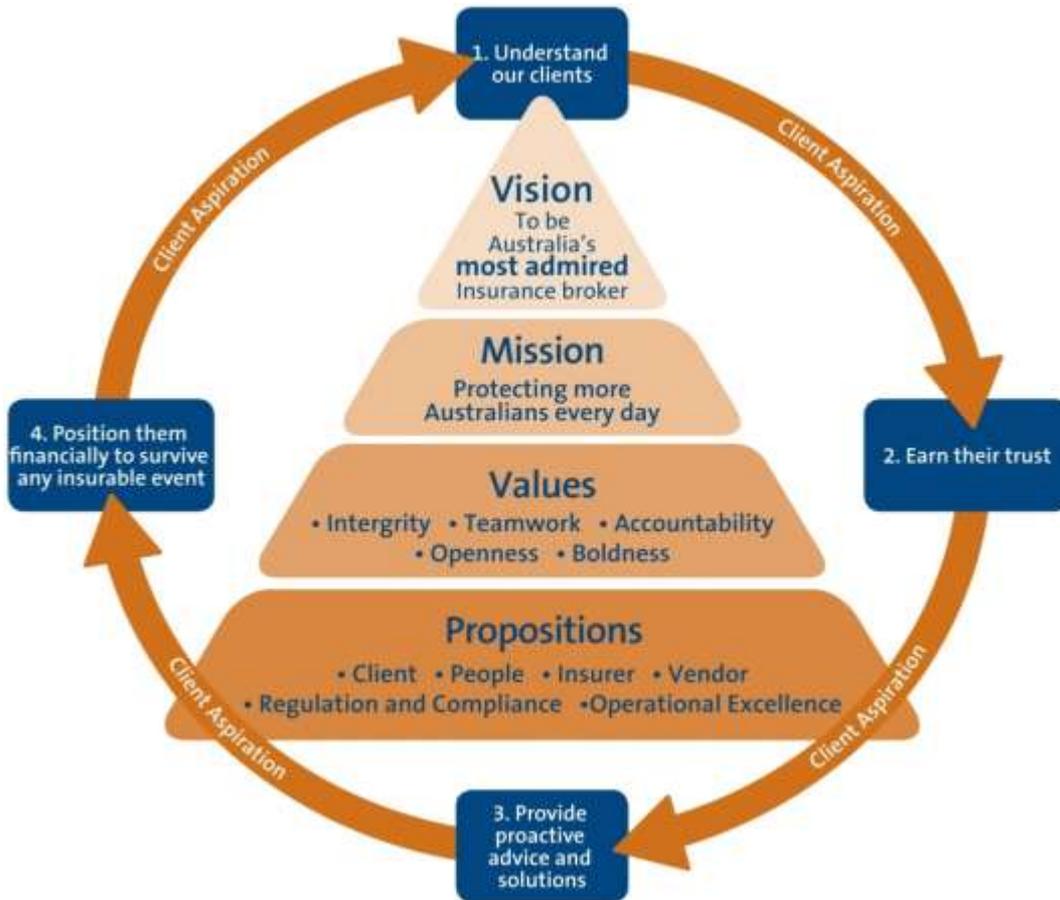
⁽¹⁾ Earthquake Commission New Zealand

Strategic priorities

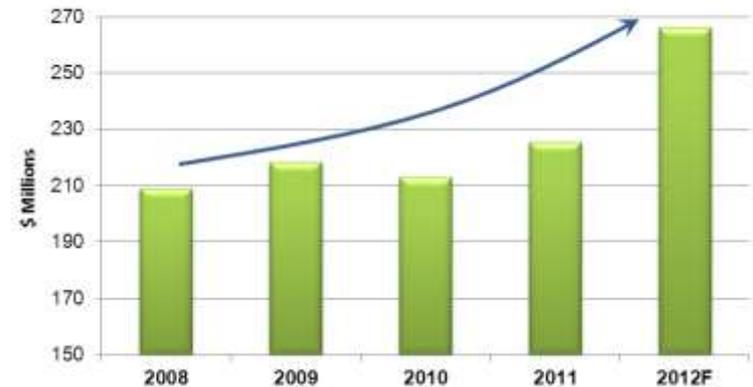


Sales growth in broking

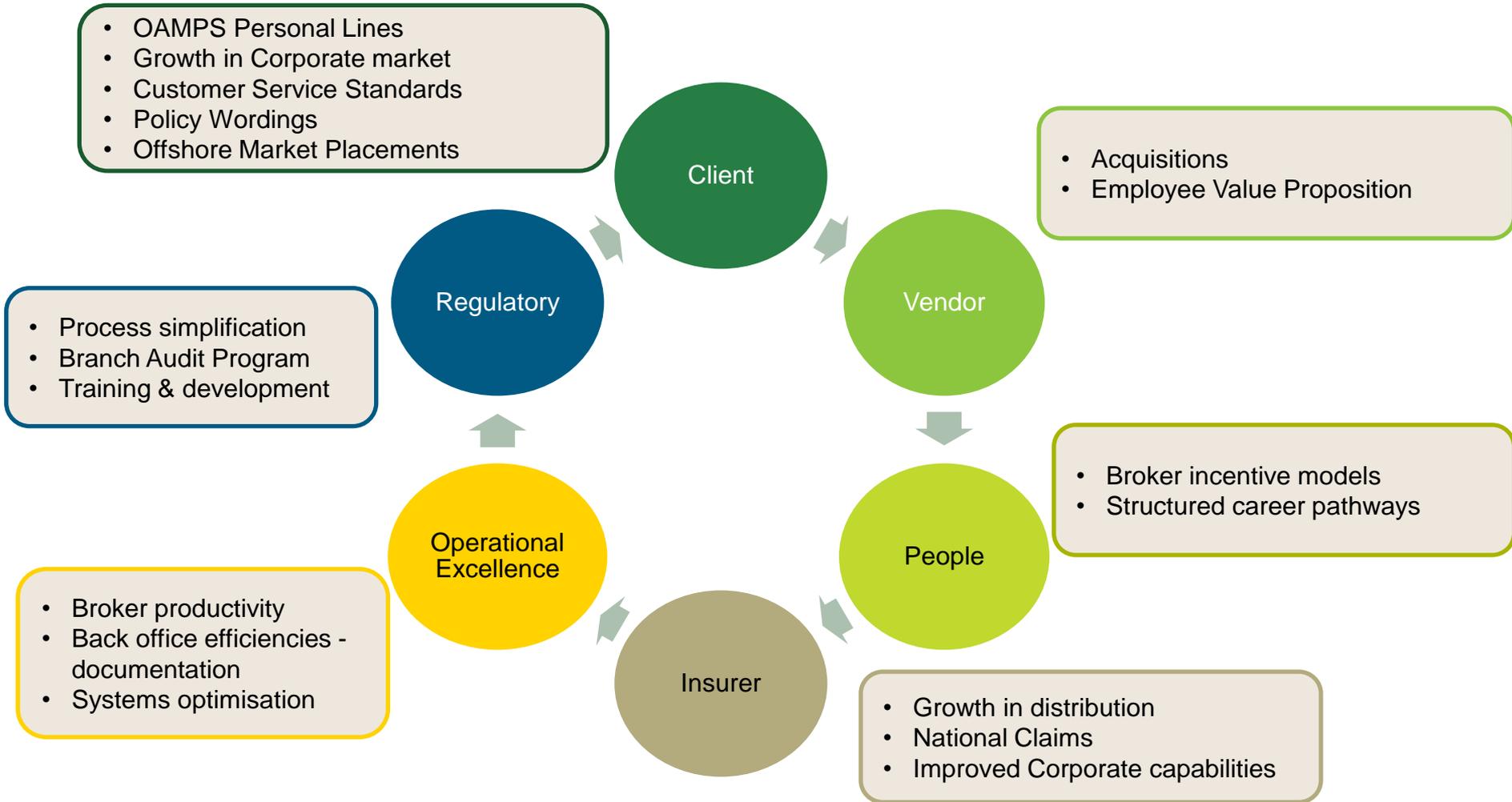
Developing market leading propositions



Total Broking Revenue



Broking propositions

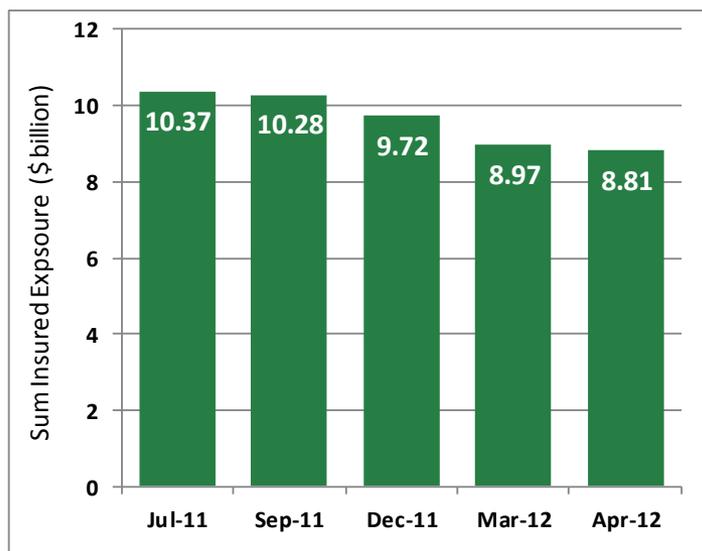


Improving & growing underwriting margin

- Strong progress in premium rate increases & exposure management

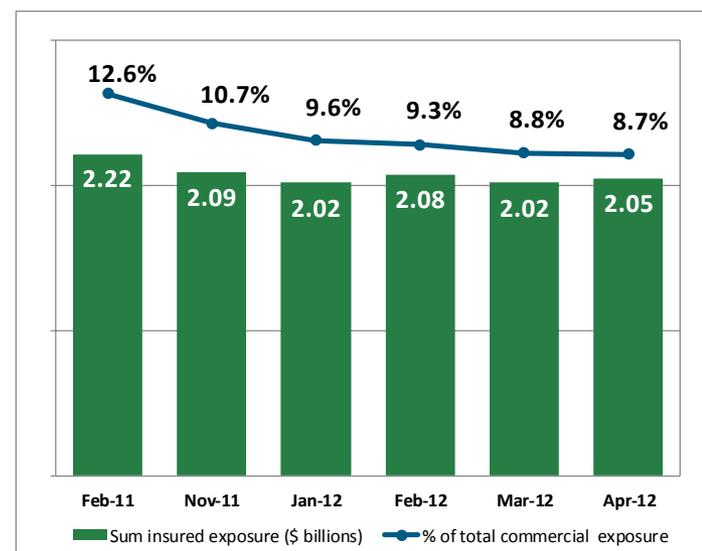
Australia

- YTD rate increases of **8.4%**¹ across all lines of business
- North QLD – Reduced sums insured by 15% since July 2011



New Zealand

- YTD rate increases of **10.9%**¹ across all lines of business
- Christchurch – Commercial earthquake aggregates reduced to below 9% of NZ commercial portfolio



⁽¹⁾ Rate increases on renewal (per unit of exposure)

Growth in personal lines

A differentiated offer

- Building scale with strong brand awareness through a differentiated marketing strategy
- Challenger brand with 90 years insurance experience
- Strengthened value proposition leveraging flybuys program
- Strong risk selection & pricing capability targeting profitable segments

Building scaleable operations

- 100,000+ policies YTD through retail, est. 1% market share
- Low cost of acquisition, 50%+ transacted online
- High performing personal lines culture
- Wesfarmers Insurance National Partnered Repairer Network

Growth through Affinity partners

- Personal lines solution through OAMPS
- Continued growth of affinity partners in Australia & New Zealand

coles Car Insurance

**Because it's Coles...
Quality car insurance costs less.**

Flybuys
+1 EXTRA POINT
per \$1 you spend* at
coles

for each Coles Comprehensive Car Insurance policy# you take out

Get a quote and buy online at
coles.com.au/insurance

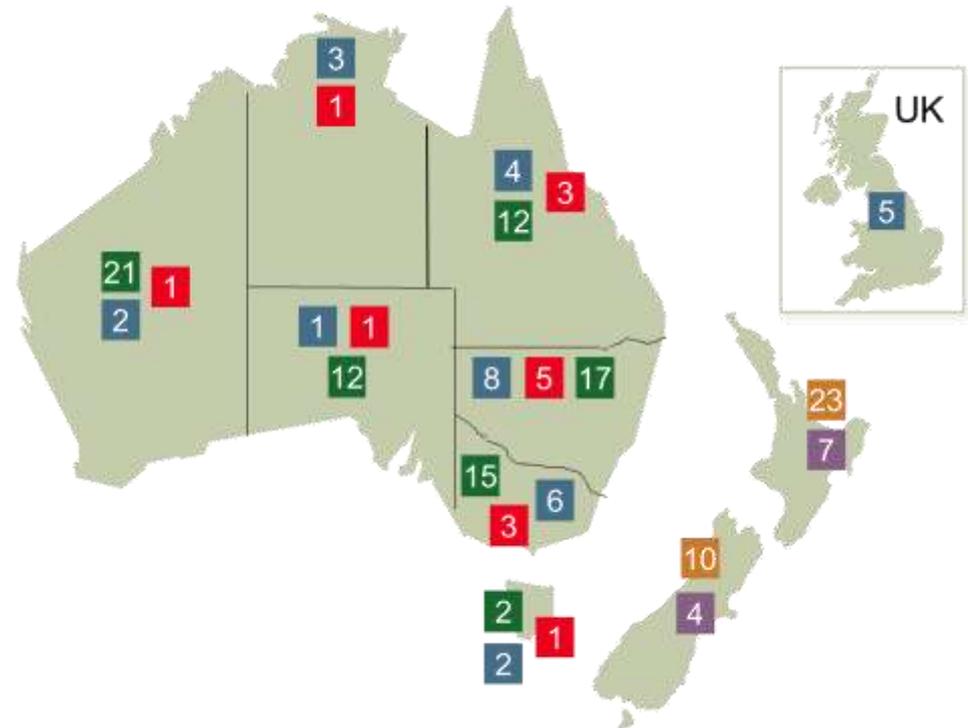
Backed by Wesfarmers Insurance

*After savings and discounts and excluding gift cards and weekly tobacco product purchases. Coles issues Coles Supermarket, B.D. and P.A. In-Play and Coles Online only. While this COLES program is on any third party car insurance policies. COLES POINT earned from this program is added to your Coles membership to be used to your Coles Insurance policy and for the rest of your points. This COLES POINT will be awarded through weekly spend on your policy. Excludes Flybuys Terms and Conditions apply. Underwritten by Wesfarmers Limited. Consider the PDR available at the website above.

Leverage scale & capabilities



- Leveraging distribution
 - OAMPS Personal Lines
 - Premium Funding
 - WFI referrals to OAMPS
 - Offshore Market Placements
 - WES retail partners



Wesfarmers Insurance Branch Locations

Lumley Insurance (Australia)	15
Lumley General New Zealand	11
WFI	79
OAMPS ¹	32
Crombie Lockwood	24

¹ OAMPS New Caledonia location not shown

Leverage scale & capabilities

- Australian claims optimisation – aligned approach to motor/home claims
 - Approximately 3% market share¹ of Australian home & motor insurance market
 - One team across all brands (WFI, Lumley, Coles Insurance, OAMPS)
 - FTEs reduced by 70, annualised benefits of \$10 million - \$15 million p.a.
 - Centralised motor lodgements & recoveries
 - Common approach to assessing
 - Partnered Repair Network (PRN):
 - Implemented in NSW, Vic & WA with other states to follow in coming months
 - Approach endorsed by Motor Traders' Association

Quotes from major repairers:

"Wesfarmers have demonstrated an eagerness to work closely with their repairers to achieve mutually beneficial outcomes."

"We welcome Wesfarmers Insurance professional approach to our industry and look forward to them influencing a higher quality product and service to our customers."

⁽¹⁾ Based on Australian home, contents & private motor insurance market of \$12.5 billion

Engaged & productive people

- Progress in embedding WI Charter & Culture
 - Common values, performance & leadership framework in place
 - Leadership Curriculum delivered across all geographies
- Strategic capability assessment embedded into divisional talent management processes
- Broker Incentive structures for high performers
 - Alternative incentive structure to high performing brokers
- Career Mapping & Frameworks in place
 - LGNZ Develop to Deliver (D2D) Program; OAMPS Career Pathways; WFI Sales Career Path



Outlook

- Year-on-year revenue & earnings growth expected in Broking
- Momentum with premium rate increases
- Further expansion of personal lines offer
- Continued focus on underwriting pricing & exposure management
- Above allowance catastrophe events in 1H12 (\$28m) offset by lower incidence of natural catastrophes in 2H12, to date
- FY12 earnings affected by further increases in Feb 2011 NZ EQ reserves
- Lower interest rates affecting investment returns & valuations
- Further increases in CAT reinsurance costs expected from 1 July 2012
- Focus on integrating broking acquisitions
- Continue to assess & pursue bolt-on broking acquisitions

Questions



Terry Bowen

Finance Director, Wesfarmers Limited



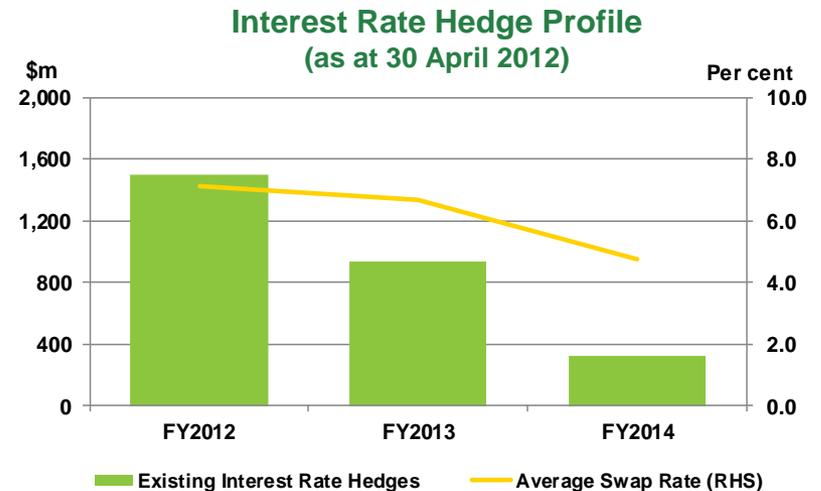
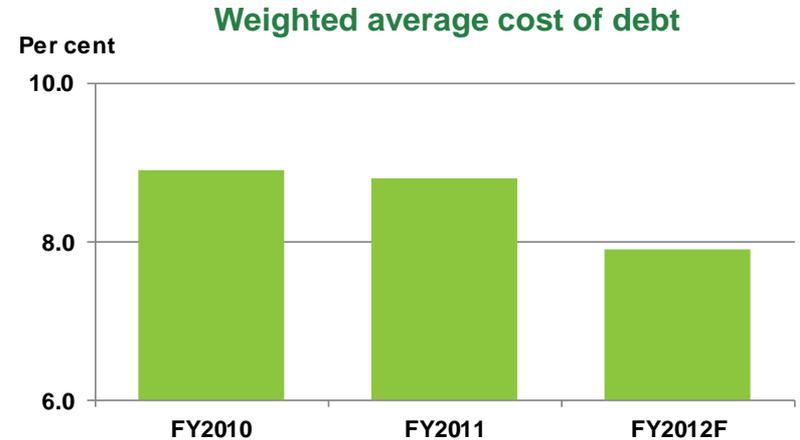
Wesfarmers

Well established Corporate support



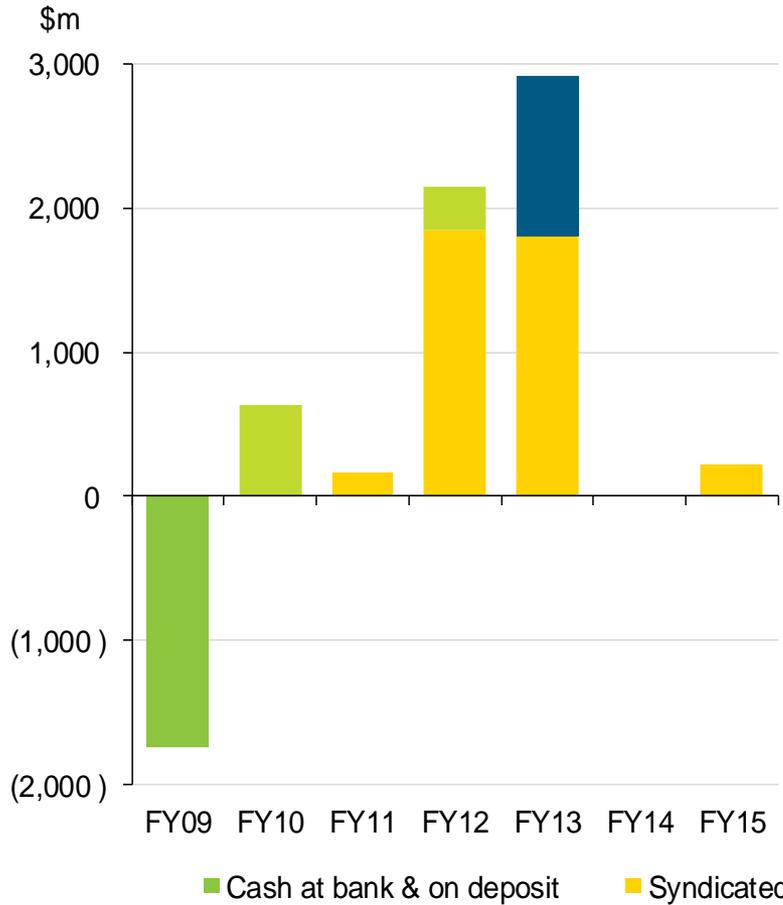
Proactive debt management

- Extending debt maturity profile & maintaining funding diversification
 - November 2011 issued \$500 million five-year domestic bonds
 - March 2012 issued \$500 million seven-year domestic bonds
- Forecast weighted average cost of borrowings for FY12 c. 7.9%
 - Pre-GFC hedges fully expire by FY14
- Maintaining strong credit ratings
 - S&P long term A- (stable outlook)
 - Moody's Baa1 (positive outlook)

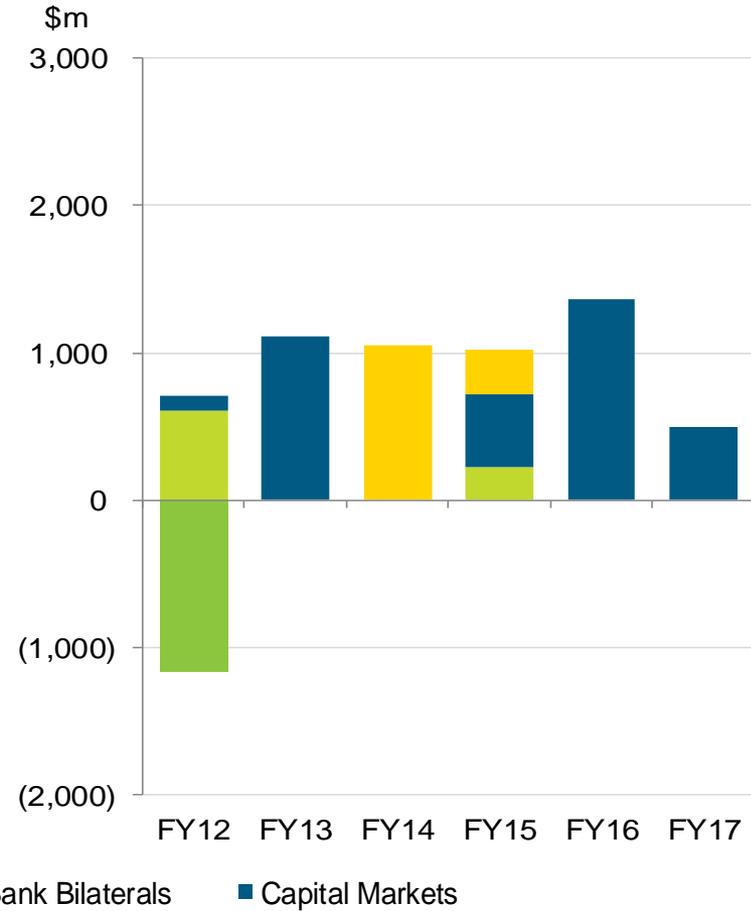


Improving debt maturity profile

As at 30 June 2009



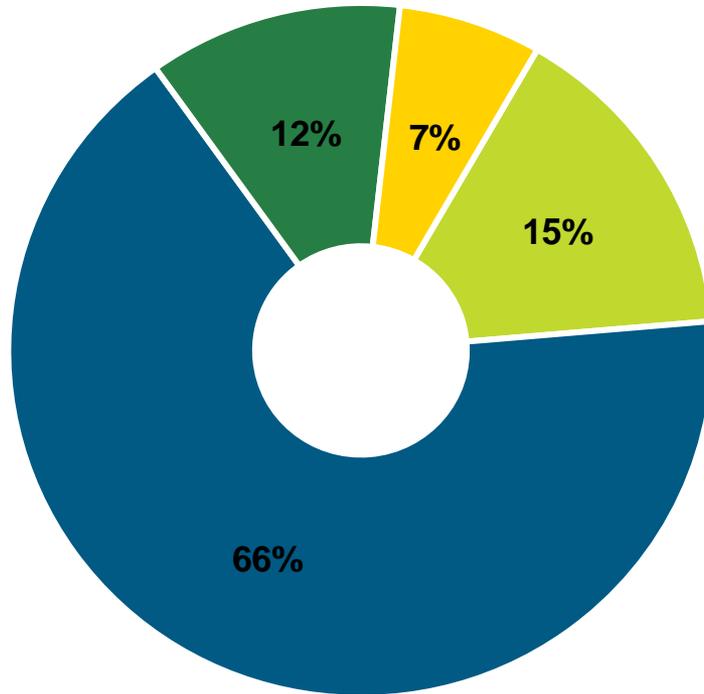
As at 31 December 2011



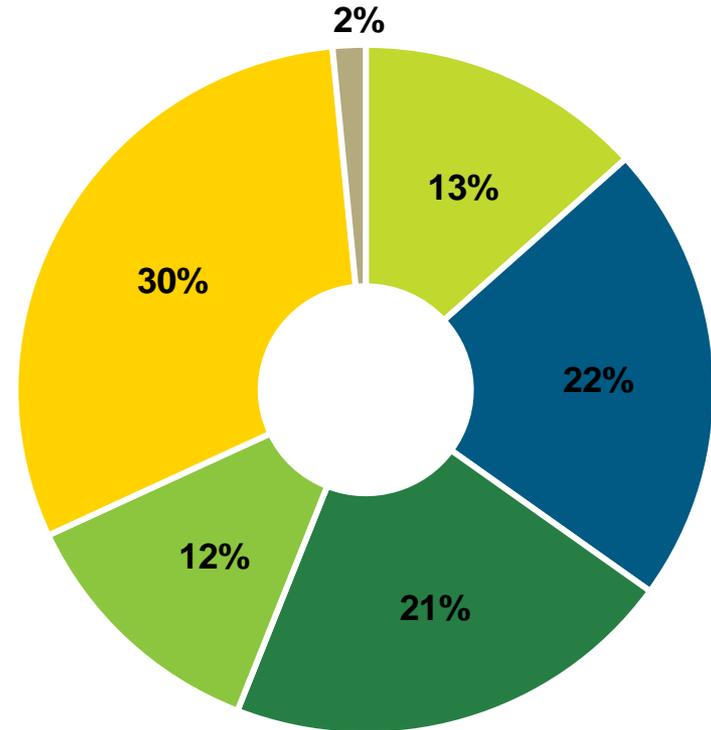
Debt maturity profile shows debt drawn

Diversification of funding sources

As at 30 June 2009



Current position
pro-forma: 31 Dec 2011¹



- Bank Bilaterals
- Euro Bond
- Syndicated facilities
- Aust Bonds
- US Bonds
- Other capital markets

⁽¹⁾ 31 December 2011 position adjusted for 7-year bond issued March 2012

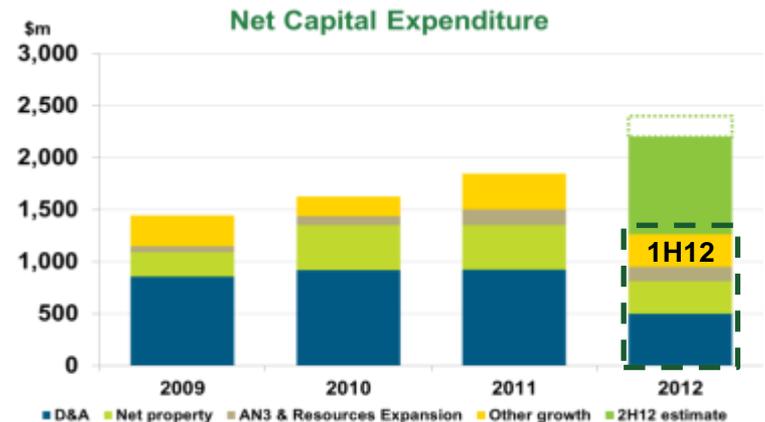
Investment expenditure

- Maintain strong return on capital focus
- Majority of capital expenditure related to Coles, Bunnings & Resources
 - Strong incremental returns on capital expenditure in Coles & HIOS
 - Resources & AN3 expansion projects to provide future long term returns
- Key retail growth capital expenditure projects:
 - Network expansions (Coles & HIOS)
 - Network refurbishments (Coles)
 - Store improvements (e.g., self-checkout, energy efficiencies)
- FY12 net capital expenditure estimate \$2.2 billion to \$2.4 billion
 - \$165 million proceeds from PP&E disposals in 1H12
 - Dependent upon freehold property activity

\$m	Total FY09 - 1H12
Total net capex.	6,177
Maint. capex. = D&A	(3,192)
Net capex. less D&A	2,985
Major capital expenditure	
Net property ¹	1,410
Coal expansions ² & AN3	428
	1,838
Other growth	1,147

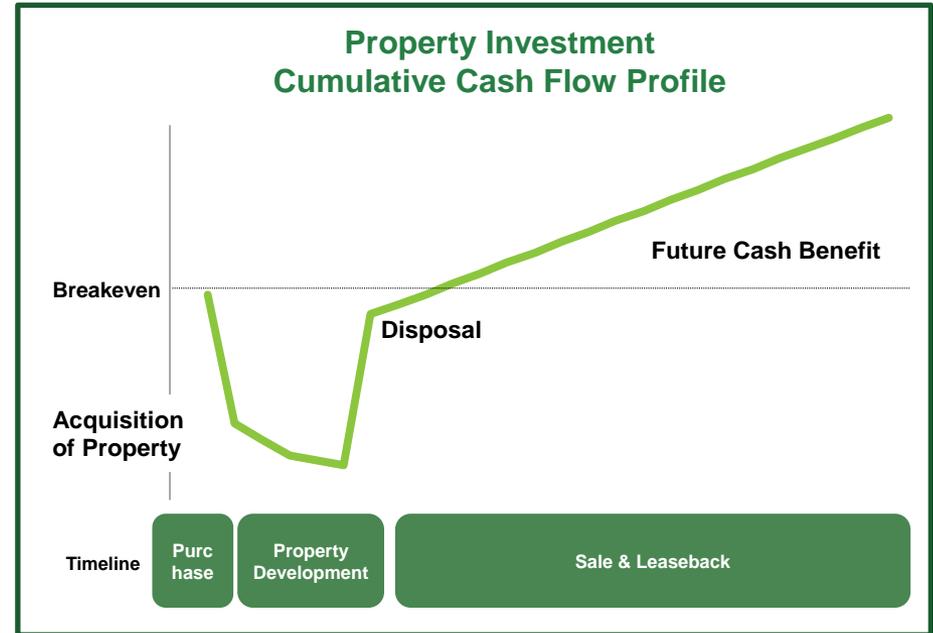
⁽¹⁾ Property acquisitions less PP&E disposals

⁽²⁾ Includes Curragh mine expansion to 8.0 to 8.5mtpa metallurgical coal export, Blackwater creek diversion project & Bengalla expansion to 9.3mtpa ROM

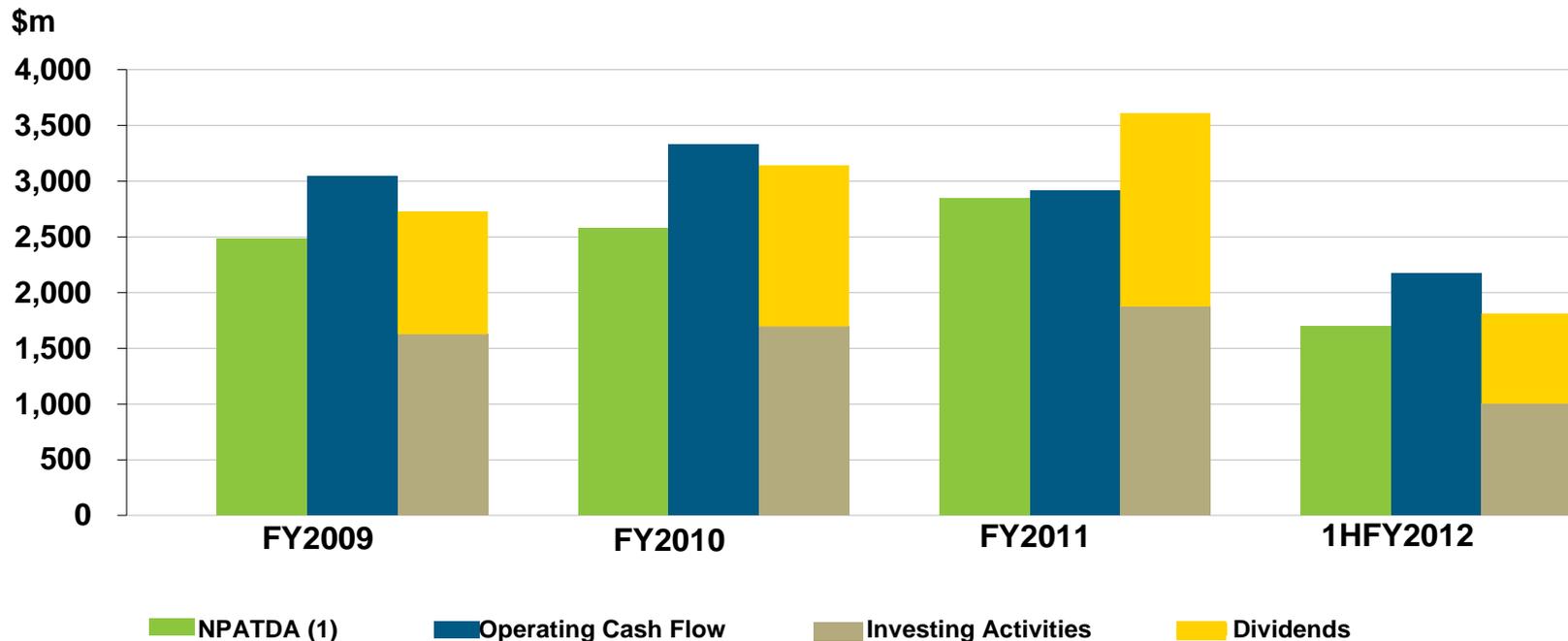


Active management of property portfolio

- Benefits of property development
 - Access to quality sites otherwise not available
 - Development control
 - Better control over lease terms
- Established property management strategy
 - Conservative business cases underpin investment decisions
 - History of active portfolio management to achieve acceptable returns



- Stable & growing dividends funded by through the cycle cash flows
- Supported by portfolio of strong cash generating assets



(1) FY09 – FY10 adjusted for significant non-cash, non-trading items

Q & A

Richard Goyder
Managing Director, Wesfarmers Limited

Terry Bowen
Finance Director, Wesfarmers Limited

