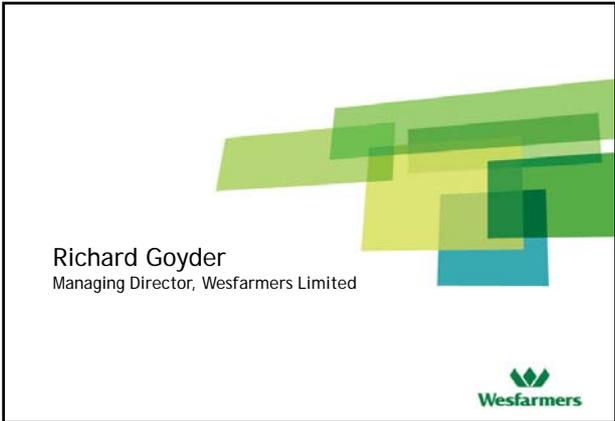




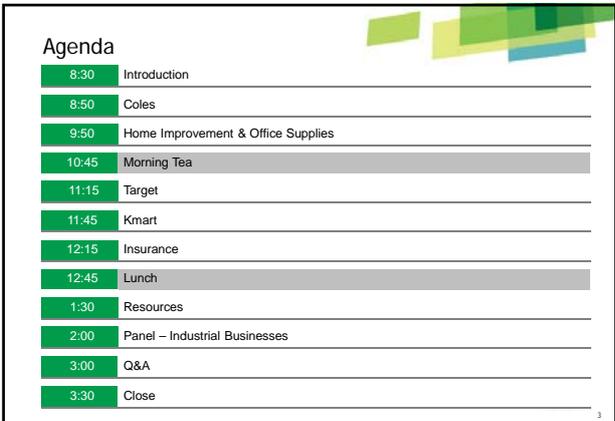
Investor Briefing
23 October, 2009
InterContinental Hotel, Sydney





Richard Goyder
Managing Director, Wesfarmers Limited



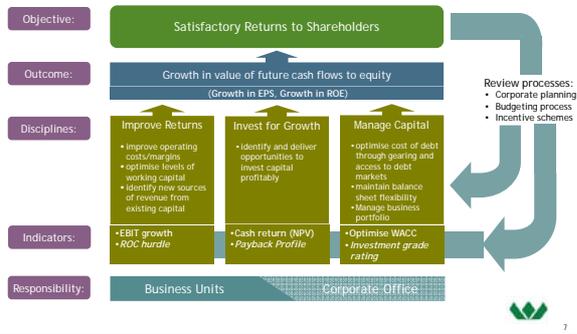


Agenda

- 8:30 Introduction
- 8:50 Coles
- 9:50 Home Improvement & Office Supplies
- 10:45 Morning Tea
- 11:15 Target
- 11:45 Kmart
- 12:15 Insurance
- 12:45 Lunch
- 1:30 Resources
- 2:00 Panel – Industrial Businesses
- 3:00 Q&A
- 3:30 Close



Providing satisfactory returns over time



Coles renewal...

Ian McLeod



Agenda

1. 1Q performance update
2. Renewal progress
3. Trading outlook



Solid 1Q performance*

- Growth in food and liquor sales
 - Total food & liquor sales up 7.3%
 - Comparable food & liquor sales up 6.1%
- Growth in fuel & convenience sales
 - Comparable shop sales up 6.5%
 - Comparable fuel volumes up 1.3%

* 13 weeks ended 27 Sept



New supermarket at Flemington (Vic)

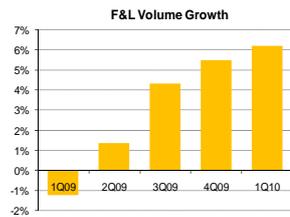


Refreshed service station at Bunker Hill (Vic)

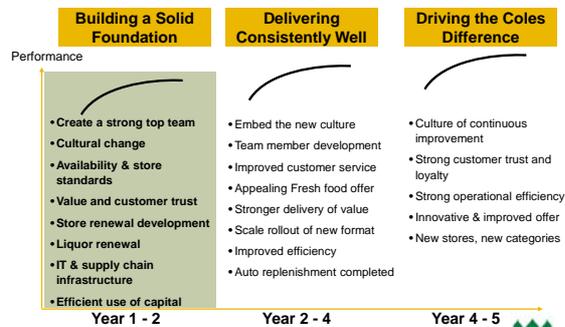


F&L 1Q sales drivers...

- Solid volume growth
 - Customer transactions up
- Better fresh quality
 - Double-digit volume growth
- Improving service
 - Customer satisfaction up
- Stronger value offer
 - Inflation in 1Q flat



Planning for phase two...



Building strength & depth of top team ...

- **New executive appointments**
 - Tony Buffin – Finance Director (Group Aeroplan Inc & Boots, UK)
 - Simon McDowell – Marketing Director (Sony Entertainment, US)
 - Sharry Cramond – GM, Marketing Communications (Tesco, UK)
 - Charlotte Maxwell – GM Bakery & Deli (Tesco, UK)
 - Allister Watson – GM, Meat (Progressive Enterprises, NZ)
 - Greg Davis – GM Range & Space (Aldi, Australia)
 - Melissa Carter – GM Commercial (HE Butt Grocery Company, US)
 - John Hillegass – GM, Store Development (Apple, US)
- **Building a bigger talent pool**
 - Appointed over 150 regional and store managers
 - Talent mapping to identify & promote future leaders
 - Fast track development programs now in place



Tony Buffin
Finance Director



13

Culture change & team member development...

A more engaged workforce

- Better incentives for store management
- Labour turnover down
- Absenteeism falling



Increased training & development

- Expanded 'Retail Leaders' program
- More graduates for store positions
- Craft skills program



14

Improving customer service...

- **Fixing the basics**
 - Open entries & clutter free
 - Focus on shorter customer queues
 - Roll-out of self check-out
- **Investing in better stores**
 - Capital support guidelines
 - Unique facilities management agreement
 - Consolidated contractors to improve store cleaning
- **Good customer response**
 - Customer complaints falling and compliments rising

Before...



...after



15

A more appealing fresh food offer...

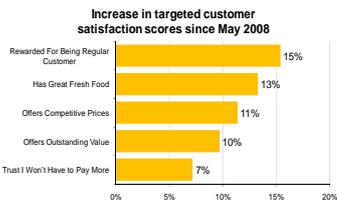
- Focus on Australian-made produce
- Improving fresh through local sourcing
- Better quality through direct supply
- Market atmosphere in store
 - New fruit & vegetable presentation
 - Open meat preparation
 - Seafood counters
 - In-store bakery
 - Expanded deli offer
- Continued investment in fresh produce store standards



16

Stronger value & customer trust...

- Stronger value focus
 - Better quality fresh food
 - Giant Gift Card Give-Away
 - Feed the family for under \$10 endorsed by Curtis Stone
 - GST free campaign
- Positive customer response
 - Service metrics improving
 - Customer satisfaction rising in targeted categories – quality, service & value



17

Private label rebranding ...

- New private label branding
 - You'll Love Coles replaced by 'Coles'
 - Listened to Mum's Panel feedback
- Introducing Quality Seal and Promise on front of pack
 - 100% satisfied or 100% refunded
- Repackaging whole range
 - Over 1,600 product lines by March 2010
- Launching new Xmas range
 - Endorsed by George Calombaris



18

Liquor renewal gaining traction with customers...

- Clearer brand positioning & value focus
 - 1st Choice – price led destination big box format
 - Liquorland – continue with Everyday Value
 - Vintage Cellars – knowledge, quality & price
- Accelerating our change program
 - Improved in store execution
 - Better store standards & efficiency
 - Tighter process control
- Ongoing investment in store network
 - Improved alignment with supermarkets
 - Refresh and refurbishment program
 - Improved site selection



19

Roll-out of store renewal formats...

- Customer response very encouraging
- Pilot program provides important insights
- 20 plus renewal stores across the country
- Strongest company sales densities
- 50+ stores targeted in FY10
- Further roll-out planned in FY11

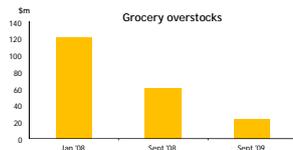
Successful renewal store concepts



20

Improving store & supply chain efficiency...

- Easy store ordering
 - 200 stores by end of FY10
- Less gaps on shelves
 - Improved ordering focus
- Stronger replenishment focus
 - International ordering controls
 - Supplier managed inventory
 - Improved working capital
- Improved DC capacity
 - Liquor DC at Kewdale in WA operational
 - DC strategy work completed



21

Trading outlook...

- Consumer sentiment improving but customers remain value conscious
- Consumers cautious about rising interest rates and higher petrol prices
- Food and liquor inflation to remain low
- Encouraging progress on renewal strategy to date
- Confident we are creating a solid foundation for future growth
- Intensive focus on all strategy initiatives
- Complex and multi-layered strategy will take time to implement and deliver



22

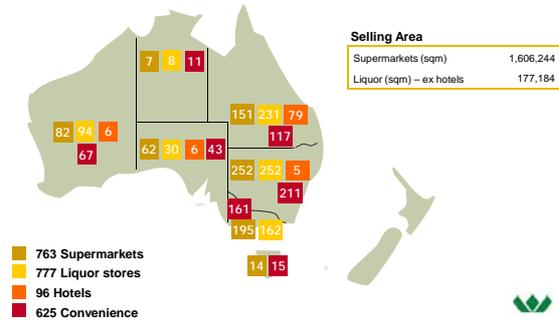
Questions



Appendices



Our national footprint...
As at 30 September 2009



Improving our franchise...

	Open at 30 June 2009	Opened	Closed	Open at 30 Sept 2009
Supermarkets				
Coles	705	4	3	706
Bi-Lo	58	-	1	57
Total Supermarkets	763	4	4	763
Liquor				
1 st Choice	64	4	2	66
Vintage Cellars	80	-	-	80
Liquorland	631	3	3	631
Hotels	95	1	-	96
Total Liquor	870	8	5	873
Convenience	625	-	-	625

Home Improvement
& Office Supplies
John Gillam



Agenda

1. Bunnings

- Background & market trends
- Strategic agenda
- Trading update & outlook

2. Officeworks

- Background
- Strategic agenda
- Trading update & outlook

3. Q&A



28



BUNNINGS History

- 123 years
- timber & building sector origins
- consumer & DIY focus from 1980's
- long term growth



30

Background: Strategic platform

The Bunnings business is built on three strategic pillars - Lowest Prices, Widest Range and Best Service. Our customers are guaranteed the lowest prices on the widest range of home improvement and outdoor living, building and construction products. Best service starts with our Team Members and extends to a range of store services.

LOWEST PRICES. WIDEST RANGE. BEST SERVICE.



LOWEST PRICES

The Bunnings price promise guarantees our customers the lowest price every day. If a customer happens to find a cheaper price on a stocked item, we'll beat it by 5%.

WIDEST RANGE

Bunnings stores stock over 45,000 products including building supplies, timber, gardening, plants, landscaping, plumbing, hardware, electrical, lighting, fencing, business, cooking, hand and power tools, storage, kitchen and kitchen appliances. An extended range is available through the Special Orders service.

BEST SERVICE

The Bunnings team of over 20,000 team members include many with trade qualifications and a strong focus on product knowledge and training. Bunnings offers a range of services including free D.I.Y. Workshops for adults and children, leather nights, free trailer hire, same day home delivery, bike shop, Special Orders, kids and children's playground.



31

Background: Long-term growth drivers

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



32

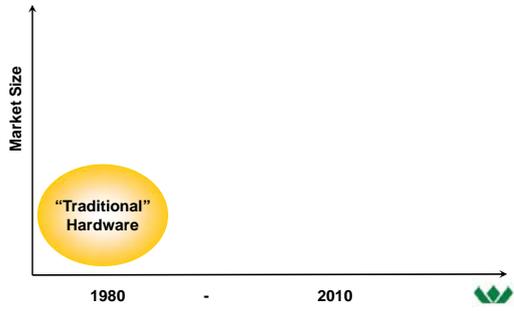
Aust. & NZ market trends

- Dynamic evolution across 3 decades
 - “hardware” to “home improvement & outdoor living”
 - attractive personal tax benefits driving DIY
 - competitor changes
- 1980: two hardware markets ... commercial or retail
- 1990: big box formats enter
- today: one much larger market
 - Home improvement and outdoor living
 - Retail and commercial
 - Bigger market ... more competitors ... multi-channels

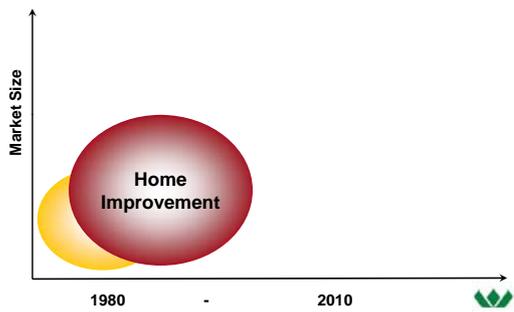


33

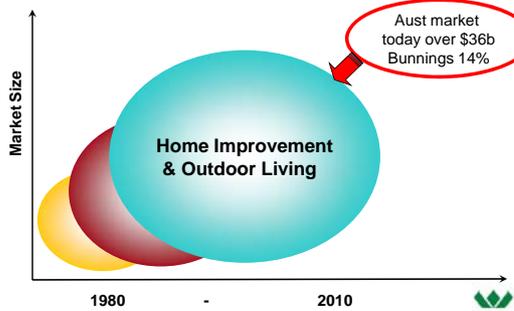
Aust. & NZ market trends
... evolution across 3 decades ...



Aust. & NZ market trends
... evolution across 3 decades ...



Aust. & NZ market trends
... evolution across 3 decades ...

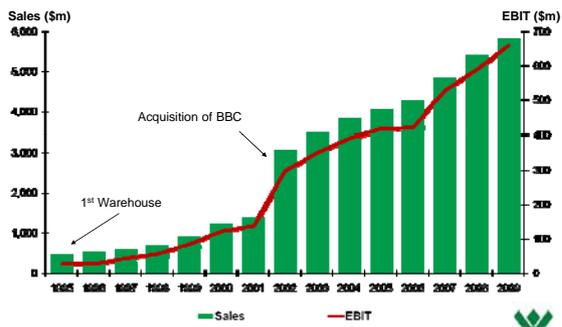


Market size: 2001 v 2009

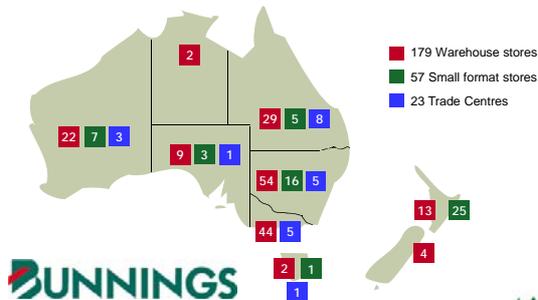
- \$24 billion market in 2001
 - Common market view at time of BBC takeover
- Continued growth in all categories
 - Rapid expansion of outdoor living
- Market today exceeds \$36 billion
 - homogenous; major players 'vertically capable'
 - long term growth anticipated



Bunnings sales & EBIT growth



Store & trade centre network at October 2009





Strategic Agenda

1. Profitable sales growth
2. Better stock flow
3. Engaging and developing a stronger team
4. Improving productivity and execution
5. Sustainability

Agenda driving growth & business fitness

Strategic Agenda

1. Profitable sales growth
 - A. Lifting customer service
 - Continued priority; largest improvement & growth opportunity
 - Work focused on 3 key areas
 - coverage, knowledge & product availability
 - B. Enhanced merchandising
 - New product ranges & category expansions
 - Merchandising disciplines lifting existing ranges

Strategic Agenda

1. Profitable sales growth

C. Network expansion & enhancement

- Ongoing rollout of new stores & trade centres
 - a) more 'Bunnings Warehouse' stores
 - long term plans: open 10 to 14 annually
 - shorter term: likely to exceed top-end of forecast
 - b) opening smaller format 'Bunnings' stores as appropriate
 - c) more Trade Centres
- Continued re-investment in existing stores

Strategic Agenda

1. Profitable sales growth

Merchandising Update – wider & deeper ranges

1. New / expanded across past 36 mths
outdoor leisure, kitchens, flooring, play equipment, fencing, sustainability, special orders, steel, lighting, plumbing
 2. Revamped in 2008
decorator, tools
 3. In-progress now
cooking appliances
- Good growth driver, especially DIY; more to come ...





Strategic Agenda

2. Better stock flow

- Improving end-to-end supply chain
 - lift in-stock levels, higher productivity, reduced cost

3. Engaging & developing a strong team

- More effective safety, training & other development programmes
- Higher team retention

Strategic Agenda

4. Lifting effectiveness & efficiency

- Reducing the cost of doing business
 - systems, business improvement and productivity projects

5. Sustainability focus

- Ongoing commitments: less water, energy & wastage
- Improving affordability of sustainability for customers

Strategic Agenda Summary

Current agenda harnesses 5 growth drivers

- Service
- Category expansion
- Store roll-out & reinvestment
- Trade presence
- Business 'fitness' to fuel the productivity loop



49



Trading update 1 July to 30 September 2009

- Cash store-on-store growth 15%
 - cycled against weakest relative trading pcp
- Improved trade market conditions
- Ongoing network re-investment & expansion
 - 6 stores & 2 trade centres opened in July to October period
 - 8 stores under construction at end October



51

Home Improvement Outlook

- Cash sales growth to continue
 - tempered for impact of Aust. Govt. consumer stimulus in past year
- Improving trade contribution as economy recovers
 - multiple Aust. Govt. stimulus programmes
- Maintaining intense focus: customer & business improvements
- More network expansion



52

Office Supplies

Officeworks 





Background



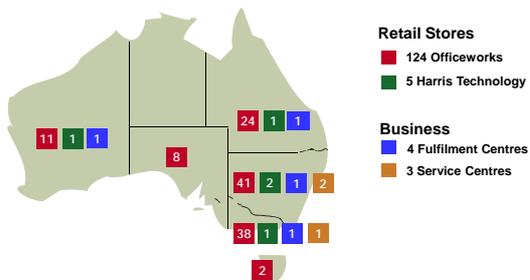
55

Strategic Platform



56

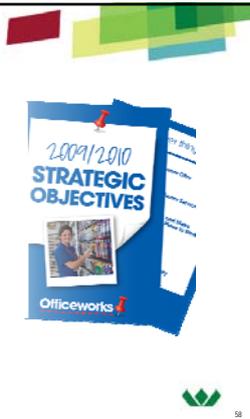
Office Supplies Network at 30 September 2009



57

Strategic Agenda

1. Improve the customer offer
2. Improve customer service
3. Team development & engagement
4. Make things simple & reduce costs
5. Drive sales & profitability



58



Strategic Agenda

1. Improve the customer offer

- Improving the shopping experience
- New & improved products / services
- 'How To' classes & supplier demonstrations
- Eco friendly products & services
- Special orders service rollout
- New website



60

Strategic Agenda

2. Improve customer service

- New point of sale system
- Driving stronger customer focus
- Provide team with tools & training
- New labour scheduling system
- Operation Blueprint savings invested in customer service
 - Self-funding via efficiency gains



61

Strategic Agenda

3. Team development & engagement

- Strong focus on team members
- Significant lift in 'cultural engagement'
- Investment in team member training
- Reward & recognition
- Developing, attracting & retaining the best



62

Strategic Agenda

4. Make things simple & reduce costs

- Stock management improvements
- Supply chain productivity & CODB gains
- Reduction in store support cost base
- Processes & procedures simplified, complexity removed



63

Strategic Agenda

5. Drive sales & profitability

- Open 8 to 10 new Officeworks stores p.a.
 - new store pipeline progressing well
- Upgrade 8 to 10 existing stores p.a.
 - pleasing results to date
- Further website enhancements
- Attracting new business customers
 - corporate, health & education
 - complementing existing SME base



64



Trading Update

1 July to 30 Sept 2009

- Officeworks retail stores sales growth 12%
 - Underpinned by strong transaction growth
 - Positive response to EDLP
- OW Business gaining momentum
- Ongoing network investment & expansion



66

Outlook

- Moderate sales growth in retail stores
 - Small business sector sentiment remains volatile
 - Pressures on margin and costs
- Focus on executing strategic agenda
 - Drive sales
 - Improved customer offer & service
 - Network expansion & upgrade
 - Reduce CODB & complexity



67

Questions



Wesfarmers

Target Launa Inman



Wesfarmers

Trading Update 3 months to September[^]

- Sales up 4.3%
- Comparable store sales up 1.8% (adjusted up 2.4%*)
 - July and September flat
 - August strong
- Fragile consumer sentiment
 - Retail sales from Government stimulus no longer evident
 - Customers looking for exceptional value
- Highly competitive market
- Target's market share of Department Stores sales increased



[^] 13 weeks to 26 September * adjusted for changes in promotional calendar



70

Managing the Business

- Customer behaviour
 - Evidence of customers 'bargain hunting'
 - Importance of entry price points and volumes at these prices
- Capturing reductions from suppliers in product costs
 - Negotiations to benefit from FX improvement
 - Continuing to broaden sourcing base
- Volatile trading
 - Expense control critical and being well managed
- Working capital management ongoing



71

Target strategies

Strategic initiatives		Comments
Focus on fundamentals	✓	Meeting customer needs on range, price and service
Brand reinforcement	✓ Ongoing Ongoing	Evolution of "100% Happy" Unique philosophy and positioning Leveraging an emotional connection
Differentiation	Ongoing WIP WIP	Bringing the best of what's new in the world to Target Design and Innovation Group Pop-up retailing
Store network development	Ongoing	New stores and investment in existing stores
Customer Service	WIP	Ease of store shopping • layout, signage, price marking, POS features, airport register queuing
Team member development	WIP WIP	Supervisor/Team Member empowerment Recruitment and retention
Business improvements	WIP WIP Ongoing	Supply Chain efficiencies Major systems improvements eg Direct Sourcing System Environmental initiatives

72

Strategies

Store Network Development - FY10

- Planned new stores
 - 6 new Target stores
 - 1 Target Country (replacement)
- Expansions
 - 2 Target stores
- Investment in existing stores
 - Around 20 stores
 - Upgrades range from full refits to a light touch
 - Projected to spend over \$25 million in FY10



73

Differentiation still the key

- Creating new ways to excite the customer
 - Pop Up Retail



74

Differentiation still the key

- Bringing what's new in the world to Target
 - Appointment of General Manager, Creative
 - Build internal Design and Innovation Group
 - Direct Sourcing System



75

Supply Chain

- Improved efficiencies
 - Better service to stores
 - Increased speed to market
- Supply Chain cost savings of \$10m to date
- Benefits realised = financial and non-financial
 - Principles focused on making it easier for our stores



76

Sustainability Environmental Initiatives

- Building sustainability into our business fabric
 - Signatory to National Packaging Covenant
 - Participant in Government's Energy Efficiency Opportunity program
- Taking a leadership role, but still a long way to go
 - Removal of plastic shopping bags from all stores
 - Carton and packaging reduction initiatives
 - Think Climate: cold wash, line dry labels on product
 - Lighting in new stores



77

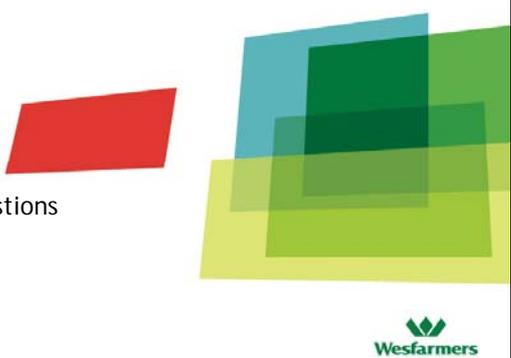
Target Outlook

- Outlook remains cautious
 - Managing inventory
 - Cost control
 - Cycling Dec. Government stimulus package
- Customers continuing to seek out value
 - Entry and mid-price points well stocked
 - Broaden sourcing base to help reduce costs
- Remain nimble to competitor activity
- Differentiation key to ongoing success



78

Questions

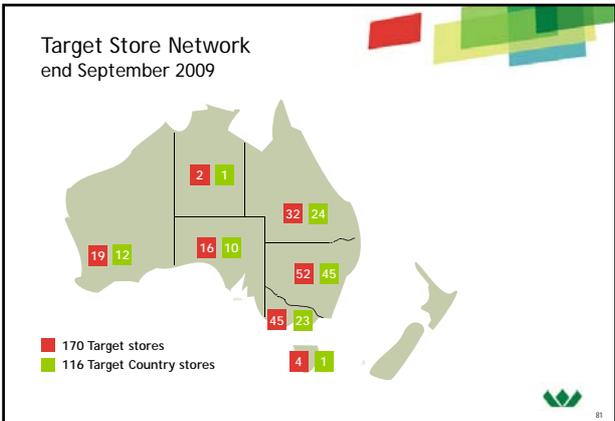


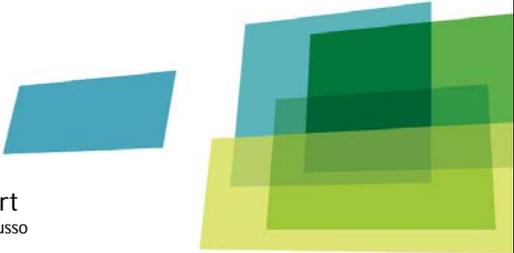
Wesfarmers

Appendix



Wesfarmers





Kmart
Guy Russo





Agenda

- Trading Update 1Q10
- Strategy Update
- Outlook



83



Trading Update - 1Q10*

- Successfully exiting unprofitable sales
 - Comparative store sales decline of 2.3% for 1Q10
 - Profitability improving
- Inventory below last year and remains well controlled
- Pleasing performance from Kmart Tyre & Auto

* 13 weeks to 27 September 2009



84

Strategy Update

K **Wesfarmers**

K **mart**

A discount department store focussed on serving customers quality products at low prices, in an easy to shop environment

K

Health check - where are we at?

Customer
Outstanding Customer Experience

Product
Ranges Customers Want

Price
Great Value Everyday

Promotion
Clear Communication

Place
Every Site a Success

People
Best People, Great Company

Profit

K

Customer

- Faster, friendlier customer service
- Significant increase in customer engagement
 - Compliments on the rise
- Extended trading hours for enhanced convenience



88

Product

- Unnecessary products removed
 - Over 20% SKU reduction in an average store
- Stopped discounting products at below cost
- Ongoing execution of supply chain rationalisation
 - 62 offsites/storage facilities closed
 - Announced net closure/exit of 5 distribution centres
- Improved product ranges landing in store progressively through calendar year 2010



89

Price

- Making good progress on removing excessive category discounting
- Simplified pricing communicated
 - Round prices
 - Price points on racks
- Focussed on improving price perception



90

Promotion

- Major investment in customer research
- Simple, clearer messages
- Clearer, uncluttered catalogues
- Promoting items rather than '% off'



91

Old



92

New



93

Place

- Actively looking for new sites
 - Additional resources added
- Making it easier for our customers
 - Clear race tracks
- Network refresh
 - ~60 over next 2 years



94

People

- Building a customer focussed culture
 - develop capabilities focusing on customer
- Store Managers in store on weekends
- People accountable for focussing on customers and results



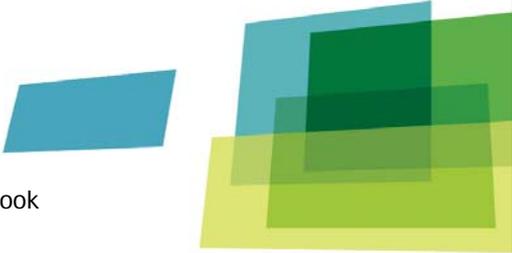
95

Summary

- Renewal progressing well and at pace
 - Removing unnecessary and unprofitable sales is working
 - Right prices results in significant growth in volume
 - Customers are responding well to in-store changes
- Confident we are creating solid foundations for future growth



96



Outlook

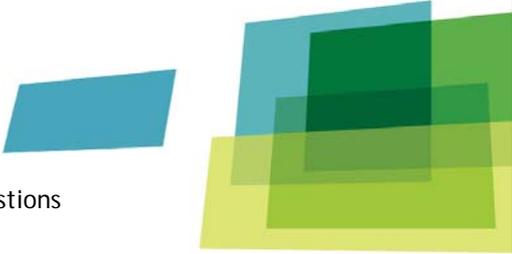




Kmart Outlook

- Continue to cycle category exits and promotional changes
- Cycling Government stimulus packages
- Ongoing profitability improvements
- Changes over the next six months will be even more significant
- Internal focus will begin to shift from renewal to growth

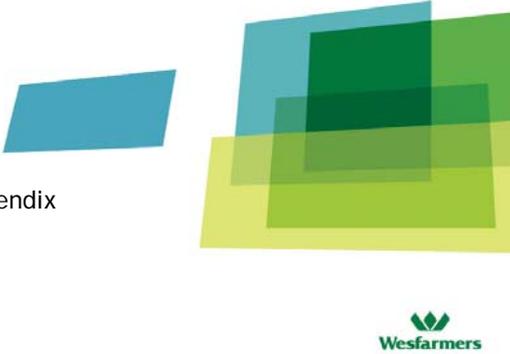




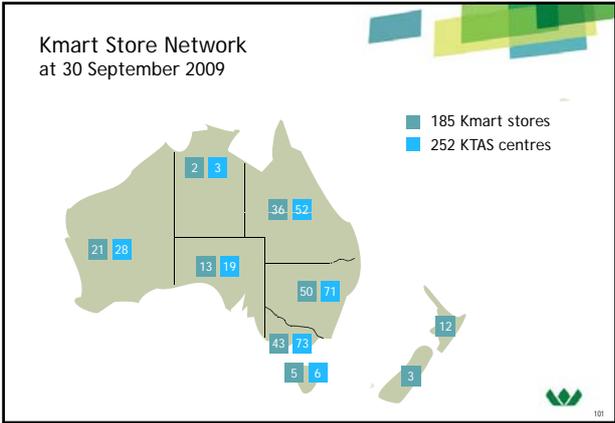
Questions



Appendix



Wesfarmers

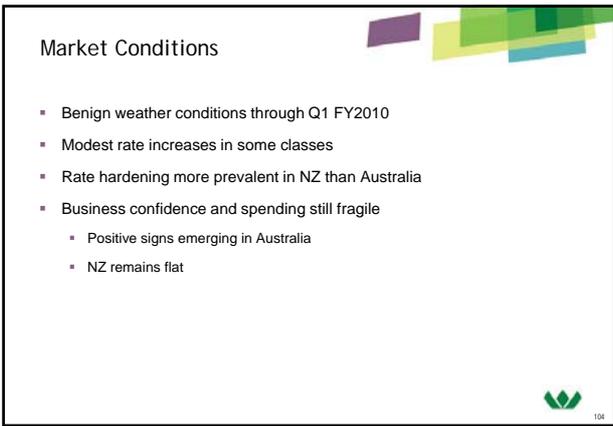


Insurance
Rob Scott



Wesfarmers









Good people to know.

Trading Update

- Premium growth across all classes
- Benign weather conditions in Q1
- WFI re-branding well received by market
- Changes in market players
 - Elders/QBE acquisition
 - Exit from rural market: SUN, ACE and Zurich
- Good start to agricultural season
- Lower grain prices

BUSINESS
FARM
HOME & CAR
STRATA

On the land, it's not just what you know.



106



Trading Update

- Australia
 - New management team in place
 - Strong business retention
 - Re-branding well received in broker market
 - Exit from Builders warranty insurance
 - Launch of my.place on-line broker system
- New Zealand
 - New distribution partners
 - Positive claims environment in first few months
 - Investment in new policy administration system

MOTOR
PERSONAL LINES
ENGINEERING
ACCIDENT & HEALTH
MARINE & LOGISTICS
PROPERTY
LIABILITY
COMMERCIAL BUSINESS PACKAGING



107

Personal Lines Initiatives

Coles Insurance

Online Quote
For your car, for your home
or call 1300 265 374

New To Coles Home Insurance

Building and contents insurance that delivers real value

Find out more

Car Insurance Quote

Get an online quote now

Home Insurance Quote

Get an online quote now

Why Choose Coles Insurance?

© 2016 Coles Insurance Group. All rights reserved. All other trademarks are the property of their respective owners.

108

Key Strategies - Broking

Fundamental Objective

To understand our clients, earn their trust and provide solutions to enable them to financially survive any insurable event

Key Strategies

- Support our brokers in being client focused
- Improve efficiency and productivity
- Develop engaged and highly capable people
- Develop new sales opportunities
 - Life Risk
 - Create a new SME insurance solution
- Targeted broking acquisitions



109

CROMBIE & LOCKWOOD

More Than Just An Insurance Broker

Trading Update

- Positive start to year
- Distribution arrangement through ANZ Business Banking
- SME Express trial in progress
- Growth in ancillary lines
 - Life and health
 - Insurance premium funding
- Small bolt-on acquisition in Nelson



110

OAMPS

Closer to clients,
closer to communities

INSURANCE BROKERS

Trading Update

- Yet to see material benefits from rate hardening
- New premium funding arrangement (Monument)
- Improvements to business support capabilities
 - OAMPS Central
 - New management roles
- Good new business wins in OAMPS UK
- Various acquisitions under consideration



111

Developing our team

...step into the **WILD**

Wesfarmers Insurance Leadership Development (W.I.L.D.) is a suite of leadership programs with customised content to meet the development needs of our insurance leaders today & build leaders for tomorrow

We believe that great leadership is fundamental to achieving profitable growth

Building capability around our three leadership competencies will ensure that managers build essential leadership skills

Being Commercial

Engaging People

Delivering Results



Wesfarmers Insurance

112

Outlook 2010

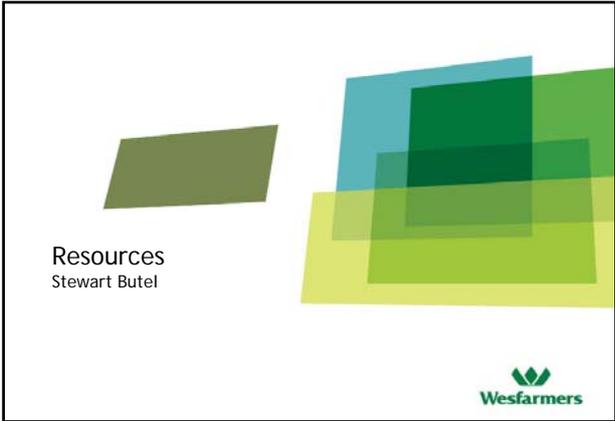
- Positive momentum in Lumley turnaround
- Premium rate increases being achieved in NZ
- Recent benign weather a positive but future uncertain
- Higher interest rates will improve investment returns
- Continue investment in people and management systems
- Bolt-on acquisitions being assessed



113

Questions





Resources
Stewart Butel

Wesfarmers



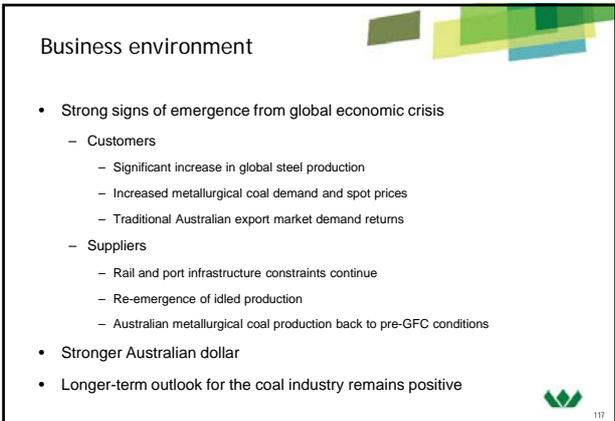
Wesfarmers Resources

URRAGH Export metallurgical and domestic steaming coal QLD

Premier Coal Domestic steaming coal WA

BENGALLA Export and domestic steaming coal NSW (40% ownership)

Wesfarmers



Business environment

- Strong signs of emergence from global economic crisis
 - Customers
 - Significant increase in global steel production
 - Increased metallurgical coal demand and spot prices
 - Traditional Australian export market demand returns
 - Suppliers
 - Rail and port infrastructure constraints continue
 - Re-emergence of idled production
 - Australian metallurgical coal production back to pre-GFC conditions
- Stronger Australian dollar
- Longer-term outlook for the coal industry remains positive

Wesfarmers

Curragh focus on cost control

- Aggressive cost reduction program in place
- Strategies targeted include
 - Mining and processing practices, equipment utilisation and productivities
 - Procurement optimisation on key input costs
 - Optimisation of contractor usage and roles
 - Truck and shovel overburden removal
 - Completion of Blackwater Creek Diversion will alleviate short-term mine sequencing issues
- Softening of costs driven by external factors
 - Export royalty estimated 50+ per cent reduction from FY2009
 - Lower steel price to flow through industry costs
 - Fuel subject to international market
 - Reducing contractor costs due to market conditions



121

Curragh expansion study

- Feasibility study to expand exports to 8.0mtpa to 8.5mtpa completed
- Curragh expansion study includes
 - New 1,200tph CHPP
 - Additional overburden removal capacity
 - Rail and port capacity in place
 - Market development
- Recommendation to Board in December 2009
- Additional export volume in first half CY2012



122

Blackwater Creek diversion



- Access to additional metallurgical coal
- Capital estimate \$130 million
- Civil works completed September 2009
- Rehabilitation and project completion estimated mid CY2010
- Ahead of budget and timeline



123

Resources outlook

- Strong signs of global steel production recovery
- JFY2010 price negotiations to commence around January 2010
- Forecast Curragh metallurgical sales of 6.2 – 6.7mt in FY10
 - Estimated sales mix (Hard 47 - 50%; Semi-Hard 20%; PCI 30 - 33%)
- Significantly reduced earnings in FY10
 - Stanwell rebate estimate A\$160 - \$180 million for FY10 assuming AS:US\$ of \$0.90 (A\$115 - A\$125m in 1H10)
 - Locked-in hedge losses of A\$85m in FY10 (A\$65m in 1H10)
 - Impact of strengthening Australian dollar
- Cost reduction programs continue
- Impact of coal price outcomes in Q4 FY10
- Recommendation for Curragh expansion to Board in December 2009



124

Questions

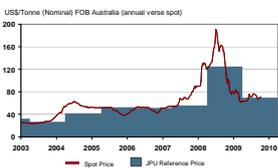


Appendices

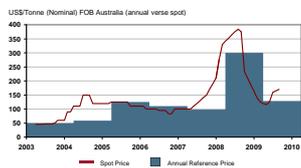


Australian coal market prices

Steaming coal



Hard coking coal



Source: Barlow Jonker, Energy Publishing, ANZ, Tex Report, Macquarie Research, CRU



127

Hedging profile as at 30 September 2009

Curragh – Open Contracts

Year end 30 Jun	Current US\$ sold forward (US\$m)	Average AS / US\$ hedge rate
2010*	281	0.80
2011	285	0.79
2012	62	0.80
2013	24	0.76

* Represents nine month period ending 30 June 2010

Bengalla – Open Contracts

Year end 30 Jun	Current US\$ sold forward (US\$m)	Average AS / US\$ hedge rate
2010*	66	0.79
2011	65	0.79
2012	34	0.77
2013	10	0.78

* Represents nine month period ending 30 June 2010

Closed contracts: As per previous advice, in addition to the above open contracts; in financial year end 30 June 2010 US\$210m forward exchange contracts have been 'closed out' by offsetting US\$ buy contracts in response to changed global market conditions

- **A\$65m** locked-in losses to be booked in H1 2010; **A\$20m** locked-in losses to be booked in H2 2010



128

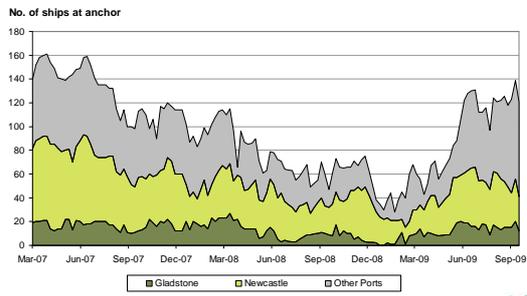
Coal delivery systems

- Gladstone
 - Short-term rail capacity constrained due to increased coal demand
 - Ongoing rail duplication projects
 - Adequate port capacity in place
 - Wiggins Island Coal Terminal feasibility study continues
- Newcastle
 - Port constraints continue into 2009
 - Shippers agreement with NSW Government recently concluded
 - Capacity Balancing System reinstated to 31 December 2009
 - Ship or pay port contracts to commencement 1 January 2010



129

Coal port congestion East Coast Australia as at 9 October 2009



Source: McCloskey Fax



Industrial Businesses



Chemicals & Fertilisers



Chemicals & Fertilisers Overview

Business	Geography	Sector	Key Customers
 Ammonia	WA	Nickel	BHP, Minara
 Ammonium Nitrate	WA	Iron Ore	Orica, Dyno Nobel, Rio Tinto
 Ammonium Nitrate	Qld	Coal	BMA, AngloCoal, Rio Tinto
 Sodium Cyanide (75%)	WA/Global	Gold	Newmont, Barrick, AngloGold
 PVC Resin / Specialty Chemicals	Vic/Aust	Construction	Iplex, Vinindex
 Fertilisers	WA	Agricultural	AWB Landmark



133

Operational Update

- Ammonia, ammonium nitrate plants ran at maximum production in Q1 FY10.
 - Record production from all plants, with significant AN exports.
 - No planned ammonia plant shutdowns in FY10.
 - 49 day planned maintenance shutdown of 50 per cent AN capacity in late October.
- Sodium Cyanide plants running well. Expanded capacity being commissioned.
- QNP slightly exceeding expanded capacity. No major shutdowns planned.
- Australian Vinyls production operating well; market remains subdued.
- High cost, large volume fertiliser inventory carry over from 2009 season.
 - Strong sales in Q1 FY10
 - Changes to distribution



134

Strategy Update

Strategic Initiatives	Comment
Growth	WIP Improve ammonia plant production performance
	✓ Sodium cyanide expansion (+8,000 tpa)
	WIP Identify additional AN capacity opportunities
Optimise cost and capital	✓ Refinance QNP – cash to sponsors
	WIP Inventory management (fertilisers)
	WIP Expense and logistics management
Sustainability	WIP Remediation and sale of surplus land (Bayswater)
	✓ Expanded nutrient stripping wetland at Kwinana
	WIP Preparation for CPRS
	✓ Water recycling project at AV
Improved capabilities and people development	WIP Ongoing information systems improvements
	WIP Continued investment in training and development
	WIP General cultural alignment



135

Chemicals & Fertilisers Outlook

CHEMICALS

- Strong demand for ammonia and AN from Nickel and Iron Ore producers.
- High gold price has increased sodium cyanide demand.
- Water infrastructure spend in eastern Australia should lift PVC demand.

FERTILISER

- Global fertiliser prices stabilised.
- Low commodity prices (wheat) potentially affecting farmers' terms of trade.
- Seasonal break critical.

CORPORATE

- Focus on safety, people, cost control, sustainability and growth.
- High A\$ impacting import parity pricing.
- Cash flow – inventory reduction, QNP refinance, stronger performance.



136

Industrial & Safety



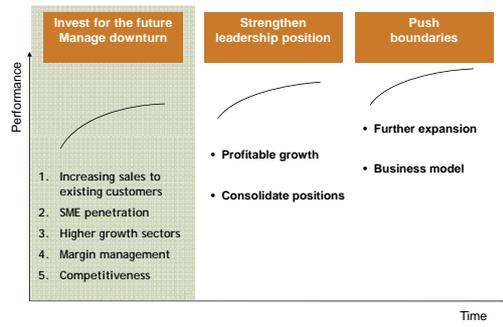
Trading update

- Solid FY09 result given challenging market conditions
 - Impact partially mitigated by expense and capital management focus
 - Strong performance from Bullivants and resources & infrastructure segments
 - Most competitors more severely impacted
- Slowdown still impacting first quarter
 - Subdued demand from small customers, manufacturing sector and New Zealand
 - Continued margin pressure
- Maintained strong DIFOT and customer service performance



138

Strategic agenda



139

Strategies

1. Increasing sales to existing customers

- Sales to top 15 customers up 7% over 12 months
- Security of supply - DIFOT > 94%
- Leveraging specialist offering
- Improving sales effectiveness
- Product range extensions
- Expanding range of value-added services
- Substantial growth in e-business



140

Strategies

2. Increasing SME penetration

- Strong customer service focus
- Network upgrade program
- Improved marketing and merchandising
- Developing more efficient channels



3. Investing in higher growth sectors

- Construction and infrastructure
- Oil & gas
- Selected offshore markets
- Food service, hospitality, health and aged care



141

Strategies

4. Managing margin

- Facing lagging FX impact on inventory
- Leveraging improved pricing capability
- Strengthening relationships with key suppliers
- Continuing to invest in direct sourcing capability



5. Improving competitiveness

- Reducing organisation complexity and cost
- Continuing to invest in enabling technology
- Investing in our people - safety, training & development



142

Industrial & Safety outlook

- Strengthening growth platform
 - Increasing share of customers' spend and exposure to growth industries
 - Improved competitiveness
 - Healthy acquisition pipeline
- Challenging market conditions and margin pressure expected until 2H10
 - Subdued manufacturing and New Zealand demand
- Infrastructure & resources expected to drive progressive recovery from 2010
 - Potential customer investment pipeline in excess of \$150b
 - WIS well positioned through existing positions and recent investments



143

Appendices



Industrial & Safety Business Portfolio

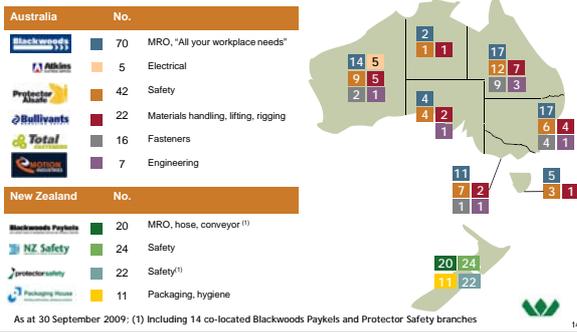


(1) Manufacturing and services

145

Industrial & Safety - Distribution Network

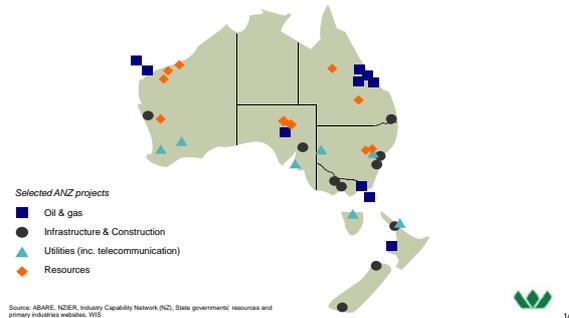
239 locations (162 Australia, 77 New Zealand)



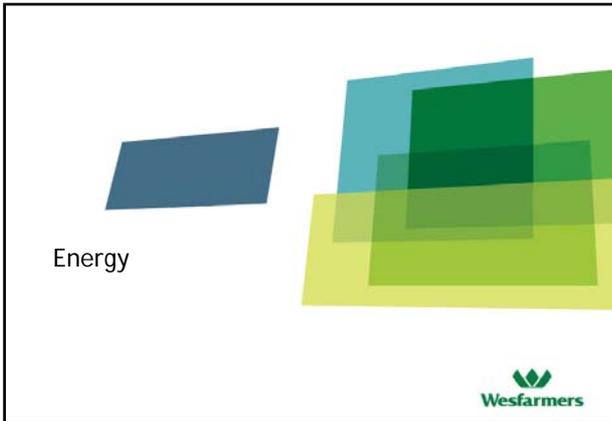
146

Mid term outlook

Significant customer investment pipeline



147

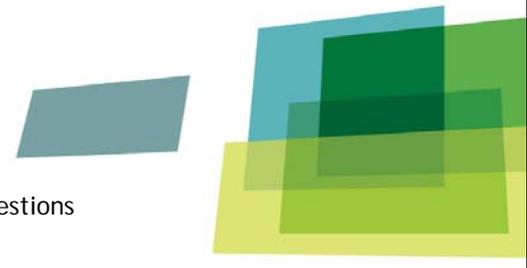


Overview

	Business	Geography	Products	Key customers
	Gas production & distribution	NSW, Vic, Qld, SA	Oxygen, nitrogen, acetylene, argon, carbon dioxide, etc	Metal solutions, manufacturing, utilities, water, healthcare, food, hospitality, pharmaceuticals, research and education.
	Gas production & distribution (40%)	WA, NT		
	Gas production	WA	Bulk LPG & LNG	Gas distributors
	Gas distribution	National	Bulk & cylinder LPG and bulk LNG	Commercial, industrial, residential, leisure, autogas, transport, power generation
	Power	WA, SA	Electricity, power Station: build/own/operate/design/construct/maintain	Remote townships, mine-sites

Key Strategies	Update on Strategies
Focus business on increasing market share	<ul style="list-style-type: none"> Following capacity investments in 2009, continuing targeted marketing and sales effort with expanded product portfolio Renewed focus on effectiveness of sales force
Improve customer experience	<ul style="list-style-type: none"> Improving DIFOT, cylinder scanning performance and billing processes Implementing supply chain improvements
Trading Report	
Trading Update	<ul style="list-style-type: none"> Q1 demand from BlueScope Steel was well below prior year however was above Q4 09 due to restart of #5 blast furnace in August Similarly, Q1 volumes in the merchant business were below last year but higher than Q4 09 levels
Current Conditions	<ul style="list-style-type: none"> Volumes expected to remain steady through Q2
Trading Outlook	<ul style="list-style-type: none"> Dependent on business confidence and economic growth in the industrial sector

Questions



Q & A

Richard Goyder
Managing Director, Wesfarmers Limited

Terry Bowen
Finance Director, Wesfarmers Limited





For all the latest news visit
www.wesfarmers.com.au