Philosophy, Performance and Direction

JPMorgan Investor Conference

Edinburgh

October 2009

Wesfarmers

Disclaimer

This presentation has been prepared by Wesfarmers Limited. The information contained in this presentation is for information purposes only and does not constitute an offer to issue or arrange to issue, securities or other financial products, nor is it intended to constitute legal, tax or accounting advice or opinion. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Wesfarmers Limited, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this presentation and Wesfarmers Limited disclaims any liability for any omissions or mistakes in the aforementioned information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies, many of which will be outside the control of Wesfarmers Limited.

Before making an investment decision, your should conduct your own due diligence and consult with your own legal, tax or accounting adviser as to the accuracy and application of the information set forth herein. You should also obtain and rely on professional advice from your own tax, legal, accounting and other professional advisers in respect of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

This presentation is not an offer of securities for sale in the United States or any other jurisdiction in which an offer may not be made under applicable laws. Securities may not be offered or sold in the United States unless the securities have been registered under the U.S. Securities Act of 1933 (“Securities Act”) or an exemption from registration is available. The shares to be issued in the scheme will not be registered under the Securities Act.

Philosophy Based On A Single Focus

Satisfactory Returns To Shareholders

Wesfarmers

Long-term, consistent strategies

OBJECTIVE

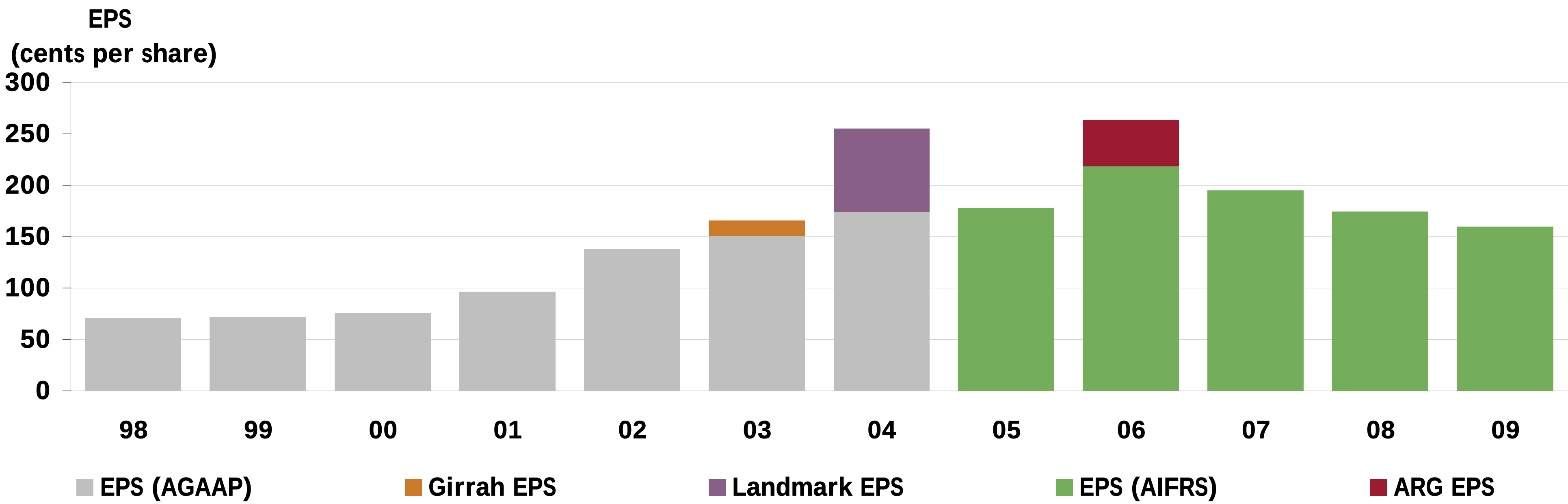
Satisfactory return to shareholders

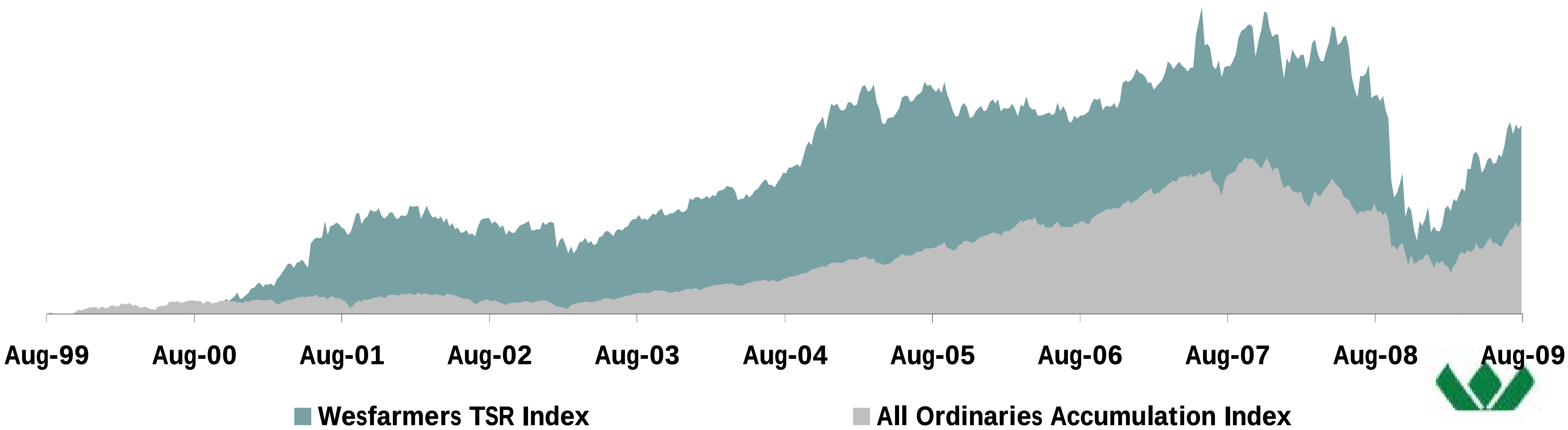
STRATEGIES

- Strengthen existing businesses through operating excellence and satisfying customer needs
- Secure growth opportunities through entrepreneurial initiative
- Renew the portfolio through value-adding transactions
- Ensure sustainability through responsible long-term management

MANAGING BALANCE SHEET EFFECTIVELY

Strong long-term performance





Portfolio of leading brands

Retail Businesses

- Coles
- Target. 100% happy
- Kmart
- coles.com.au
- Good times start at 1ST CHOICE Liquor Superstore
- Kmart Tyre & Auto Service
- Coles express
- Liquorland
- Officeworks
- Bunnings warehouse
- BI-LO WHY PAY MORE!
- Vintage Cellars Australia's Fine Wine Specialist
- Hotels

Insurance

- Crombie Lockwood New Zealand's Insurance Brokers
- Lumley
- OAMPS
- wfi

Industrial Businesses

- NZ Safety Specialists in Safety & Protection
- AGR
- Total Fasteners
- Protector Alsafe
- Modwood
- Motion Industries
- enGen energy generation
- Packaging House Building partnerships, delivering solutions
- Australian Vinyls
- Bengalla
- Bullivants Handling Safety
- QNP
- Blackwoods Paykels NZ's largest range of engineering supplies and technical services
- Wesfarmers LPG
- Air Liquide Western Australia
- Blackwoods
- Kleenheat Gas
- Premier Coal
- Gresham Investment House
- protectorsafety
- Wespine Industries Pty Ltd
- Atkins Electrical Supplies
- coregas
- CSBP Chemicals
- CSBP Fertilisers
- Curragh

Management Team

Managing Director	Richard Goyder
Finance Director	Terry Bowen
Divisional Managing Directors	
Home Improvement & Office Supplies	John Gillam
Coles	Ian McLeod
Target	Launa Inman
Kmart	Guy Russo
Insurance	Rob Scott
Chemicals & Fertilisers	Ian Hansen
Resources	Stewart Butel
Industrial & Safety	Olivier Chretien
Energy	Tom O’Leary

Group Results

Wesfarmers

Group Performance Highlights

- Significant increases in revenue and earnings
  - Record Resources earnings
  - Inclusion of full period of Coles, Target, Kmart and Officeworks
  - Strong Retail performance
- Operating revenue of $51.0 billion
- Group profit after tax of $1.5 billion, up 44%
  - After net $106 million of non-trading and significant costs
- Strong cash generation with operating cash flow of $3.0 billion
- Earnings per share of 160 cents, down 8%
- Final dividend of $0.60 per share (fully franked), ahead of guidance

Group Performance Highlights (cont)

- Coles turnaround continues to meet Wesfarmers' expectations
- Bunnings and Target delivered strong performances
- Officeworks and Kmart transformations progressing well
  - Kmart still at an early stage
- Record Resources production and sales
- Other Industrial and Insurance divisions impacted by external factors and a slowing economy
- Balance sheet strengthened with closing Net Debt to Equity of 18.3%

Group Performance Summary

Year ended 30 June ($m)	**2009**	2008*	↕ %
Revenue	**50,982**	33,584	*51.8*
EBITDA	**4,001**	2,889	*38.5*
EBIT	**2,977**	2,229	*33.6*
Net profit after tax (pre significant items)	**1,641**	1,132	*45.0*
Net profit after tax (post significant items)	**1,535**	1,063	*44.4*
Operating cash flow	**3,044**	1,451	*109.8*
Earnings per share (ex. employee res. shares)^	**160.0**	174.2	*(8.2)*
Earnings per share (inc. employee res. shares)^	**159.0**	172.5	*(7.8)*
Cash flow per share (inc. employee res. shares)	**324.8**	247.2	*31.4*
Dividends per share	**110**	200	*(45.0)*
Return on shareholders' funds (R12 %)	**7.4**	8.6	*(1.2)pt*

* Coles, Kmart, Officeworks and Target included for period of 23 Nov 07 to 30 Jun 08. Small adjustments reflecting finalisation of Coles Group acquisition accounting and Insurance restatement.

^ 2008 restated for equity raising in accordance with AIFRS

Divisional EBIT

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

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

^ After amortisation of intangibles of $83m (2008: $53m)

n.m. = not meaningful given acquisition date of 23 Nov 2007

Non-Trading & Significant Items

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

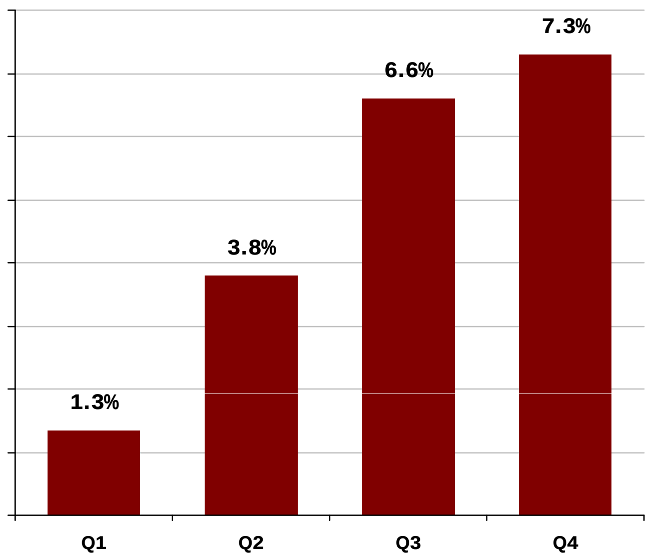
Note: Impairments above of $89m do not have associated deferred tax assets

Operating Divisions

Wesfarmers

Coles

Coles Food & Liquor
Comp Sales by Quarter (FY09)#



Excluding property. Easter adjusted.

Strategies

1. Building a solid foundation
2. Delivering consistently well
3. Driving the Coles difference

FY09 Trading Update

- Food & Liquor comp sales growth of 4.6% (7.3% in 4Q09, Easter adjusted)
- Increasing customer transactions and basket value growth
- In-store offer & service improving
- New Liquor team driving improvement

Outlook

- Economic conditions remain fragile
- Focus on quality, service & value
- Five year turnaround programme to continue at pace

Coles – Strategy
5 years – 3 phases of recovery

Performance

Building a Solid Foundation (Year 1 - 2)

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

Delivering Consistently Well (Year 2 - 4)

- Embed the new culture
- Team member development
- Improved customer service
- Improved efficiency
- Appealing Fresh food offer
- Stronger delivery of value
- Scale rollout of new format
- Auto replenishment completed

Driving the Coles Difference (Year 4 - 5+)

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

Year 1 - 2 | Year 2 - 4 | Year 4 - 5+

Coles – Strategy
Phase 1 Progress

Create a strong top team	100% of leadership team new to Coles/role with over 125 years of retailing experience. 50% of zone manager new, 44% of Merchandise General Managers new. Continual increase in expectations and calibre of team.
Cultural change	Move to customer centric structures and processes. Quarterly road-shows improving interaction with store managers. Absenteeism down materially. Launch of Coles Retail Leaders programme and Coles graduate programme.
Availability & store standards	Out of stocks down over 66%. Easy ordering trials near completion. Customer facing service investment. Rising expectations in store standards. Customer response encouraging with customer satisfaction highest in over two years.
Value and customer trust	Investment in weekly promotions; private label sales growing in double digits; NPD pipeline developing. Reinvestment in prices.
Renewal store development	13 Pilot stores landed, showing encouraging early results.
IT & supply chain infrastructure	DC modernisation complete; Improved service to stores
Liquor renewal	Top team strengthened and restructured including appointment of Tony Leon. Accelerated change programme. Improved store standards and improved service and execution.
Efficient use of capital	Inventory overstocks 65% lower than at acquisition. 5 day reduction in net working capital. Returns focus on capital expenditure.

Home Improvement and Office Supplies

Bunnings

- Maintain strength of focus on customer and business improvements
- 30 – 40 Warehouses to open in Australia in the next 3 years

Strategies	1. Profitable sales growth 2. Better stock flow 3. Engaging and developing a strong team 4. Improving productivity and execution 5. Sustainability
FY09 Trading Update	• 13% cash sales growth with store-on-store growth of 10.1% • Continued investment in store upgrades and category enhancements • Opened 13 new stores and 10 trade centres
Outlook	• Cash sales growth albeit tempered for impact of recent Aust. Govt. stimulus • 10 – 14 new warehouse stores & more trade centres

Home Improvement and Office Supplies

Officeworks

- Continued traction from reset strategic agenda
- Small business sector sentiment to remain volatile

Strategies

1. Improving the customer offer
2. Improving customer service
3. Building a stronger team
4. Reduced costs and complexity
5. Drive sales profitability

FY09 Trading Update

- Officeworks retail store sales growth of 7.7%; 10.6% lift in transactions
- Adverse sales trends in Officeworks Business & Harris Technology
- Customer-facing channel conflict eliminated

Outlook

- Moderate sales growth in retail stores
- Focus on executing strategic agenda to reinvigorate the business

Target

- Absolute focus on the customer and delivering what they demand
- Cost control continued in a difficult environment

Strategies	1. Profitable store sales growth through network expansion and volume mix 2. Product leadership supported by new and differentiated product development 3. Sustainability
FY09 Trading Update	• EBIT margin strength maintained at 9.4% • Comparative store sales growth of 4.2% with 4Q growth of 6.4% (Easter adjusted) • 16 new store openings and 33 refurbishments
Outlook	• More subdued conditions expected following Aust. Govt. Stimulus • Ongoing leverage of major expenses • 7 new stores and 20 refurbishments

Kmart

- Profitability improving through Renewal strategies
- Rebuilding for sustainable growth will take time

Strategies	1. Outstanding customer experience 2. Ranges customers want 3. Great value everyday 4. Clear communication 5. Every site a success 6. Best people, great company
FY09 Trading Update	• Comparative store sales flat; unprofitable categories being exited • Margin improvement with reduced discounting • Inventory healthy and $100m lower than last year
Outlook	• Focus on improving profitability • Ongoing improvements to customer experience and in store execution • 2 new stores in FY10

Resources

- Forecast Curragh metallurgical sales of 6.2 – 6.7mt in FY10
- Positive signs of global steel production recovery

Strategies	1. Maximise export sales and optimise sales mix 2. Cost reduction programmes 3. Expansion opportunities 4. Extend product and market reach 5. Sustainability
FY09 Trading Update	• Record production, sales and earnings • Curragh remains a lowest quartile cost producer • Blackwater Creek Diversion on schedule and budget
Outlook	• Significantly reduced earnings in FY10 with export coal prices down ~60% • Aggressive cost reduction programmes in place • Timing of expansion projects subject to market conditions

Insurance

- Management and licence restructuring in Aust. recently completed
- Continuing consolidation of brokers/distribution

Strategies	Underwriting 1. Business improvement 2. New business – retail distribution Broking 1. Business improvement 2. Acquisitions and new businesses
FY09 Trading Update	• Earnings affected by increased number and severity of weather-related claims • Lumley NZ delivering on turnaround • Restructuring and management changes in Lumley Australia
Outlook	• Competition for new business is constraining market hardening • Strong focus on underwriting and claims disciplines • Improvements in business processes and sales effectiveness

Industrial & Safety

- Challenging market conditions with business activity slowdown from 2H09
- Strengthening capabilities for growth

Blackwoods
Blackwoods Paykels
Protector Alsafe
NZ Safety
Bullivants
Packaging House
Total Fasteners
protector safety
Motion Industries
Atkins Electrical Supplies

Strategies

1. Increase sales to existing customers
2. Target higher growth sectors
3. Increase SME penetration
4. Increase competitiveness

FY09 Trading Update

- Solid result given challenging market conditions
- Continued strong DIFOT and customer service performance
- Operational improvements and cost focus

Outlook

- Challenging market conditions and margin pressure expected to continue
- Ongoing expenses and capital management disciplines

Chemicals & Fertilisers

- Impacted by Varanus Island gas disruption
- Demand for Ammonium Nitrate remains strong

CSBP

Australian Vinyls

QNP

AGR

Strategies	1. Growth through expansions 2. Optimise cost and capital 3. Sustainability 4. Improve capabilities and people development
FY09 Trading Update	• AN sales volumes up 52% • QNP expansion to 215ktpa • Varanus impact ~$65m • Late seasonal break and economic conditions delayed fertiliser sales
Outlook	• Commissioning of sodium cyanide expansion by Oct 09 • Gas restrictions ceased in July 2009 • Working capital release expected

Energy

- WA LNG project operational
- Impacted by Varanus Island gas disruption

Strategies	1. Improve – existing businesses 2. Expand – deliver projects 3. Evaluate - new opportunities
FY09 Trading Update	• Industrial gas EBIT growth despite weaker customer demans • Gas disruption reduced earnings by ~$25m but maintained LPG supply • WA LNG project commissioned
Outlook	• LPG earnings dependant on international prices and content • Volume growth in LNG sales • Coregas focus on growth and efficiencies

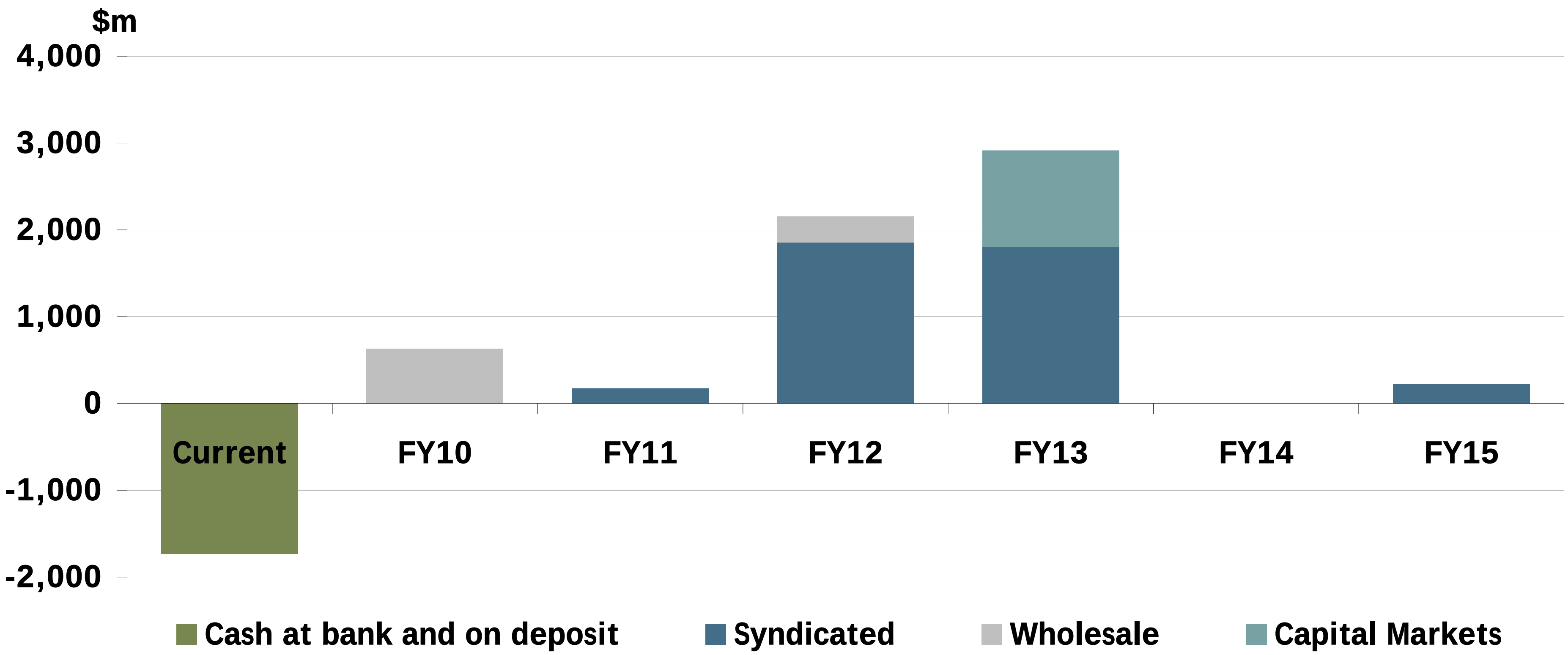
Capital Management

Capital Management

- Net Debt to Equity of 18.3% at 30 June 2009
  - Gross debt $6.2bn, Net debt $4.4bn (net of cash at bank and on deposit)
- Cash Interest Cover Ratio of 5.3 times (rolling 12 month basis)
- Net Debt to EBITDA of 1.11 times at 30 June 2009
- S&P rating BBB+ (stable), Moody's Baa1 (stable)
- Final dividend $0.60 per share (fully-franked), ahead of guidance
  - Retain dividend investment plan with no underwrite
  - DIP to be neutralised with shares purchased on-market
- Seek to deliver stable and growing dividends subject to cash/debt availability, capex requirements, retained earnings, franking credits and general market conditions

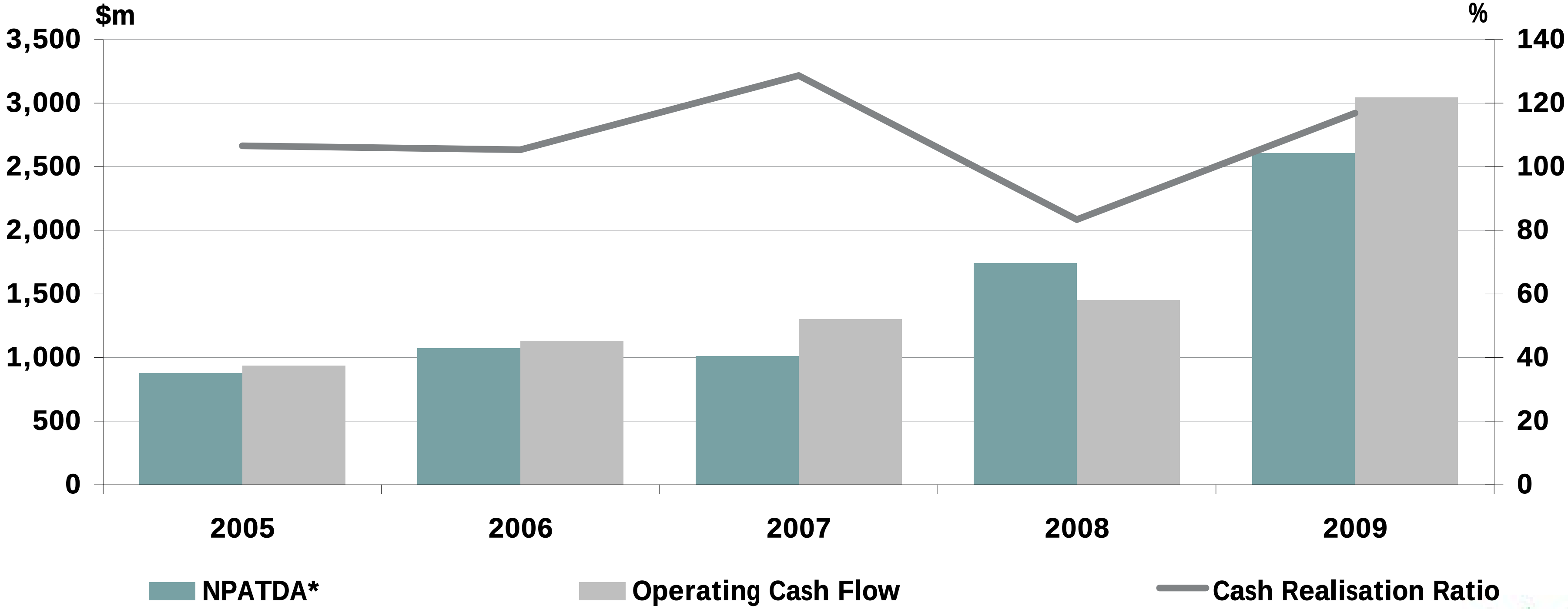
Debt Maturity Profile (at 30 June 09)

- Relatively low levels of debt going forward
- Cash to be used for funding upcoming dividends, seasonal working capital, debt repayments and potential growth opportunities
- $4.6bn hedged in FY10 with all in cost of debt, including margins, of ~8.5%



Cashflow

- Strong operating cash generation across most divisions
- Retail strategies delivered improvements in working capital during the year, partly offset by higher working capital levels in CSBP



* Adjusted for Stanwell and significant non-cash NTIs and impairments

Capital Expenditure

- Strong investment in organic growth opportunities across the Group
  - Retail - Store roll outs and refurbishments
  - Industrials – expansions incl. AN2 (2008), LNG (2008) and Blackwater Creek (2009/10)
- Strong returns focus maintained
- FY10 expected to be $1.7-1.9bn
  - Retail ~$1.3 - $1.5bn, depending on property development opportunities

Year ended 30 June ($m)	Actual 2009	Actual 2008^
Home Improvement & Office Supplies	**377**	301
Coles	**567**	349
Target	**92**	47
Kmart	**64**	42
Resources	**251**	140
Insurance	**26**	17
Industrial & Safety	**26**	21
Chemicals & Fertiliser	**44**	201
Energy	**39**	118
Other	**17**	5
Total	**1,503**	1,241
Capex/D&A* (%)	**176%**	206%

^ Coles, Kmart, Officeworks and Target included from 23 Nov 07

* Excl Stanwell Amortisation

Outlook

- Cautiously optimistic about the economic outlook in FY10 although cognisant of a degree of ongoing fragility
- Underlying retail trading conditions remain somewhat volatile and difficult to predict despite recent signs of growing consumer confidence
  - Impact of cycling 2008/09 Government stimulus packages
- Focus on retail business turnarounds to continue
- Resources' FY10 earnings to reduce significantly due to lower export prices
- Remaining businesses expected to improve assuming more normalised conditions prevail
- Continued focus on growth in ROC, cash flows and balance sheet strength

For all the latest news visit

www.wesfarmers.com.au