2012 Half-Year Results Teleconference

16 February 2012

Wesfarmers

Presentation outline

Group Performance Highlights

Richard Goyder
Managing Director, Wesfarmers Limited

Group financial highlights

- Operating revenue of $29,674 million, up 5.7%
- Net profit after tax of $1,176 million, up 0.3%
  - Excluding the impact of NTIs NPAT increased 5.2%[1]
  - Strong retail EBIT growth of 7.8%
- Strong operating cash flows, up 10.8% to $2,172 million
- Net capital expenditure up 29.0% to $1,263 million
- Free cash flows of $1,170 million, up 29.3%
- Strong liquidity position maintained with fixed charges cover of 2.7 times
- Earnings per share of $1.02, up 0.3%
- Fully-franked interim dividend of $0.70 declared, up 7.7%

[1] December 2011 half-year excludes $27 million of post-tax non-trading items expense (refer slide 55). December 2010 half-year excludes $29 million of post-tax insurance proceeds relating to the 2009 Varanus Island gas outage.

Group performance highlights

- Strong retail contribution in a tough trading environment
  - Coles sustained turnaround momentum underpinned by a strong customer response to improvements in value, quality & service
  - Continued solid performance by Bunnings
  - Transaction growth & operating efficiencies in Kmart & Officeworks
  - Target initiated further improvements in its value offering
- Insurance earnings affected by high level of catastrophe claims & increase in reserves associated with February 2011 Christchurch earthquake
- Strong growth in demand for industrial & chemical products
- Resources export coal mine expansions well progressed; higher coal prices offset by higher royalties & impacts relating to expansion works & final phase of flood recovery
- “Other” contribution reflects significant non-cash & one-off items

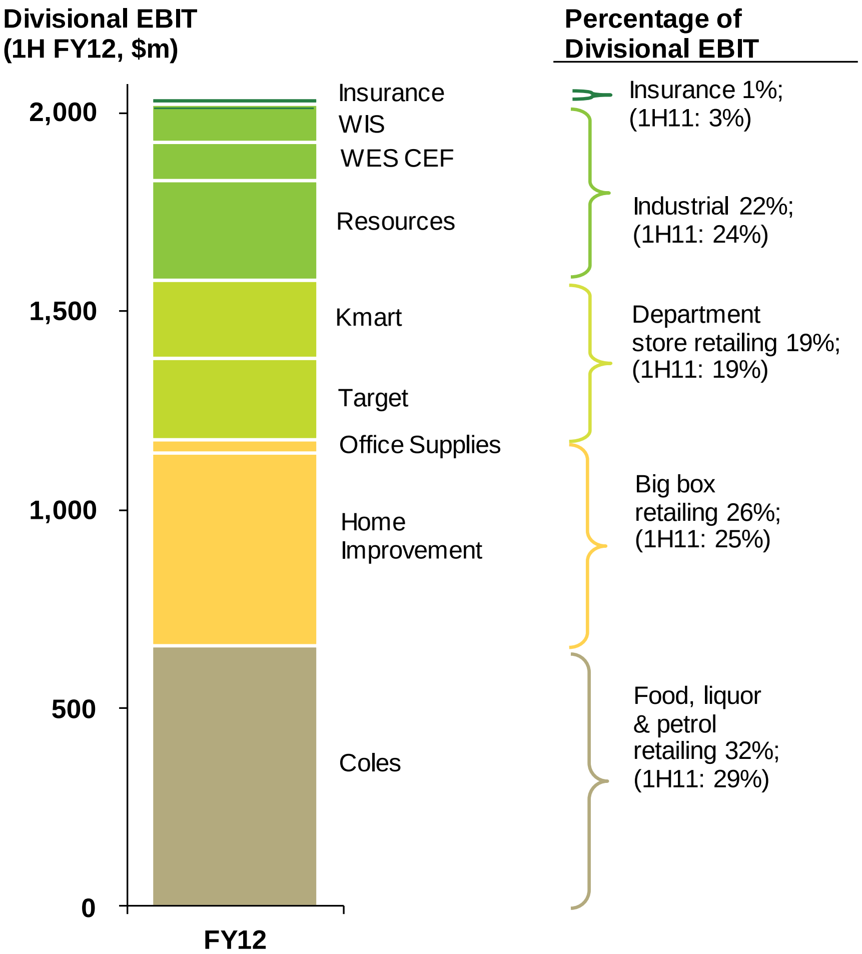
Group performance summary

Half Year ended 31 December ($m)	2011	2010	↕ %
Operating revenue	**29,674**	28,074	*5.7*
EBITDA	**2,433**	2,378	*2.3*
EBIT	**1,937**	1,917	*1.0*
Finance costs	**(264)**	(272)	*(2.9)*
Tax expense	**(497)**	(472)	*5.3*
Net profit after tax (excl. non-trading items[1])	**1,203**	1,144	*5.2*
Net profit after tax	**1,176**	1,173	*0.3*
Operating cash flow	**2,172**	1,960	*10.8*
Earnings per share (excl. employee res. shares) (cps)	**102.0**	101.7	*0.3*
Earnings per share (incl. employee res. shares) (cps)	**101.6**	101.4	*0.3*
Operating cash flow per share (incl. employee res. shares) (cps)	**187.7**	169.4	*10.8*
Fully-franked dividends per share (cps)	**70**	65	*7.7*
Return on shareholders' funds (R12) (%)	**7.7**	7.6	*0.1pt*

[1] 2011 see slide 55; 2010 December half-year excludes $29 million of post-tax insurance proceeds relating to the 2009 Varanus Island gas outage. cps: cents per share

Wesfarmers

Strength of diversified earnings



Half-Year ended 31 December ($m)	2011	2010	%
Coles	**656**	575	*14.1*
Home Improvement	**485**	457	*6.1*
Office Supplies	**34**	32	*9.1*
Target	**186**	206	*(9.7)*
Kmart	**197**	175	*12.6*
Insurance	**17**	65	*(73.8)*
Resources	**250**	250	*0.0*
Chemicals, Energy & Fertilisers	**99**	151[1]	*(34.4)*
Industrial & Safety	**97**	79	*22.8*
Divisional EBIT	**2,021**	1,990	*1.6*
Other	**(31)**	(26)	*(19.2)*
Corporate overheads	**(53)**	(47)	*(12.8)*
Group EBIT	**1,937**	**1,917**	*1.0*

[1] December 2010 half-year includes $41 million of insurance proceeds relating to the 2009 Varanus Island gas outage.

Return on Capital

- Continued focus on capital efficiency & earnings growth
- Long term investment view to drive shareholder value

Rolling 12 months to 31 December	2011			2010
	EBIT $m	Cap Emp $m	ROC %	ROC %
Coles	1,247	15,197	**8.2**	7.1
Home Improvement	830	3,075	**27.0**	29.2
Office Supplies	83	1,199	**6.9**	6.6
Target	260	2,908	**8.9**	11.0[1]
Kmart	225	1,411	**15.9**	16.7[1]
Insurance	(28)	1,216	**(2.3)**	9.7
Resources	368	1,447	**25.4**	34.3
Industrial & Safety	184	1,266	**14.5**	11.8
Chemicals, Energy & Fertilisers	230	1,280	**18.0**	18.1[2]

[1] December 2010 half-year restated to reflect reallocation of $486 million goodwill from Target to Kmart.

[2] December 2010 half-year excludes insurance proceeds relating to the 2009 Varanus Island gas outage. Including insurance proceeds 2010 ROC was 21.8%.

Strategic agenda to underpin growth

Retail

- Coles: Sustain turnaround momentum through better merchandising & category development, supply chain overhaul, network transformation & store renewal, & efficiency savings
- HIOS: Support growth through improved service, category expansion, network investment, commercial focus & price reinvestment
- Kmart: Drive further growth through improvements in the product offer, in-store execution & supply chain
- Target: Customer-focused approach to improve product & brand trust, & expand the multi channel offer

Insurance

- Continued improvements in underwriting disciplines & systems, & further growth in broking & personal lines

Strategic agenda to underpin growth

Industrial

- Resources: Export market focus with major expansions at Curragh & Bengalla, & continued cost control focus
- WES CEF: Further improvements in plant performance & progress the $550 million ammonium nitrate expansion
- WIS: Continue to diversify customer base, category & service expansion, & ongoing operational efficiency improvements

Group

- Continue to leverage & build human resource capability
- Ongoing improvements to capital efficiency
- Maintain strong balance sheet & access to capital
- Manage the portfolio to deliver satisfactory returns to shareholders

Coles
Ian McLeod
Managing Director

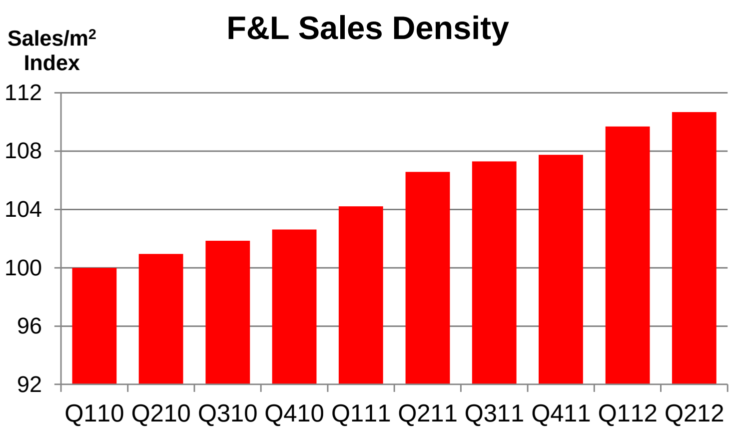
Coles performance summary

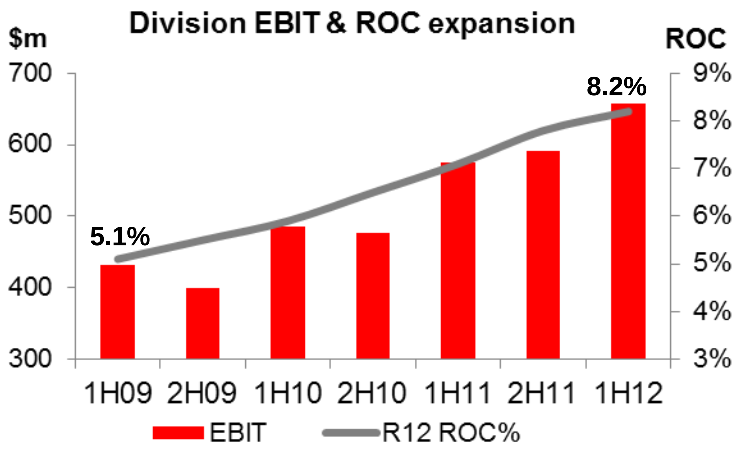
Half-Year ended 31 December ($m)		2011	2010	↕ %
Coles Division	Revenue	**17,218**	16,059	*7.2*
	EBIT	**656**	575	*14.1*
	ROC (R12 %)	**8.2**	7.1	
	Safety (LTIFR YTD)	**11.8**	12.0	
Food & Liquor	Revenue[1]	**13,423**	12,804	*4.8*
	Total store sales growth %[2,3]	**4.9**	6.3	
	Comp store sales growth %[2,3]	**4.4**	6.4	
	Trading EBIT[1]	**581**	524	*10.9*
	EBIT margin %	**4.3**	4.1	
Convenience	Revenue[1]	**3,783**	3,244	*16.6*
	Comp store sales growth %[2,4]	**(0.5)**	1.5	
	Comp fuel volume growth %[2]	**3.7**	2.1	
	Trading EBIT[1]	**65**	49	*32.7*
	EBIT margin **%**	**1.7**	1.5	

[1] Excludes property. [2] 2011 for the 27 weeks 27 June 2011 to 1 January 2012, 2010 for the 27 weeks 28 June 2010 to 2 January 2011. [3] Includes hotels, excludes gaming revenue & property. [4] Excludes fuel.

Sustained turnaround momentum

- More customers visiting Coles than ever before
  - Strong volume & transaction growth
  - Continued investment in quality & value
  - Improved customer service & in-store experience
- Efficiency & new format programs driving enhanced returns
  - Disciplined capital management
  - 310bps ROC expansion since 1H09





Truly better value

Still Down & Staying Down

- 'Down Down' driving sales growth
  - Double digit volume growth
  - Increased transaction growth
  - Higher shopping frequency
- Multi-faceted approach to build & reinforce customer trust
  - 'Down Down' investment in lower grocery & fresh food prices to lift customer trust in everyday value
  - Market leading promotions such as Super Specials
  - Investment in fresh produce quality
  - Christmas price promise

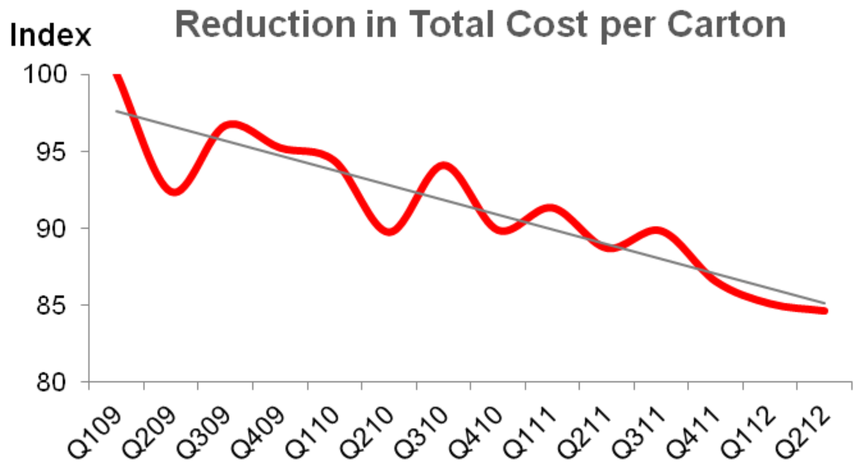
Stunning, quality fresh food

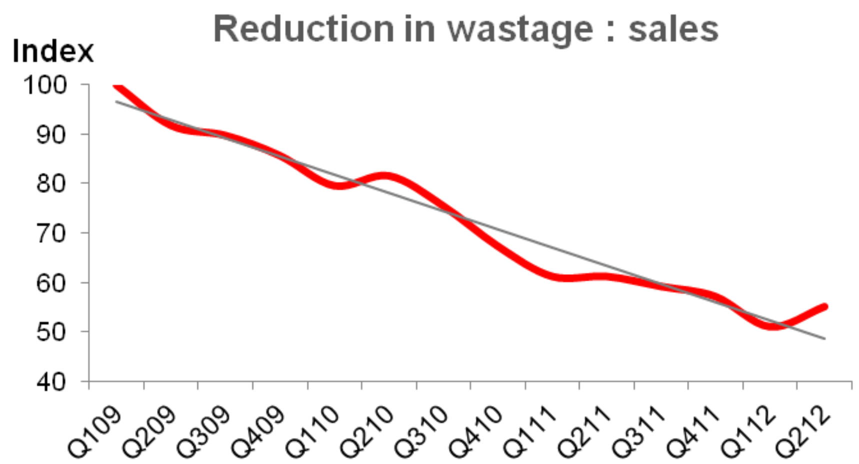
Quality products, only available at Coles

- Fresh food quality improvement program being rolled out
  - Developing partnerships with Australian growers to improve quality
  - Fresh food supply chain being re-engineered to maximise home shelf-life
- Coles product range offering value & quality being developed
  - Double digit sales growth
  - Unique Christmas products range
- Product & category innovation
  - ‘Mix’ fashion range in 57 stores with encouraging sales performance
  - Coles Insurance engendering trust & exceeding expectations

Sustainable efficiency gains

- Critical supply chain efficiency platforms now in place
  - IT systems for Easy Ordering & Easy Warehousing in place
  - Fast/slow network being developed
  - 2 day reduction in net inventory in last 12 months
- Reduction in cost of store operations
  - Significant reductions in waste
  - Sales led Team Member rostering
  - Further energy efficiency gains
- Further above store savings from procurement





Sold and served with personality

The best customer experience

Improving customer experience

- Network transformation continues
  - 193 renewal format stores
  - 77 stores opened & 77 stores closed, since acquisition
  - 5% increase in supermarkets space
- Focus on bigger stores with wider offer
  - 2 superstores opened in 1H FY12
  - Average store opening size of 2,700m^2 v average store closure size of 1,700m^2
- Improvements in customer service
  - 2,000 self-scan check-outs to reduce queue times
  - Better training to meet & exceed higher customer expectations

Liquor & Convenience

Liquor

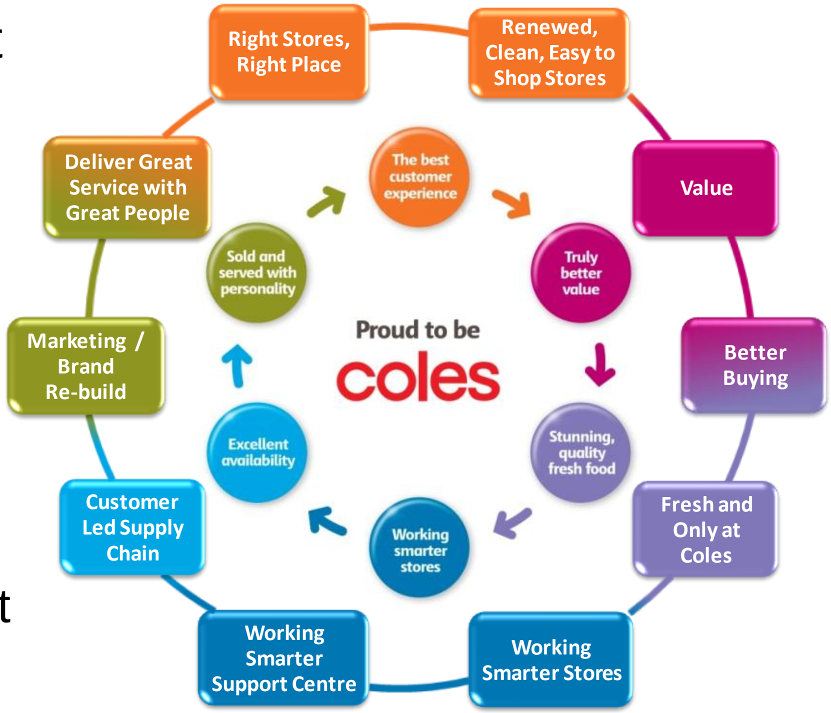
- Challenging market environment
- Value campaigns driving turnover & market share
- Enterprise wide system replacement
- Network challenges being confronted

Convenience

- Compelling offers driving customer transactions
  - Highest fuel volume growth on record
- Network upgrade & format trials

Coles outlook

- Further growth expected despite short term challenges:
  - Strong fresh produce price deflation, from investment & abundant supply
- Roll-out of strategic initiatives
  - Network transformation
  - Renewal roll-out
  - Supply chain leverage
  - New business & category development
  - Multi-channel / online development
  - Store & central efficiency savings



Home Improvement & Office Supplies

John Gillam
Managing Director

BUNNINGS Officeworks

Wesfarmers

HIOS performance summary

Half-Year ended 31 December ($m)		2011	2010	↕ %
Revenue	Home Improvement	**3,797**	3,572	6.3
	Office Supplies	**710**	706	0.6
		4,507	4,278	5.4
EBIT	Home Improvement	**485**	457	6.1
	Office Supplies	**34**	32	9.1[1]
		519	489	6.1

[1] Office Supplies EBIT growth shown on an un-rounded basis.

Home Improvement
Performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue	**3,797**	3,572	*6.3*
Trading Revenue (excl. property & non-trading items)	**3,792**	3,549	*6.8*
EBIT	**485**	457	*6.1*
Trading EBIT margin (%)	**12.7**	12.8	
Net property contribution	**3**	1	
ROC (R12 %)	**27.0**	29.2	
Safety (R12 AIFR)	**37.8**	35.5	

Home Improvement highlights

- Trading revenue growth of 6.8%
  - 7.0% total store sales growth (Store-on-store growth of 4.6%)
  - 6.7% lift in commercial sales
- EBIT growth 6.1%
- Opened 7 trading locations
  - 5 Bunnings warehouse stores
  - 2 trade centres
  - 16 stores under construction at 31 December
- Significant capital investment for future growth
  - Over 80% in new stores & upgrading the existing network

Home Improvement outlook

- Continued sales growth in consumer & commercial segments
- Ongoing focus on five growth drivers
  - Service
  - Category expansion & enhanced merchandising
  - Network expansion & reinvestment
  - Commercial market presence
  - Investing productivity gains in lower prices to drive value

Office Supplies
Performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue	**710**	706	0.6
EBIT	**34**	32	9.1[1]
EBIT margin (%)	**4.8**	4.5	
ROC (R12 %)	**6.9**	6.6	
Safety (R12 AIFR)	**39.3**	37.7	

[1] Office Supplies EBIT growth shown on an un-rounded basis.

Office Supplies highlights

- Modest sales growth in a challenging environment
  - Retail sales up 0.2%
  - Strong transaction growth, offsetting continuing price deflation
- Momentum continues to build in B2B channel
  - Online platform delivering strong growth
- Robust earnings growth through margin improvement & cost control
- Focus on sustainable & profitable growth through ongoing network investment
  - 1 new store, 2 full store upgrades
- Good progress on improving customer offer
  - Website enhancement, range reviews & extensions, service investment

Office Supplies outlook

- Sales growth to remain challenging
  - Deflationary headwinds, competitive pressure on sales & margin
- Focus on execution of strategic agenda
  - Drive sales across all channels
  - Improve customer offer & service
  - Expand & upgrade store network: 6 new stores, 4 full store upgrades planned for 2H FY12
  - Reduce complexity & cost of doing business
  - Develop & engage team
  - Grow B2B offer

Target
Dene Rogers
Managing Director

Target performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue	**2,060**	2,120	(2.8)
EBIT	**186**	206	(9.7)
EBIT margin (%)	**9.0**	9.7	
ROC (R12 %)[1]	**8.9**	11.0	
Safety (R12 LTIFR)	**7.9**	8.2	
Total sales growth[2] (%)	**(2.5)**	(3.1)	
Comparative store sales growth[2](%)	**(3.5)**	(3.3)	

[1] 2010 ROC restated to reflect the reallocation of $486 million of goodwill from Target to Kmart.
[2] 2011 for the 27 weeks 26 June 2011 to 31 December 2011, 2010 for the 27 weeks 27 June 2010 to 1 January 2011.

Target highlights

- Sales affected by challenging & competitive conditions
  - Customer numbers lower than the previous period
  - Frequent promotions & clearance sales across the sector resulted in a lower proportion of regular sales
  - Positive customer response to improvements in homewares, footwear & accessories ranges, & change to marketing program
- Disciplined working capital focus
  - Significantly lower & cleaner inventory levels
  - Gross margins stronger than same time last year
- Continued expansion of online ranges
  - Sales growing in line with internal expectations
- Continued investment in the store portfolio with 8 new stores & 26 refurbishments completed

Target outlook

- A challenging & competitive trading environment expected to continue in the second half of FY12
  - Customers are expected to remain price conscious
  - Retail environment is likely to remain highly promotional
- A priority focus will be developing a greater understanding of the Target customer & applying this across the business
  - Ensure product selection & marketing resonates with the customer
- Use of alternative customer channels to be progressed
  - Online product ranges to be expanded

Kmart

Guy Russo
Managing Director

Kmart performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue	**2,236**	2,271	(1.5)
EBIT[1]	**193**	174	10.9
EBIT margin (%)	**8.6**	7.7	
ROC (R12 %)[2]	**15.5**	16.1	
Safety (R12 LTIFR)	**8.2**	8.3	
Total sales growth[3] (%)	**(1.3)**	1.9	
Comparative store sales growth[3] (%)	**(1.4)**	1.7	

[1] Excludes $4 million earnings relating to Coles Group Asia overseas sourcing operations utilised by both Kmart & Target (2010: $1 million).

[2] 2010 ROC restated to reflect the reallocation of $486 million of goodwill from Target to Kmart. Excludes Coles Group Asia earnings of $6 million (2010: $7 million).

[3] 2011 for the 27 weeks 27 June 2011 to 1 January 2012, 2010 for the 27 weeks 28 June 2010 to 2 January 2011.

Kmart highlights

- Strong increase in earnings through improved operating model
  - Better sourcing
  - Improved pricing disciplines
  - Increased focus on stock management
- Customers responding favourably to irresistibly low prices on everything every day
  - 8th consecutive quarter of growth in customer transactions & units sold
  - Sales growth affected by deflationary impact of lower prices
  - Strong growth in units sold across all key categories
- Investment in network remains a focus
  - New NSW Distribution Centre now operational
  - 4 Kmart stores refurbished
  - 8 new Kmart Tyre & Auto stores opened & 156 stores re-imaged

Kmart outlook

- Connect more customers with Kmart
  - Continued focus on product offer to deliver irresistibly low prices on every product every day
- Drive more volume by improving what we do today
  - Improved in-store execution
  - Better product flow efficiency
- Continued investment in existing & new store network

Insurance
Rob Scott
Managing Director

wfi Lumley CROMBIE LOCKWOOD New Zealand's Insurance Brokers OAMPS

Wesfarmers

Insurance performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Total Revenue	**945**	872	*8.4*
EBITA Underwriting	**(10)**	42	*n.m.*
EBITA Broking	**35**	28	*25.0*
EBITA Other	**(2)**	-	*n.m.*
EBITA Insurance Division	**23**	70	*(67.1)*
EBIT Insurance Division	**17**	65	*(73.8)*
EBIT Margin (Insurance Division) (%)	**1.8**	7.5	
ROC (R12%)	**(2.3)**	9.7	
Safety (R12 LTIFR)	**1.6**	1.0	
Combined operating ratio (%)	**108.0**	98.6	
EBITA margin (Broking) (%)	**27.8**	27.3	

Insurance highlights

- Results reflect record level of catastrophe claims in the industry for CY11
  - Net event claims $28 million above budgeted allowances
  - $26 million increase in reserves in relation to the February 2011 Christchurch earthquake
- Underwriting margins affected by higher reinsurance costs
- Underlying earnings ahead of prior comparative period
  - Solid premium rate increases, particularly in property related classes
  - Strong revenue & earnings growth from broking operations, including contribution from bolt-on acquisitions
  - Strong performance from premium funding
  - Higher investment income
- Impact of one-off factors on earnings
  - Positive LAT release resulting from rate increases & claims cost initiatives
  - Reduction in risk free rates increasing insurance liabilities
- Strong customer interest & growth in Coles Insurance

Insurance outlook

- Underlying underwriting performance expected to benefit from:
  - Premium rate increases initiated over the past 9 months
  - Improved risk selection & exposure management in high risk areas
  - Systems improvements & claims optimisation program
- Further growth expected in Personal Lines
  - Partnerships with Coles Insurance & OAMPS
- Earnings growth in broking to benefit from hardening premium rate environment
  - Bolt-on acquisitions continue to be assessed
- Further catastrophe events in excess of allowances & decreases in interest rates present a potential risk to earnings

Resources
Stewart Butel
Managing Director

CURRAGH

BENGALLA

Wesfarmers

Resources performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue[1]	**1,087**	957	*13.6*
Royalties[2]	**(162)**	(124)	*30.6*
Mining & other costs[3]	**(602)**	(528)	*14.0*
EBITDA	**323**	305	*5.9*
Depreciation & amortisation	**(73)**	(55)	*32.7*
EBIT[4]	**250**	250	*0.0*
ROC (R12%)	**25.4**	34.3	
Coal production ('000 tonnes)	**7,085**	7,080	*0.1*
Safety (R12 LTIFR)[5]	**2.4**	0.9	

[1] Includes traded coal revenue of $95 million in 2011 (2010: $51 million). [2] Includes Stanwell royalty expense of $88 million (2010: $60 million). [3] Includes one-off costs at Curragh of $55 million associated with final flood recovery & mine ramp-up ahead of expansion.[4] The divestment of Premier was completed on 30 December 2011; gain on sale is excluded. [5] Curragh & Premier only.

Resources highlights

- Solid revenue growth driven by comparatively higher export coal pricing
  - Increase in royalty expenses & additional one-off costs
- Constrained production
  - Commissioning of new CHPP
  - Final phase of operational recovery following 2011 flood impacts
- Continued export growth focus
  - Curragh & Bengalla expansions scheduled for completion end of March ‘12
    - Curragh: to 8.0 - 8.5 mtpa metallurgical coal exports
    - Bengalla: to 7.5 mtpa steaming coal exports (9.3 mtpa ROM)
  - New electric rope shovel commissioned at Curragh North
- Premier[1] coal mine divested for $298 million (cash proceeds)

[1] Gain on disposal of Premier of $92 million recorded as non-trading item in ‘Other’.
CHPP: Coal handling preparation plant.
mtpa: million tonnes per annum.
ROM: Run of mine.

Curragh - focus on cost control

- Tight labour market conditions & broader industry cost pressures
  - Australian HCC FOB cash costs have increased c. 70% since 2007[1]
- Additional cash costs of $55 million incurred in 1H FY12
  - Final flood recovery costs
  - Overburden removal, coal exposure & ROM stockpile ahead of expansion
- Continued cost control programs
  - Mining & processing practices
  - Equipment utilisation & productivities
  - Procurement optimisation on key input costs
  - Contractor usage & roles
  - Operational & cost review underway

[1] Based on industry benchmarks.

Resources outlook

- Export market
  - Softening metallurgical coal prices with weaker global steel demand
  - Longer-term export market fundamentals remain sound
- Financial Year 2012
  - Curragh metallurgical coal sales guidance remains at 6.8mt - 7.2mt
  - Stanwell royalty $205 - $215 million at A$:US$ of 1.00 (FY11: $113 million)
  - Bengalla: short term negative impact of explosives supply on production
  - Continuing focus on cost control in challenging environment
- Growth
  - Project completion of current Curragh & Bengalla expansions end of March ‘12
  - Feasibility studies for ‘next-stage’ mine expansions continuing

Chemicals, Energy & Fertilisers

Tom O'Leary
Managing Director

Wesfarmers Chemicals, Energy & Fertilisers

Wesfarmers

Chemicals, Energy & Fertilisers
Performance summary

Half-Year ended 31 December ($m)		2011	2010	↕ %
Revenue	Chemicals	**358**	315	*13.7*
	Energy[1]	**295**	286	*3.1*
	Fertilisers	**122**	121	*0.8*
		775	722	*7.3*
EBITDA[2,3]		**144**	199	*(27.6)*
Depreciation & amortisation		**(45)**	(48)	*(6.3)*
EBIT[2,3]		**99**	151	*(34.4)*
EBIT (exc. Varanus Island)		**99**	110	*(10.0)*
Sales volume (‘000t):	Chemicals	**434**	392	*10.7*
	Fertilisers	**227**	244	*(7.0)*
	LPG	**154**	173	*(11.0)*
ROC (R12 %)[2,3]		**18.0**	21.3	
Safety (R12 LTIFR)		**4.9**	5.8	

[1] Includes Kleenheat Gas, ALWA, enGen (prior to divestment on 31 August 2011) & Premier Power Sales (since transfer on 1 July 2011). [2] 2010 includes $41 million of insurance proceeds related to Varanus Island gas outage. [3] Includes enGen earnings for the period prior to divestment on 31 August 2011 ($43 million gain on sale excluded) & Premier Power Sales (since transfer on 1 July 2011).

Chemicals, Energy & Fertilisers
Highlights

- Board approval for $550 million ammonium nitrate expansion (AN3)
- Strong plant performances throughout the period
- Improved ammonia & ammonium nitrate (AN) earnings, despite planned ammonia shut down, due to higher sales volumes & product mix
  - Major ammonia shut down completed ahead of time & budget
- Increased sodium cyanide earnings driven by strong demand, partially offset by higher input costs
- Continued low PVC-VCM spread & strong A$ placing increased pressure on Australian Vinyls' business
- Kleenheat earnings affected by deterioration in LPG production economics, soft market conditions & associated margin pressure
- Fertiliser earnings ahead of last year with good uptake of early orders & contracts
- enGen[1] divested for $101 million (cash proceeds)

[1] Gain on disposal of enGen of $43 million recorded as non-trading item in 'Other'.

Chemicals, Energy & Fertilisers
Outlook

- Commencement of onsite construction for AN3
  - Expected construction completion Q2 FY14
  - Expected production to commence Q4 FY14
- Ammonia, AN & sodium cyanide expected to benefit from continued strong demand & production outcomes
- Australian Vinyls to be negatively affected by low PVC-VCM spread & strong A$ in the short-term
- Kleenheat earnings significantly reduced due to step change in LPG production economics & current softer market conditions
- Fertiliser earnings heavily dependent on seasonal break & farmers' terms of trade, albeit supported by strong 2011 harvest outcomes

Industrial & Safety

Olivier Chretien
Managing Director

Wesfarmers
Industrial and Safety

Wesfarmers

Industrial & Safety
Performance summary

Half-Year ended 31 December ($m)	2011	2010	↕ %
Revenue	**843**	774	*8.9*
EBITDA	**111**	92	*20.7*
Depreciation & amortisation	**(14)**	(13)	*7.7*
EBIT	**97**	79	*22.8*
EBIT margin (%)	**11.5**	10.2	
ROC (R12 %)	**14.5**	11.8	
Safety (R12 LTIFR)	**1.9**	2.7	

Wesfarmers

Industrial & Safety highlights

- Growth reflecting positive market conditions & strong competitive position
  - Sustained resource sector activity
  - Expansion & diversification of customer base
  - Strong service levels, development of key account & eBusiness capabilities
  - Network capacity expansion underway (including opening in Indonesia)
- Record earnings resulting from:
  - Greater operating efficiencies & expense management
  - Performance improvement across business portfolio
  - Growth in services sales
- Strong ROC growth due to earnings & tight capital management
- Non-cash writedown in Coregas carrying value of $181 million[1]
- Ongoing commitment to safety, sustainability & employee development

[1] Recorded as non-trading item in 'Other'.

Industrial & Safety outlook

- The division is well placed to seize multiple opportunities
  - Greater share of customers' spend
  - Major project activity & export sales growth
  - Further diversification of industry & customer base
  - Continued investment in organisational effectiveness
- Outlook remains positive
  - Well placed to leverage continuing opportunities in the resources sector
  - Impact from new BlueScope Steel-Coregas agreement, effective 1 January 2012
  - Global uncertainty remains, affecting steel & selected sectors

Other Businesses & Capital Management

Terry Bowen
Finance Director, Wesfarmers Limited

Wesfarmers

Other businesses performance summary

Half-Year ended 31 December ($m)	Holding %	2011	2010	↕ %
Associates share of profit/(loss):				
Gresham Private Equity Funds	*Various*	**(46)**	(28)	*(64.3)*
Gresham Partners	*50*	**3**	(1)	*n.m.*
Wespine	*50*	**5**	5	*0.0*
BWP Trust	*23*	**7**	12	*(41.7)*
Associates sub-total		**(31)**	(12)	*(158.3)*
Interest revenue		**11**	23	*(52.2)*
Non-trading items[1]		**(30)**	-	*n.m.*
Other		**19**	(37)	*n.m.*
Other business sub-total		**(31)**	(26)	*(19.2)*
Group overheads		**(53)**	(47)	*12.8*
Total Other		**(84)**	**(73)**	***(15.1)***

[1] See slide 55 for further detail.

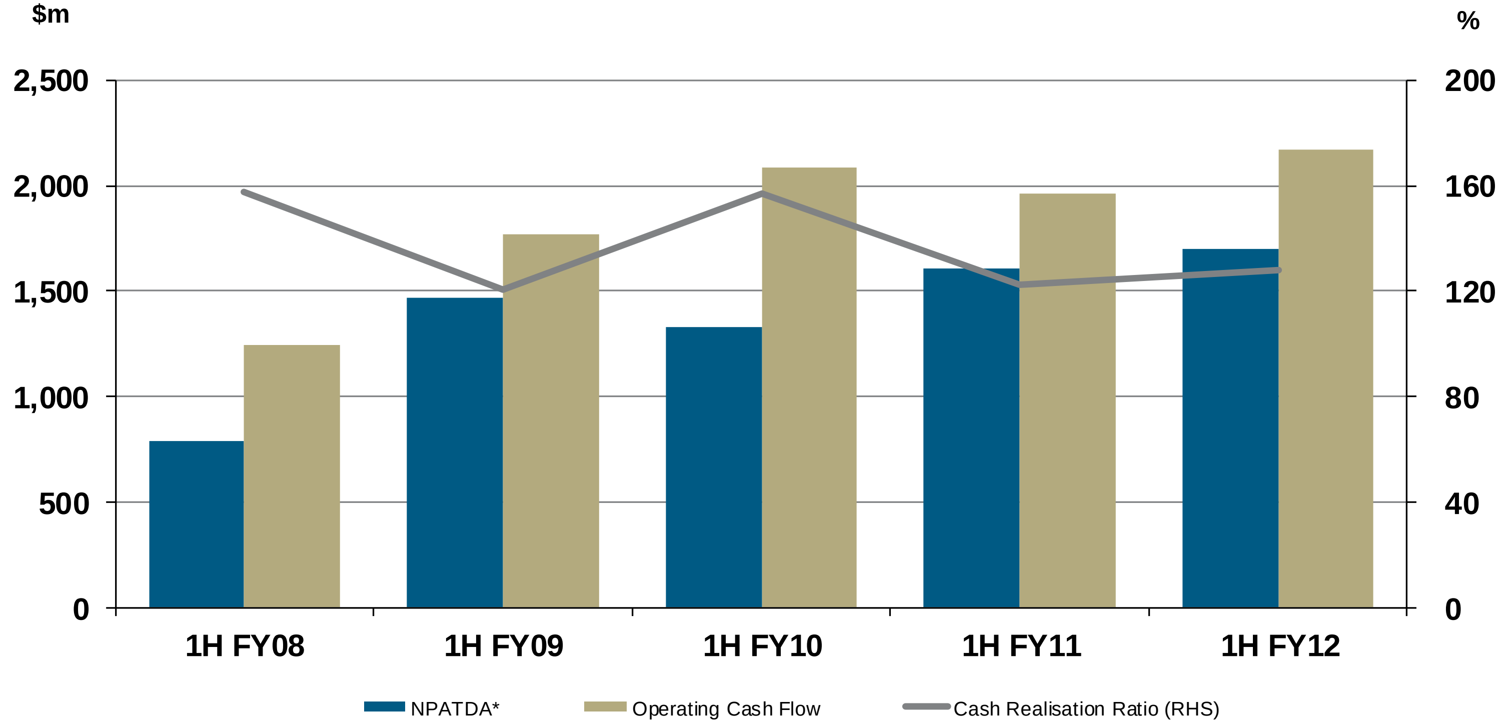
Non-trading items

- $181 million non-cash writedown of Coregas carrying value
- Gain on disposal of assets totalling $151 million
  - Available capital losses offset gains
- Non-trading items:

Half-Year ended 31 December 2011 ($m)	Pre-tax	Tax Impact	Post-tax
Gain on sale of Premier	92	-	92
Gain on sale of enGen	43	-	43
Gain on sale of Boddington forestry assets	16	-	16
Writedown of Coregas	(181)	3	(178)
Total	**(30)**	**3**	**(27)**

Portfolio of strong cash generating assets

- Strong first half operating cash flow of $2,172 million
- Operating cash flows increased across most divisions
- Cash realisation ratio increased to 127.8% from 120.0% in the pcp



* 1H FY08 adjusted for Stanwell. 1H FY08 – 1H FY12 adjusted for significant non-cash, non-trading items.

Working capital management

- Strong operating cash flows driven by working capital improvements
- Disciplined inventory management across the retail portfolio
  - Target & Kmart reduced inventory position; all inventory on hand is appropriate for trading
  - Coles 2 day reduction in net investment in inventory in past 12 months
- Curragh stock build ahead of expansion
- Seasonal fertiliser inventory build in WES CEF

Inflow/(Outflow)[1] ($m)	1H FY12	1H FY11
Receivables	**(183)**	(252)
Inventory	**(374)**	(661)
Payables	**813**	890
Total	**256**	(23)
Retail	**557**	113
All other businesses	**(301)**	(136)
Total	**256**	(23)

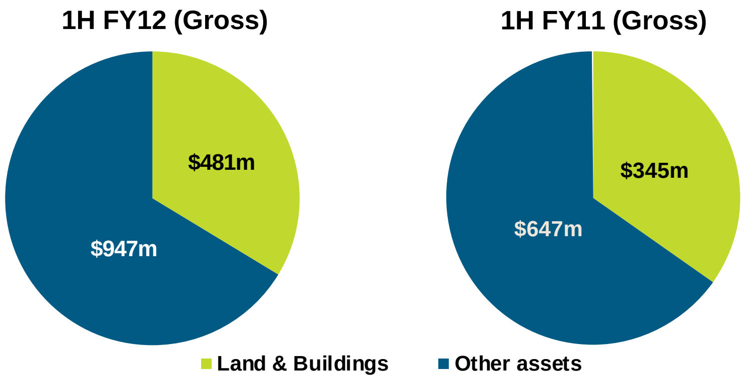
[1] Cash movement relating to inventories, trade & other receivables, prepayments & trade & other payables.

Note: Further detail in relation to working capital movements included on slide 47 of the supplementary pack.

Significant investment in organic growth

- Strong investment in retail & industrial businesses
  - Coles property & network renewal
  - Bunnings network expansion
  - Kmart refurbishments & NSW DC
  - Curragh & Bengalla expansions
  - WES CEF AN3 project
- Continued active management of freehold property portfolio
  - $165m proceeds from PP&E disposals
- FY12 net capex estimate $2.4 billion to $2.7 billion, subject to timing of property investment/disposals

Half Year ended 31 December ($m)	2011	2010	%
Coles	**625**	334	*87.1*
HI & OS	**342**	343	*(0.3)*
Target	**44**	37	*18.9*
Kmart	**88**	54	*63.0*
Insurance	**18**	9	*100.0*
Resources	**239**	178	*34.3*
Industrial & Safety	**15**	11	*36.4*
WES CEF	**54**	24	*125.0*
Other	**3**	2	*50.0*
Total capex	**1,428**	992	*44.0*
Sale of PP&E	**(165)**	(13)	*n.m.*
Net capex	**1,263**	979	*29.0*

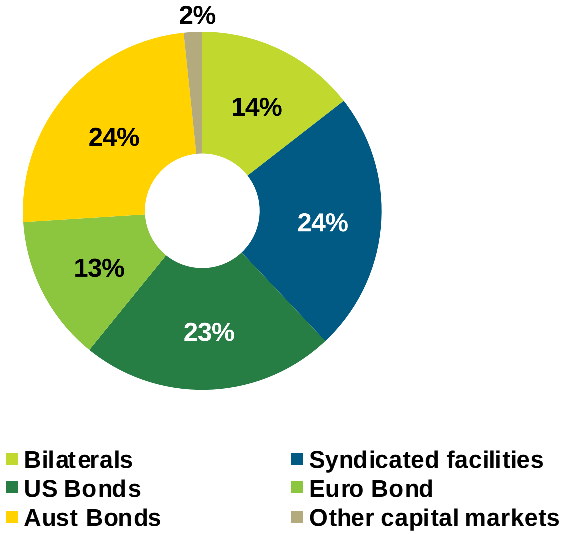


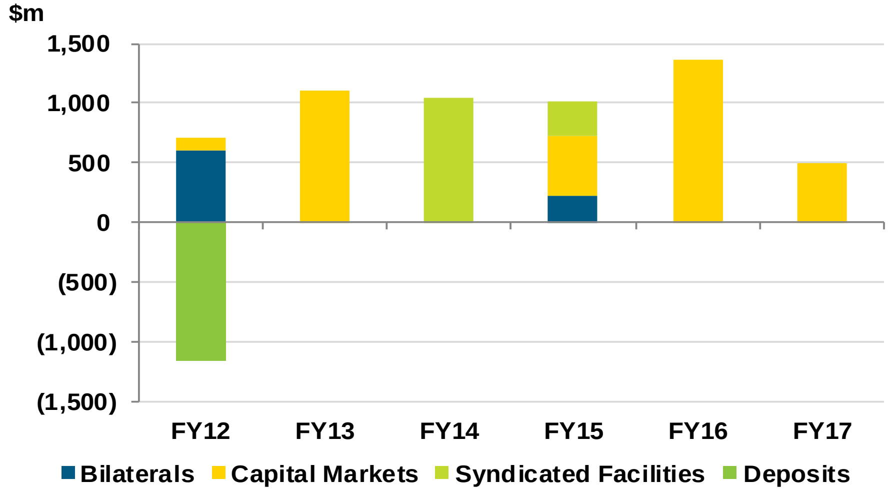
Balance sheet strength & dividend growth

- Strong cash generation supports investment in organic growth opportunities
- Balance sheet strength maintained with improved liquidity metrics
  - Cash interest cover (R12) improved to 10.3 times (1H11: 7.7 times)
  - Fixed charges cover (R12) improved to 2.7 times (1H11: 2.6 times)
- Strong credit ratings maintained
  - Standard & Poor's A- (stable)
  - Moody's Baa1 (positive)
- Interim dividend of $0.70 per share, fully-franked
  - Dividend investment plan; no underwrite; shares to be purchased on market
  - Dividend record date 27 February; interim dividend payable 30 March

Debt financing strategy

- Net debt[1] of $4,484 million across diversified sources
- Weighted average total cost of debt reduced to c. 8.0% (1H11: 8.8%)
- Forecast weighted average cost of debt for FY12 c. 7.9%
- Continued strategy to pre-fund upcoming maturities & extend maturity profile
  - Issued A$500 million of unsecured fixed rate medium term notes, maturing Nov 2016





Note: Amounts shown & average tenor based on the drawn amount at balance date of 31 December 2011.

[1] Interest bearing liabilities less cash at bank & on deposit.

Target & Kmart goodwill

- Errors identified in relation to the allocations of goodwill for Kmart & Target
  - Incorrect terminal value used for Kmart
  - Failure to consistently reflect the impact of Kmart's & Target's business plans
- Restatement required under AASB 108 *Accounting Policies, Changes in Accounting Estimates & Errors*
  - Adjustment applied retrospectively
- Reallocation of $486 million of goodwill from Target to Kmart
  - No impact on NPAT or earnings per share
  - No impact on Group net assets

Partially Protected Shares (WESN)

- Original lapse date extended for 12 months to 23 November 2012
  - The average of the S&P/ASX 200 Industrials Index, at the close of trading for each trading day during the 2 months prior to 23 November 2011 was less than 6,500
- Extension of lapse date up to a further 3 times, to 23 November 2015
- Cap & floor price remain at $43.11 & $34.49, respectively

Outlook

Richard Goyder
Managing Director, Wesfarmers Limited

Creating value

- For our **customers** by providing greater value, quality & service, & investing in our stores
- For our **employees** by requiring the highest standards of safety, investing in training & development, embracing diversity & providing more opportunities
- For our **suppliers** by developing trust through strong, sustainable partnerships
- For the **communities** in which we operate through partnership programs & sponsorships & minimising our environmental impact
- For our **shareholders** by implementing growth strategies that deliver satisfactory returns

Outlook

Retail

- Earnings growth expected, despite short term challenges
  - Strategic agendas to improve the customer offer, increase operational efficiency & strengthen the network
  - Continuing high levels of price deflation in 2H FY12, particularly fresh produce deflation in supermarkets
  - Customers to remain value focused

Insurance

- Improved performance expected in 2H FY12
  - Growth in premium revenue and personal lines
  - Improved risk selection & exposure
  - Catastrophe events in excess of allowances & lower interest rates a potential risk

Outlook

Industrial & Safety, & Chemicals, Energy & Fertilisers

- Well placed to leverage growth in the Australian resources sector
- Growth in demand for chemical & industrial products
- Continuing improvements in business performance

Resources

- Long term export coal market fundamentals remain sound
- Softening metallurgical coal price affected by weakness in global steel demand
- Mine expansions anticipated to complete by end of March ‘12
- Cost control programs in place to manage industry cost pressures

Group

- Continue to leverage & build human resource capability
- Robust balance sheet & strong cash generating businesses
- Significant organic capital investment phase will help drive future growth

Questions

Wesfarmers

For all the latest news visit

www.wesfarmers.com.au