

21 April 2009

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

PRESENTATION TO BE GIVEN AT AN INVESTOR BRIEFING, SYDNEY

Following is a presentation that is to be given at an investor briefing in Sydney on 21 April 2009.

Yours faithfully,



L J KENYON
COMPANY SECRETARY

Enc.

Investor Briefing

21 April, 2009

Westin Hotel, Sydney



Richard Goyder
Managing Director, Wesfarmers Limited



Agenda

8:30 Introduction

8:45 Coles

10:45 Morning Tea

11:15 Target

11:45 Kmart

12:30 Insurance

1:00 Lunch

2:00 Resources

2:30 Capital Management

2:50 Q&A

3:30 Close



Management Team



Managing Director & CEO

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

Director Industrial Divisions

Keith Gordon

Resources

Stewart Butel

Chemicals & Fertilisers

Ian Hansen

Industrial & Safety

Olivier Chretien

Energy

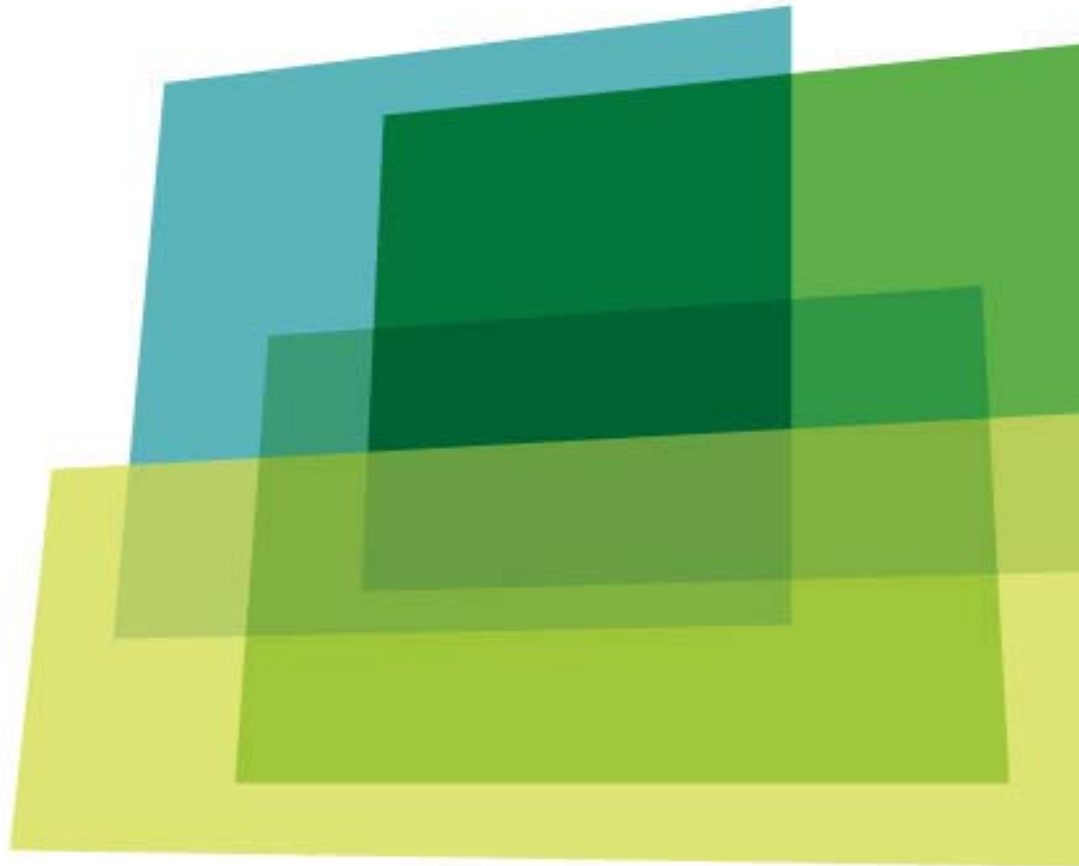
Tim Bult

* Terry Bowen replaces Gene Tilbrook as Finance Director on 1 May 2009

Managing through current conditions

- An uncertain global environment but strong businesses
- 5-year forecasting incorporating deep downside scenario planning
 - Look for opportunities to innovate
- Continue to focus on running businesses well
 - Return on capital => efficiencies and ongoing capital returns focus
 - Effect sustainable turnarounds
 - Engage with staff
- Balance sheet management and cashflow forecasting
- Long term approach, consistent strategies





Coles renewal...
Ian McLeod

Agenda

1. Performance update

2. Renewal progress

3. Trading outlook



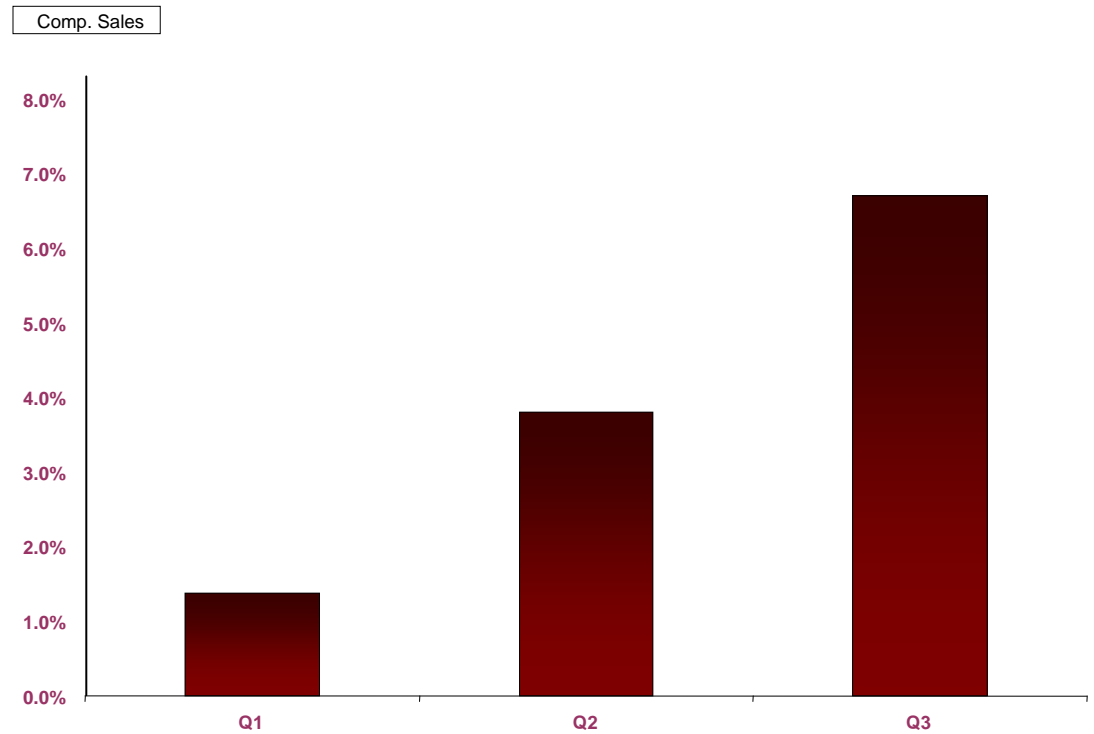
Q3 sales on track...

- Solid growth in food and liquor sales
 - Total food & liquor sales up 7.6% to \$5.3 bn at end March (Easter adjusted up 8.3%)
 - Comparable food & liquor sales up 6.0% at end March (Easter adjusted up 6.6%)
 - Pre-Christmas momentum maintained
 - Easter steady with well managed seasonal product sell-through
- Continued growth in fuel & convenience sales
 - Comparable shop sales up 6.7% (Easter adjusted up 8.0%)
 - Comparable fuel volumes up 4.4% (Easter adjusted up 3.8%)



Renewal drives positive customer response...

- Increasing customer numbers
- Basket value growth
- Positive volume growth
- Change to promotion cycle



Agenda

1. Performance update

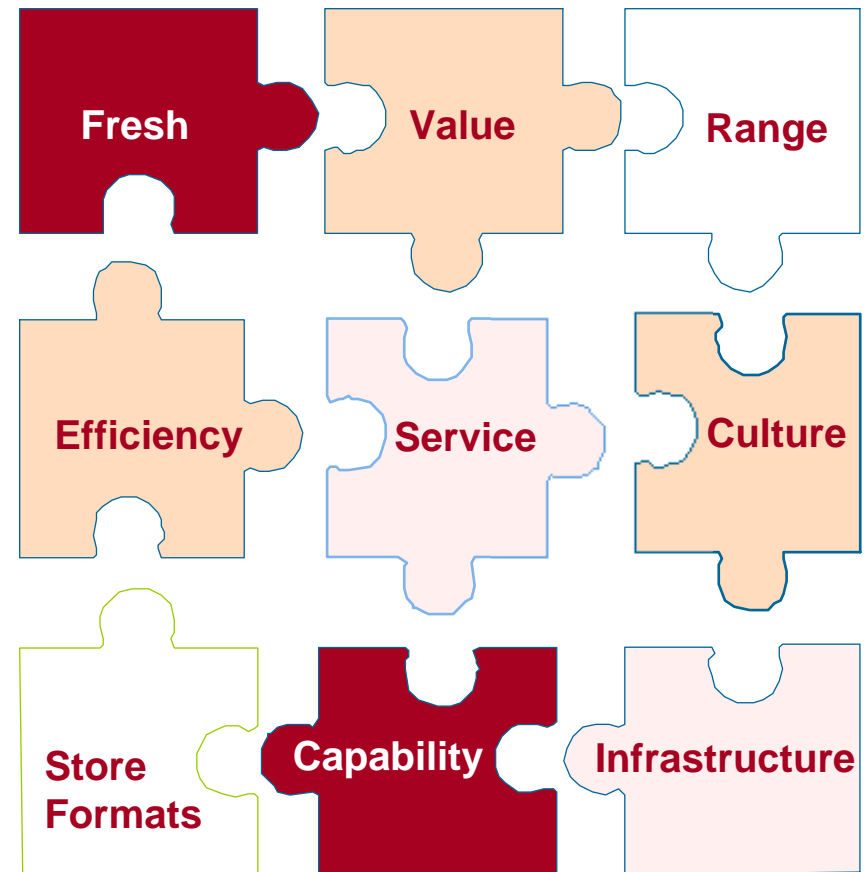
2. Renewal progress

3. Trading outlook



The situation facing the new management team...

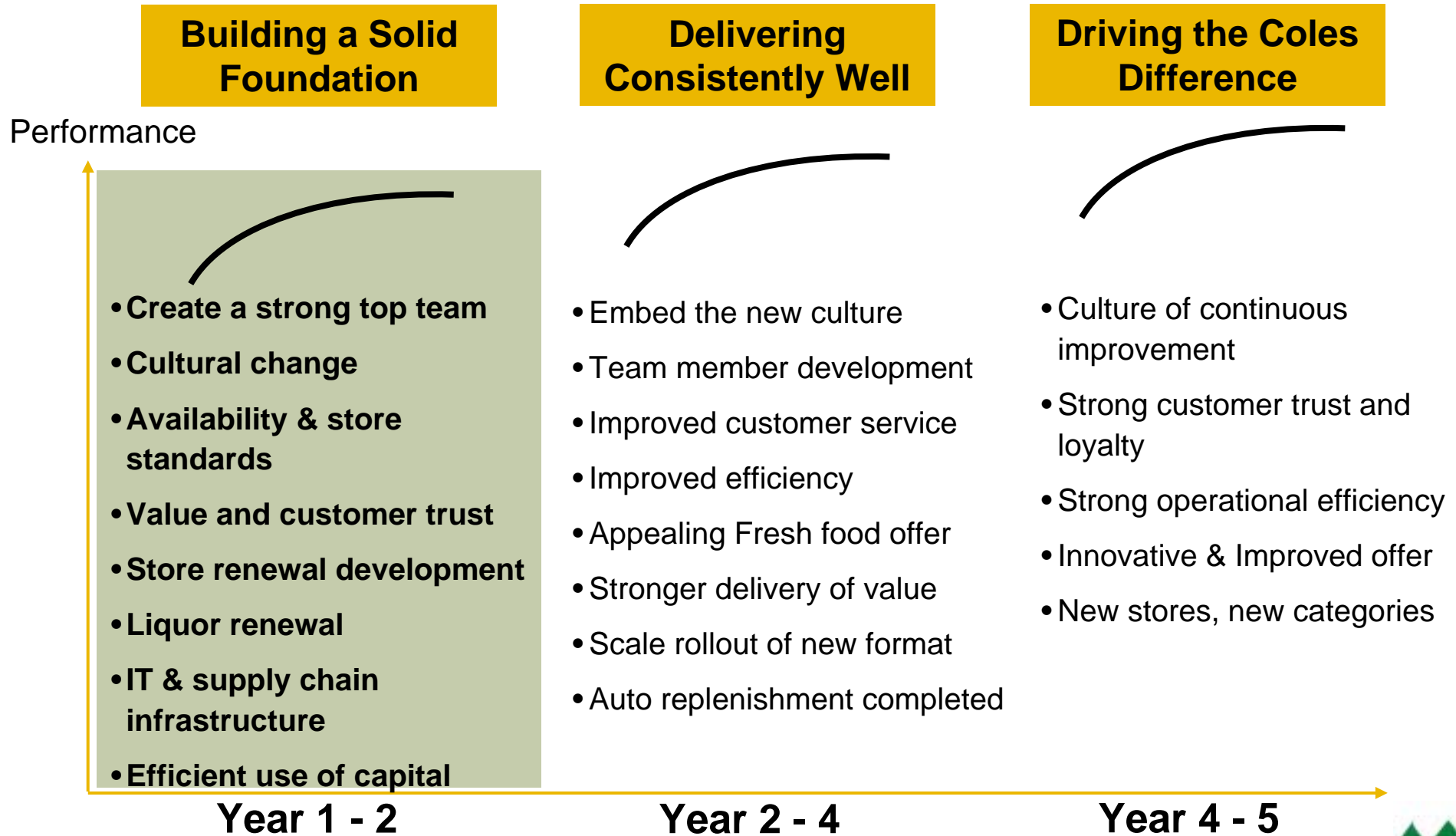
- Many complex issues to fix
- Reversal of sustained under investment
- Reversal of slow moving, high cost centralised culture
- Multi-faceted recovery plan required
- Recovery to take 5 years, with several phases of activity



Beginning the Circle for Success...



Phase 1 of turnaround on track...



Creating a strong top team & customer focused culture...

- Driving culture change through new leadership continues
- Renewed store & customer focus
 - Move to customer centric structures & processes
 - Quarterly road-shows involving store managers
 - Absenteeism down 10% since Oct 08
- Launched Coles 'Retail Leaders' programme
 - Over 1,000 applications received
- Launched Coles graduate programme
 - 3,095 applications for 120 positions



Improving store standards...

- Spring clean in all stores completed
- Rising expectations on store standards
- Consistent performance measures
- Improved service focus
- Customer facing service investment
 - 650 open entrances created
 - 130,000 trolleys replaced or ordered
 - 700 deli scales replaced
 - Refrigeration replaced in over 100 stores
- Improved energy monitoring

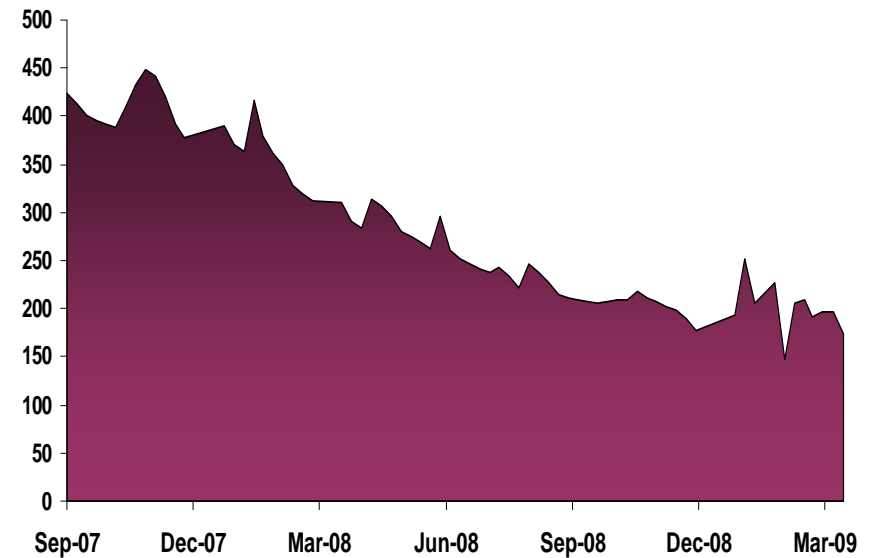


Improving on-shelf availability...



- Out of stocks a third of last year
- Improved stock flow from DCs to stores
- 35 supplier 'implants' now in place in Coles
- Weekend availability focus

Gaps on shelf



Compelling customer message...

- Investment in weekly promotions
 - Stronger, larger catalogue
 - Thursday catalogue better timed for peak shopping period
- Less tickets on the shelf
 - Clearer for customers
 - Improved shelf presence
- Better market intelligence
 - E track regularly listening to 1 million customers



Feed your family for under \$10

ANZAC Day Trading
All stores open from 9pm ANZAC Day Sat 25th.
 All stores open Sun 26th and Mon 27th. Check your local store or coles.com.au for details.

100+
Price Cuts

Gigantic toy clearance
page 20

Amazing dollar deals
see back cover

2x

Spaghetti with Meatballs for 4 under \$10
1kg COLE'S STAR BRAND MINCE
 400g COLE'S DICED TOMATOES
 400g COLE'S SMART 5 UY™ SPAGHETTI
 1 COLE'S SMART 5 UY™ SPAGHETTI
 1 EGG
 Salt and pepper
 Oil for frying
 Carrot, onion, egg and chopped meat in a bowl and season with salt and pepper.
 Add mince and cook over high heat until browned for approximately 3 minutes until cooked through and no longer pink.
 Add diced tomatoes and mince and simmer for 5 minutes. Serve with spaghetti.

Coles 3 Star Mince Beef 800g Pack \$5
 Coles Australian Diced Tomatoes 400g \$1.39
 Coles Smart 5 UY™ Spaghetti 500g \$9.9

4 more Value Meals page 25B



coles
On Sale Thurs 19th Apr until Wed 22nd Apr 2009. See page 5 for details.



Revamp of house brand drives double digit growth...

- Currently offering 3,900 SKUs across 99 categories
- Higher sales with significantly fewer SKUs than two years ago
- Currently experiencing double digit sales growth (more than branded product lines)
- Full quality review conducted in last six months
- NPD pipeline developing



Developing an outstanding fresh offer...

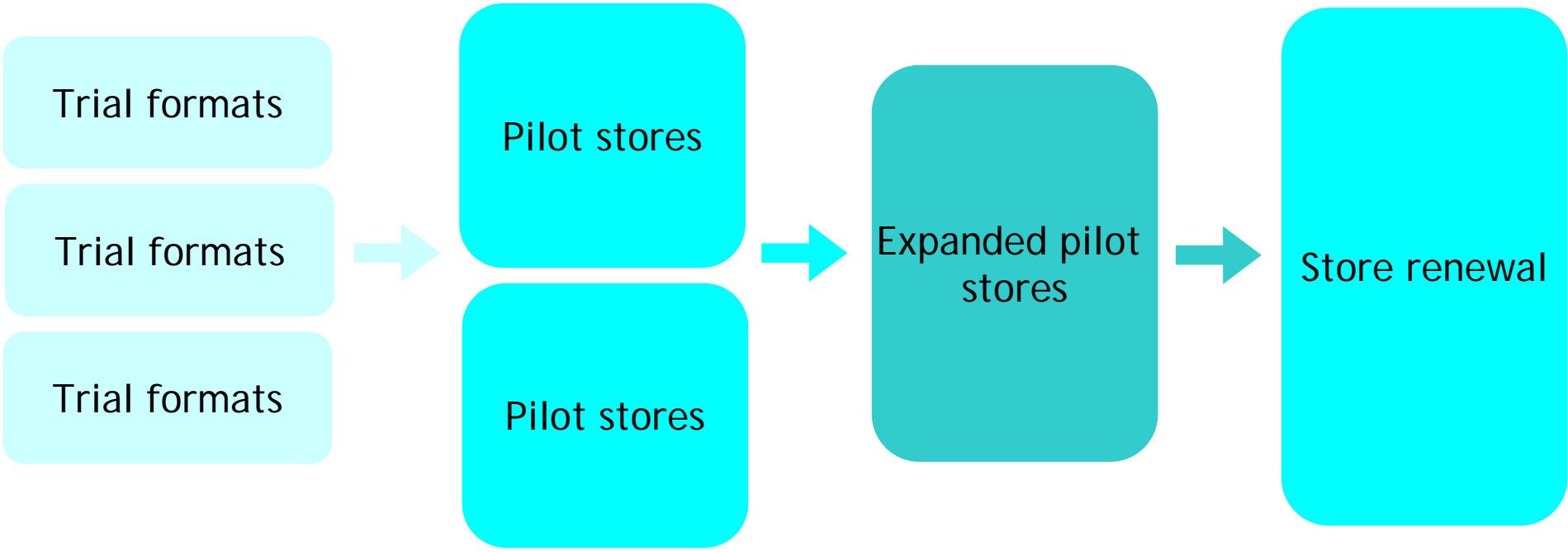
- Focus on local produce in store
- Coles now managing quality control in DCs
- Improved delivery schedules to stores
- Improved fresh produce training
- Fresh participation beginning to grow
- New store formats with open market style



Store renewal...



Rigorous pilot programme prior to rollout



A systematic programme designed to fundamentally re-engineer store formats and minimise 'regret' capital spend



Our renewal strategy...



- Stringent financial disciplines on capex to be maintained
- Optimise learning from pilot programme before full roll-out
- Value engineer each component to minimise cost of roll-out
- Roll-out to commence in FY10 and build to scale in FY11
- ‘Plug & play’ approach based on customer demographic & returns
 - The result will be a mixture of light refurbishment to full renewal stores
- Capex expectations unchanged



Our store transition...



VIDEO CLIP



IT investment to provide better customer service...

- Major IT projects
 - Unit pricing
 - Replacement of old cash registers
 - Easy ordering rolled out to 100 + selected stores
 - New self check-out system rolled out to stores
 - 50 stores by September 09
 - Easy warehouse ordering
 - Liquor IT platform simplified
 - New credit card security platform (chip & pin)



A better supply chain to support business growth....

- DC transformation completed
 - Parkinson CDC Queensland now fully operational
- Simplified national network over last three years to support growth
 - 9 new sites opened
 - 18 closures
- Focus now on efficiency
 - Fresher for Customers
 - Simpler for Stores
- Now leveraging a high potential infrastructure



"Somerton NDC is an outstanding example of leading edge, paperless technology covering 72,000 square metres under one roof," Paul Little, Managing Director, Toll.



Our mechanised supply chain...



VIDEO CLIP



Liquor renewal...

- New management driving renewal
- First quarter of renewal under new team
- Retail “basics” reset:
 - Range refinement
 - Improved marketing
 - Procurement aggregation
- Pricing architecture revision
 - 1,000 SKU price reduction
- Operating model “renovation”
 - Non-store cost rationalisation
 - End to end supply chain review
 - Improved alignment with supermarkets
 - IT simplification (finance and merchandise integration)



A strong, differentiated liquor portfolio...

Large Format

*Destination
liquor purchase*



CHOICE^{1ST}
Liquor Superstore

- The best liquor range with the lowest prices guarantee
- Average 1,000m² in size

Convenience

*Caters for
local purchase*



LIQUORLAND

- National network
- Convenience format
- Adjacent to Coles supermarkets + freestanding convenience sites
- Average 166m² in size

Specialist

*Tailored customer offering +
specialist advice*



VINTAGE CELLARS[™]
AUSTRALIA'S FINE WINE SPECIALIST

- Standalone sites with specialist offering targeted at premium demographic
- Offer differentiation
- Average 197m² in size



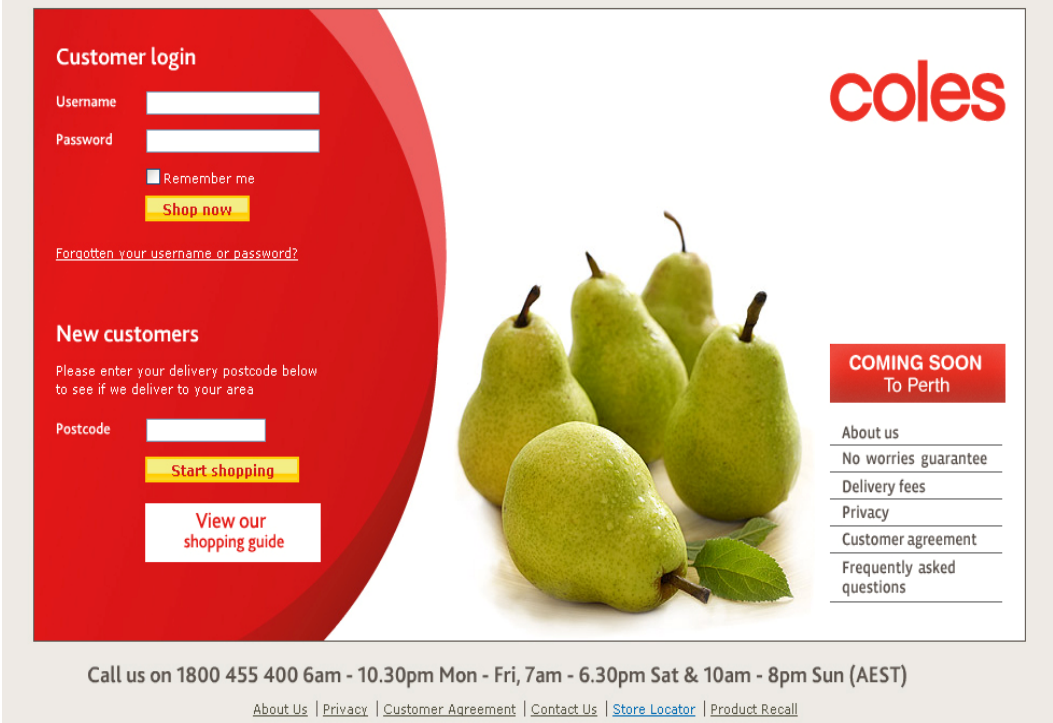
Building on our successful fuel & convenience offer...

- Increased focus on value
 - Extended fuel and shop discount offer
- Driving sales through improved product offer
 - Competitive offers on basics such as bread and milk
- Investing in existing stores
 - 236 sites undergoing store and forecourt improvement works
- Working with Shell to optimise store network
 - Around 10 new stores each year
- Improved cost control
 - Waste and markdowns
 - Operational efficiencies
- Focus on talent management, retention and productivity
 - Intranet now in all stores



Coles Online growth encouraging...

- Profitable and scalable store pick model
 - Switch from warehouse pick
 - More than 20,000 SKUs available
- Resilient & growing demand
- Expanding to new regions
 - Currently opened in Vic, NSW & Qld
 - Opening in WA & SA before year end
- Driving service improvement for all Coles customers
 - We shop our own stores
 - Detailed availability picture at SKU level



The screenshot displays the Coles online shopping interface. On the left, a red sidebar contains a 'Customer login' section with fields for 'Username' and 'Password', a 'Remember me' checkbox, and a yellow 'Shop now' button. Below this is a 'New customers' section with a 'Postcode' field, a yellow 'Start shopping' button, and a white 'View our shopping guide' button. The main content area features the 'coles' logo in red, a photograph of several green pears, and a red 'COMING SOON To Perth' banner. A navigation menu on the right lists links for 'About us', 'No worries guarantee', 'Delivery fees', 'Privacy', 'Customer agreement', and 'Frequently asked questions'. At the bottom, contact information and a footer with links for 'About Us', 'Privacy', 'Customer Agreement', 'Contact Us', 'Store Locator', and 'Product Recall' are visible.

coles.com.au

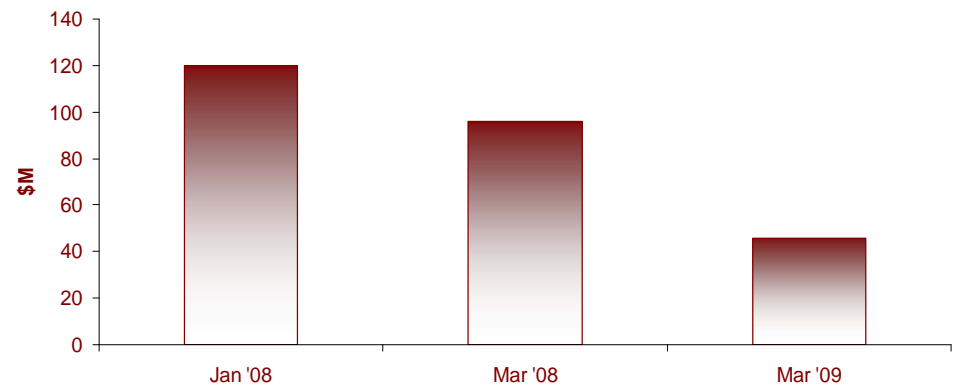


Managing our working capital better...

- Working capital initiatives
 - Drive to reduce aged inventory
 - Improved purchase order quality
 - Strict purchasing governance
 - Improved international stock ordering and flow
 - Greater focus on terms of trade
- Comparable supermarket inventory levels down
- High level of inherited aged overstocks now reduced by two-thirds
- DC capacity improved



Coles – Grocery Overstocks



Coles & its customers in the Community...

- Coles raised nearly \$10 million for those affected by the February bushfires
- Coles ensured ongoing supply of fresh produce and groceries to customers affected by floods in North Queensland
- Other Coles community initiatives include:
 - Cancer Council Daffodil Day
 - Red Cross Breakfast Clubs
 - Landcare Schools Gardens Programme



What our team members think...



VIDEO CLIP



What our customers think...



VIDEO CLIP



Agenda

1. Performance update
2. Renewal progress

3. Trading outlook



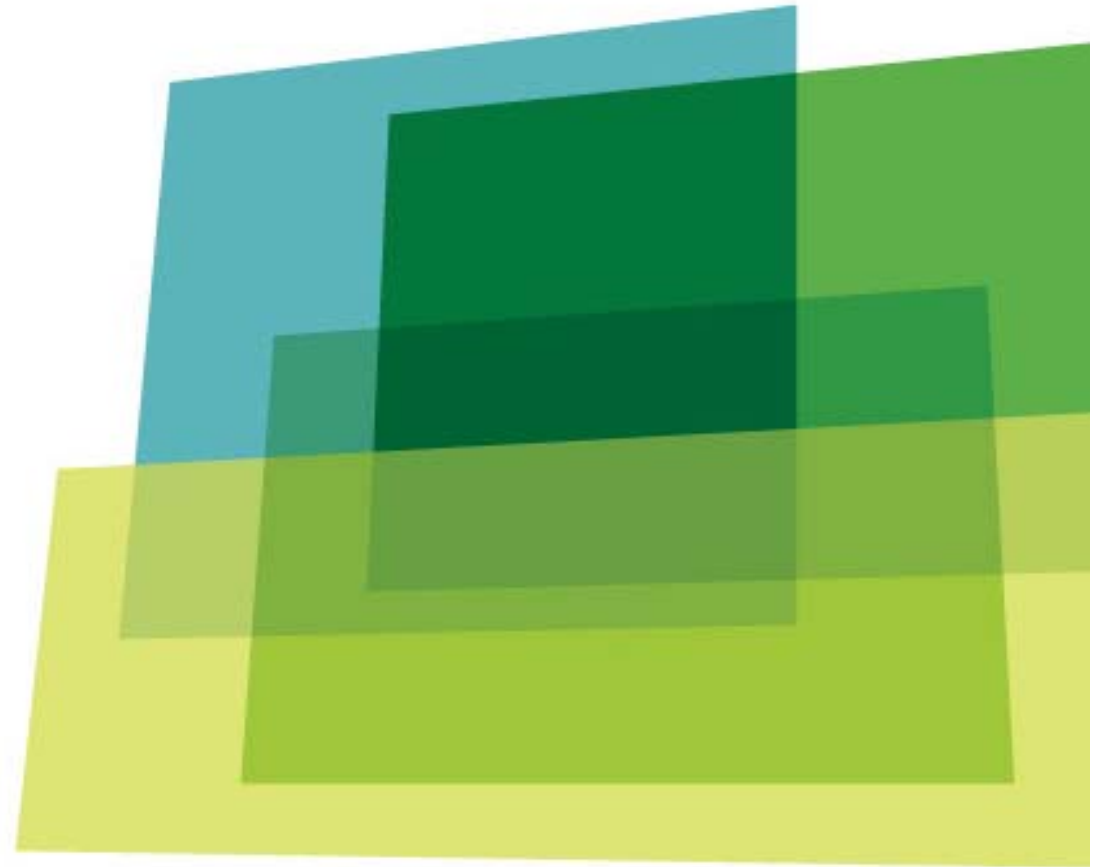
Outlook...

- Tough economic conditions continue to adversely affect consumer confidence
 - Customers looking to save money
 - Customers eating out less & eating at home more
- Coles focus on providing customer value
 - Competitive fresh and house-brand offer
 - Better promotional programme ie \$10 family meal promotion
- Key strategic programmes will continue to be driven at pace
- Re-investment in the business to continue
- Supermarket renewal rollout to commence in new financial year
- Delivering scale of change will require time



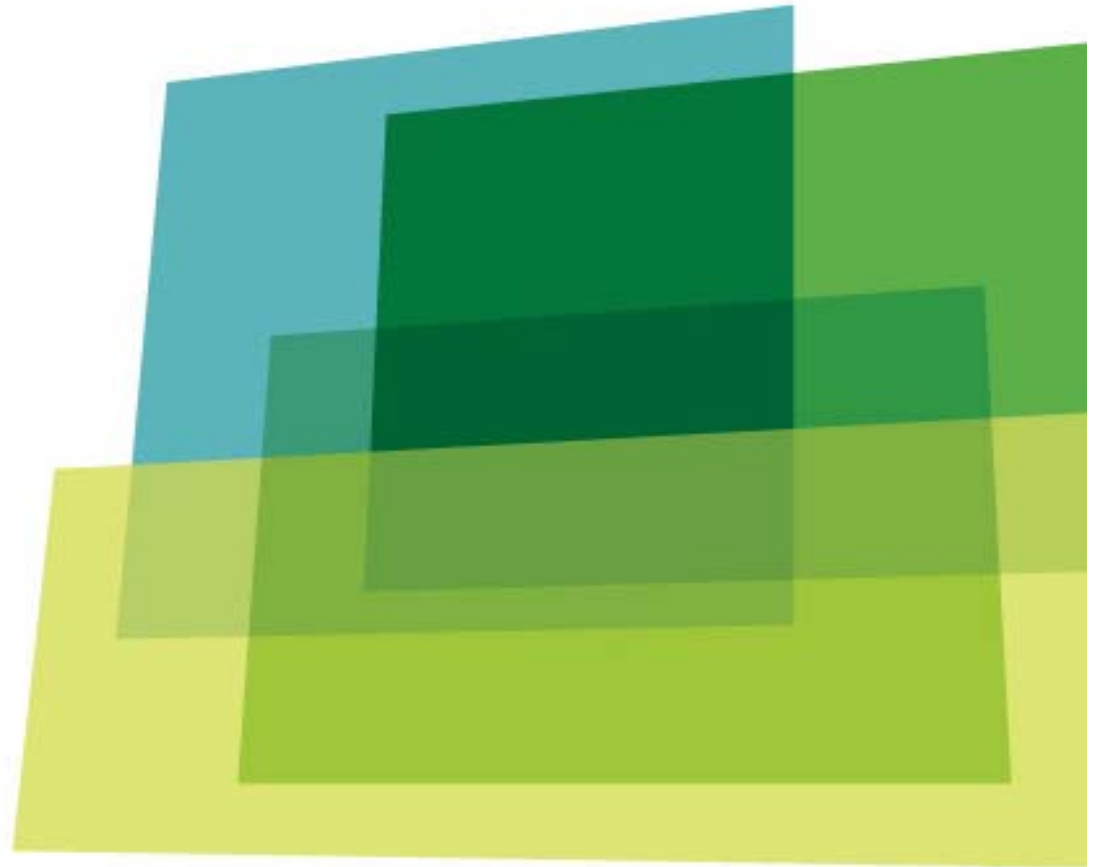


Questions





Appendices

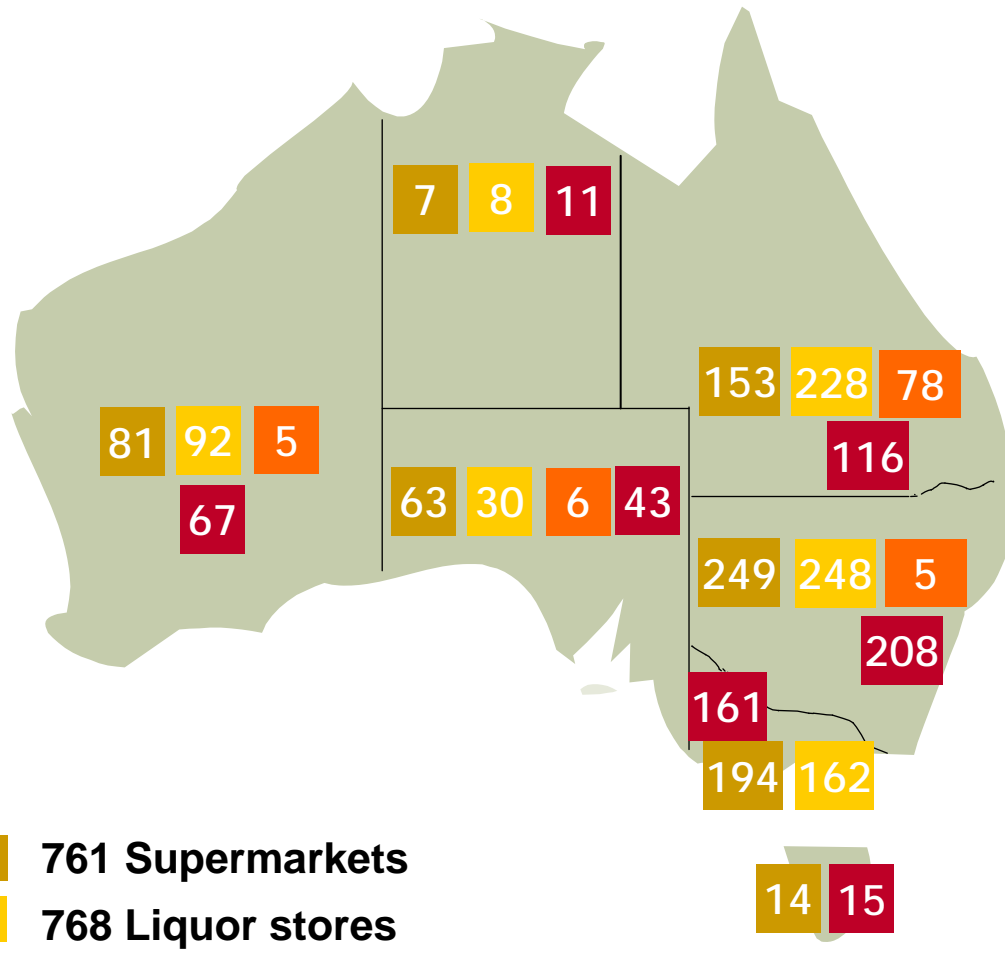


Improving our customer franchise...

	Open at 30 June 2008	Opened	Closed	Open at 31 March 2009
Supermarkets				
Coles	685	26	9	702
Bi-Lo	65	-	6	59
Total Supermarkets	750	26	15	761
Liquor				
1 st Choice	52	9	-	61
Vintage Cellars	85	1	5	81
Liquorland	630	12	16	626
Hotels	95	1	2	94
Total Liquor	862	22	22	862
Convenience	619	4	2	621



Our customer franchise at 31 March 2009



- 761 Supermarkets
- 768 Liquor stores
- 94 Hotels
- 621 Convenience

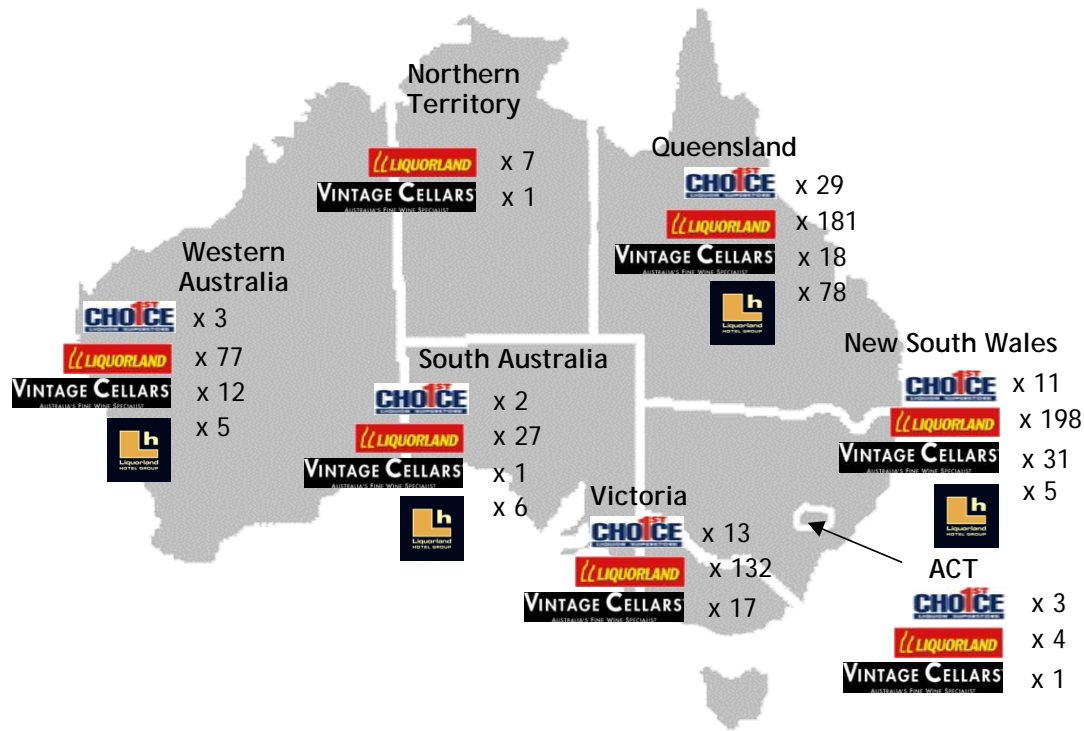
Selling Area

Supermarkets (sqm)	1,591,066
Liquor (sqm) – ex hotels	171,292



A great platform to capture future growth in liquor...

- Coles Liquor now operates an extensive national network



• Network and store investment

- 8 new 1st Choice superstores (1HFY09)
- 67 Liquorland refurbishments (1HFY09)
- Store/venue service investment (retail and hotels)

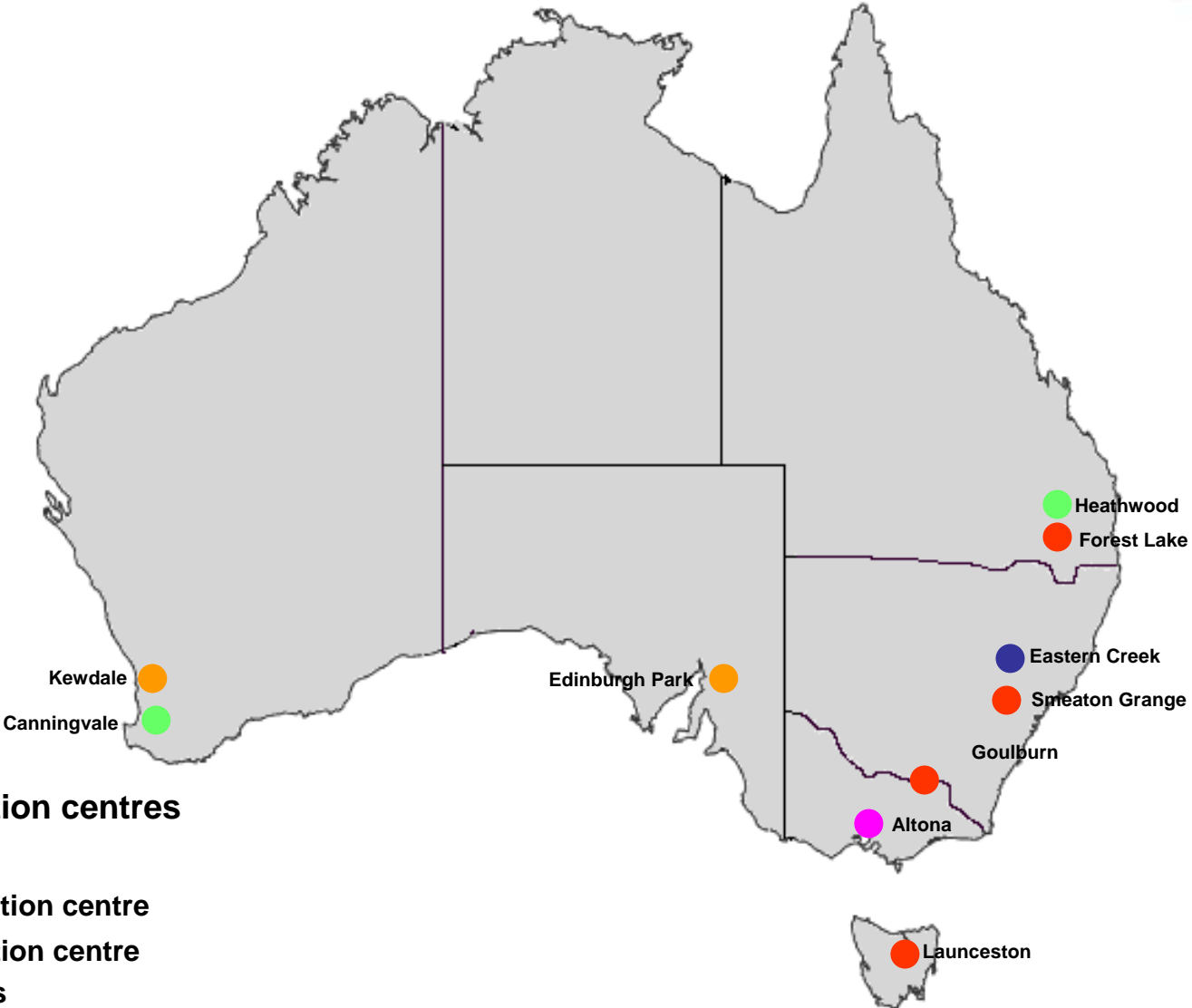
Liquor network (31 March 2009)



52



An efficient national supply chain...



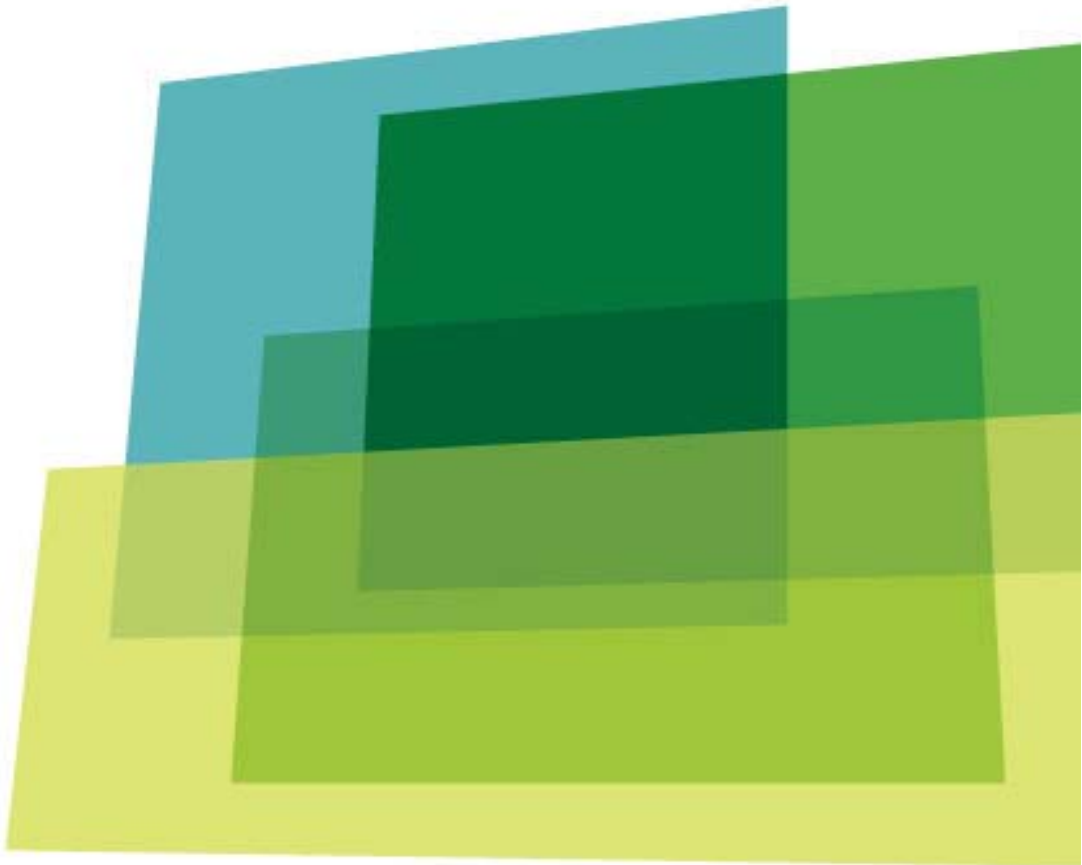
10 major distribution centres

- Liquor
- Regional distribution centre
- National distribution centre
- Composite RDC's
- National chilled centre





Target
Launa Inman



Trading Update

3 months to March



- Sales up 6.1% (1 Jan to 31 March)
- Underlying same store sales up 2.9% (14 weeks to April 13)
 - Period incorporates Easter trading and comparative promotional events
- Trading for three months to end March volatile and inconsistent
 - Partly offset by Government stimulus package
- The trading trend since the March quarter continues
- Increased competitor activity
- Market share of Department Store sales continues to rise



Managing the Business

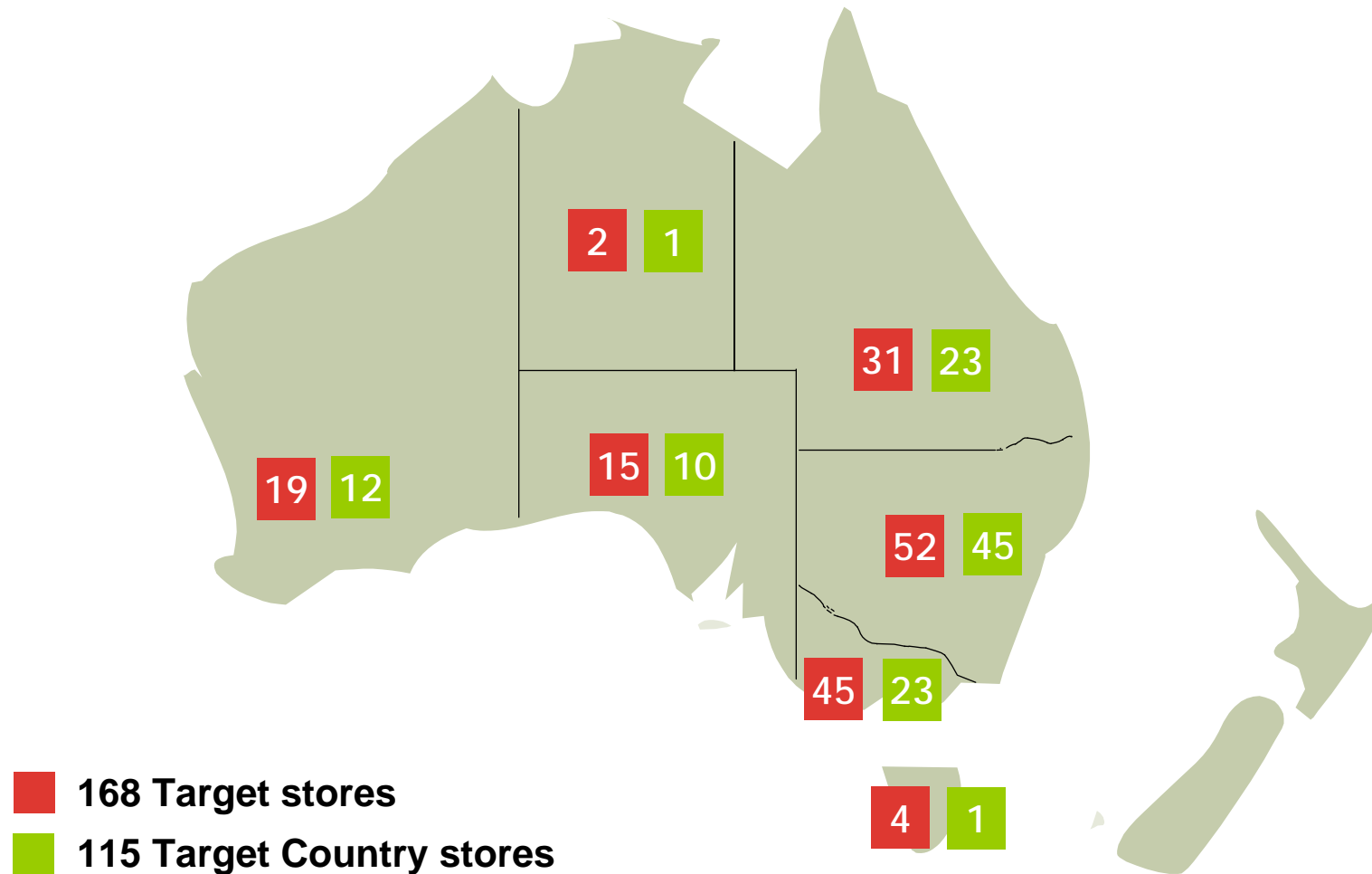
Current Challenges



- Customer behaviour
 - Customers downgrading and demanding value
 - Importance of entry price points
- Rising product costs; FX and inflation
 - Broaden sourcing base
 - Offset by supplier negotiations
- Volatile trading
 - Expenses tightly managed
 - Flexible workforce
- Preservation of cash
 - Inventory reductions
 - Creditors assistance



Target Store Network end March 2009



Store Network Movements



	Dec 2008	Opened	Closed	Mar 2009	Under construction
Target	167	1	-	168	5
Target Country	116	-	1	115	3

- Includes 1 Target Country conversion to Target
- Investment in existing stores – FY09
 - 39 stores; 21 completed to date
 - upgrades range from full refits to a light touch



Latest Store Design

Store Entry Treatment and signage



Latest Store Design - Sunbury Window Treatment



Latest Store Design - Sunbury Entry and Orientation Zone



Latest Store Design - Sunbury

Major arterial boulevard



Latest Store Design - Sunbury Focal Walls



Latest Store Design - Sunbury Department Beacons



Latest Store Design - Sunbury Fitting Rooms



Latest Store Design

First in, first served checkouts



Differentiation still the key



- Emphasis on great value, without compromising on style and quality
- Designers for Target still in the mix
- Continue to bring the latest trends to Australia faster than ever

free fusion

Click here to enter our **best comp** ever!

specials

fashion

- we love chunky knits
- gypsy folk
- bubushka
- tops
- dresses
- pants
- knitwear
- jackets
- shorts + skirts
- wardrobe
- pick of the week

cool stuff

career profiles

contact

SITE LAST UPDATED 24/03/09

Be the face of **FREE FUSION** COMPETITION

CLICK HERE TO ENTER OUR BEST EVER COMPETITION

SMURF RETRO TEES are coming to Free Fusion

RETRO TEE'S

In stores mid April



Supply Chain

- Fully integrated supply chain that is flexible and responsive
- Improved service
 - Speed to shop floor from origin close to optimum
 - Focused on reducing time from design to receipt in China
 - Three supply chain delivery principles developed
 - Replenishment
 - Fast moving fashion
 - Events



Supply Chain Savings/Productivity



- Improved efficiencies
 - Increased use of flowing stock to the regions
 - Use of the network e.g. Regionalisation
 - Increased use of supplier capability upstream e.g. source tagging and store ready delivery
 - Sustainable approach
 - Use of viable transport options e.g. rail vs road
 - National hanger recycling programme
 - Carton reduction to maximise usage and minimise waste



Target Outlook

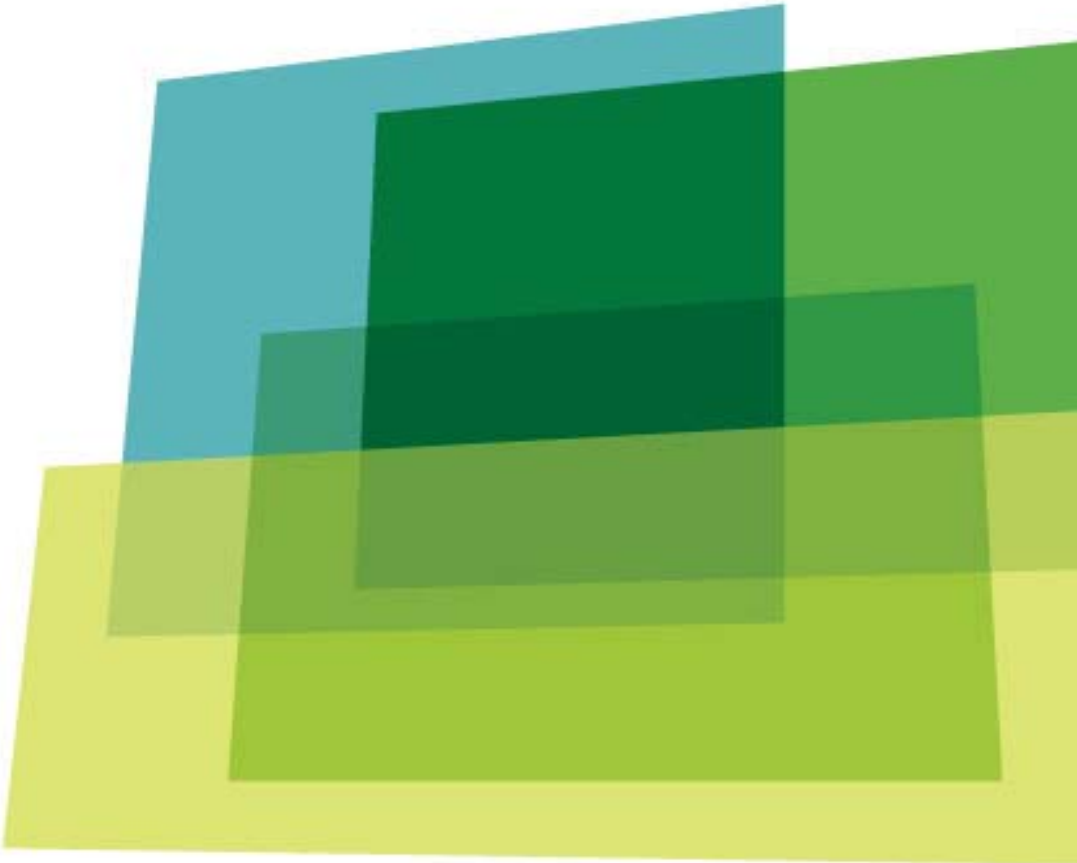


- Customers looking for value and spending cautiously
 - Entry and mid-price points well stocked
 - Ongoing negotiations with suppliers in difficult economic conditions
 - Broaden sourcing base to mitigate cost increases from China
 - Controlled stock levels
 - Managing expenses
- Increased and enhanced store network for the future
- Build on core strengths while adapting to competitor repositioning
- Build market share while opportunities exist



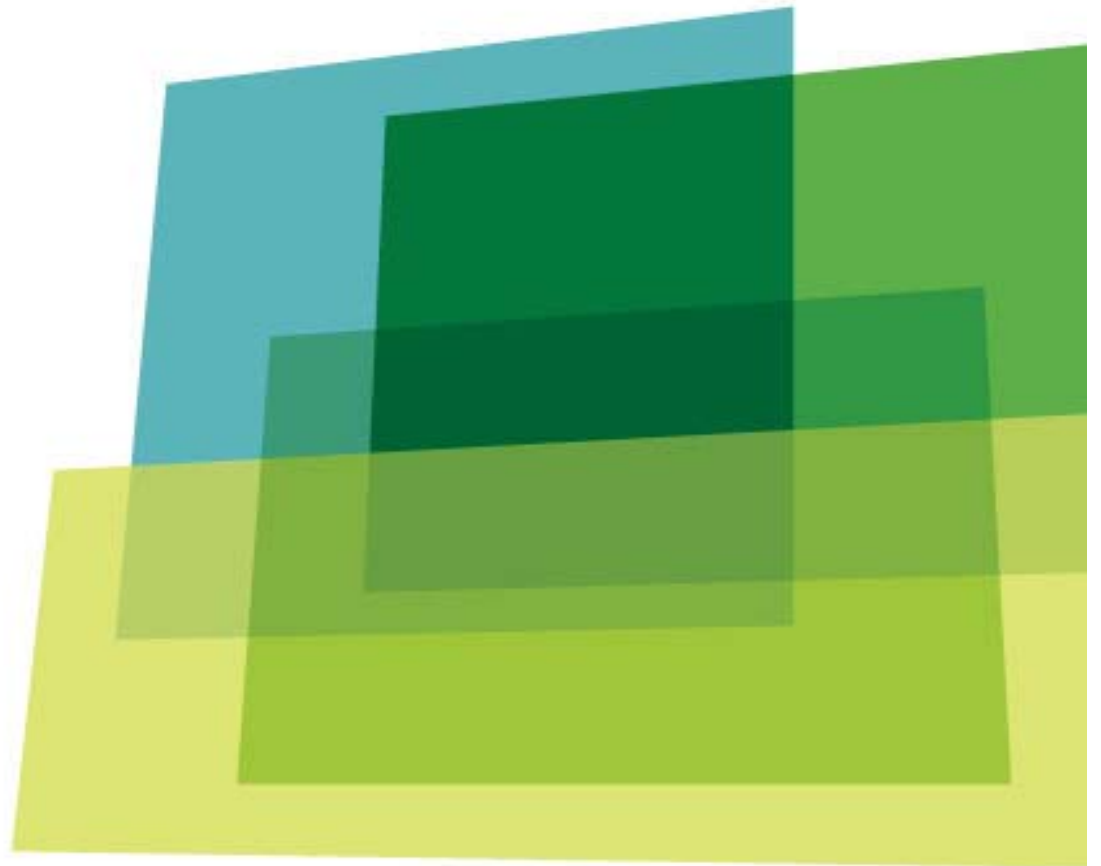


Questions





Kmart
Guy Russo



Agenda

- Trading Update 3Q09
- Key Issues
- Our Strategy
- Outlook



Trading Update - 3Q09

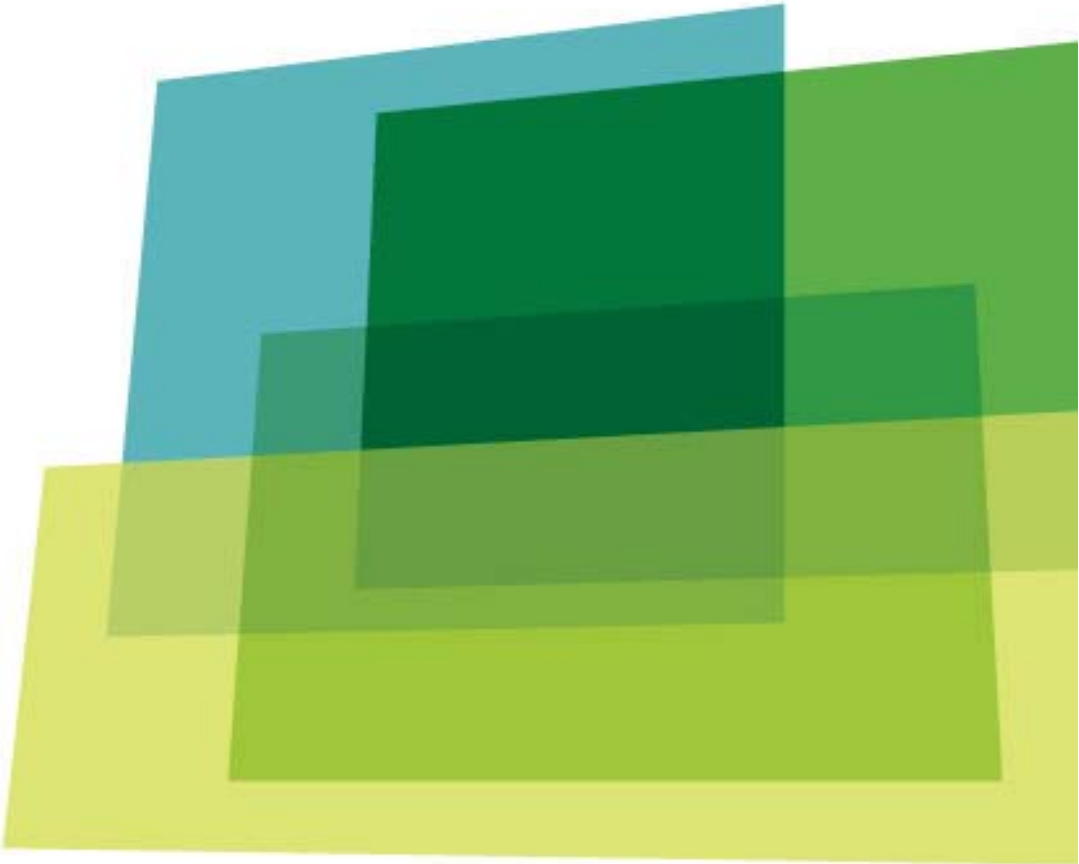


- Poor trading performance
 - Sales were poor in January and February
 - March sales supported by the Government's multiple stimuli packages
 - Comparative store sales for 14 weeks to 13 April (incl. Easter) in line with last year (+0.1%)
 - Inventory under control
- New store opened in Moonee Ponds (VIC)
- Continued strong performance from Kmart Tyre & Auto
- Finalised future strategy





Key issues



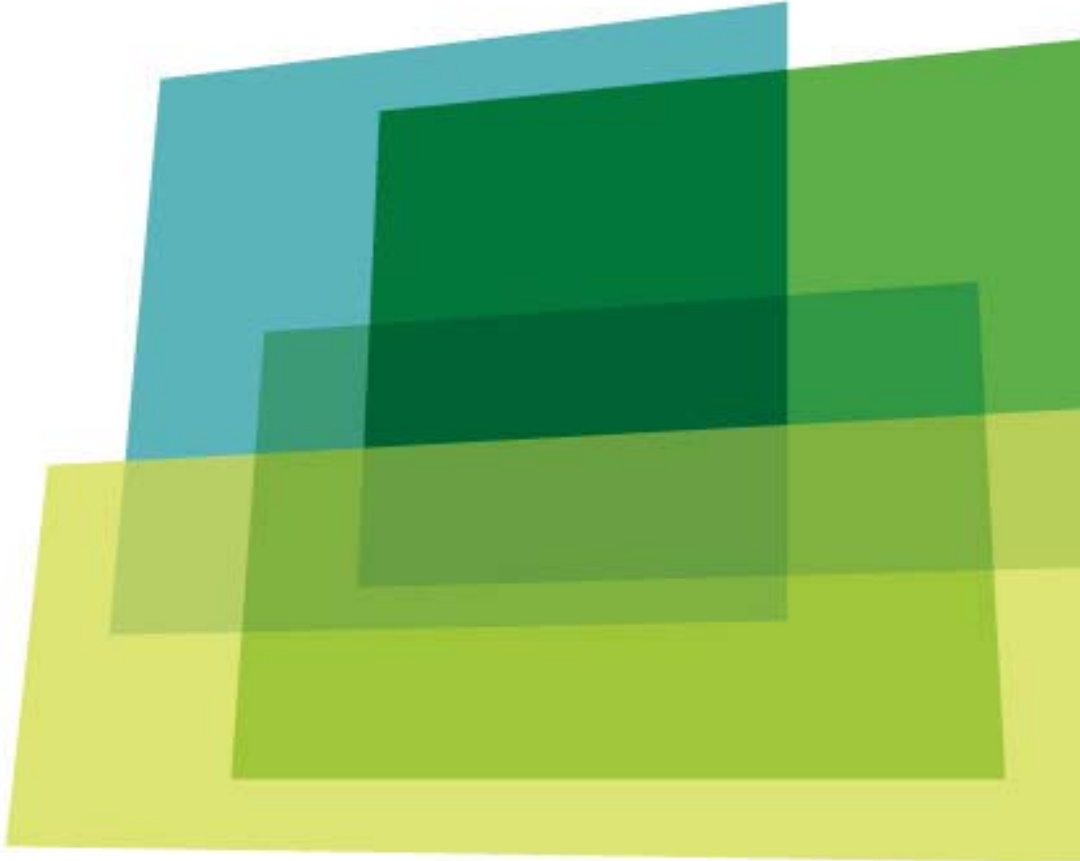
Key Issues

- Customer
- Product
- Price
- Promotion
- Place
- People





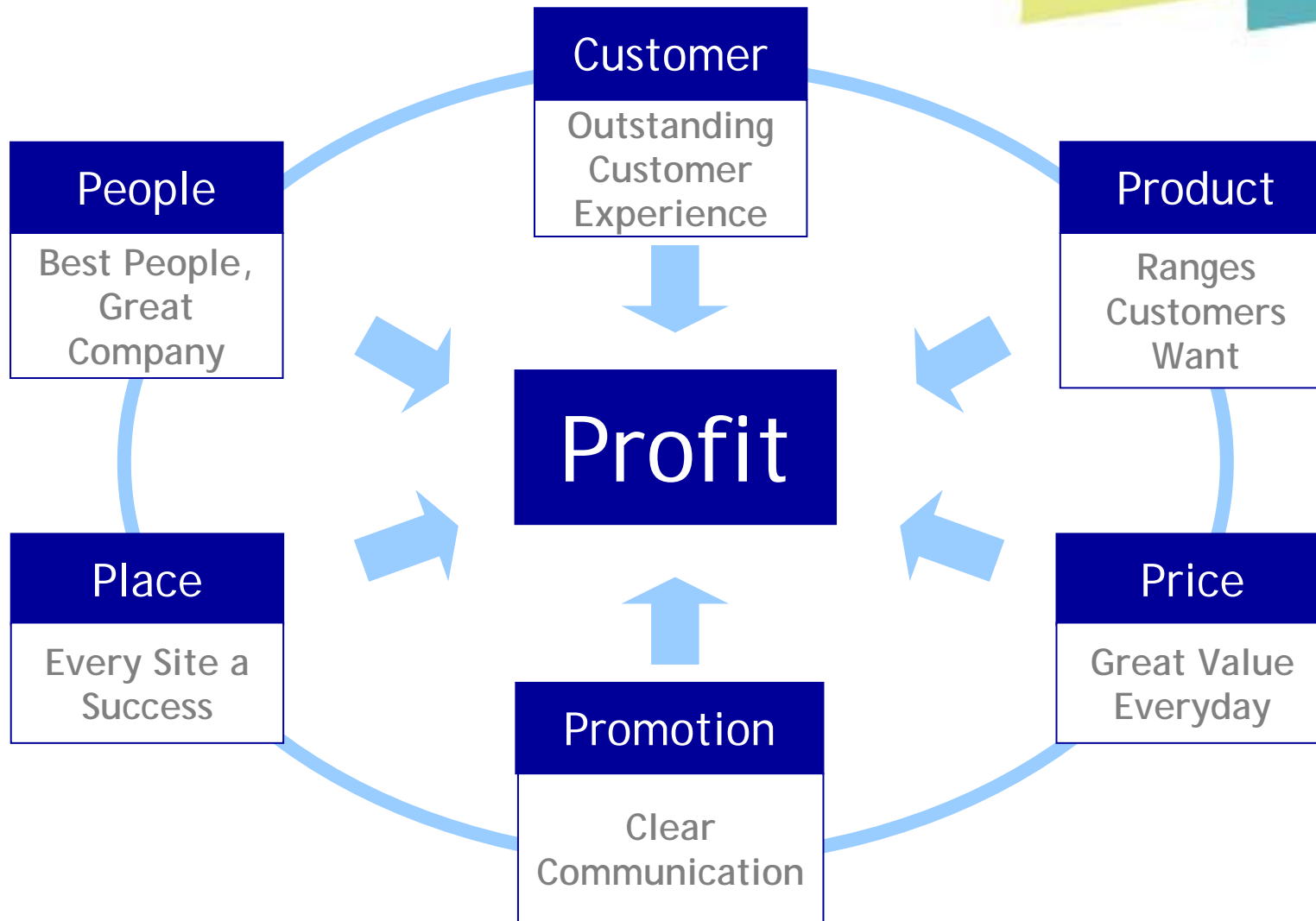
Our strategy





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







Customer
Outstanding
Customer Experience

Customer Service
Love the customer

In-Store Presentation
Clean, tidy,
uncluttered stores

Convenience
Easy to shop



- ✓ Improving basic store standards
- ✓ Extended store trading hours
- ✓ Management team on selling floor
- Reduced queuing
- Engaging customer greeters
- Clean stores
- Exceptional execution of events
- Reduce in-store processes
- Customer service training

- Develop team capability
- Improve workforce utilisation





Product
Ranges Customers Want

Purpose
What Kmart Stands For

Range
On Trend Ranges

Space
Ranges that Fit Every Store

Product Trust
Quality and Reliability

Merchandise Profitably
Profitable Depts.



- ✓ Inventory 12% below last year
- Ranges being rationalised
- Range to sales and space
- Improve product flow
- Refine quality standards
- Improve in-stock consistency
- Reduce items sold below cost
- Improve trading terms

- Become more famous for key departments
- Customer driven ranges
- Improve fashionability of ranges
- Optimise department space





- Eliminate extreme high/low
- All products priced to sell
- Competitive everyday pricing
- Simple clear in-store pricing
- Reduce number of price changes
- Improve final margins
- Reduce frequency of category promotions
- Reduce depth of discounts
- Consolidate ranges to price points
- Migrate to new pricing strategies





Promotion
Clear Communication

Customer
It's All About The Customer

Generate Sales Volume
More Customers Buy More Items

In Store Promotion
Promotions Start in Store

Marketing Comms
Simple, Clear, Compelling Messages

Key Events
Dominant Promotions, Profitability



- Decisions based on the customer
- Great events
- More focus on in-store events
- Simplify catalogues
- Simplify marketing messages
- Balance marketing spend to opportunity
- Build brand positioning
- Refine loyalty offer
- Simplify event processes





- ✓ 1 distribution centre closed
- ✓ More than 50 off sites closed
- Fixing loss making stores
- More resources to find new sites
- Review refurbishment approach
- Simplify store design
- Generate return from capital spend
- Layouts based on how customers shop
- Profitable new stores



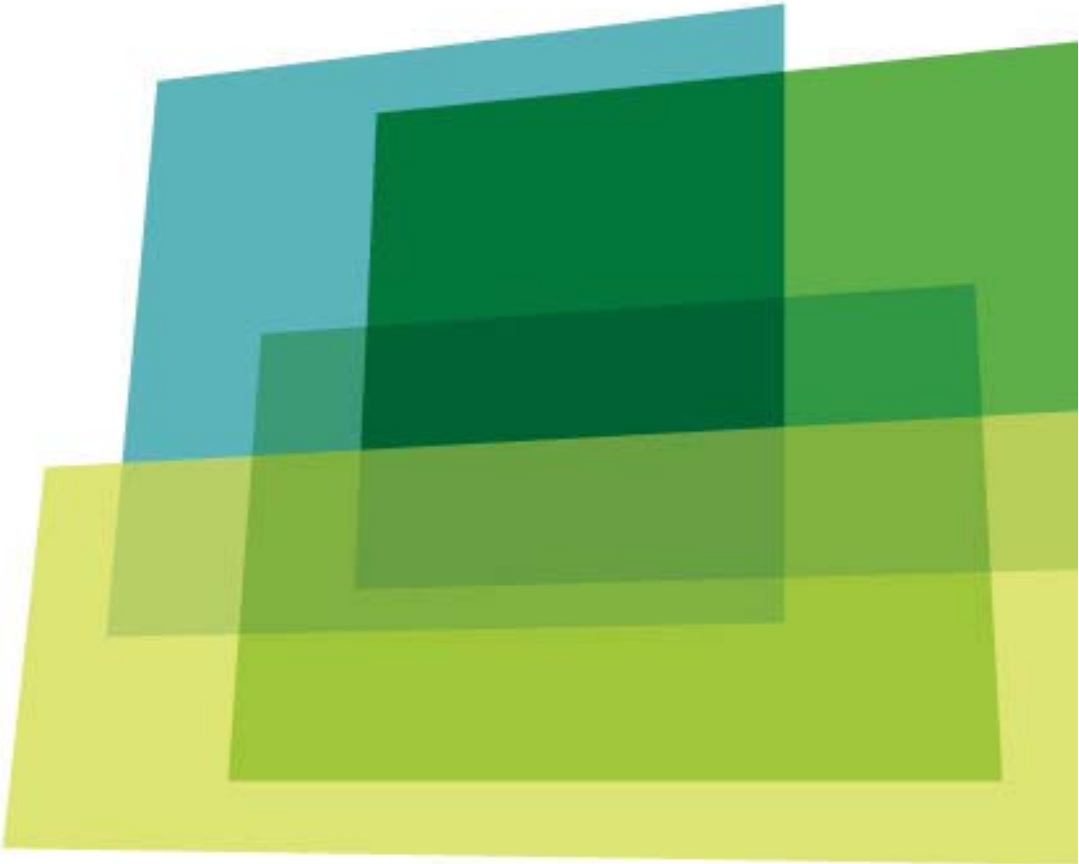


- ✓ New management team in place
- ✓ New incentive plans
- ✓ Right structures
- ✓ Open communication
- Store training and development
- Clear ownership and accountability
- Improve safety
- Build customer focussed culture
- Develop store leadership skills
- Develop store teams





Outlook



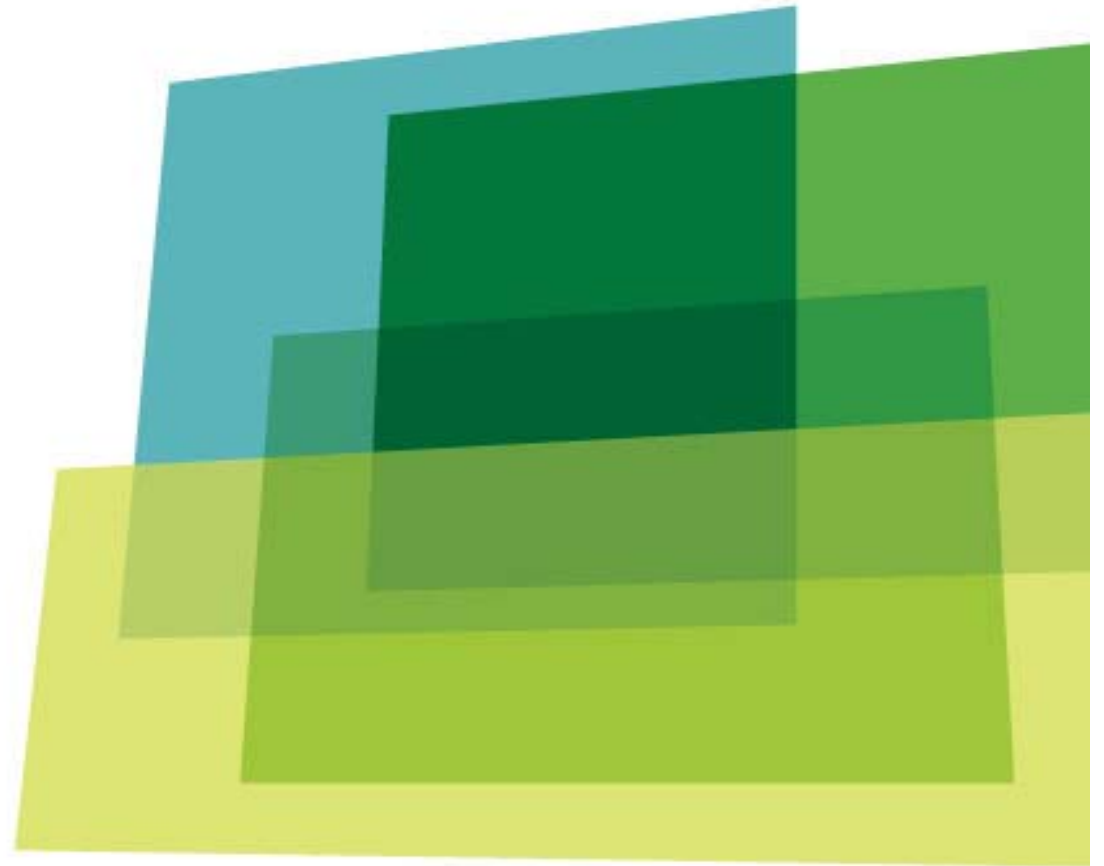
Kmart Outlook

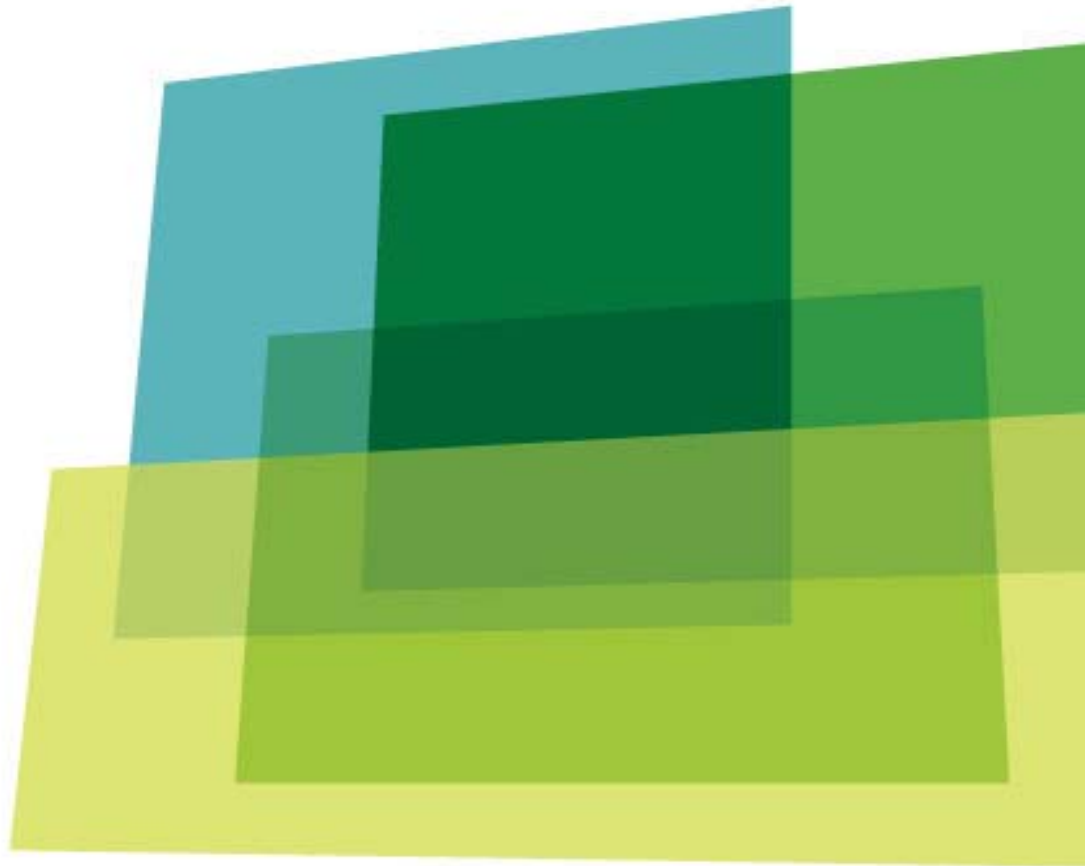
- We have a lot to do
- 3 – 5 year journey
- Anticipate trading performance to remain soft
 - Market conditions will remain challenging
 - Immediate focus on getting the basics right
- Renewal and Growth of Kmart is underway





Questions






Insurance

Rob Scott



Wesfarmers Insurance



Broking	Underwriting
  	  
<p>Revenue – CY09</p> <p>\$214 m</p>	<p>GWP – CY09</p> <p>\$1,389 m</p>
<p>Market Position¹</p> <p>Number 3</p>	<p>Market Position¹</p> <p>Number 5</p>

¹ by Revenue (Broking) and GWP (Underwriting) for corporate groups Australia and New Zealand





Good people to know.



Insurance cover for rural, business and private requirements



BUSINESS

FARM

HOME & CAR

STRATA

85 locations across rural and regional Australia

Lumley

General

Wholesale distribution of tailored insurance solutions to individuals, businesses, large corporates and government



- FLEET MOTOR**
- MARINE**
- PROPERTY & LIABILITY**
- ENGINEERING**
- CONSTRUCTION**
- BUILDERS WARRANTY**

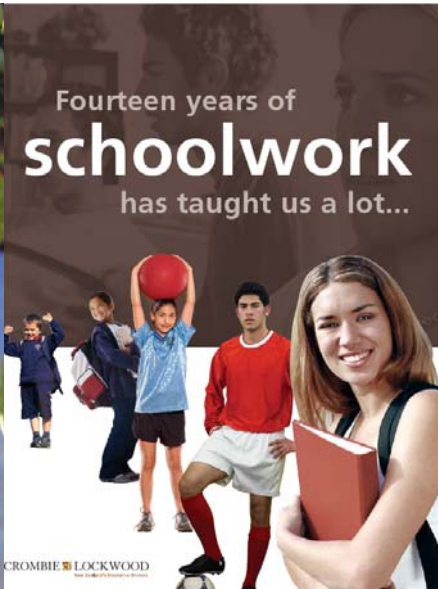
23 locations in Australia & New Zealand

CROMBIE LOCKWOOD

New Zealand's Insurance Brokers



Advice and solutions to allow clients to financially survive any insurable event



- BUSINESS INSURANCE**
- PERSONAL LINES**
- FINANCIAL SERVICES**
- LIFE DISABILITY & HEALTH**
- SCHEMES**
- CLAIMS MANAGEMENT**
- PREMIUM FINANCING**

17 locations across New Zealand



OAMPS

INSURANCE BROKERS

*Closer to clients
Closer to communities*

Specialist product advice and tailored services to businesses by accessing local and global insurance markets



- BUSINESS INSURANCE**
- PERSONAL LINES**
- SUPERANNUATION**
- LIFE & INCOME PROTECTION**
- SCHEMES**
- FINANCIAL MANAGEMENT**
- ENVIRONMENTALCONSULTING**

33 locations in Australia & the UK

Trading Update - Underwriting



Business Unit	Details
WFI	Market rates hardening across most classes Improved sales conversion rates Above average claims - crop and Victorian fires
Lumley Australia	Management restructure, new senior appointments Portfolio reviews – exit legacy agency arrangements Increased claims from Vic fires, motor, marine and retail
Lumley New Zealand	Good progress on business turnaround Market rates hardening across most classes Upgrade of claims system completed

Australian license consolidation completed

Investment earnings will decrease from lower interest rates



Trading Update - Broking

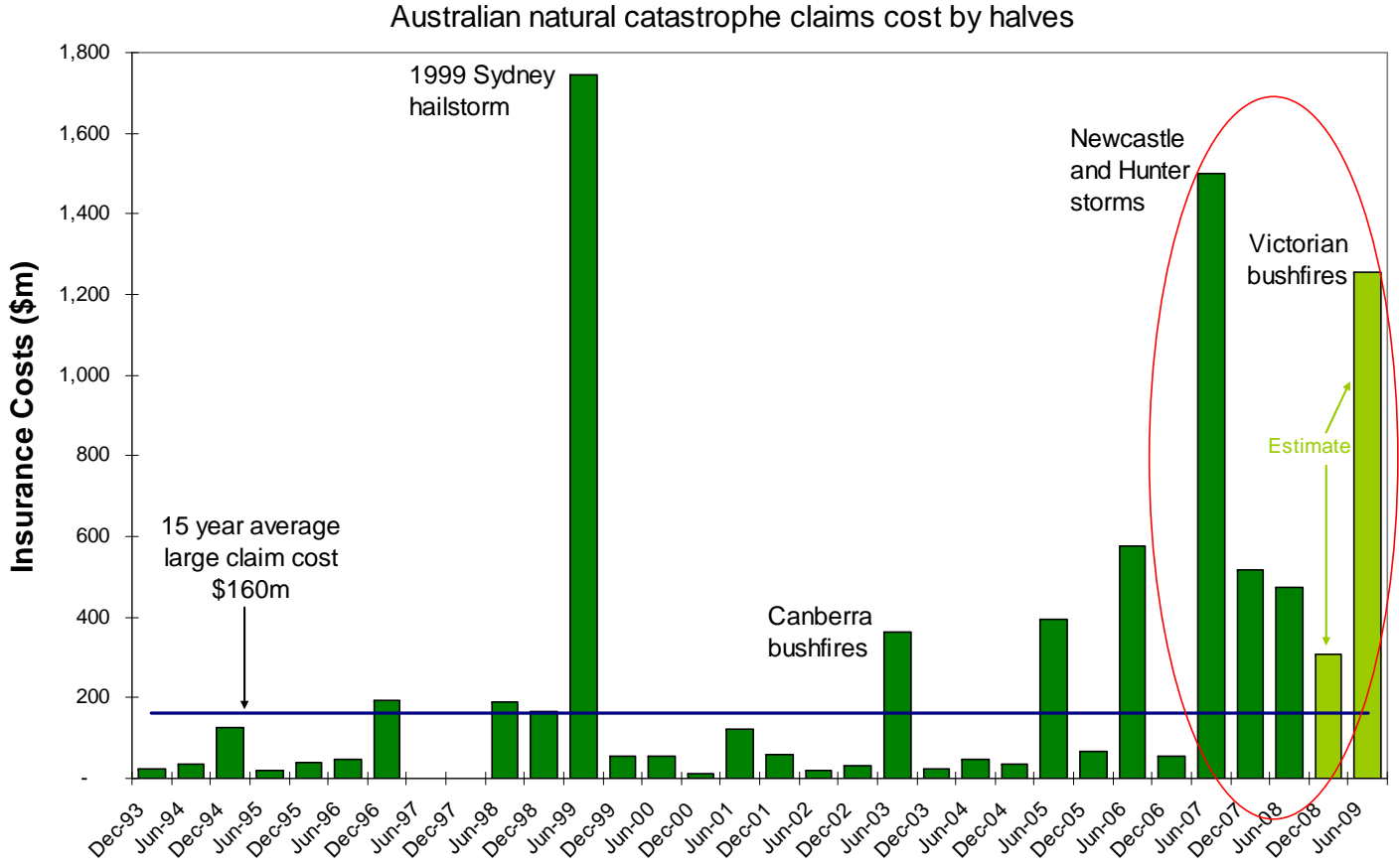


Business Unit	Details
Crombie Lockwood	Revenue and earnings ahead of last year Commercial clients facing challenging conditions Business well positioned for tougher environment
OAMPS Australia	Revenue growth improving Process and efficiency improvements continue Organisational review underway (Project Empower) Small bolt-on acquisitions in Cairns and Adelaide
OAMPS UK	Strong performance from London market operations Niche markets less affected by economic downturn Environmental services distribution agreement with Zurich

Insurance broking operations delivering growth in earnings



Higher than average natural catastrophes



Source: Insurance Council, WI estimates and Credit Suisse analysis



Market Conditions



- Weather related claims affecting loss ratios
- Lower interest rates affecting investment returns
- Rate increases gaining momentum; predominately in short-tail classes
- Liability claims trends worsening
- Economic slowdown and credit tightening constraining client growth



Underwriting Strategies



Update on Key Strategies

Single licenced entity for Australian businesses	Complete	<ul style="list-style-type: none">• Single licence effective 31 March 2009• Shared services function now operational (Finance, Admin, Risk & Compliance, IT, HR)• Move to combined reinsurance programme 1 July
LGNZ margin improvement	On-track	<ul style="list-style-type: none">• \$14m turnaround in EBITA in 1H• New management and finance team in place• Appointment to General Insurance panel of AMP• Good support from market to changes
Building technical capabilities	On-track	<ul style="list-style-type: none">• Management team changes in LGA• New senior Marine and Retail underwriters• Improved portfolio management disciplines
IT systems alignment and upgrade	On-track	<ul style="list-style-type: none">• New claims system implemented in LGNZ• LGA system conversion to JAVA now complete
Portfolio management	On-track	<ul style="list-style-type: none">• Appointment of GM, Products across Australian businesses• Portfolio reviews complete – remedial action underway<ul style="list-style-type: none">– exit legacy agency business in LGA



Broking Strategies



Update on Key Strategies

Leverage combined capabilities	On-track	<ul style="list-style-type: none">• Senior Crombie Lockwood appointments in OAMPS• Sales performance systems• Project Empower – streamline support functions and empower branches• Aligning arrangements with underwriters
Building the best team	On-track	<ul style="list-style-type: none">• Launch of L&D programme• Selective hires in NZ, Australia & UK• Improved incentives for high performers
Upgrade sales performance systems	Complete	<ul style="list-style-type: none">• Common budgeting/monitoring systems across Australia & NZ• Improved revenue growth per broker in Australia
New SME insurance offer	On-track	<ul style="list-style-type: none">• New system in testing phase• Underwriting security in place• NZ launch targeted for June 09
Promote ancillary business	On-track	<ul style="list-style-type: none">• Premium funding income growth >10%• Growth in UK environmental consulting
Bolt-on acquisitions	On-track	<ul style="list-style-type: none">• Two small acquisitions since January• Bolt-on acquisitions over past two years achieved ROC >20%• Being more selective in current environment



Insurance Outlook

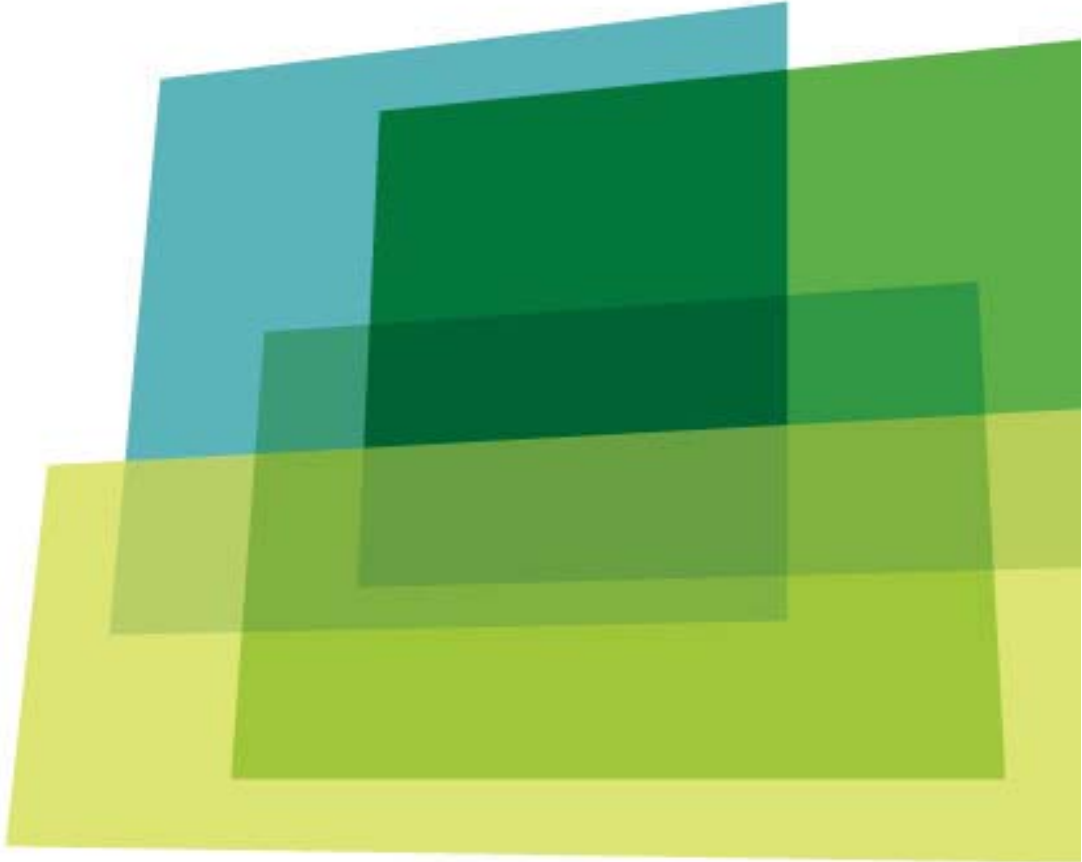


- Lower earnings in FY09 from underwriting due to:
 - Higher incidence of claims, particularly crop and bushfires
 - Lower interest rates reducing investment earnings
 - Poor performance from LGA legacy agency businesses (now in run off)
- Lumley New Zealand delivering on turnaround
- Lumley Australia business improvement initiatives
- Rate increases being achieved in Australia and NZ
- Broking earnings continue to grow
- Economic slowdown constraining customer investment and cashflows
- Pursue selective bolt-on acquisitions



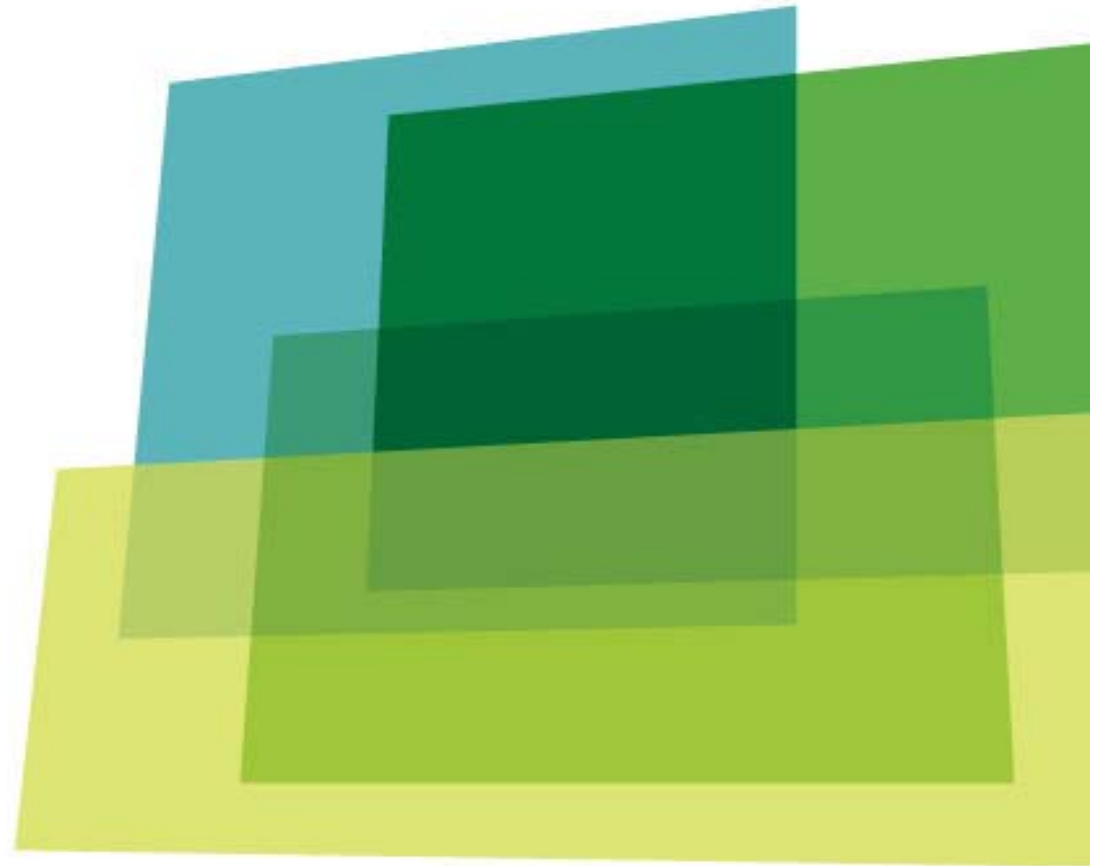


Questions





Resources
Stewart Butel



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)



Business environment



- Impact of global economic crisis
 - Customers
 - Significant reduction in global steel production
 - Reduced metallurgical coal demand and prices
 - Major metallurgical coal price negotiations concluding
 - Suppliers
 - Major industry announcements of metallurgical coal output cuts
 - Mine expansions on hold subject to market conditions
 - Cost reduction strategies
- Export coal chain constraints easing at Gladstone
- Weakened Australian dollar
- Preparing for introduction of CPRS and emissions trading
- Longer-term outlook for the coal industry remains positive

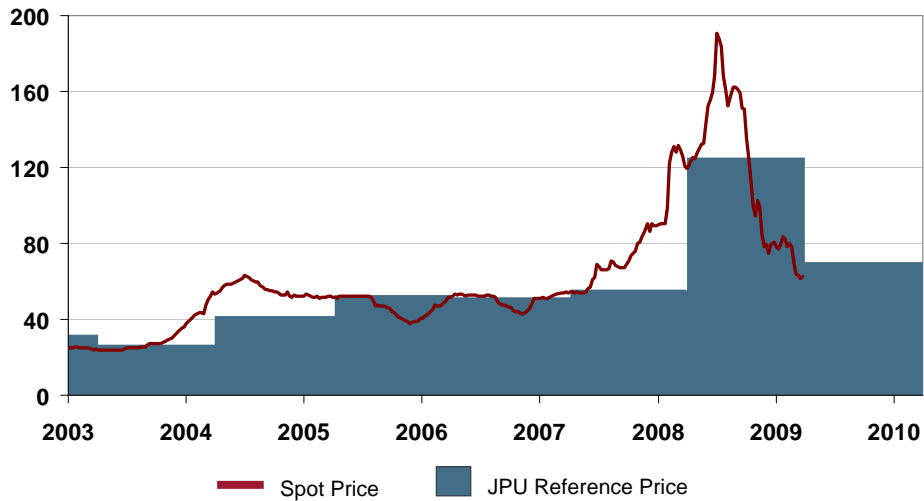


Australian coal market prices



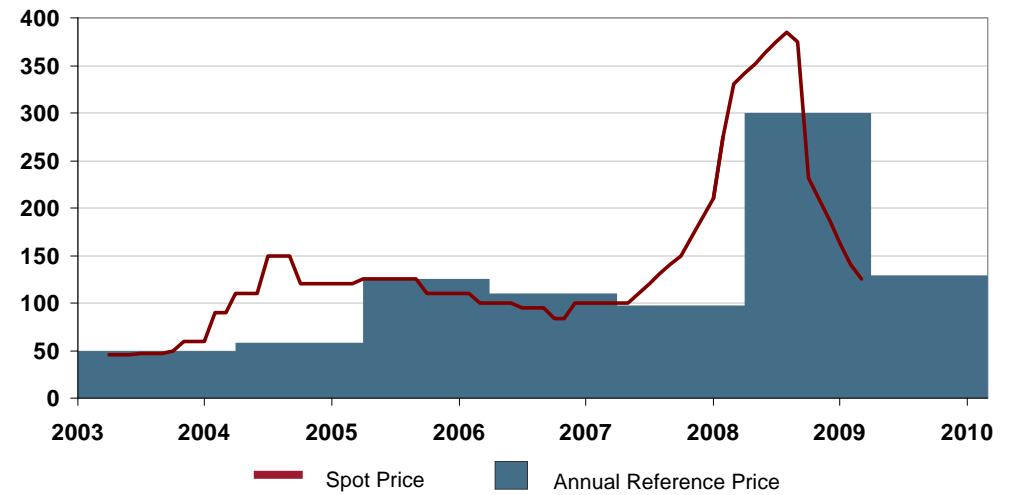
Steaming coal

US\$/Tonne (Nominal) FOB Australia (annual verse spot)



Hard coking coal

US\$/Tonne (Nominal) FOB Australia (annual verse spot)



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



Resources strategies



Strategic initiatives		Comments
Maximise export sales and optimise sales mix	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> Long-term contracts ongoing Price relativity maintained Maximise higher value products
Cost reduction programmes	<ul style="list-style-type: none"> ✓ ✓ WIP WIP 	<ul style="list-style-type: none"> Improve operational performance Cost reduction programmes in place People, process and systems Evaluate improved mining technology
Expansion opportunities	WIP	Timing of expansion projects subject to market conditions
Extend product and market reach	<ul style="list-style-type: none"> WIP WIP 	<ul style="list-style-type: none"> Evaluate acquisitions that offer economies of scale or downstream benefits Brownfield growth opportunities
Sustainability	<ul style="list-style-type: none"> WIP ✓ ✓ 	<ul style="list-style-type: none"> Safety and environmental performance Community engagement Coal21



Coal production - year on year growth

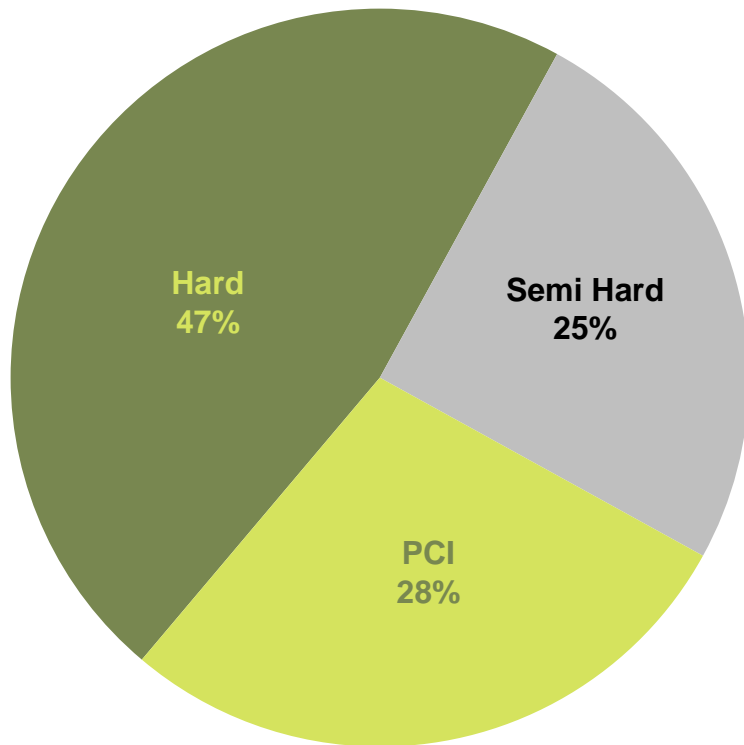
Mine	Beneficial Interest	Coal Type	YTD ended ('000 tonnes)	
			Mar 2009	Mar 2008
Curragh, QLD	100%	Metallurgical	5,016	4,822
		Steaming	2,217	1,966
Premier, WA	100%	Steaming	2,663	2,213
Bengalla*, NSW	40%	Steaming	1,529	1,529
Total			11,425	10,530

* Wesfarmers attributable production



Curragh FY09 projected metallurgical sales

Sales mix and volume

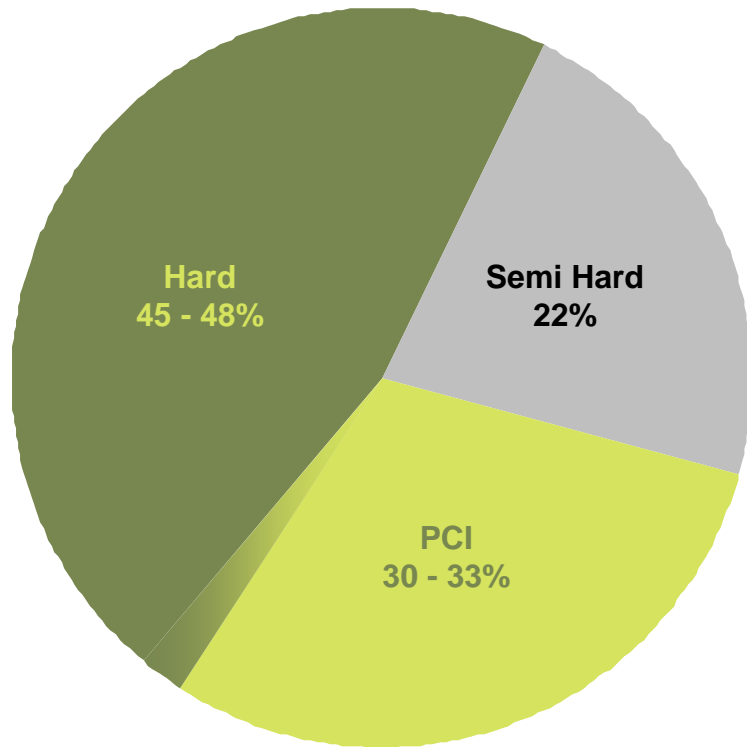


- FY09 sales volume estimate
 - Lower end of 6.5 to 6.9 million tonne range
- Additional 325kt PCI diverted to export steaming



Curragh FY10 projected metallurgical sales

Sales mix and volume

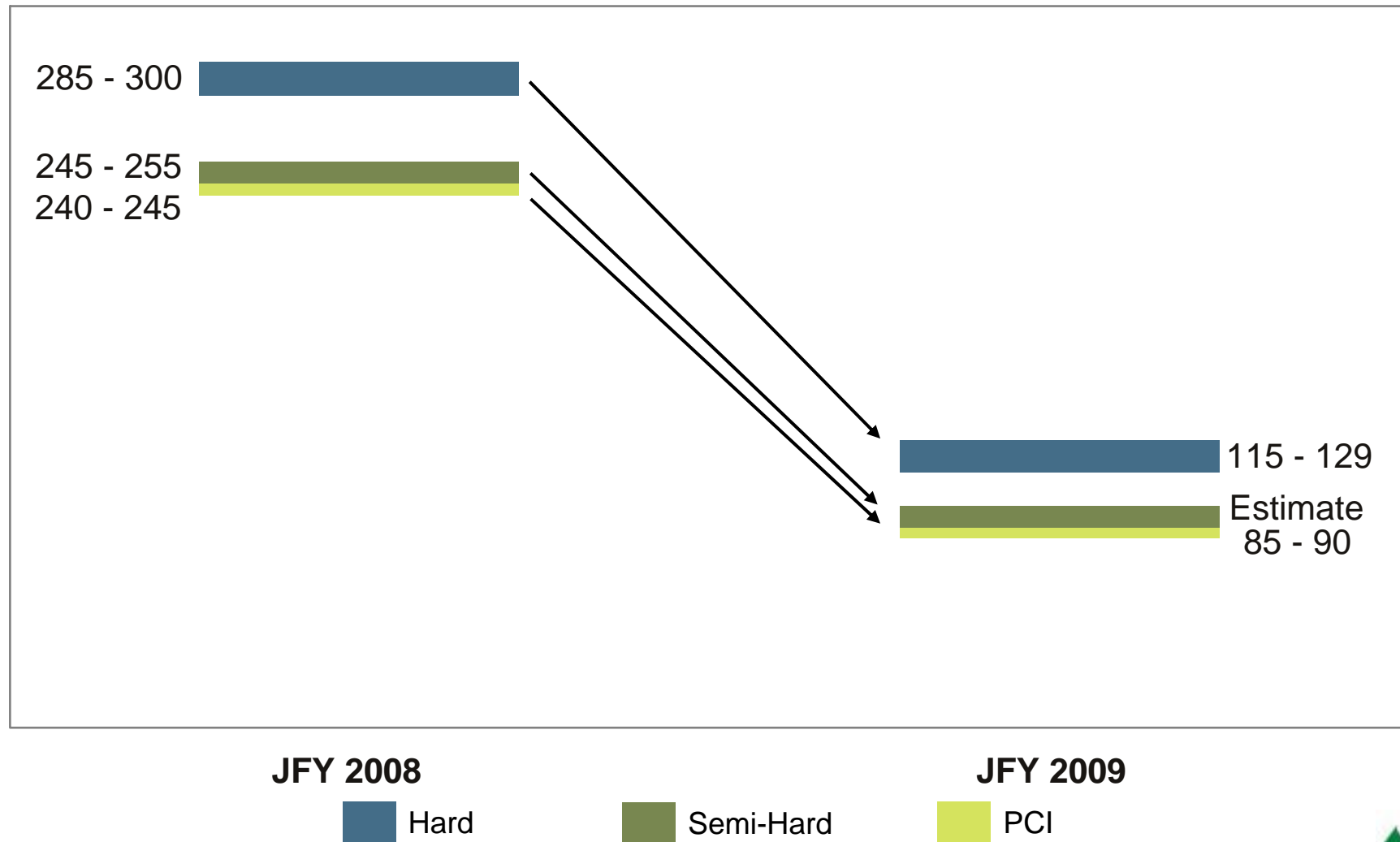


- Strong shipping in year ended March 09
- Limited carryover tonnage into June 09 QTR
- Strong customer support
- FY10 sales volume estimate
 - 6.0 to 6.5 million tonnes



Metallurgical coal price market outcome

US\$ / Tonne FOB



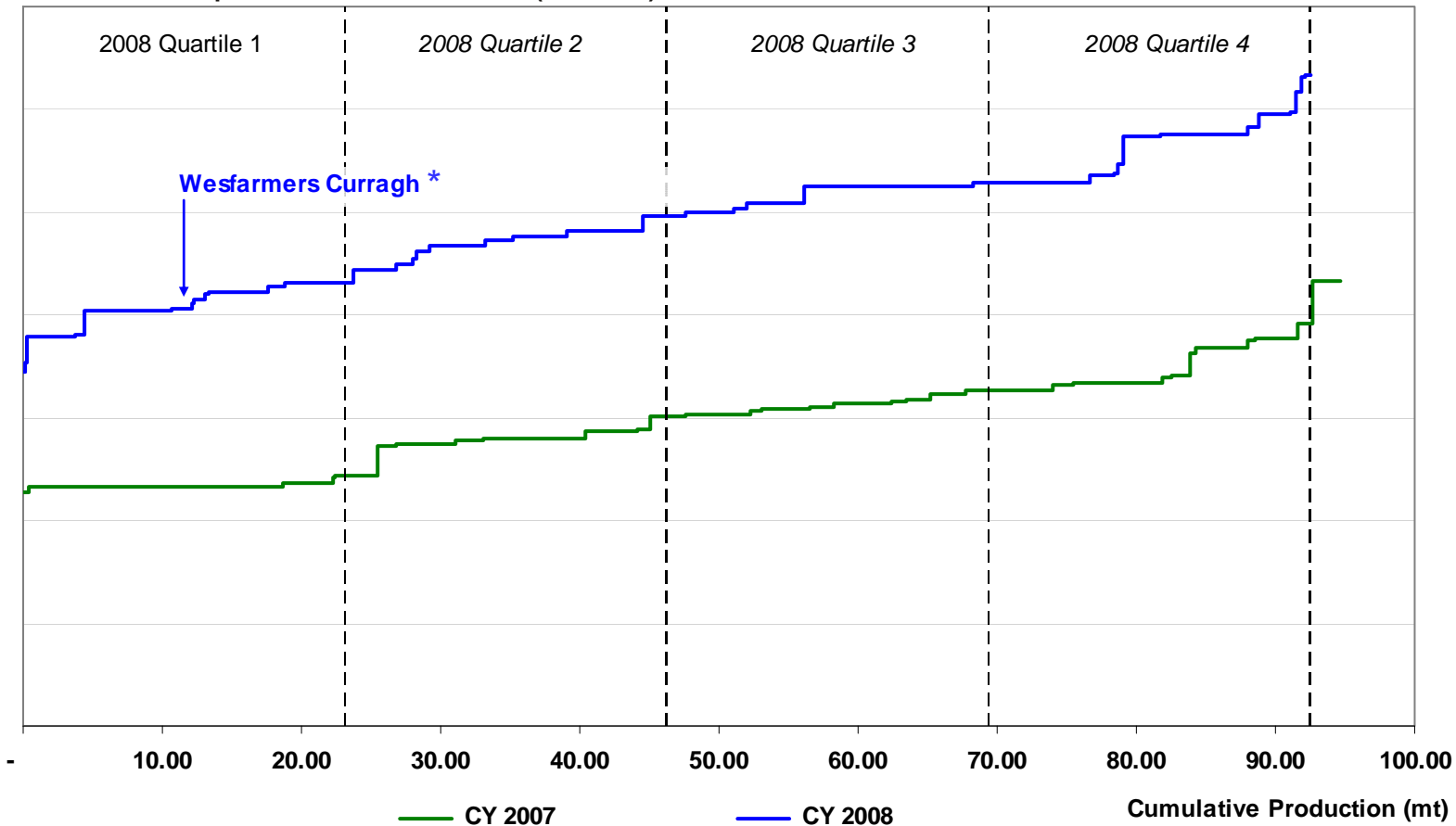
Source: Barlow Jonker, Tex Report, Macquarie Research



Australian HCC producers FOB cash costs

- Significant cost increases experienced industry wide in calendar year 2008
- Cost increases due to labour, export royalties and mining & processing costs
- Curragh in lowest quartile of hard coking coal industry cost curve per 2008 independent review

Australian HCC producers FOB cash costs (A\$/t nom)



Source: AME * Excludes Stanwell amortisation



Curragh focus on cost control



- Strategies targeted on cost reduction include:
 - Focus on mining and processing practices, equipment utilisation and productivities
 - Procurement optimisation on key input costs
 - Energy efficiency initiatives
 - Optimisation of contractor usage and roles
- Costs driven significantly by external factors include:
 - Fuel
 - Export royalty
 - Explosives
- Signs industry wide cost pressures now beginning to ease



Hedging profile as at 31 March 2009

Curragh – Open Contracts

Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2009*	78	0.76
2010	315	0.78
2011	285	0.79
2012	62	0.80
2013	24	0.76

* Represents three month period ending 30 June 2009

Bengalla – Open Contracts

Year end 30 Jun	Current US\$ sold forward (US\$m)	Average A\$ / US\$ hedge rate
2009*	27	0.79
2010	97	0.79
2011	65	0.79
2012	34	0.77
2013	10	0.78

* Represents three month period ending 30 June 2009

Closed contracts: In addition to the above open contracts; US\$405m forward exchange contracts have been 'closed out' by offsetting US\$ buy contracts in response to changed global market conditions

- **A\$83m** locked-in losses to be booked in H2 2009; **A\$85m** locked-in losses to be booked in FY2010



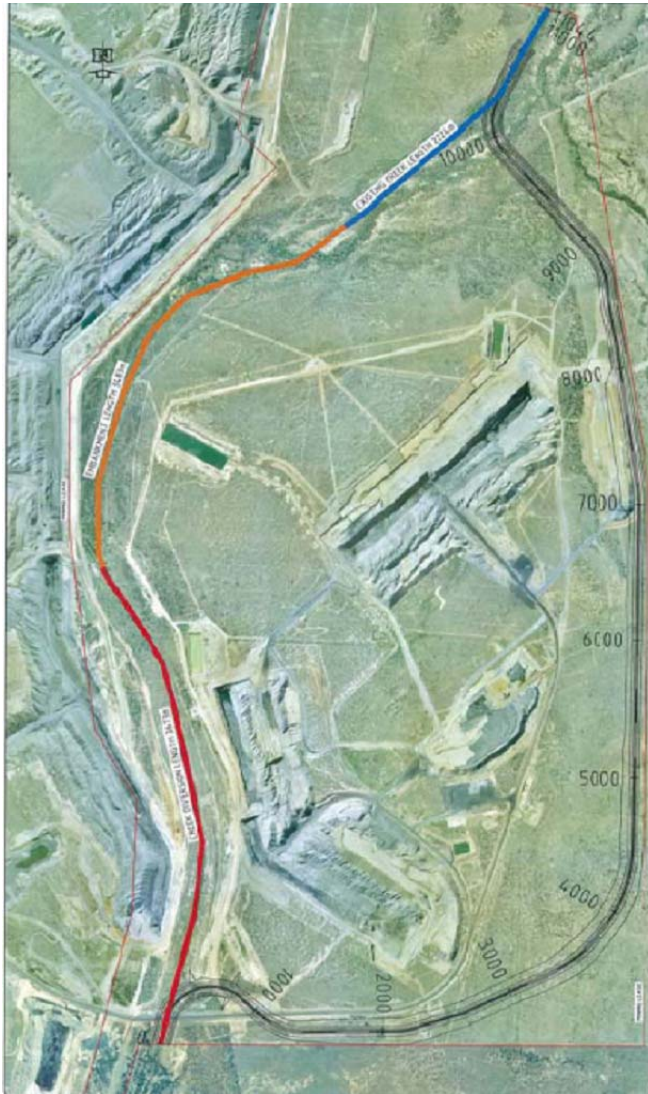
Dragline 302 back in service ahead of schedule



- Boom accident - Dec 2008
- Estimated cost of repair - \$20m
- Insurance claim in progress
- Return to service – end April 2009



Increase available reserves - Blackwater Creek diversion



- Allows access to additional hard coking coal
- Optimise sales mix
- Capital estimate \$130 million including civil works and rehabilitation
- Investment approval *October 2008*
- Construction *Underway*
- First mining *December 2010*



Resources outlook

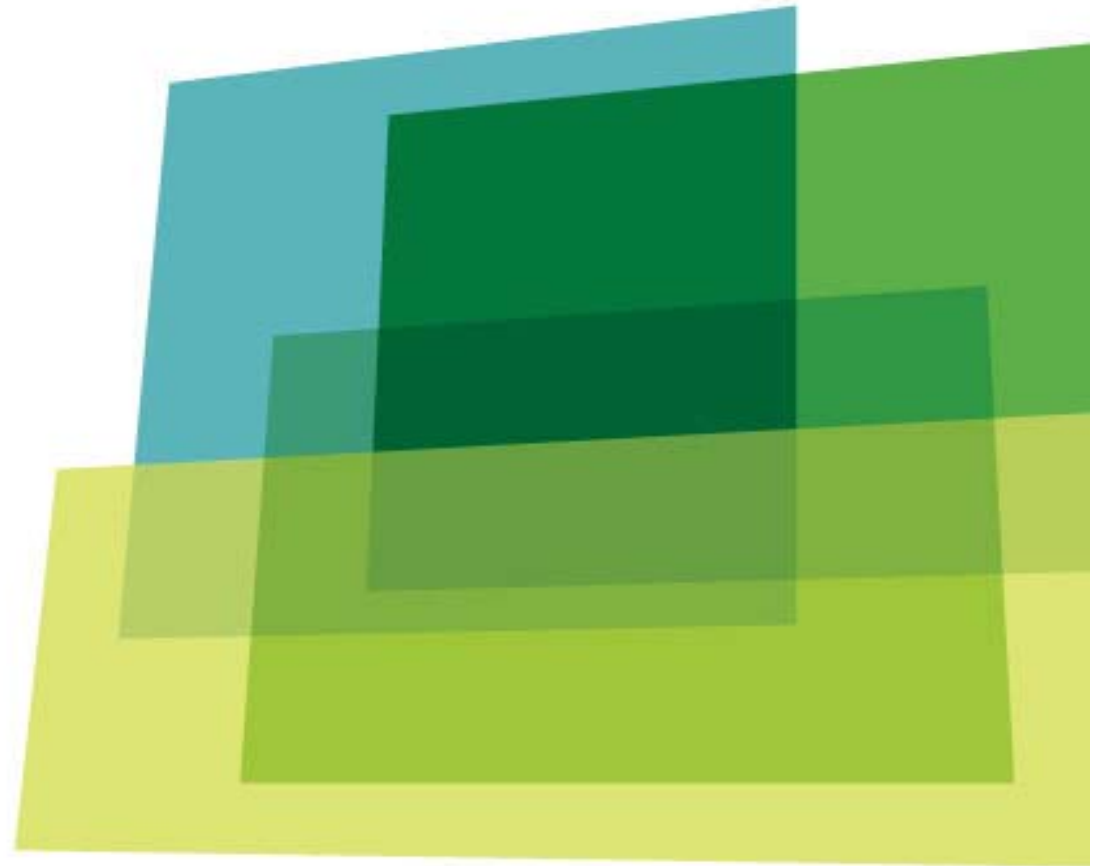


- Global slowdown in steel production impacting coal market
- 2009/10 price negotiations with major customers concluded
- Curragh metallurgical sales for FY09 at lower end of forecast of 6.5 – 6.9mt
 - Estimated sales mix (Hard 47%; Semi-Hard 25%; PCI 28%)
 - Stanwell rebate estimate A\$105 - \$125 million in second half of FY09
 - Locked-in hedge losses of A\$83m in second half of FY09
- Timing of expansion projects subject to market conditions
- Forecast Curragh metallurgical sales of 6.0 – 6.5mt in FY10
 - Estimated sales mix (Hard 45 - 48%; Semi-Hard 22%; PCI 30 - 33%)
 - Stanwell rebate estimate A\$200 - \$240 million for FY10 assuming AUD:USD of \$0.65
 - Locked-in hedge losses of A\$85m in FY10



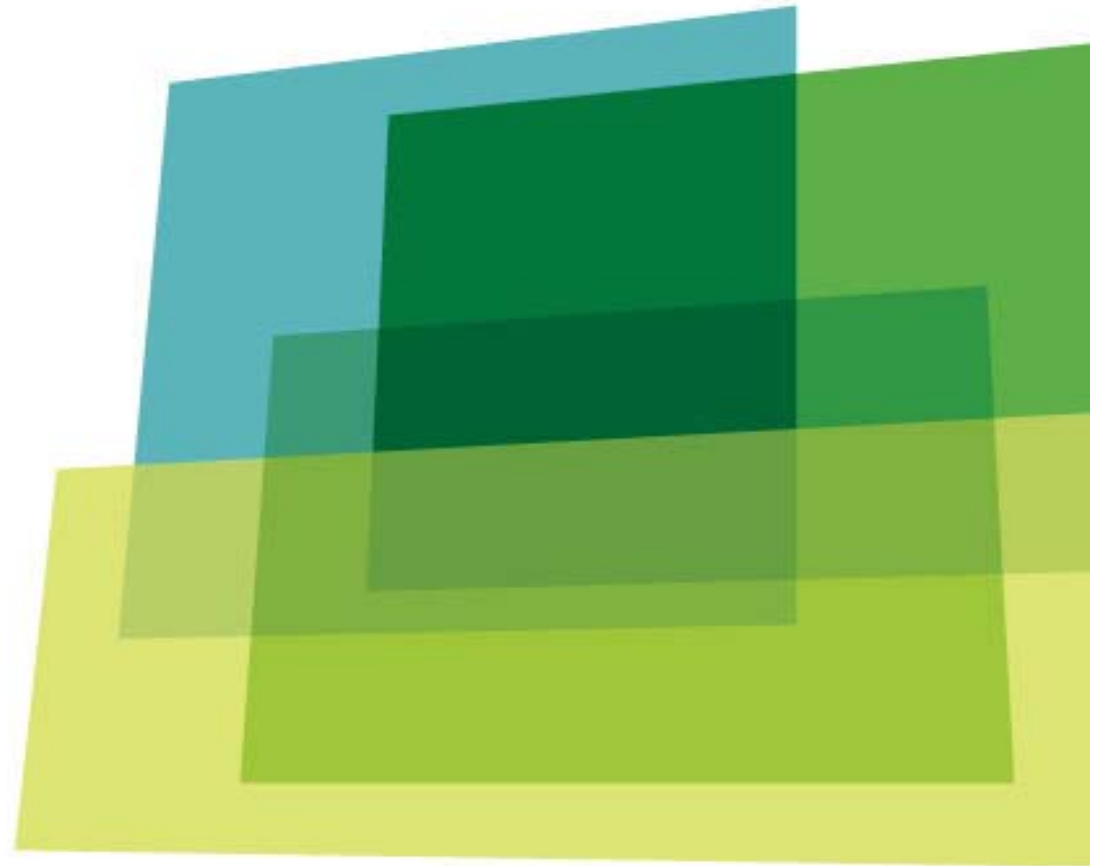


Questions





Appendices



Coal delivery systems

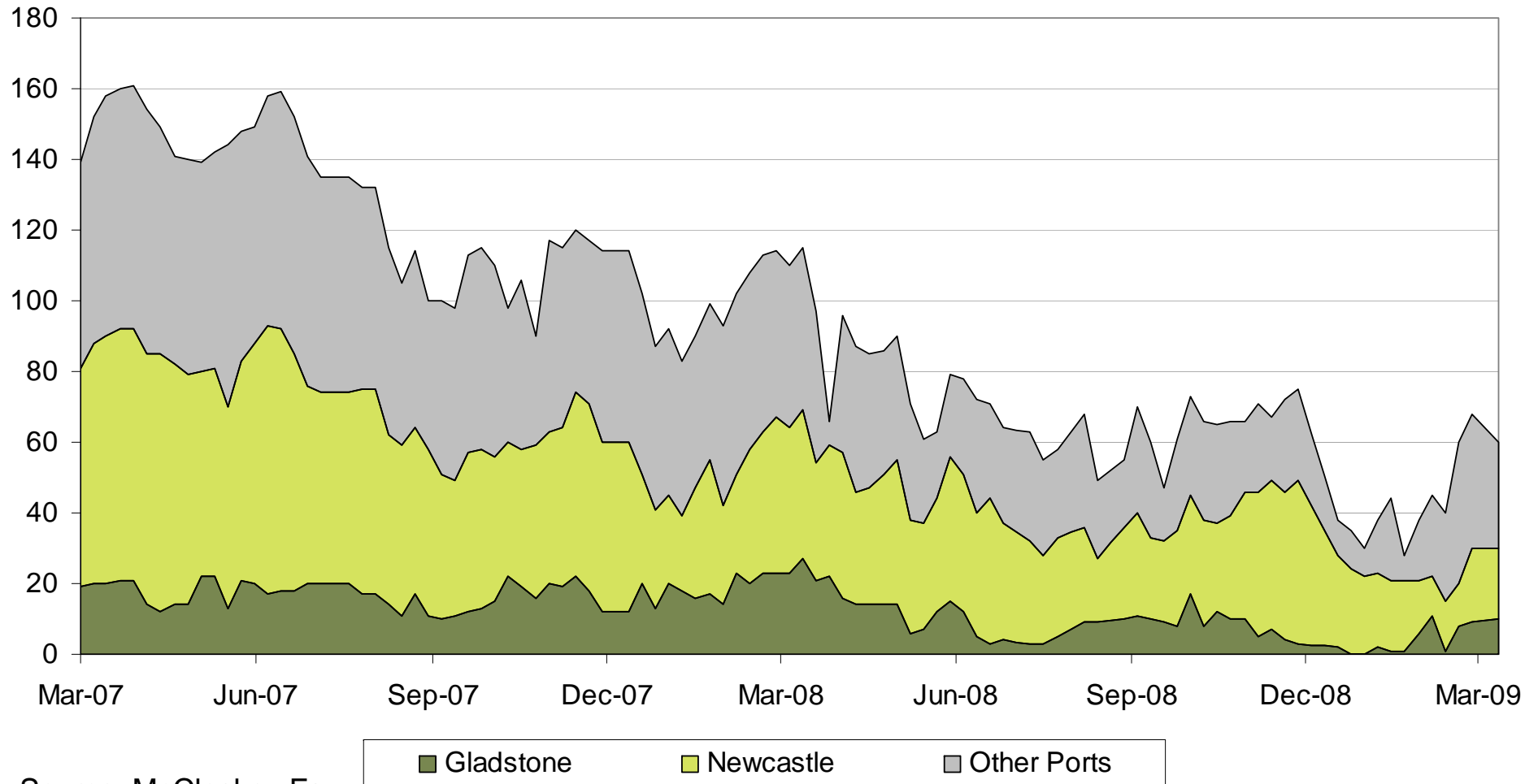
- Gladstone
 - Short-term rail capacity significantly improved
 - Ongoing rail duplication projects
 - Adequate port capacity in place
 - Wiggins Island Coal Terminal feasibility study continues
- Newcastle
 - Port constraints continue into 2009
 - Decreasing vessel queues and demurrage
 - Shippers agreement with NSW Government on long term allocation
 - Enabling port expansions and take or pay port contracts
 - Existing Capacity Balancing System extended to 30 June 2009



Coal port congestion East Coast Australia as at 27 March 2009



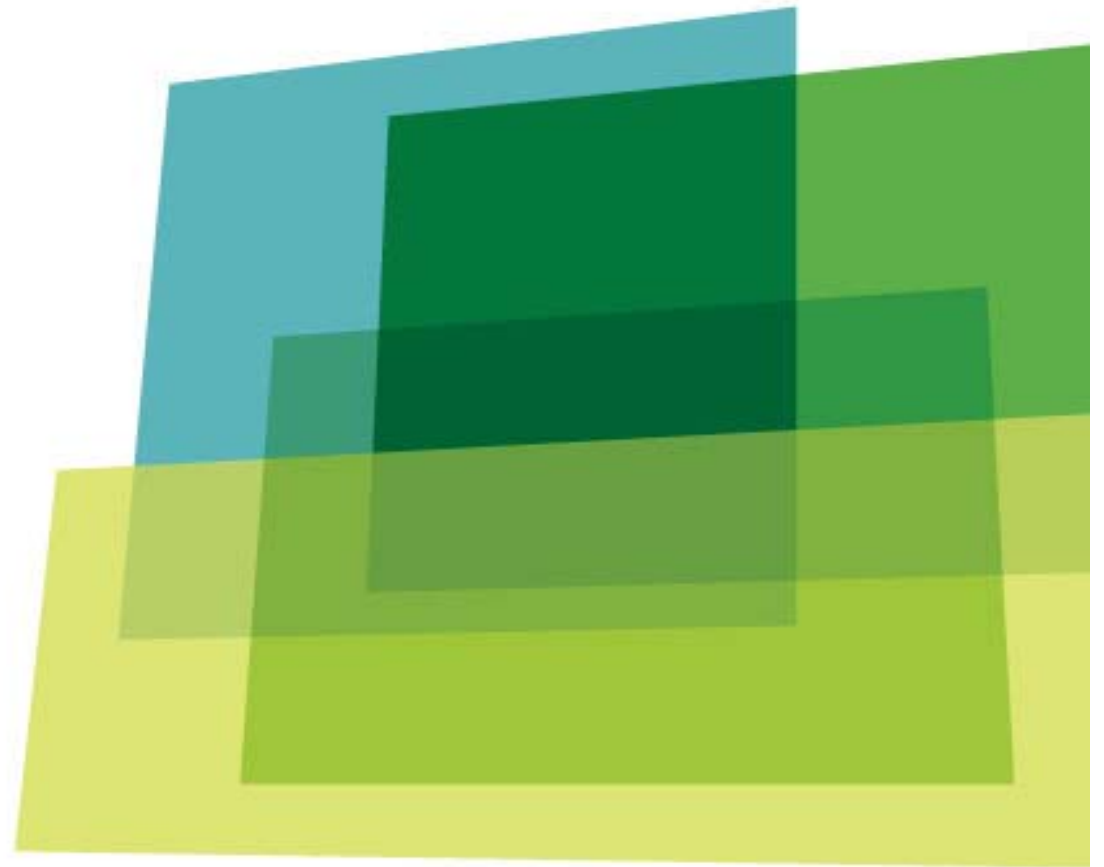
No. of ships at anchor



Source: McCloskey Fax



Home Improvement
& Office Supplies



Bunnings Trading Update

1 January to 13 April*



- Cash store-on-store sales growth of 11.1%
 - good performance across existing store network
 - growth across all merchandising categories
 - ongoing focus on creating customer value and improving operational effectiveness and efficiency
- Challenging trade market
 - continued weakness in most housing construction markets
 - growth in first home owner market has had minimal impact
 - strategic agenda progressed

* Allows for Easter timing



Bunnings Outlook



- Continued cash sales growth
 - sensitive to an extended downturn
- Challenging trade market conditions
- Likely for 13 store and 10 trade centre openings for FY09
- Ongoing focus on operating the business for long term success, while managing through the current economic environment
- Strong focus on cost



Officeworks Trading Update

1 January to 13 April*



- Retail sales growth of 5.7%
 - strong transaction growth
 - pressure on margin
- Difficult market conditions
 - adverse sales trends in OW Business and HT
 - small business sector exposed to economic adversity
- Substantial progress on strategic agenda

* Allows for Easter timing



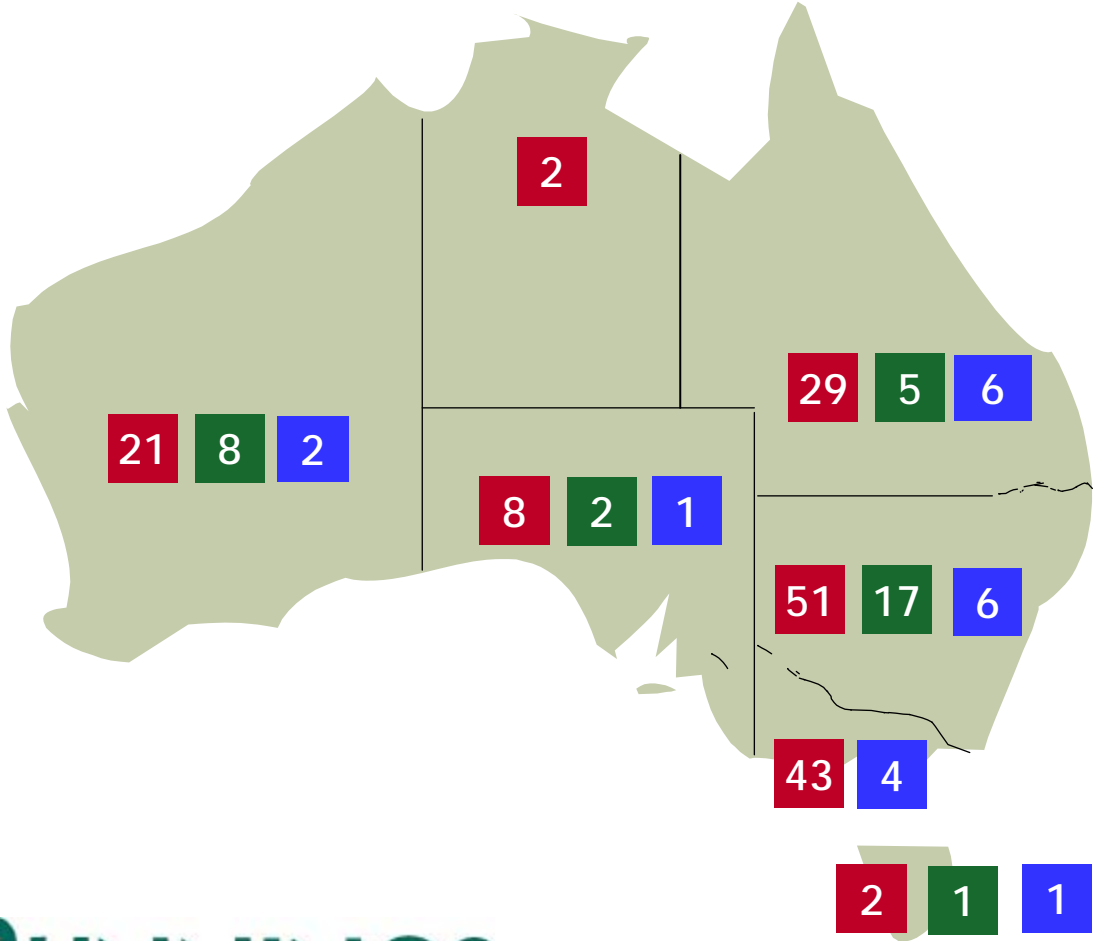
Officeworks Outlook



- Continued focus on gaining traction with strategic agenda
- Difficult trading conditions for remainder of year
 - pressure on sales and margin, particularly in small business sector
 - moderate sales growth expected



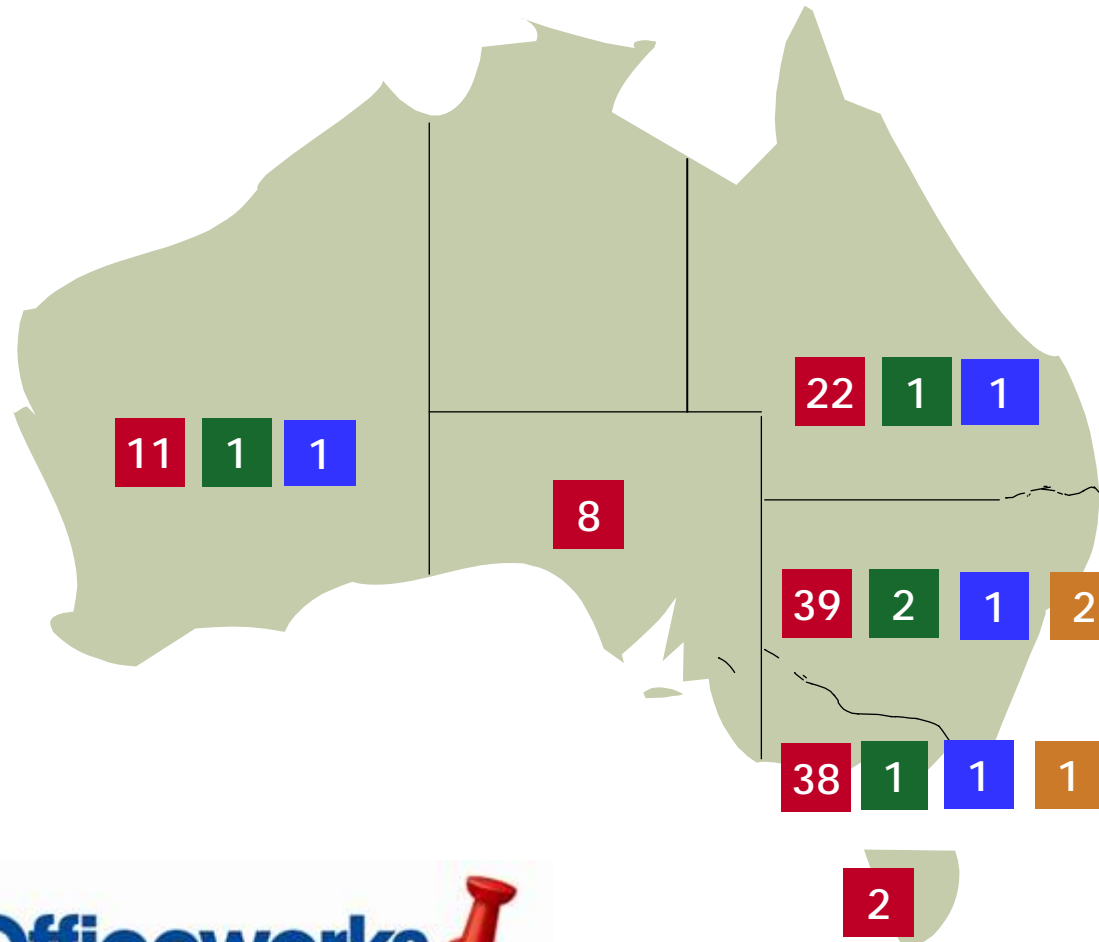
Bunnings Network at April 2009



- 172 Warehouse stores
- 58 Small format stores
- 20 Trade Centres



Office Supplies Network at April 2009



Retail Stores

- 120 Officeworks
- 5 Harris Technology

Business

- 4 Fulfilment Centres
- 3 Service Centres



Store Network Movements

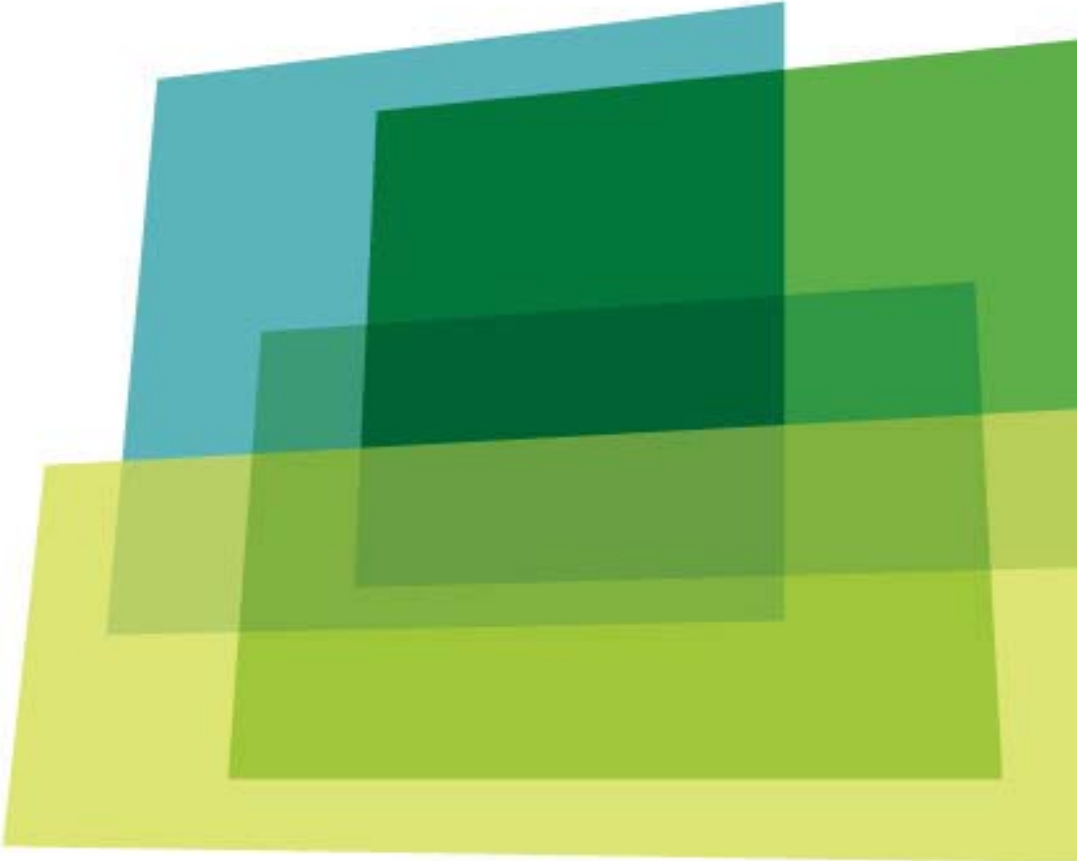


	Dec 2008	Opened	Closed	Apr 2008	Under construction
Home Improvement					
Warehouse format	171	1		172	12
Smaller format	59		1	58	2
Bunnings Trade centres	19	1		20	3
Office Supplies					
Officeworks	119	1	-	120	3
Harris Technology	5	-	-	5	-



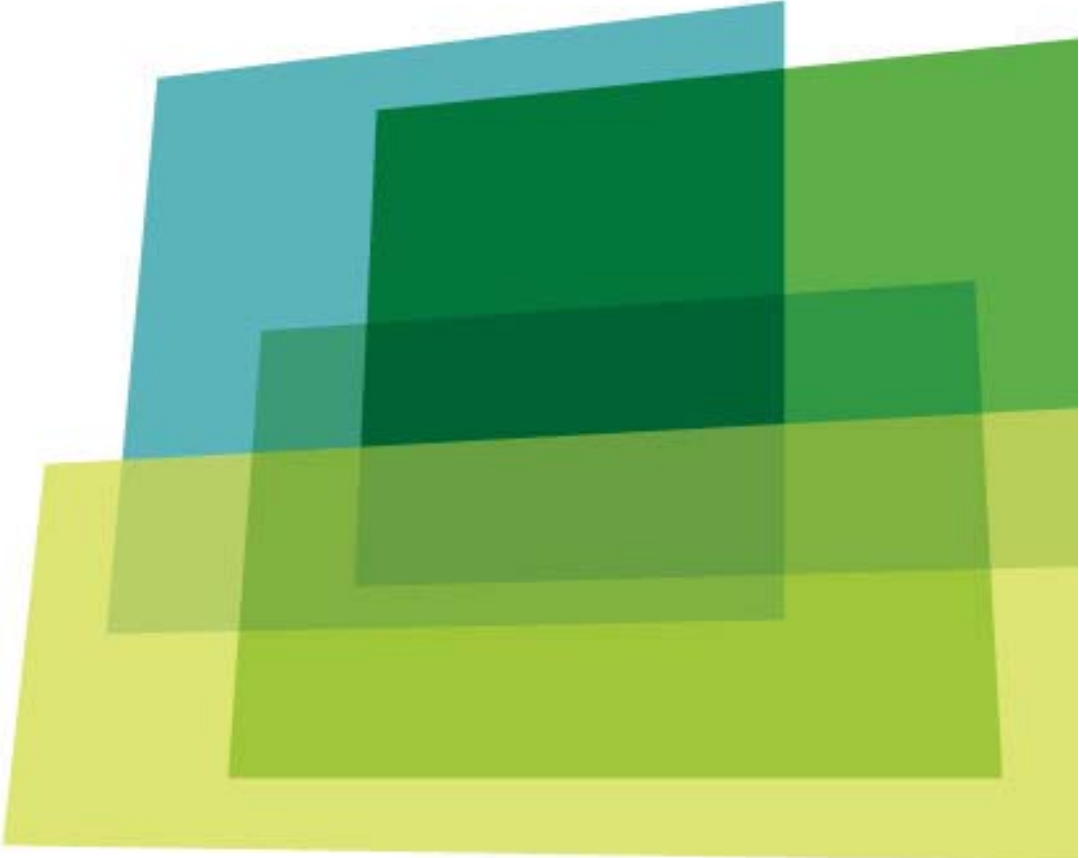


Industrial Businesses

























Industrial & Safety

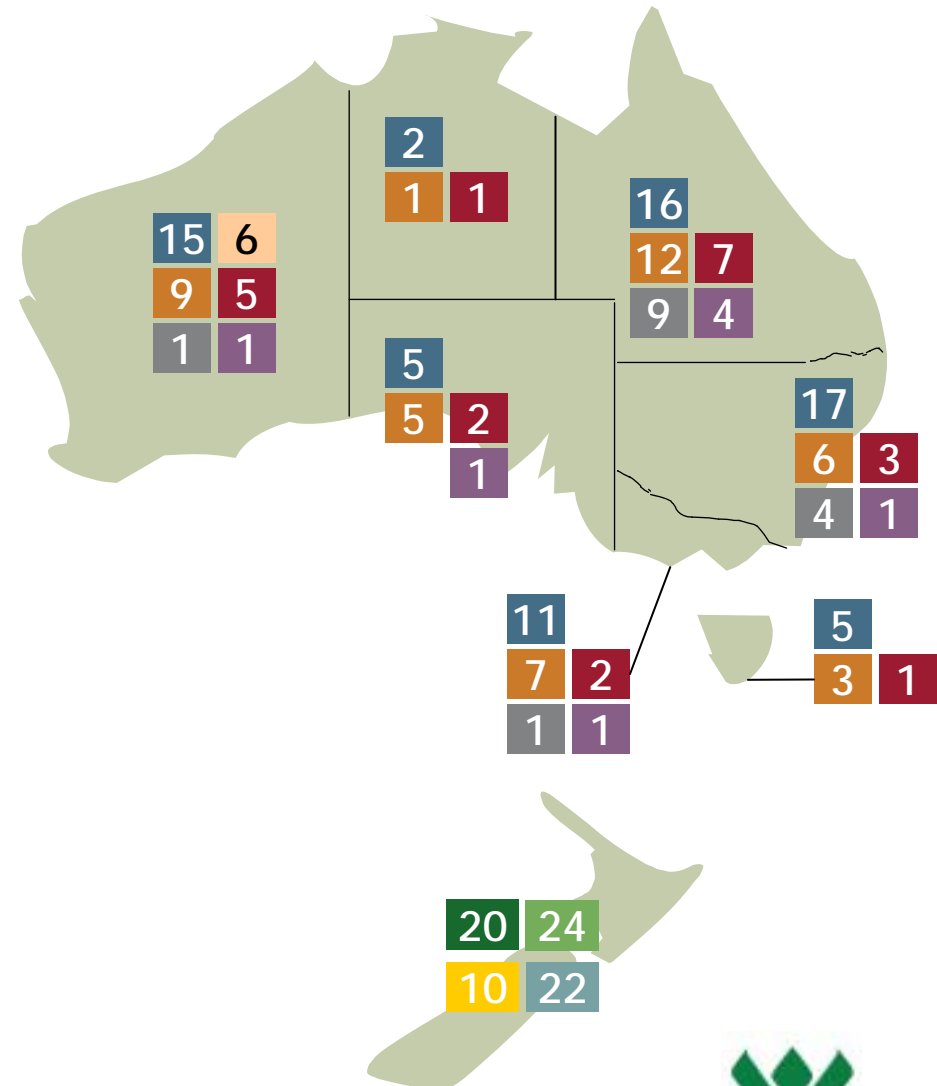


Industrial & Safety

Distribution Network: 240 branch locations

Australia		No.	
		71	MRO, "All your workplace needs"
		6	Electrical
		43	Safety
		21	Materials handling, lifting, rigging
		15	Fasteners
		8	Engineering

New Zealand		No.	
		20	MRO, hose, conveyor ⁽¹⁾
		22	Safety ⁽¹⁾
		24	Safety
		10	Packaging, hygiene



As at 1 April 2009; (1) Including 11 co-located Blackwoods Paykels and Protector Safety branches

Industrial & Safety Highlights



- Mining and industrial market conditions deteriorated over the past quarter
- Downturn impact on volumes and margins partially offset by a number of initiatives
 - Global sourcing, supplier negotiations, pricing, cost and capital management
- Strengthening competitiveness
 - Sustained strong DIFOT performance, branch and DC upgrades continuing
 - Positive developments with key contract customers
 - Investments in sales force effectiveness and e-Business capabilities
 - Expanded scope of services and technical product ranges
 - Investments in infrastructure and oil & gas sectors
 - New Zealand restructure
- Ongoing focus on employee safety, increased investments in people development



Growth strategies



Strategic Initiatives	Progress	Achievements
Increase sales to existing customers	<p style="text-align: center;">✓ (ongoing)</p>	<ul style="list-style-type: none"> • Maintained strong DIFOT performance and security of supply to customers • Strengthening range of leading and home brands at competitive prices • Completing investment in sales force (CRM, coaching and training, mobile tools) • Reinforced e-Business capabilities resulting in growing customer support • Growing services (OH&S training, on-site services, testing,...)
Target higher growth sectors	<p style="text-align: center;">✓ (ongoing)</p>	<ul style="list-style-type: none"> • Strengthened mining and infrastructure national management • Developing health care, hospitality and food services in New Zealand • Bullivants investment in oil & gas service capabilities and two new branches • Growing offshore sales
Increase SME penetration	<p style="text-align: center;">✓ (ongoing)</p>	<ul style="list-style-type: none"> • Roll-out of telesales operations in Australia • Continued networks upgrade, increased promotional and sponsorship activities
Increase competitiveness	<p style="text-align: center;">WIP</p>	<ul style="list-style-type: none"> • Ongoing reduction of organisation complexity and cost • Closed three small under-performing locations since October 2008



Industrial & Safety Outlook

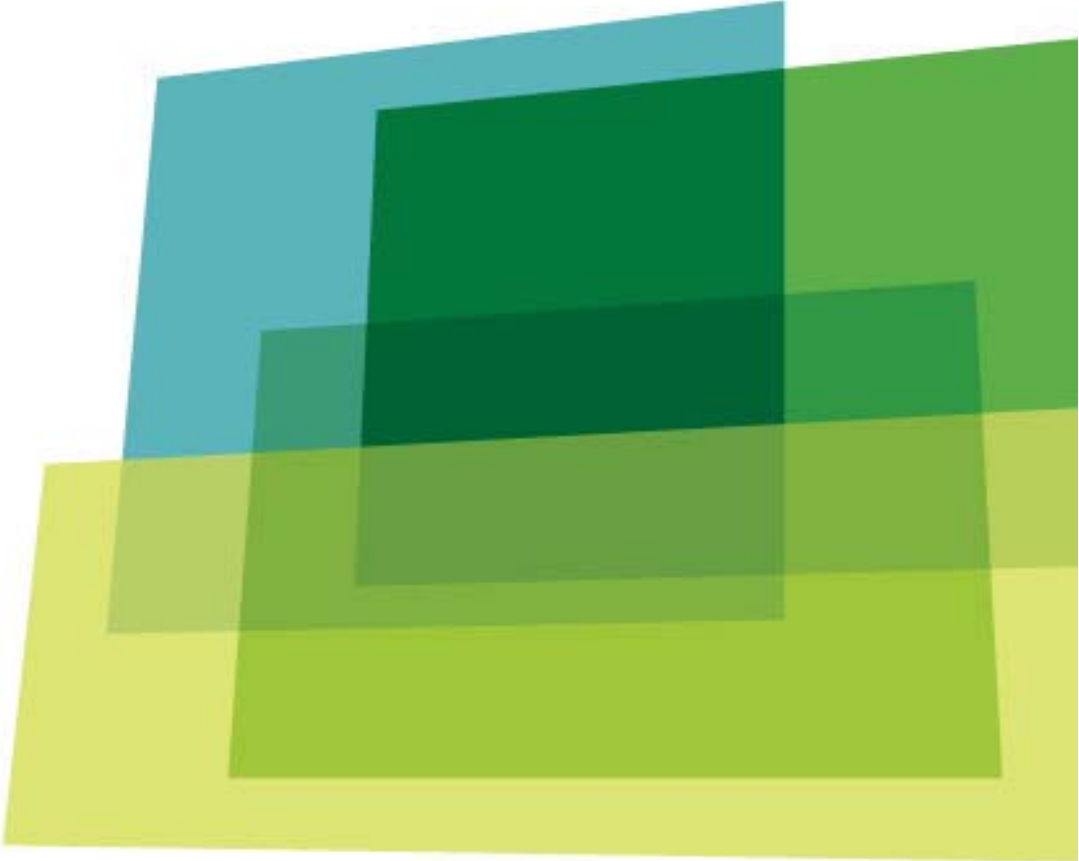


- Difficult market conditions expected to continue
 - Reduced demand from mining and manufacturing sectors
 - Government infrastructure projects may provide some market growth
 - Margin pressure expected to continue
- Strong foundations and strategies to manage through current downturn
 - Strong cost & capital management and sourcing & pricing disciplines
 - Strong customer service and delivery performance
 - Increasing share of customers' spend through better value propositions
 - Optimising exposure to traditional markets and further penetrating higher growth sectors
 - Enhanced focus on acquisition opportunities
 - Investments in people










Energy



Energy Overview



	Business	Geography	Products	Key customers
	Gas production & distribution	NSW, Vic, Qld, SA	Oxygen, nitrogen, acetylene, argon, carbon dioxide, etc	Metals, manufacturing, utilities, water, healthcare, metals, food & hospitality, pharmaceuticals, research, education, manufacturing
	Gas production & distribution	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 – D&C, O&M	Remote townships, mine-sites

Operational Update

- Varanus Island gas supply restored to 85%; adequate to meet current LNG demand
- LNG plant fully operational
- Industrial gas demand affected by market conditions, particularly in manufacturing sector
- Volatile international energy prices
 - Saudi CP (propane) for March US\$470/t



Hiteshkumar Raval at the LNG plant in Kwinana, WA August 08



Strategies



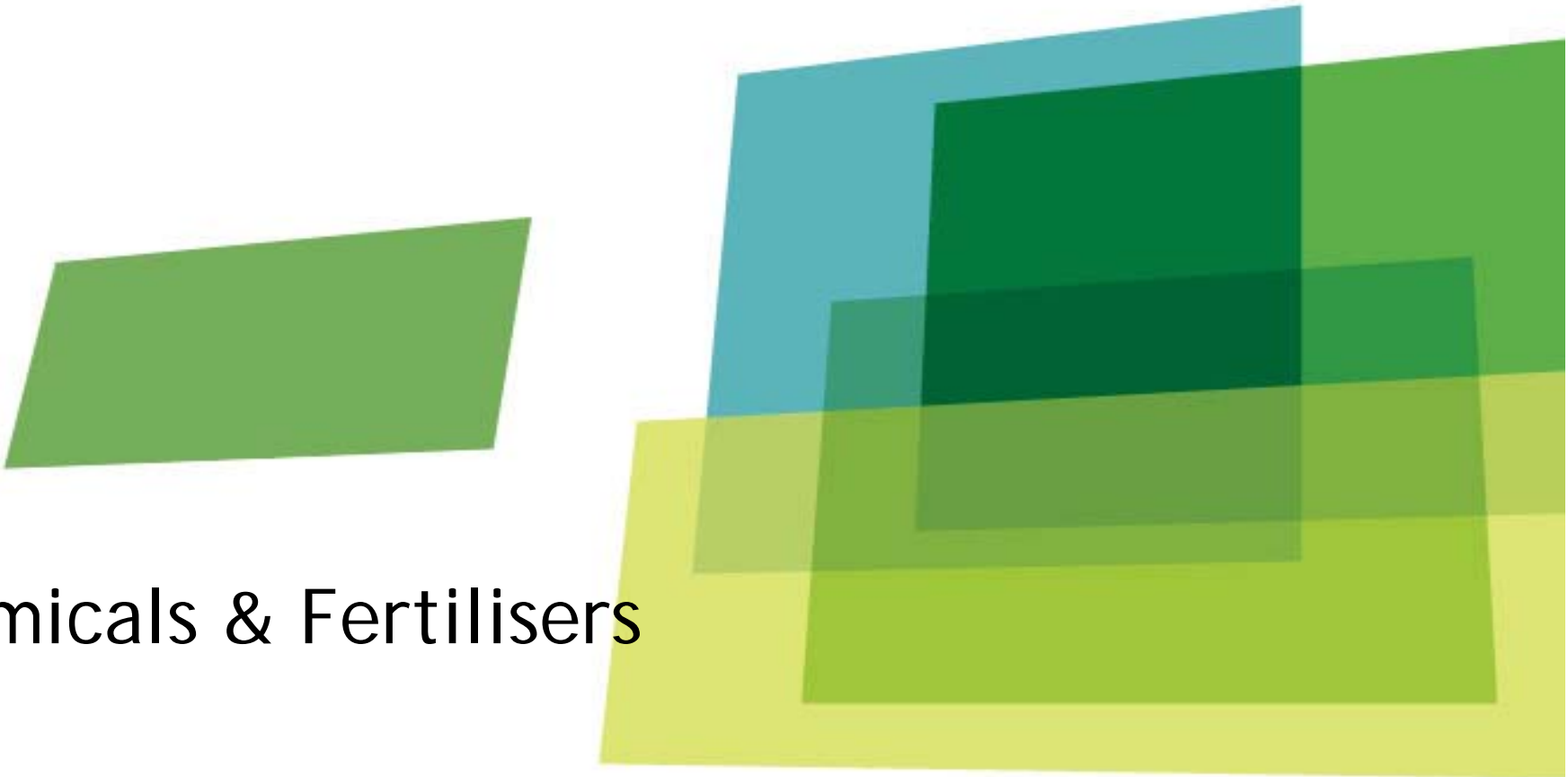
Strategies	Segment	Status
Improve – Existing Businesses	Industrial gas growth in: <ul style="list-style-type: none"> • eastern states sales; & • oil and gas sector 	Refocus Ongoing
	Maximise LPG production LPG distribution: <ul style="list-style-type: none"> • customer focus; & • controllable costs 	Exploring options Ongoing
	Pursue new power generation projects	Exploring options
Expand – Deliver Projects	Industrial gas – supply projects	2 complete; 1 in evaluation
	LNG – WA Project: <ul style="list-style-type: none"> • Plant / Distribution • Power stations • HDV market development 	Commissioned Commissioned Ongoing
	LNG projects – east coast	Pursuing options
Evaluate – New Opportunities	Other alternative fuels and renewables	Ongoing

Energy Outlook



- LNG project
 - ongoing development of WA HDV customer base and increased total LNG sales
 - Sunrise Dam LNG powered generation to run at full capacity
- Industrial, medical and specialty gases
 - subdued demand
 - improved efficiency in logistics and cylinder utilisation
 - upgrade of Port Kembla ASU
 - Hismelt ASU in “care and maintenance” for 12 months
- LPG distribution – customer focus and manage controllable costs
- Future LPG content in DBP uncertain











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	WA/Global	Gold	Newmont, Barrick, AngloGold
	PVC Resin / Specialty Chemicals	Vic/Aust	Construction	Iplex, Vinidex
	Fertilisers	WA	Agricultural	AWB Landmark, Elders



Strategy Update



Strategic initiatives	Comment	
Growth	✓	• Kwinana duplication (+235,000 tpa)
	✓	• Upgrade of QNP (+30,000 tpa)
	WIP	• Sodium cyanide expansion (+8,000 tpa)
	WIP	• Improve ammonia plant production performance
Optimise cost and capital	WIP	• Inventory and expense management
Sustainability	WIP	• Sustainability framework and legacy issues
Improved capabilities and people development	WIP	• Preparation for CPRS
	✓	• Implementation of upgraded ERP system
	WIP	• Ongoing information system improvements
	WIP	• Improved training and safety focus
	WIP	• Greater cultural alignment



Operational Update



- Ammonium nitrate solution name plate capacity has increased from 235,000 tonnes to 470,000 tonnes.
- 8,000 tonne pa expansion of sodium cyanide solution plant underway to meet Boddington Gold Project demand; expansion commissioning expected mid 2009.
- 30,000 tonne pa expansion of QNP ammonium nitrate plant completed in February to meet increased market demand in Queensland.
- Ongoing management of the operational impact of the Varanus Island gas outage.
 - Resumption of full gas supply expected in June 2009
- Manage logistics in relation to forecast significant late demand for fertiliser.
- Demand for AV's PVC adversely impacted by the downturn in the construction sector.



Chemicals & Fertilisers Outlook



CHEMICALS

- Ammonia production and sales in FY09 curtailed due to gas disruption for an anticipated 11 months.
- AN production and sales in FY09 will benefit from a full year's operation of expanded capacity.
- Sodium cyanide production and sales in FY10 will benefit from a full year's operation of expanded capacity.

FERTILISER

- Seasonal break critical for fertilisers and commodity prices have stabilised.

CORPORATE

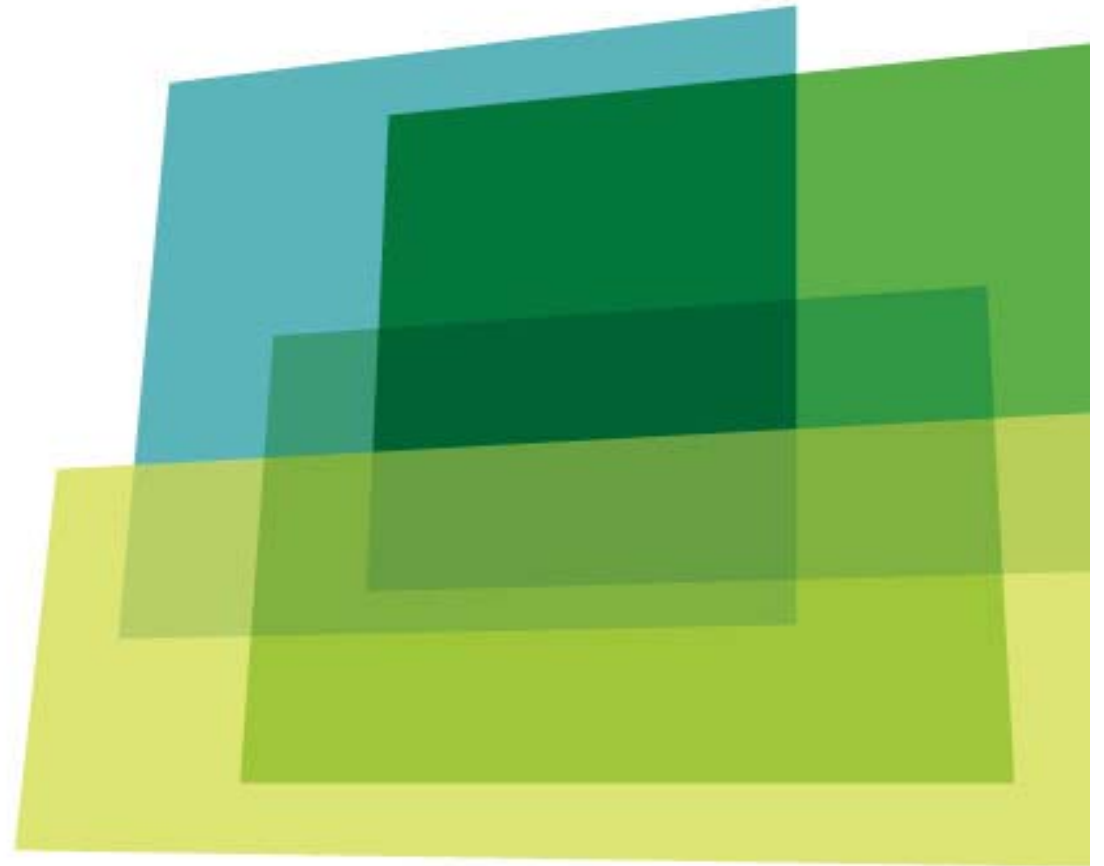
- Continue to focus on safety, people, cost control, sustainability and growth.





Capital Management

Terry Bowen



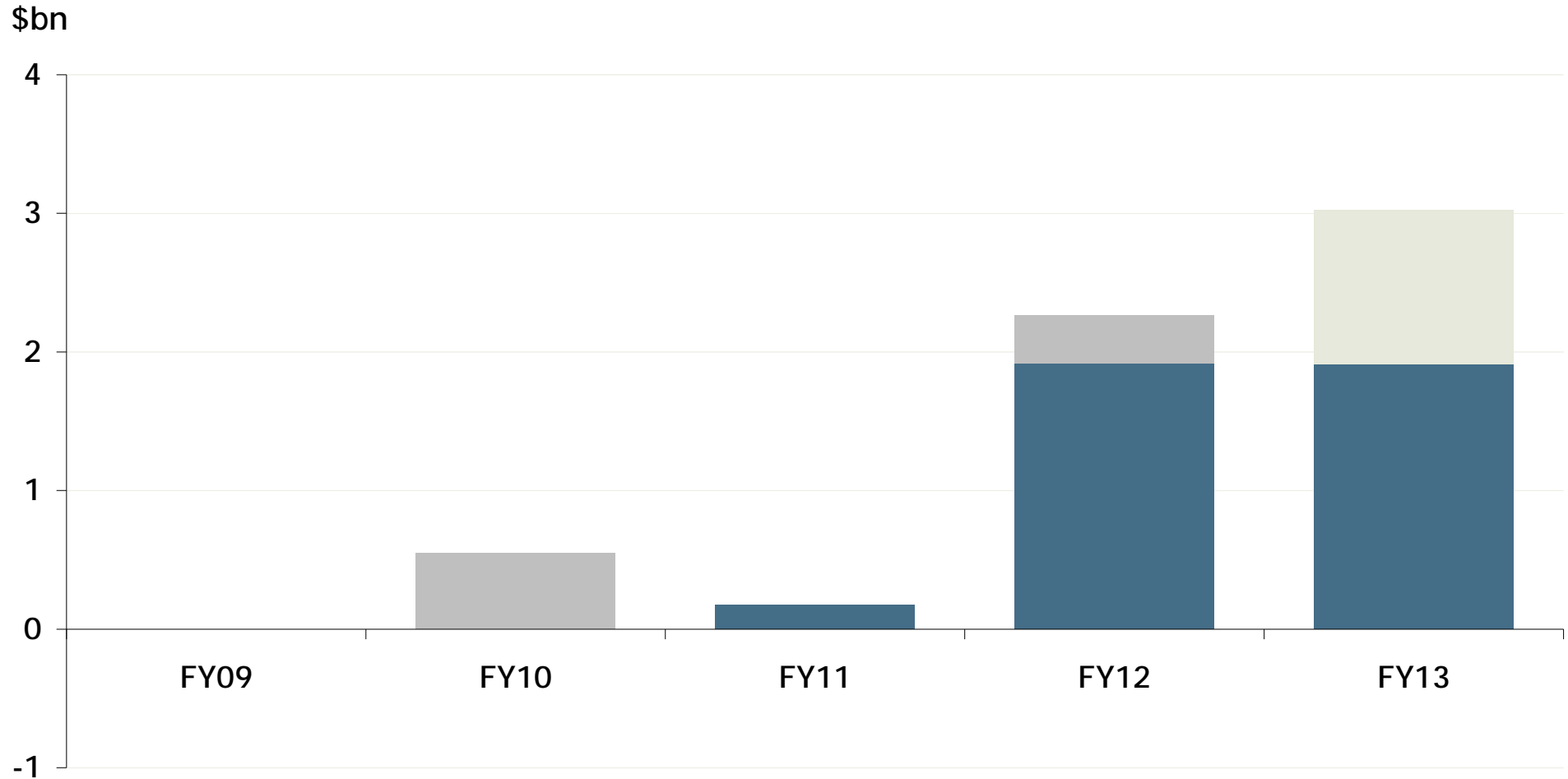
Equity proceeds



- 3 for 7 entitlement offer plus placement raised \$4.6bn
- By end of April, \$3.5bn used to repay some maturing facilities, pay down revolving facilities
- \$0.2bn of Facility B (syndicated debt) to repay in Oct 10; remainder extended to Dec 11 (\$1.9bn) and Dec 12 (\$1.9bn)
- Remainder of proceeds held as cash
 - further repayments in CY09 (~\$0.6bn), final FY09 dividend, seasonal working capital requirements and provides additional liquidity
- Committed undrawn facilities ~\$1.8bn



Current maturity profile



- Facility B - Syndicated Facilities
- Bilateral Facilities
- Working Capital and Bill Facilities
- Bonds

Hedging profile

- Recent repayments resulted in debt levels below hedge levels; hedge book reduced by \$2.5bn
 - as a result, expect to realise ~\$135m of “Ineffective Hedge” losses, majority in 2H09
 - cash impact will be spread over the next 4 years (weighted towards FY10 and FY11)
- Weighted average cost of debt including fees and open hedges, 8 - 8.5% for next 3 years



Capital management



- Equity raising eliminates medium-term refinancing risk
- Rating strengthened; S&P rating BBB+ (stable), Moody's Baa1 (stable)
- Revised dividend policy
 - reflects uncertain economic environment
 - acknowledge importance of franking credits to shareholders
 - strive to deliver stable and growing dividends
 - enables the company to pursue growth opportunities eg turnaround of Coles, Kmart and Officeworks
 - retain dividend investment plan; no DIP underwrite expected for final FY09 dividend
- FY09 Capex forecast to be ~\$1.5bn
- Strong working capital focus in all divisions



Significant items

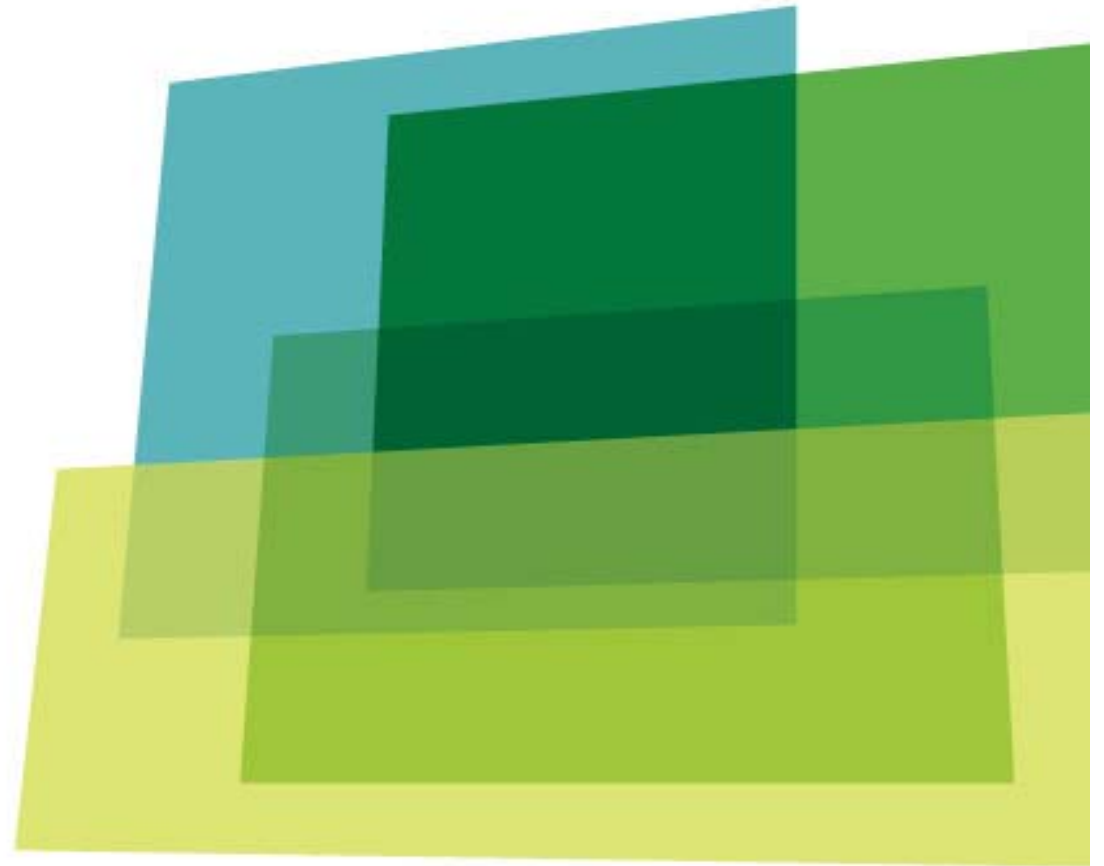


- 1H09 included \$148m in write-downs and increases in provisions
- 2H09 significant items expected to include:
 - Interest rate “Ineffective Hedge” losses
 - Foreign exchange “close out” hedge losses (included in Resources EBIT)
- Ongoing impairment review of assets
- Ongoing testing of carrying value of investments eg GPEF





Questions



Q & A

Richard Goyder
Managing Director, Wesfarmers Limited

Terry Bowen
Finance Director, Wesfarmers Limited





Wesfarmers

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