13 June 2019

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Manager,

2019 STRATEGY BRIEFING DAY PRESENTATION

Following is a presentation that is to be given today at a Strategy Briefing Day in Sydney which is scheduled to commence at 6:30am AWST / 8:30am AEST.

The briefing will be webcast and accessible via our website at www.wesfarmers.com.au.

Yours faithfully,

LJ KENYON
COMPANY SECRETARY

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Strategy Briefing Day

To be held on 13 June 2019

Wesfarmers

Agenda

Time	Topic	Presenter
8:00 – 8:30am	Registration	
8:30 – 9:30am	Introduction & Group Overview	Rob Scott & Anthony Gianotti
9:30 – 10:15am	Bunnings	Michael Schneider
10:15 – 11:00am	Kmart Group	Ian Bailey & Marina Joanou
11:00 – 11:20am	Morning tea break	
11:20am – 12:05pm	Industrials	David Baxby
12:05 – 12:35pm	Officeworks	Sarah Hunter
12:35 – 12:40pm	Close	Rob Scott
12:40 – 1:30pm	Lunch	

Introduction & Group Overview

Rob Scott

Managing Director, Wesfarmers Limited

Wesfarmers' primary objective

Wesfarmers' primary objective is to provide a satisfactory return to shareholders

We believe it is only possible to achieve this over the long term by:

Anticipating the needs of our customers & delivering competitive goods & services

Looking after our team members & providing a safe, fulfilling work environment

Engaging fairly with our suppliers & sourcing ethically & sustainably

Supporting the communities in which we operate

Taking care of the environment

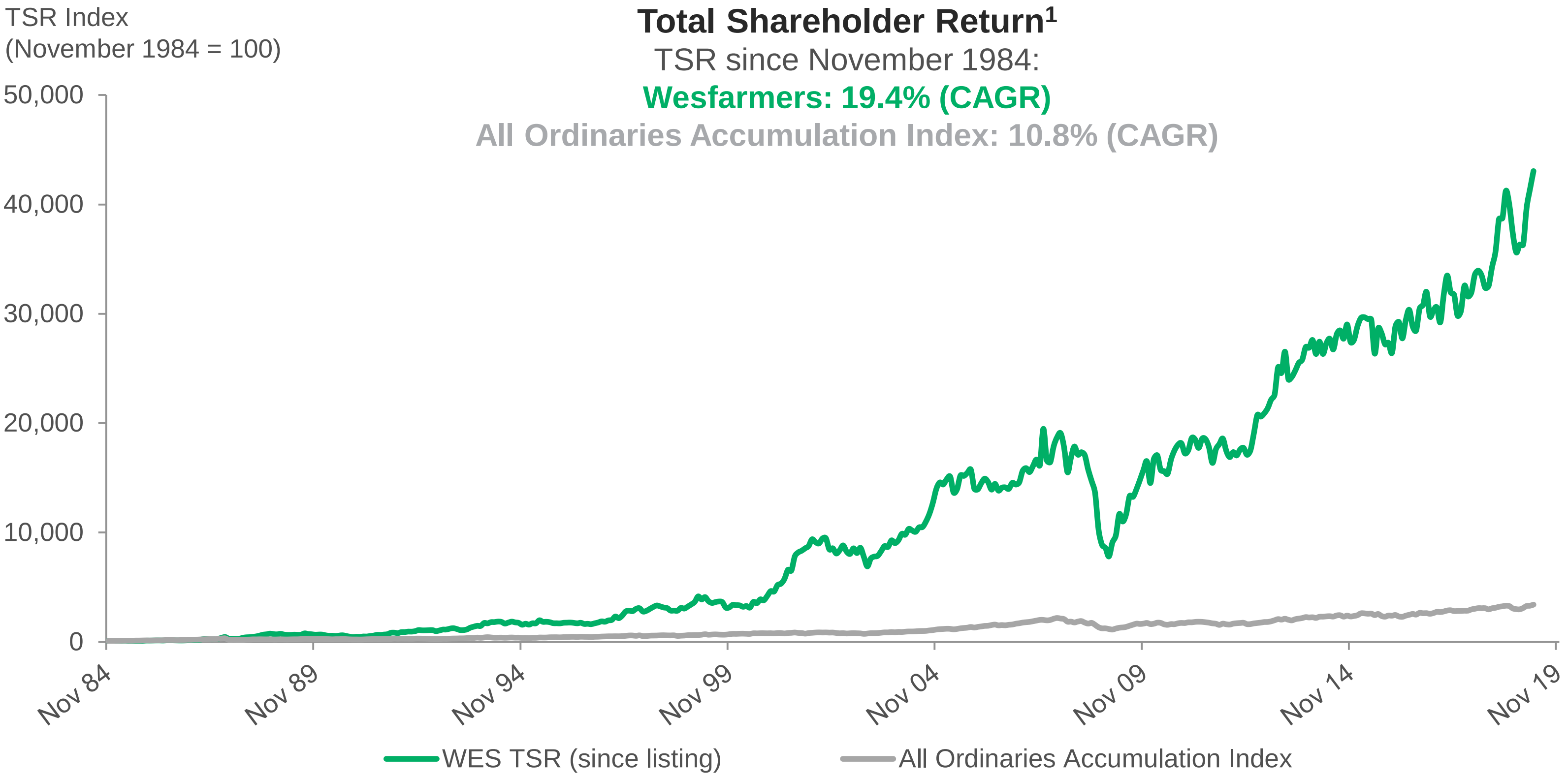
Acting with integrity & honesty in all of our dealings

FY2019 at Wesfarmers

Portfolio management	– Successful demerger of Coles – Divestments of Bengalla, Kmart Tyre & Auto (KTAS) and Quadrant Energy
Leadership succession	– **Divisional leadership**: Kmart Group, Officeworks, Target – **Corporate Office**: Corporate Affairs, Company Secretariat, Analytics
Data & digital	– Capability build with Advanced Analytics Centre & development of use cases – Formation of flybuys joint venture
Capital allocation	– Ongoing focus on organic & adjacent investment opportunities – Agreed scheme implementation deed to acquire Kidman Resources

In a competitive environment, the Group's divisions retain leading positions in their respective markets with strong returns on capital & are investing for the future

Superior long-term financial performance



1. As at 7 June 2019. Assumes 100% dividend reinvestment on the ex-dividend date & full participation in capital management initiatives.

Source: Wesfarmers Annual Report & IRESS.

Building trust - aligned with shareholder value over the long term

Wesfarmers is committed to improving the ways we impact our community & the environment, to ensure we continue to create value in the future

Key focus areas over the next 12 months include:

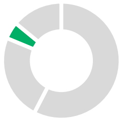
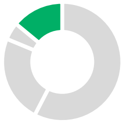
People	**Community**	• Continue making a meaningful difference in the communities in which we operate • Recognise the importance of a diverse team; pleasing progress made on gender balance & Indigenous employment, with more to do
Suppliers	**Ethical sourcing & human rights**	• Kmart Group to reinforce its market-leading ethical sourcing program • Extend ethical sourcing focus to goods not for re-sale, services & increasingly managing risks further up the supply chain
Environment	**Climate change resilience**	• Significant work undertaken to identify risk & opportunities brought by climate change • FY19 disclosures to be in line with Taskforce on Climate-related Financial Disclosures (TCFD) • Committed to developing proactive strategies to improve our resilience to climate change

Opportunities to deliver superior returns

The Wesfarmers model provides flexibility to effectively allocate capital to:

1. Portfolio of well-positioned businesses	2. Adjacent opportunities	3. Value-accretive transactions
Bunnings, Officeworks, Kmart, Target, Wesfarmers Chemicals, Energy & Fertilisers, Wesfarmers Industrial and Safety	flybuys, anko, Bunnings Trade, Decipher, geeks2U, Healthcare (Product of coregas), catch.com.au — *Agreement to acquire*	Kidman Resources — *Proposal to acquire*; Coles — *Demerged November 2018*; Bengalla — *Divested December 2018*; Kmart Tyre & Auto Service — *Divested November 2018*; Quadrant Energy — *Divested August 2018*

Portfolio of well-positioned businesses

Rolling 12 months to 31 December 2018	EBIT ($m)	Cap Emp ($m)	RoC (%)	Share of EBIT (%)
Bunnings Australia & New Zealand	1,572	3,133	50.2	
Kmart Group[1] *(continuing operations)*	612	1,806	33.9	
Officeworks	164	951	17.2	
Industrials[2] *(continuing operations)*	492	2,750	17.9	

1. Excludes KTAS.
2. Excludes Quadrant Energy.

Continuing to invest for the long term

1 *Portfolio of well-positioned businesses*

Our businesses are investing in:

Customer offer

- Price investment to reinforce value proposition
- Disciplined investment & optimisation of store network
- Increased production capacity & new products in our industrial businesses

Data & digital

- Ongoing investment in e-commerce capabilities
- Better use of technology, to support efficiency initiatives
- Improving back-end systems & processes to support future growth

People

- Implementing new EBAs across many of our businesses
- Recruitment & development of talent
- Relentless focus on providing safer workplaces for team members

Continuing to invest for the long term

2 *Adjacent opportunities*

Our businesses are expanding their addressable markets by developing new channels, capabilities, products & services

Acquisition of Catch Group

- Agreement to acquire Catch Group, a leading Australian online retailer for $230m
- Established, profitable & cash-generative online business that offers a first-party & third-party online marketplace
- Opportunity to leverage Catch Group's high calibre management team & quality assets to:
  - Accelerate Wesfarmers' & Kmart Group's online offering & fulfillment capability
  - Further develop Catch Group's existing unique customer & supplier proposition
- Catch Group will operate as an independent business unit, with the oversight of Ian Bailey
- Subject to conditions precedent including ACCC approval, expected in the coming months

Swisslog robot carts at Catch Group warehouse

Continuing to invest for the long term

3 *Value-accretive transactions*

Disciplined investment in opportunities which deliver long-term value by leveraging Wesfarmers' unique capabilities

Supports our primary objective of providing a satisfactory return to shareholders

Disciplined focus on value-accretive transactions

Returns must exceed risk-adjusted cost of capital	Financial returns assessed over the long term

Wesfarmers advantages

Leverage existing assets, capabilities & competencies	Builder of businesses over the long term	Commercial excellence & robust governance	Remain opportunistic to sector, structure & geography

Supported by

Strong & flexible balance sheet	Entrepreneurial spirit	World-class talent	Leading data & digital capability	Deep, bottom-up analysis & assessment of opportunities

Continuing to invest for the long term

3 *Value-accretive transactions*

Disciplined investment in opportunities which deliver long-term value by leveraging Wesfarmers' unique capabilities.

Agreement to acquire Kidman Resources

Transaction rationale

- Global uptake of electric vehicles presents an attractive opportunity
- Investment in a globally significant, high-grade lithium project
- Opportunity to leverage Wesfarmers' capabilities in chemical processing
- Partnership with an industry leader

Current status

- Entered into Scheme Implementation Deed on 23 May 2019
- Scheme booklet to be provided to Kidman shareholders in July 2019, subject to initial court approval
- Shareholder meeting scheduled late August; if approved, Scheme expected to be completed in September 2019

CSBP site at Kwinana, Western Australia

Looking forward

- Near-term economic environment presents some challenges; consumers remain cautious & value-conscious
- The Group's divisions retain their leading positions in respective markets & are continuing to invest for long-term growth
  - Disciplined investment & optimisation of the retail store network
  - Enhancing in-store customer experience & e-commerce capabilities
  - Expanding addressable markets
  - Increased production & processing capabilities in industrial businesses
- Focus on productivity initiatives supported by data & digital capability
- Portfolio remains well positioned to drive long-term growth & continue to build value for all stakeholders

Group Balance Sheet & Cash Flow

Anthony Gianotti
Chief Financial Officer, Wesfarmers Limited

Approach to delivering satisfactory returns

Long-term earnings growth & strong cash flow generation

1 Portfolio of well-positioned businesses

Bunnings, Kmart, Target, Officeworks, Wesfarmers Chemicals, Energy & Fertilisers, Wesfarmers Industrial and Safety

2 Adjacent opportunities

3 Value-accretive transactions

Strict criteria & rigorous financial discipline applied to all investment decisions

Maintain a strong balance sheet

Strong cash generation & working capital efficiency

Optimise funding costs, sources & maturities

Solid credit metrics

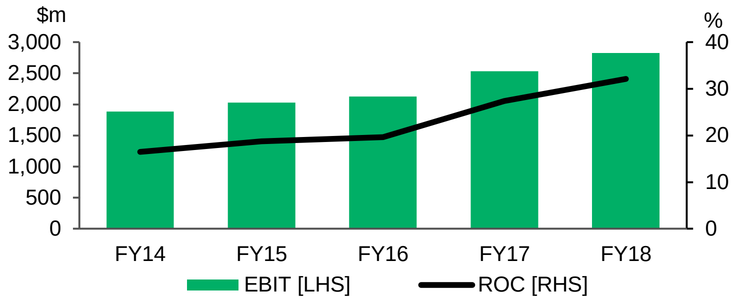
Capital allocation decisions are independent of funding decisions

Strong commercial capabilities across corporate office & operating divisions

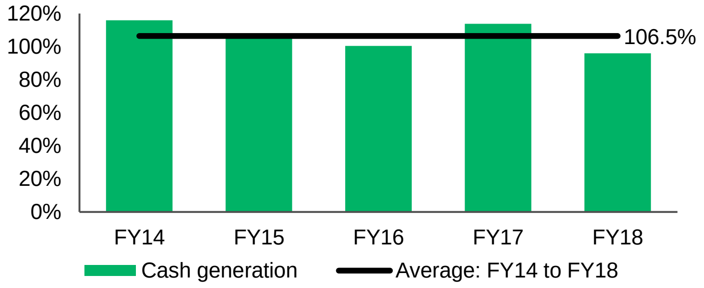
Cash flow generation

- Long-term earnings growth delivered through growth of existing businesses & portfolio management
- Portfolio of cash-generative businesses with strong returns on capital
  - Divisional cash generation from continuing operations has averaged >100% since FY14
  - Cash generation varies in individual years due to year-end falling on weekends
- Continued focus on working capital efficiencies
  - Disciplined inventory management despite continued growth & corresponding investment in working capital

Divisional EBIT & RoC[1] (continuing operations)



Divisional cash generation[2]

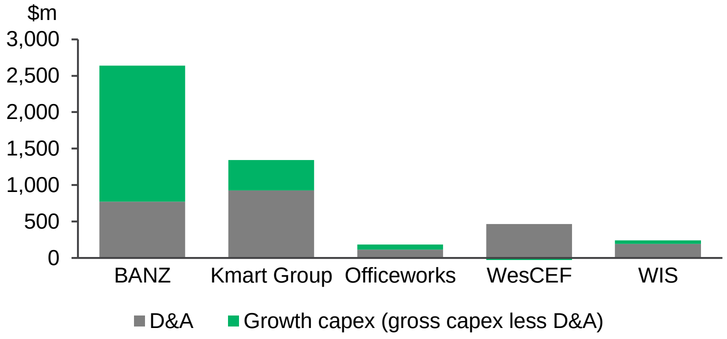


1. Excludes discontinued operations & significant items.
2. From continuing operations, but includes contribution from Kmart Tyre & Auto and Quadrant Energy. Calculated as divisional operating cash flows before tax after net capital expenditure, divided by divisional EBIT.

Capital expenditure: investing for growth

- Capital expenditure focused on strengthening core businesses & driving long-term investment returns
  - Growth expenditure largely directed towards Bunnings ANZ & Kmart over last five years
  - Industrials investment is lumpier due to one-off investments & expansions
- Continued investments in digital transformation across the Group
  - Online transactional sites & digital capabilities
  - Productivity improvements to drive efficiencies in stores, support centres & supply chain
- FY19F net capital expenditure of $800m to $850m expected, subject to net property investment
  - Includes $464m net capital expenditure in discontinued operations
  - Reflects higher than usual property divestments in Bunnings

Divisional capital deployment[1] (FY14 to FY18)



Continued strong capital allocation discipline

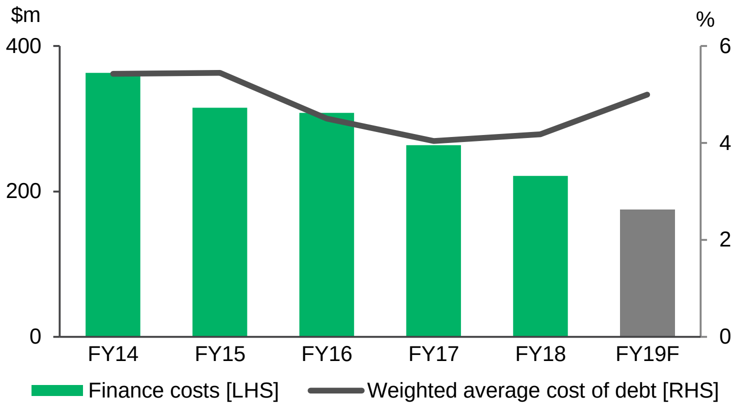
- Robust business case development
- Focused on NPV in investment appraisal
- Hurdle rates reflective of project risks

1. Continuing operations only. Includes contribution from Kmart Tyre & Auto and Quadrant Energy.

Strong balance sheet & debt management

- Strong balance sheet
  - Access to diverse funding markets
  - Limited debt maturities in any given year
  - Strong & stable credit ratings
    - » Moody's: A3 (stable outlook)
    - » Standard & Poor's: A- (stable outlook)
- Pro forma net financial debt of $2.5b[1] following payment of interim ordinary dividend & special dividend in March 2019
- FY19F all-in effective borrowing rate increased due to increased weighting to higher cost bonds & repayment of lower cost bank debt
  - FY19F interest expense expected to be between $170m & $180m
  - FY20F all-in effective borrowing rate expected to be lower due to repayment of US$500m bond in March 2019 (coupon of 6.25%)

Finance costs & weighted average cost of debt

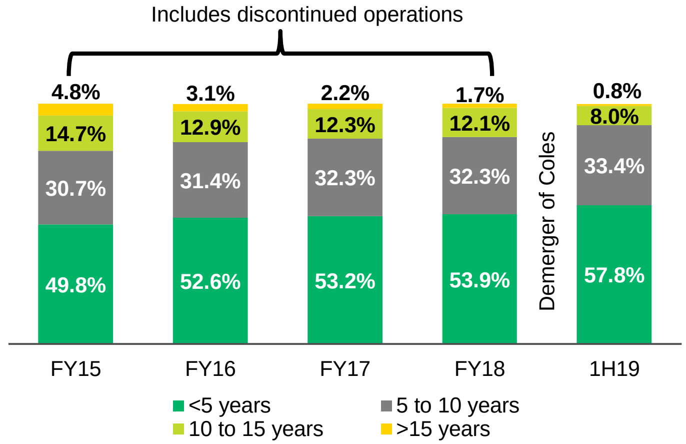


1. Calculated as interest bearing liabilities less cash at bank & on deposit, net of cross-currency swaps & interest rate swap contracts as at 31 December 2018 plus total cash outflows as a result of interim ordinary & special dividends.

Active & disciplined lease management

- Disciplined management of off-balance sheet leases continues
  - Risk management & operational flexibility through progressive reduction of fixed lease tenure
  - Options provide security of long-term tenure
- As at 31 December 2018:
  - Undiscounted lease commitments for Wesfarmers Group (continuing operations) totalled $8.6b
  - Weighted average lease tenure totalled 5.3 years[1]; reduction from 5.8 years at 30 June 2018 following Coles demerger
- Continued focus on lease-adjusted return on capital as a key hurdle for divisions

Weighted average lease terms



1. Calculated as weighted average of dollar commitments by year. Excludes discontinued operations.

Impact of AASB16

The transition to AASB16 will have no impact on underlying shareholder value, cash flows, debt covenants or the Group's credit rating

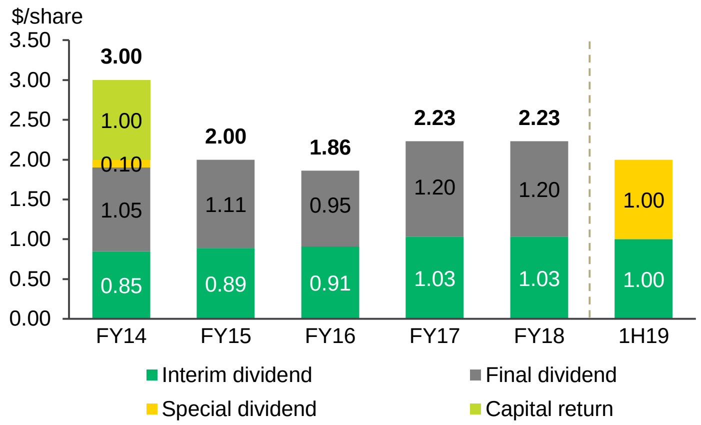
Income statement	• New standard results in material increase in EBITDA ($1.0 to $1.4bn)[1] & EBIT ($200 to $400m)[1] • Small change in NPAT (dependent on average tenure of lease) • Sale & leaseback transactions will now only recognise a portion of total gains on sale, with remainder recognised through lower depreciation over duration of lease – For example: estimated pro forma impact on 1H19 reduction of ~$30m in Bunnings' reported profit on sale (relative to reported gain of $51m), with future earnings to benefit from lower depreciation
Balance sheet	• Recognition of right-of-use of underlying leased assets & lease liabilities[2] • Capital employed expected to be lower under new definition; will include right-of-use asset & lease liability
Cash flow statement	• No impact on underlying cash flows • Splits rental payments (currently operating cash flows) into operating cash outflows & financing cash outflows (resulting in increase in cash flow from operations)

1. Estimated pro forma impact of AASB16 on FY19 financials (continuing operations). Indicative impact only, Wesfarmers will not implement AASB16 in FY19
2. As disclosed in the 2019 half-year report, the estimated impact of AASB16 adoption on the balance sheet impact at 1 July 2018 is a right of use asset of between $5.5b & $6.5 and increase in lease liability of between $6.3b & $7.3b.

Distributions: delivering shareholder returns

- Disciplined investment over the long term, with ongoing focus on shareholder returns
  - ~$16b of cash shareholder distributions & capital returns paid between FY14 & FY19 (excludes Coles demerger)
- Dividend distributions subject to franking credit availability, current earnings, current liquidity position, credit rating, & cash flow requirements
  - Maximising the value of franking credits for shareholders
- Final dividend for FY19 will reflect earnings from continuing operations, with Coles to declare a separate dividend

Shareholder distributions (declared)



Q&A – Group Overview, Balance Sheet & Cash Flow

Rob Scott
Managing Director, Wesfarmers Limited

Anthony Gianotti
Chief Financial Officer, Wesfarmers Limited

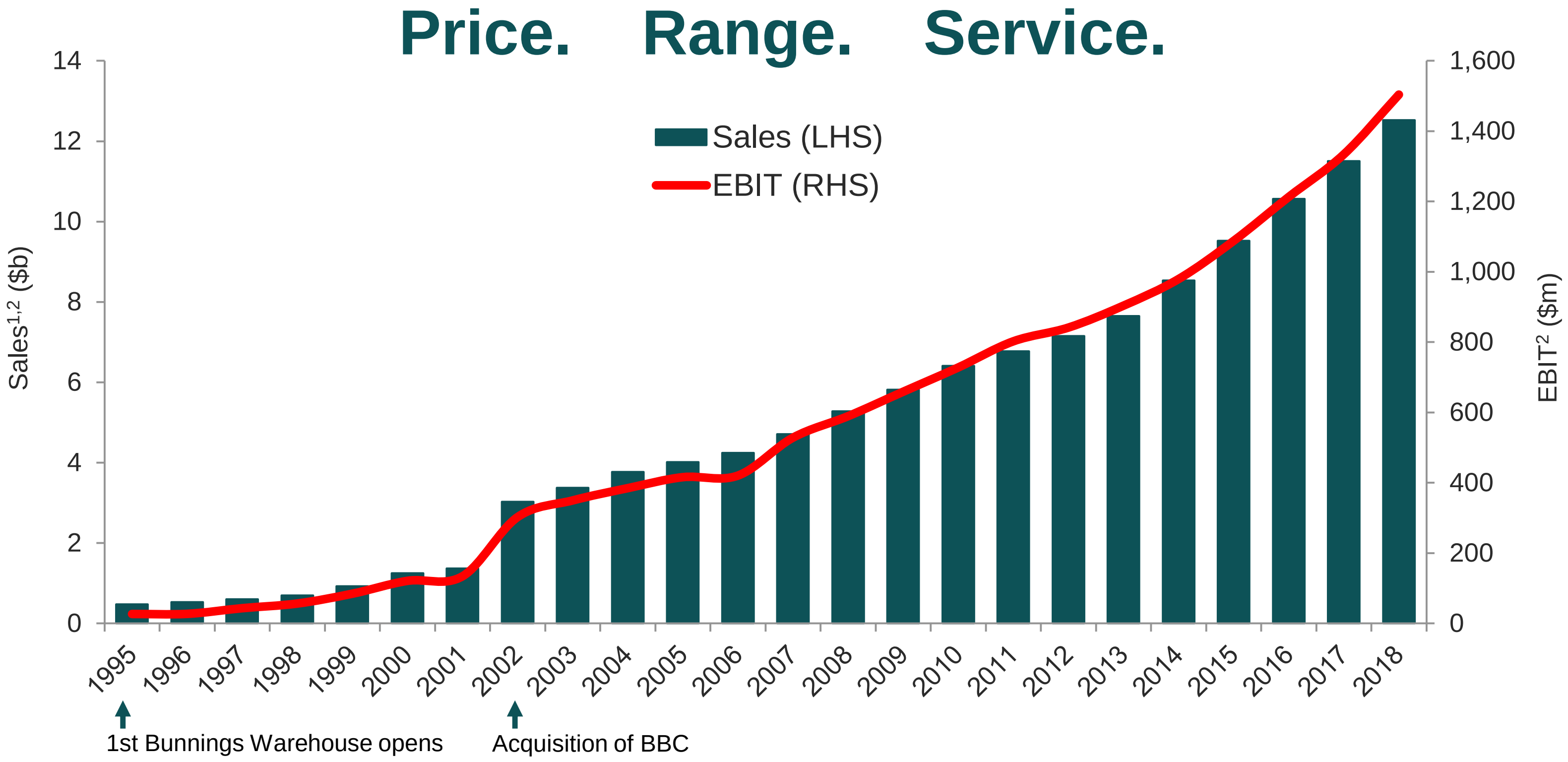
Bunnings

Michael Schneider

Managing Director, Bunnings Group

BUNNINGS warehouse BUNNINGS BUNNINGS TRADE

Long-term value creation: consistent strategy for growth



1. Sales figures exclude sales from trade centres, frame & truss & cafés
2. Sales/EBIT Bunnings Australia and New Zealand

Staying relevant to customers' changing lifestyle needs

*$78 billion market relates to Australia only. New Zealand market size estimated at $NZ14 billion.

Bunnings Australia & New Zealand

Better, stronger, safer

Disciplined focus on driving a winning offer for our customers

- strong in-store execution
- continue to invest in the best team
- doing what's right for all stakeholders
- deliver long term, sustainable results

Driven by our team; for our customers & communities

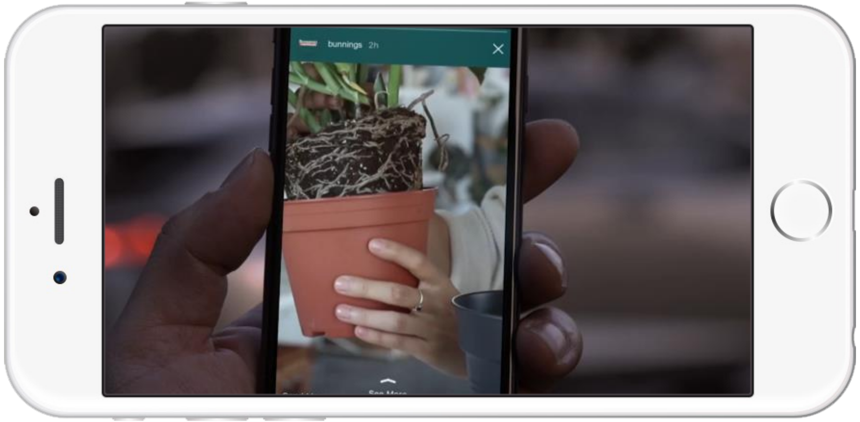
Doing what's right builds trust with our team, suppliers, customers & shareholders

Continue to engage & build a team passionate about caring

Focused on attracting & retaining the best talent at all levels, all functions

Even stronger offer: deeper & wider service experiences

- Redefinition of D.I.Y. & M.I.Y.
- Brand relevant and relatable
- Capture new customers & sales
- Greater use of technology for speed, & enhanced experiences
- Expansion of our installation & assembly services



Even stronger offer: current services

Referrals

Kitchen installation

Painting service

Assembly

BBQs

Sheds

Play equipment

Patio heaters

Installation

Doors
Door locks
Split system AC
Ceiling fans
Exhaust & heat lamps
Manual transfer switch
TV antennas
Tap & mixers
Toilets
Roof ventilation
Clotheslines
Hose reels
Outdoor heat strips

Supply & Install

Hot water systems

Benchtops

Splashbacks

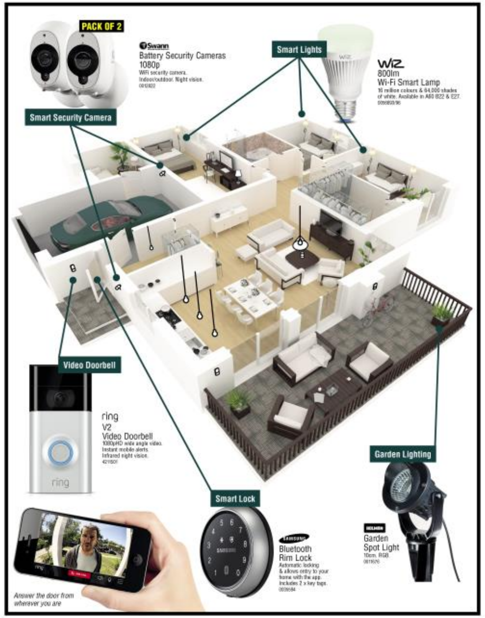
Customer doors

Garage doors

Garage door openers

Even stronger offer: easier & innovative DIY

- Evolving DIY instore – in aisle demonstrations
- Simplifying DIY
- New & expanded categories:
  - Connected homes
  - Automotive
  - Soft furnishings
  - Pet care



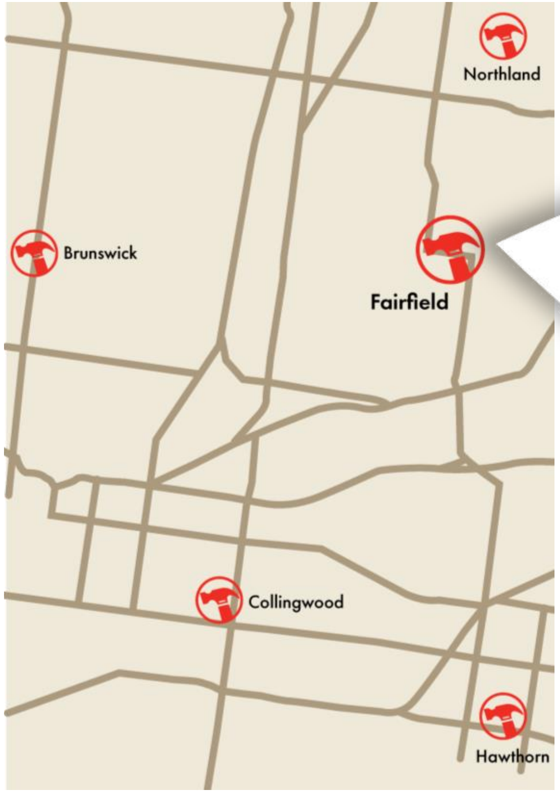
Even stronger offer: building the best store network

- Over 16,400m^2 total retail across 2 levels
- 9,900m^2 larger than old store
- Over 400 car parks (250 more)

Old Caringbah, NSW

New Caringbah, NSW

Even stronger offer: building the best store network



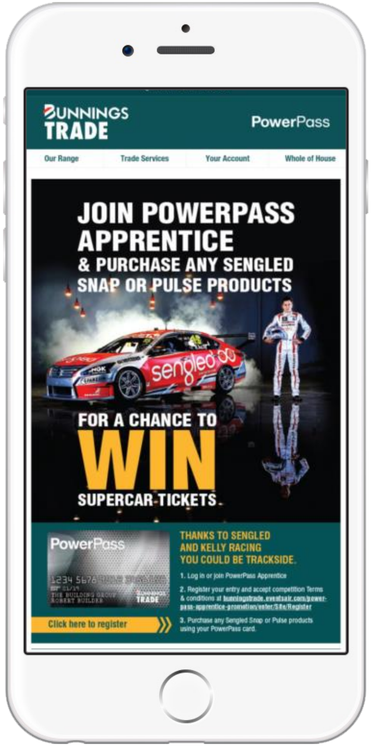
- Over 4,000m^2 total retail
- Nursery size of 300m^2
- 70 undercover car parks

Accelerate trade growth: more relevant to trade

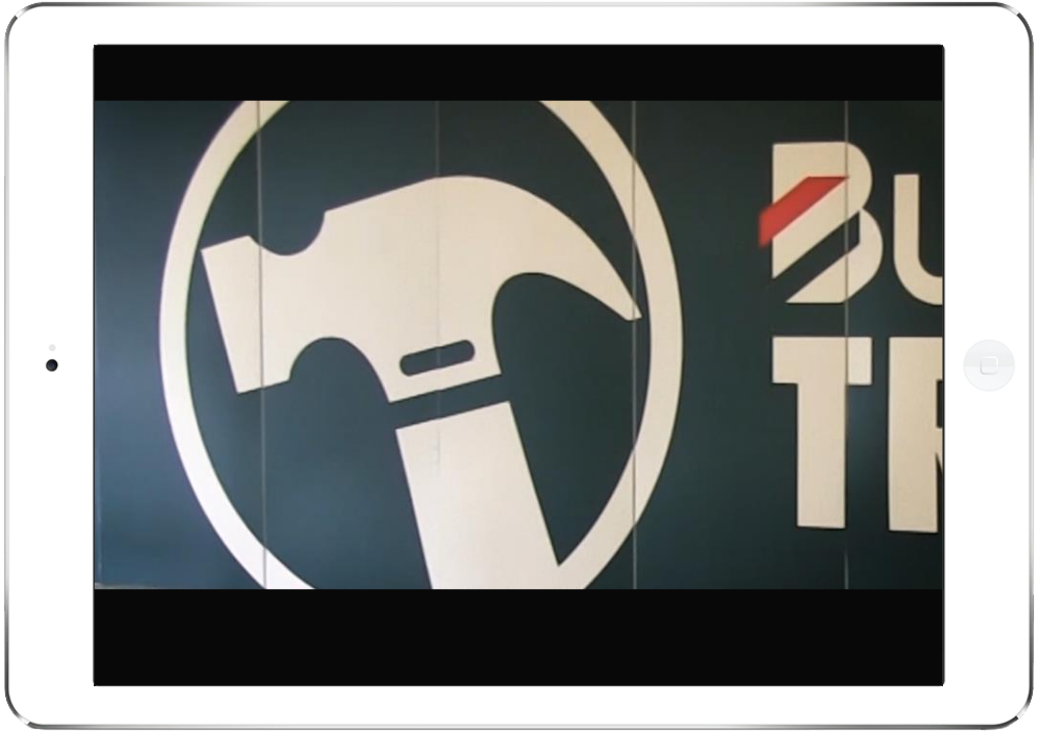
- Investing & scaling our trade offer
  - Expansion of trade ranges continues
  - PowerPass enhancements
  - Trade specialist roles relaunched; more than 500 dedicated trade-focused team members

Accelerate trade growth: deeper relationships & better service

- Service – supporting early morning tradies in-store
- Load ‘n’ go – designated teams for the tradie
- Apprentices link with TAFE, suppliers
- Over 4,000 apprentices on PowerPass



Accelerate trade growth: expos

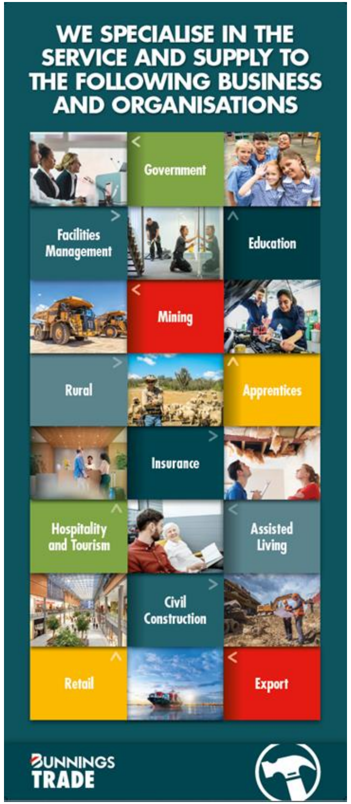


Note: Video available at https://www.wesfarmers.com.au/strategy-videos

Accelerate trade growth: new channels & brands

- Landscape offer
- Irrigation
- Expanded supply & install offers for builders
- Business & organisations

Timber yard & landscape



Accelerate trade growth: category opportunities

Low market share categories:

- Kitchens
- Bathrooms
- Flooring
- Window furnishings

Accelerate trade growth: specialist studio

- Specialist kitchen design studio format
- Kitchens, laundries, wardrobes, studies, alfresco
- High-end displays, consultants
- Servicing consumer & trade customers

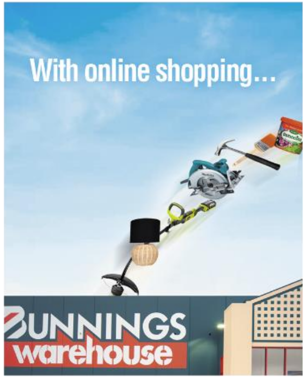
Fuelled by data & digital: full omni-channel capabilities

Roll-out schedule

Phase 1: Tasmania
Phase 2: Victoria
Phase 3: Rest of Australia

- Click & Collect
- Online Delivery
- Collection Lockers

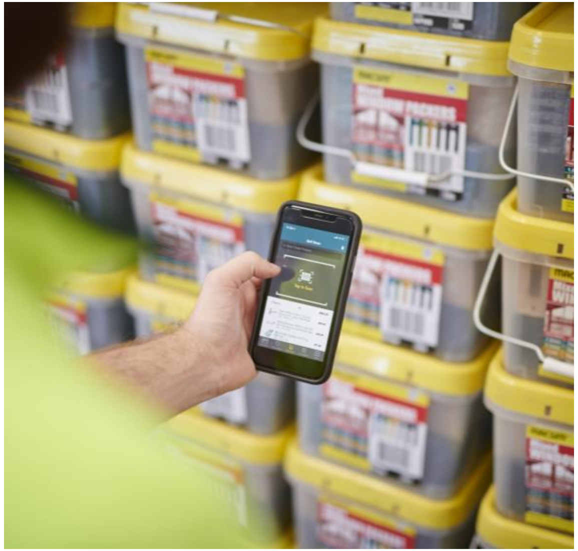
Fuelled by data & digital: full omni-channel capabilities

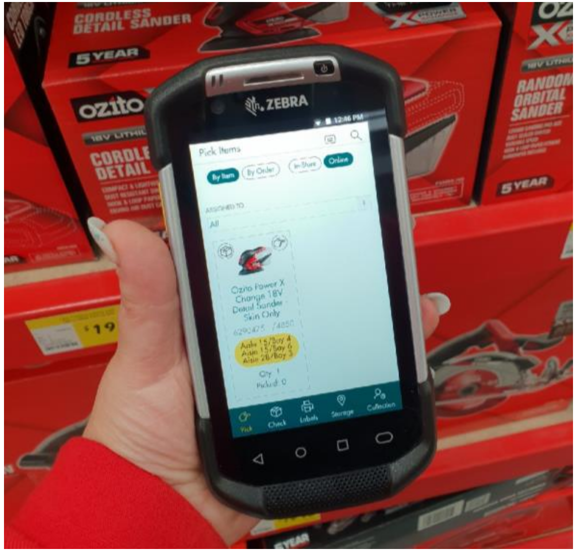


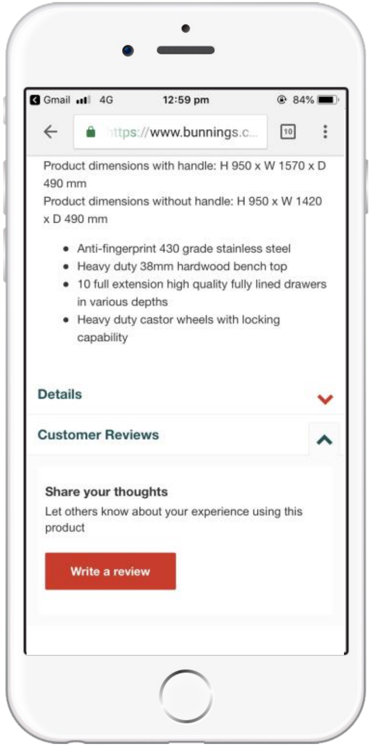
Fuelled by data & digital: stronger analytics capabilities

- Investment in specialised skill sets to accelerate data & analytics capability
- Four key use cases
  - **Safety** – identifying contributing factors to safety incidents
  - **Range Localisation** – tailoring ranges at stores to meet local conditions
  - **Inventory Optimisation** – stock weight setting to improve in-stock position & increase productivity of inventory
  - **Personalisation** – trade customer personalised marketing & interaction

Fuelled by data & digital: more informed, efficient & connected







Sustainability priorities

Energy

- Solar installed at 31 Australian sites
- Alice Springs solar & battery: >80% store energy needs
- LED lighting standard since 2015 & 37 stores retrofitted

What's next

- Rollout solar at 40 sites in FY20
- Stronger focus on energy efficiency & emissions reduction

Timber

- Responsible Timber Sourcing policy updated 2018
- >79% total timber products from independently certified forests or demonstrated progress towards independent certification

What's next

- From December 2020, Bunnings will exclude all timber products without FSC or equivalent standard certification

Waste

- Since 2009 Victorian batteries program has collected >26,000kg
- During past 2 years >900 tonnes of power tools & corded appliances collected through SA stores
- Regional paint collections at 35 stores collecting over 2.9 tonnes of paint

What's next

- Continued efforts to divert waste from landfill & increase recycling
- Strong focus on reducing packaging

Water

- Tanks in Australian mainland stores
- Efficient nursery watering systems
- Water saving product ranges, supported by education & awareness

What's next

- Continued education & awareness collaboration with water authorities

Outlook

- Significant runway in home, lifestyle & commercial market (AUS $78b & NZ $14b)
- Good momentum & opportunities across both Australia & New Zealand
  - Focus on growing digital & physical presence
  - Strong pipeline & plans for 10 net new stores per annum
- Investing for sustained growth
  - More merchandising opportunities with seasonal & geographic differentiation
  - Focus on commercial capability & digital
- Strong focus on disciplined execution & cost control

Q&A – Bunnings

Michael Schneider
Managing Director, Bunnings Group

Justin Williams
Chief Financial Officer, Bunnings Group

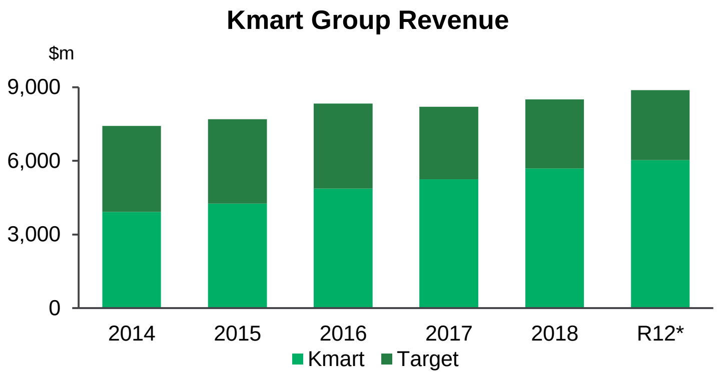
Kmart Group

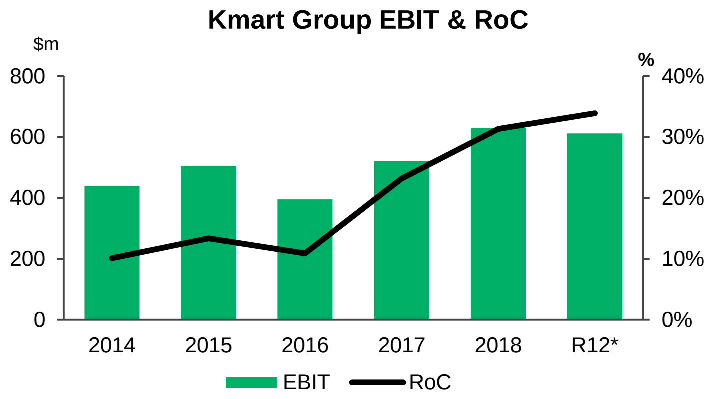
Ian Bailey

Managing Director, Kmart Group

Historical performance

- Revenue of $8.8b (FY18)
- Divisional performance increasingly driven by Kmart
  - Attractive return on capital
  - Strong cash generation
  - Target contributing to divisional profitability & cash flow generation
- Recent performance affected by heightened competitive pressure & cautious consumer sentiment
- Long-term focus on delivering strong & consistent returns over time





* Rolling 12 months to December 2018

All charts exclude KTAS results. EBIT & ROC chart excludes significant items. The increase in ROC also reflects lower capital employed as a result of non cash impairments in Target in June 2016 and December 2018

Kmart Group overview

Differentiated, market-leading customer propositions

World-class capabilities in design & sourcing; growing technology & fulfillment expertise

Global design & sourcing capability	Growing digital & technology capability	Continued investment in supply chain & fulfillment infrastructure

Supported by alignment & common focus across Kmart Group functions

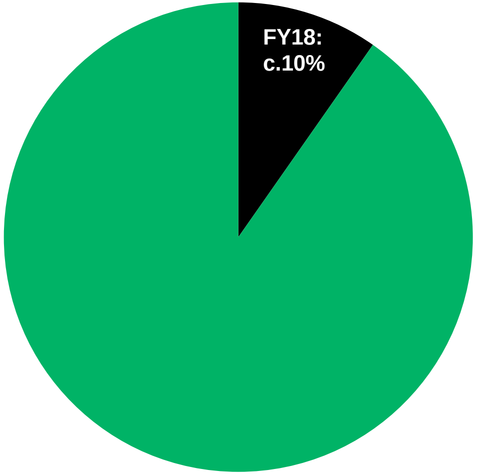
Corporate Affairs & Sustainability	Finance & Commercial	Joint Sourcing & Procurement	People & Capability	Property & Network Planning

Trading environment

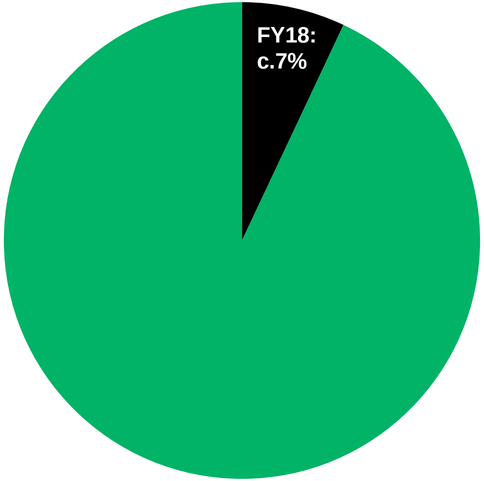
Trading environment	– High levels of promotional activity across the industry – Customers remain cautious & value conscious – Industry remains over-spaced, with uneconomic trading activity
Kmart trading performance	– Initiatives underway to address stock flow & productivity associated with significant volume growth in recent years – Implementation of these initiatives resulted in temporary reduction in on-shelf availability
Target trading performance	– Continued optimisation of store network – Sales performance below expectations – Ongoing repositioning of customer offer

Addressable market broader than just department stores

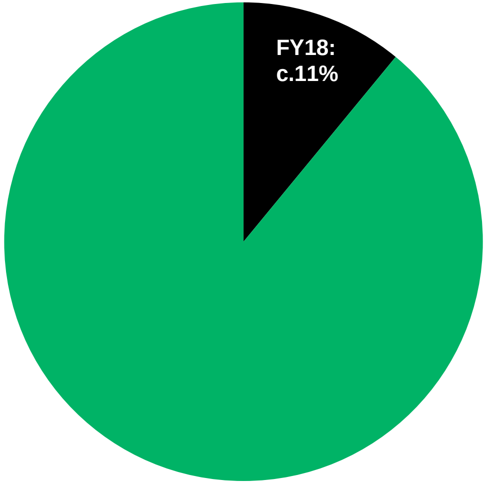
Apparel
Australian market ~$35b



Kids GM & Active
Australian market ~$25b

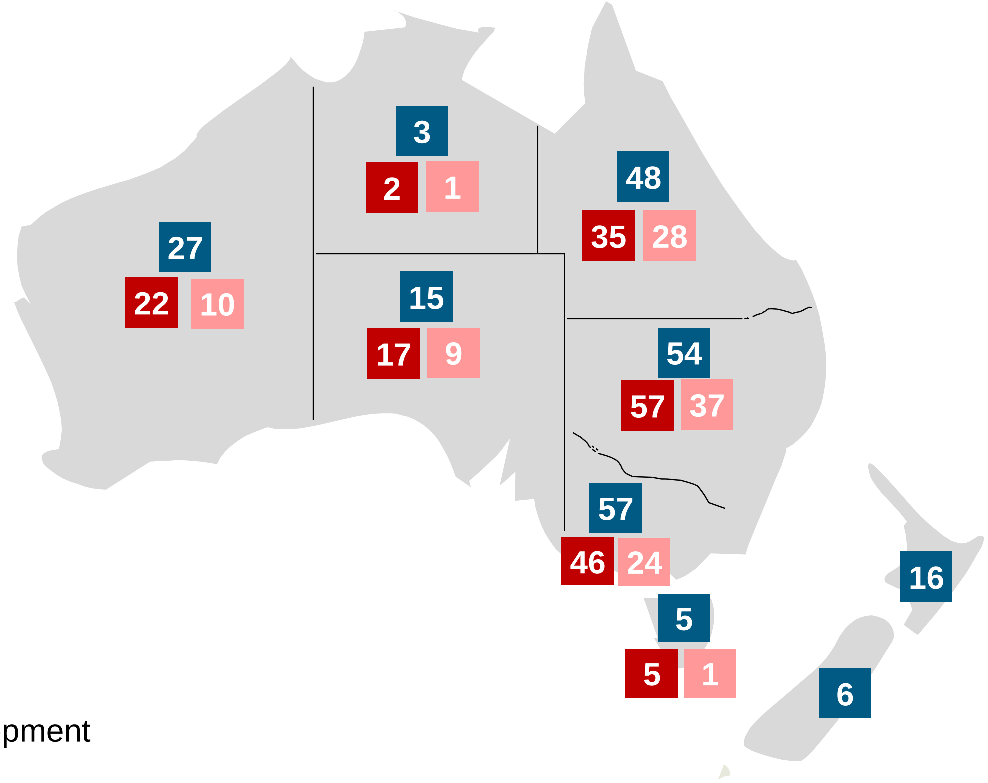


Home & Living
Australian market ~$24b



■ Kmart & Target market share FY18
■ Total market

Kmart Group store network



231 Kmart stores

184 Target large stores

110 Target small stores

* 3 Anko research & development
stores in Seattle, USA

Note: Store network count as at 31 May 2019

‘Better Together’ sustainability program

Better together

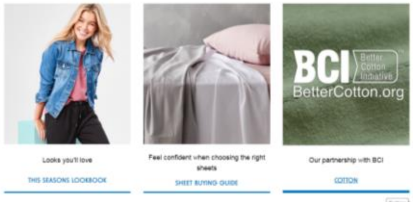
An integrated sustainable development program for the Kmart Group with key focus areas being:

People	**Respect human rights**	**Foster an inclusive culture**	**Help our communities thrive**
	Responsible purchasing Worker empowerment Transparency & traceability	Diversity & inclusion	Community partnerships

Planet	**Use natural resources responsibly**	**Reduce waste**
	Materials Energy & climate Water & chemicals	Packaging Waste-to-landfill Product end-of-life

‘Better Together’ key initiatives

- **Sourcing materials sustainably**
  - Launch of Kmart’s Better Cotton Initiative (BCI) marketing campaign
  - Commitment to achieving 100% more sustainable cotton by July 2020 in clothing, bedding & towel ranges
- **Responsible purchasing practices**
  - Active membership with ACT[1]
  - Commitment to ‘Better Buying’ initiative that impacts supplier relationships & working conditions
  - Development of five-year responsible purchasing roadmap



1. Action, Collaboration, Transformation – a world wide initiative to address the challenge of living wages.

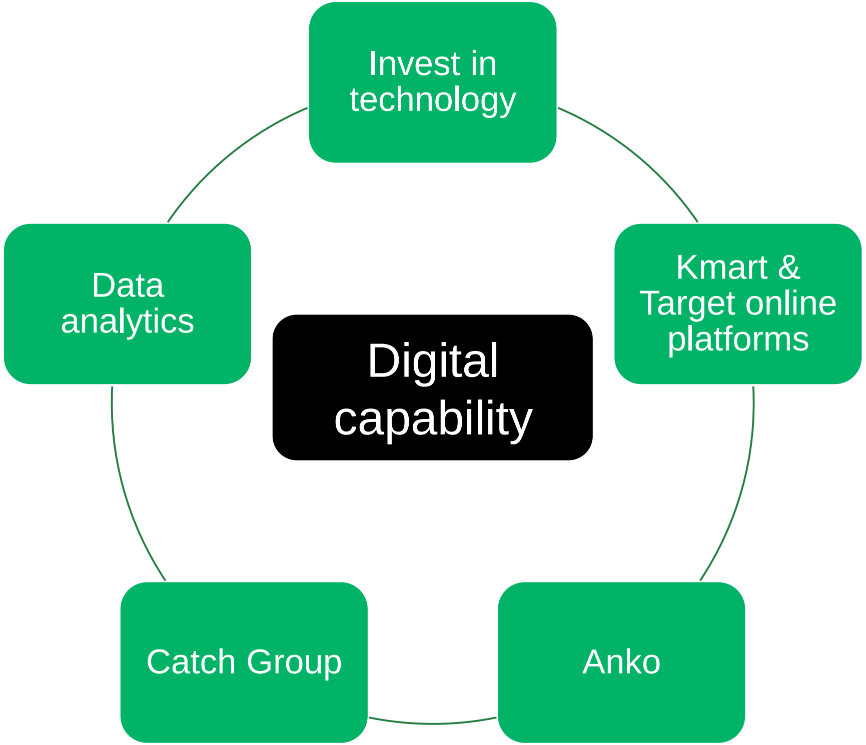
Digital capability

Continued progress on omni-channel offer

- Expansion of click & collect
- Rapid growth in online sales
- Channel remains profitable

Further opportunities to strengthen customer offer & simplify ways of doing business

- In-store technology
- Leverage Catch capability & channel
- Productivity improvements



Acquisition of Catch Group

- An exciting opportunity for Wesfarmers & the Kmart Group
- Acquisition of Catch Group provides:
  - High calibre skills & capabilities in e-commerce & fulfillment
  - Leading technology platform
  - Growing marketplace
- Apply divisional autonomy model to retain entrepreneurial culture; Catch to operate as independent business unit
- Focused on growing the business with opportunity to explore & accelerate omnichannel initiatives across Kmart & Target
- Leverage technology capability & fulfilment expertise
- Acquisition remains subject to ACCC approval – decision anticipated in coming months

Swisslog robot carts at Catch Group warehouse

Kmart

Ian Bailey

Managing Director, Kmart

Kmart

A GREAT PLACE TO SHOP THAT IS SIMPLE TO RUN
MAKING EVERYDAY LIVING BRIGHTER
kmart
10 • 1 • 6
home
kids
clothing
A GREAT PLACE TO SHOP THAT IS SIMPLE TO RUN
OUR VALUES
THINK CUSTOMER
TAKE CARE
OUR VALUES
LIVE INTEGRITY
GROW TOGETHER
REACH HIGHER
BETTER PRODUCTS AT EVEN LOWER PRICES
WHERE FAMILIES come first for the LOWEST PRICES on everyday items
BETTER PRODUCTS AT EVEN LOWER PRICES

Kmart: Strategic Pillar 1

- Building an operating model that effectively sells over 1 billion items
  - High availability
  - Fast moving
  - Great execution
- Continued development of the online offer whilst leveraging the store network infrastructure
  - Seamless online & in-store experience
- Productivity is a key focus
  - Simplifying ways of working in stores & supply chain
  - Future remuneration increases associated with General Retail Industry Award (GRIA)
- Improving the customer experience
  - All day everyday in-store & online

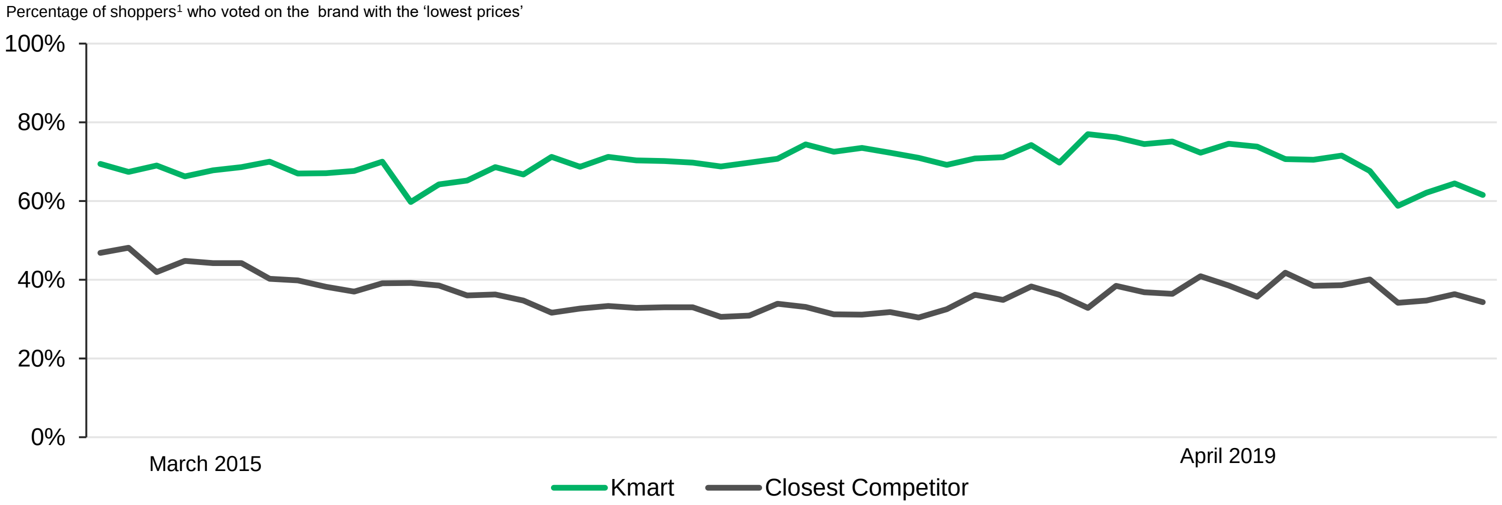
Kmart: Strategic Pillar 2

- Continue to proactively own lowest price
  - Reinforce position in competitive market
- Cost pressures including a depreciating Australian dollar
  - Cost out initiatives in place to reduce impact
- Focus on providing desirable on-trend products at low prices
  - Elevating desirability & consistency of Apparel & Sport
  - Continuous evolution of product ranges including new & extended categories
  - No further major category exits

Continued price leadership

- Respondents asked to select which brands agree to the statement of having the 'Lowest Prices'
- Kmart maintains clear price leadership position
  - At least 3 in 5 shoppers report Kmart has the 'Lowest Prices'

Lowest prices

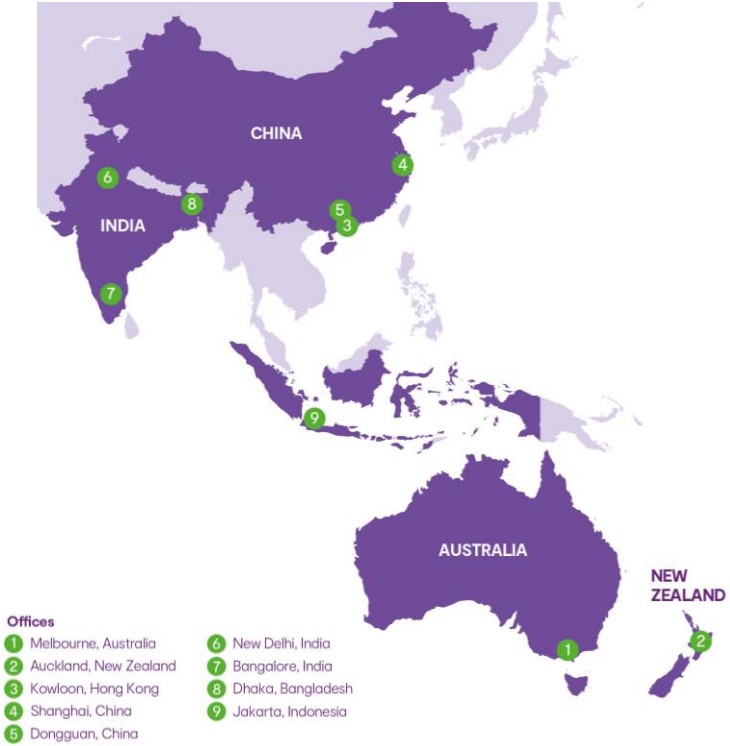


1. Department store shoppers aged 18+ years. All respondents must have made a purchase from any retail store (ex. grocery) in the last 3 months.

Source: Kmart Consumer Tracking

Kmart Group Asia Sourcing

- Kmart Group is a globally significant buyer
  - US $2.7b products sourced
  - In many factories, Kmart Group is the largest buyer in the southern hemisphere
- Product design & sourcing represents a key competitive advantage for the Kmart Group underpinned by:
  - Scale (700+ team members across Asia)
  - Maturity (long standing direct sourcing capability)
  - Strategic & ethical supplier base
- Direct sourcing accounts for significant component of products (~75% in Kmart, ~60% in Target)



Research & development initiative

- Retail research & development initiative to accelerate retail technology development & enable faster evolution of future digitally-enabled operating models
- Testing new formats, technologies & operating methods
- Customer value proposition is resonating strongly with customers
- Connecting digital & physical experience
- Engaging stores
  - Elevated presentation
  - Strong product curation
  - Fast checkouts

Target

Marina Joanou

Managing Director, Target

Accelerate business transformation

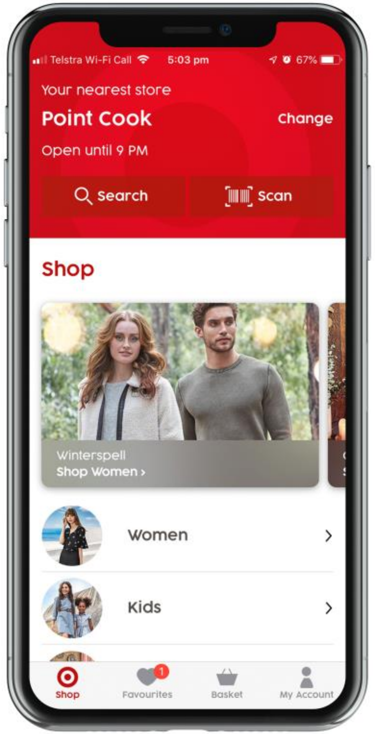
- Weaker trading momentum in 2HFY19 highlights challenged business economics
- Stronger repositioning of customer proposition required:
  - Inspire customers to live better
  - Great style & quality at an affordable price
  - Ease of customer journey
  - Accelerated digital focus
- Commercially manage transition to new offer
- Repositioning supported through further leverage of Kmart Group

Elevate quality & style

- More focused offer progressively re-weighted towards apparel, soft home & toys
- Stronger elevation of quality & style to provide a clearly differentiated offer
  - Supported by end to end operating model alignment
- Increased focus on design capabilities & digital customer channels

Optimise store network & expand online

- Implement store network plan, focused on creating value for Kmart Group
- Focus on leveraging network to support increased customer convenience across all channels
  - Click & collect enhancement
  - Online fulfilment & leverage DC automation
- Enhanced user digital & in-store experience
  - Improved website including content & site personalisation
  - App advancement
  - Improved in-store collection experience to drive store traffic
  - Increased communication in store



Kmart Group

Ian Bailey

Managing Director, Kmart Group

Outlook

- Continue to drive growth in Kmart
- A long-term focus on strong returns
- Accelerate digital capability to drive sales & reduce costs
  - Building new technology & data analytics capabilities to drive business performance
  - Develop retail technology innovation in Anko
  - Leverage Catch Group capability to scale online in all businesses
- Extend sourcing capabilities to improve products & reduce costs
- Leverage the Kmart Group structures to reduce operating costs to mitigate expected exchange rate & labour rate increases
- Reposition the Target business building on the turnaround work done to date
- Optimising the store network in Kmart & Target
- Continuing to develop & implement strategies that respect & care for our people & planet

Q&A – Kmart Group

Ian Bailey
Managing Director, Kmart Group

Marina Joanou
Managing Director, Target

Industrials

David Baxby

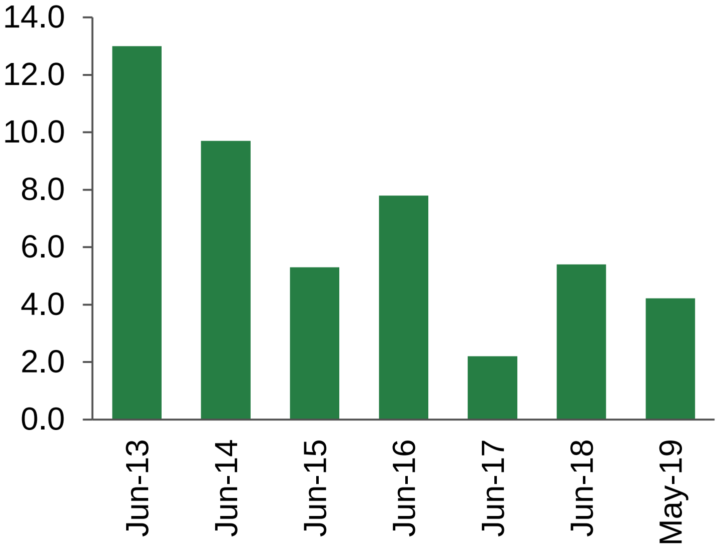
Managing Director, Industrials

Wesfarmers Chemicals, Energy & Fertilisers | CSBP | Australian Vinyls | AGA | QNP | EVOL LNG | Kleenheat

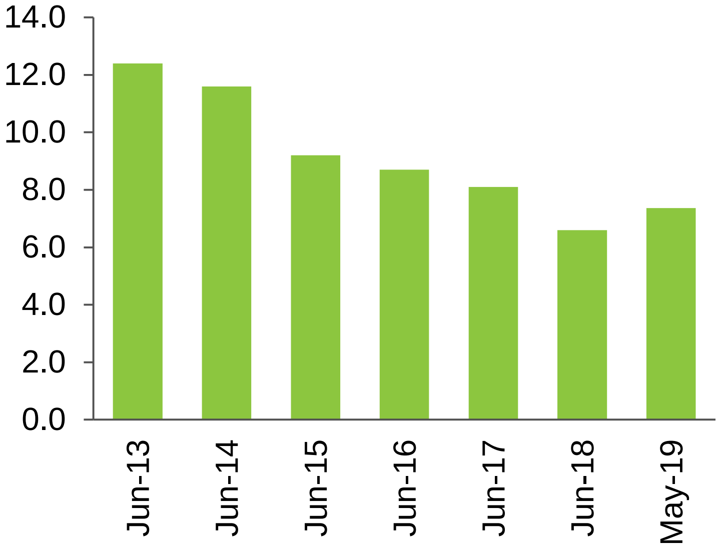
Wesfarmers Industrial and Safety | Blackwoods | NZ Safety Blackwoods | WORKWEAR GROUP | coregas | GREENCAP

Our safety record: Total Recordable Injury Frequency Rate (TRIFR, R12)

WesCEF



WIS



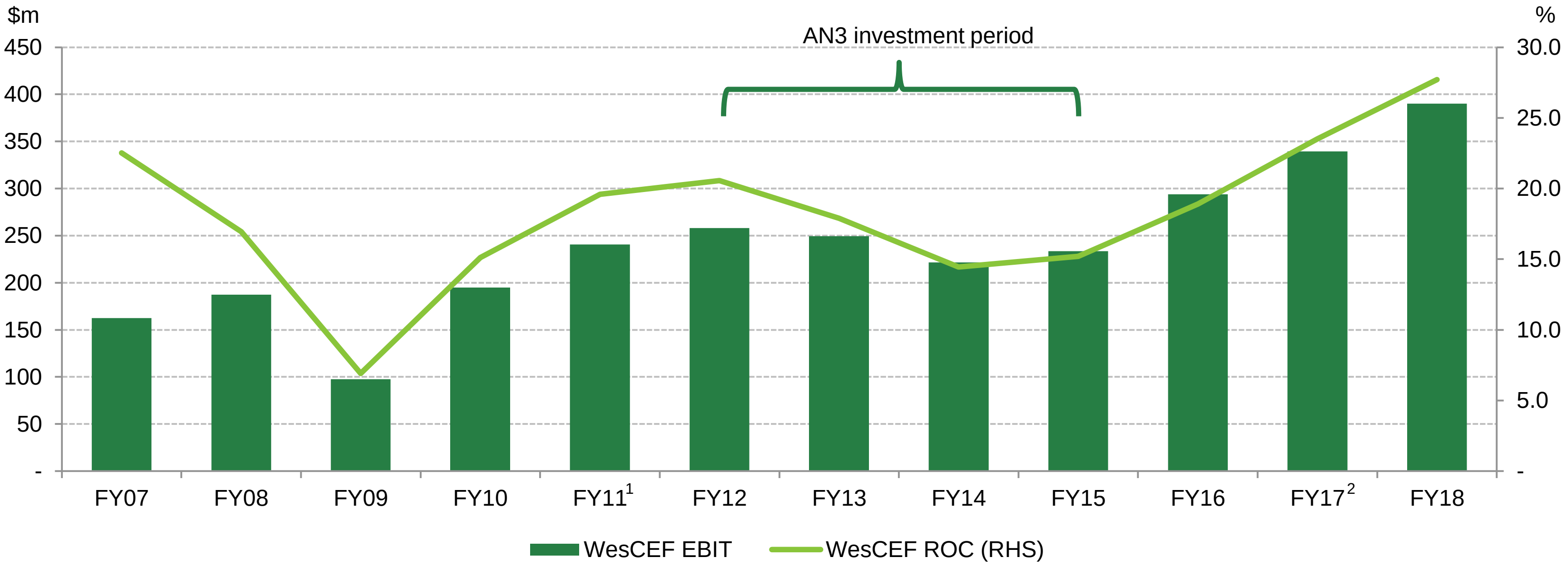
Divisional overview: WESCEF

	Chemicals	Energy	Fertilisers
	CSBP, AGA, QNP, Australian Vinyls, MODWOOD	Kleenheat, EVOL LNG	CSBP, DECIPHER
Description	Production, sales & distribution of ammonia, AN[1], sodium cyanide & specialty products	Production, sales & distribution of LPG & LNG, retailer of natural gas & electricity	Import, production, sales & distribution of fertilisers & AgTech services
Competitive position	• #1 WA AN (with Burrup AN online) • #1 AU Sodium Cyanide	• #1 WA LPG • #1 WA LNG • #2 WA NG[3] Retail	• #1 WA Fertiliser
Market dynamic	• WA EGAN[2] market oversupply • Additional global sodium cyanide capacity	• Mature WA LPG market • Intense competition in NG retail with new entrants	• Strong competition in WA fertiliser market
Competitive advantage	• Operational excellence delivering reliable supply • Suite of contracts with high quality customers	• Trusted local brand • Customer service • NG wholesale position	• Expertise-based value add services • High capacity infrastructure

1. Ammonium nitrate
2. Explosive grade ammonium nitrate
3. Natural Gas

Historical EBIT and ROC: WesCEF

Individual businesses are subject to cyclical earnings.
Capital invested in medium term projects & delivered financial returns through the cycle.



[1] FY11 excludes insurance proceeds from the impact of the Varanus Island incident ($42m)

[2] FY17 excludes profit on the sale of Bayswater ($22m) and Harriet JV fair value uplift ($33m)

Business update & current priorities: Chemicals

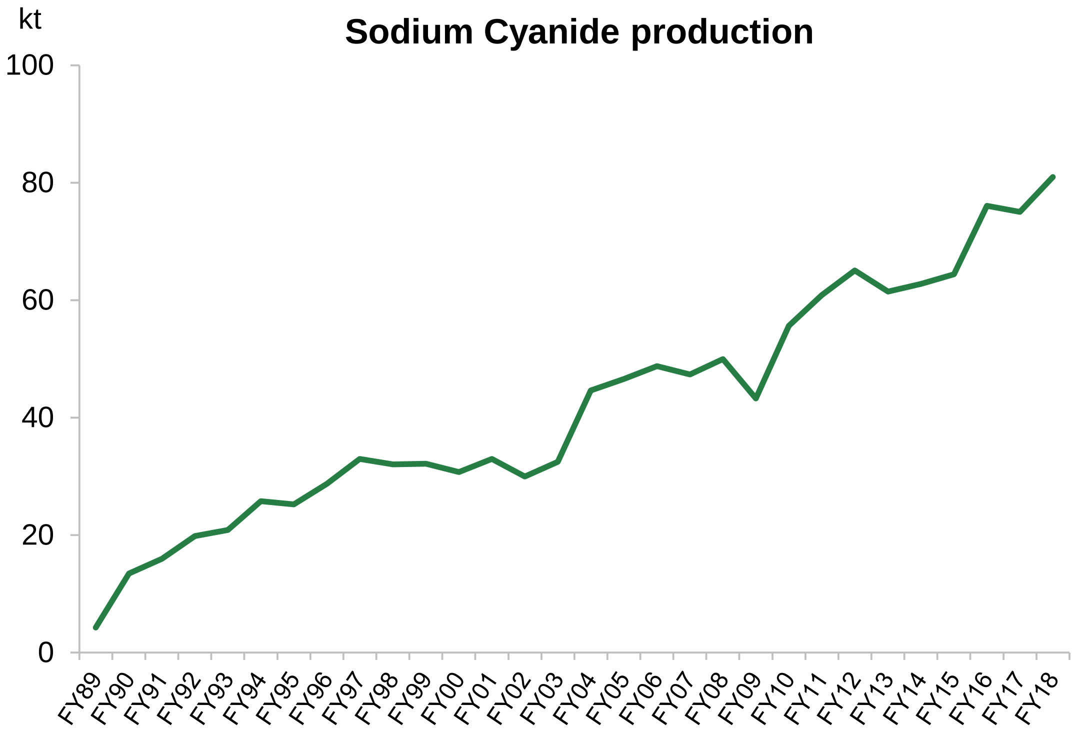
Business update

- Longer term AN commitments secured in exchange for discounts
- Record sodium cyanide production
- Ongoing plant & operational efficiencies

Current priorities

- Optimise short term AN sales mix & secure medium-term commitments
- Consider opportunities to leverage existing infrastructure & expand capacity
- Continued assessment of automation & data analytics opportunities
- Quality improvements for export product

Leveraging existing infrastructure



Business update & current priorities: Energy

Business update

- Strong performance of production facility
- Scale & managed cost base enabling further discounts for NG retail customers
- Customer satisfaction recognised with Canstar award for third year running

Current priorities

- Continued focus on brand management, strong local customer service & enhanced customer experiences
- LNG expansion options being assessed
- Ongoing plant operational efficiencies & automation opportunities

Business update & current priorities: Fertilisers

Business update

- CSBP services & product quality providing differentiation in a competitive market
- Cautious grower sentiment despite a strong 2018 harvest given late opening rains
- CSBP is well positioned for a potentially strong season

Current priorities

- Leverage & invest in infrastructure to meet growers’ needs
- Continue to deliver operational efficiencies
- Invest in product & service offerings
- Ongoing development of Decipher platform

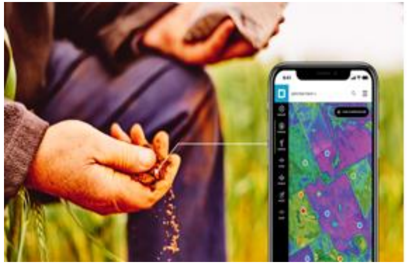
DECIPHER
GREEN

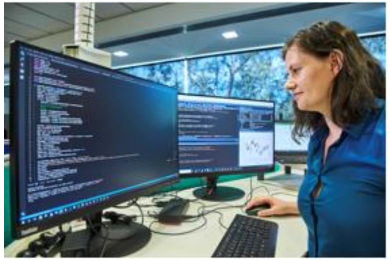
Utilising automation, data & digital: WesCEF

WesCEF is pursuing a range of initiatives to enhance the use of technology & data in its businesses

Initiatives recently implemented

- Automated AN bagging plant
- Carrier Arrival & Despatch System (CADS)
- Ammonia plant advanced process control
- Increased use of drones for inspections
- Fertilisers tank telemetry trial
- Customer relationship management applications
- 3D printing





Initiatives currently being pursued

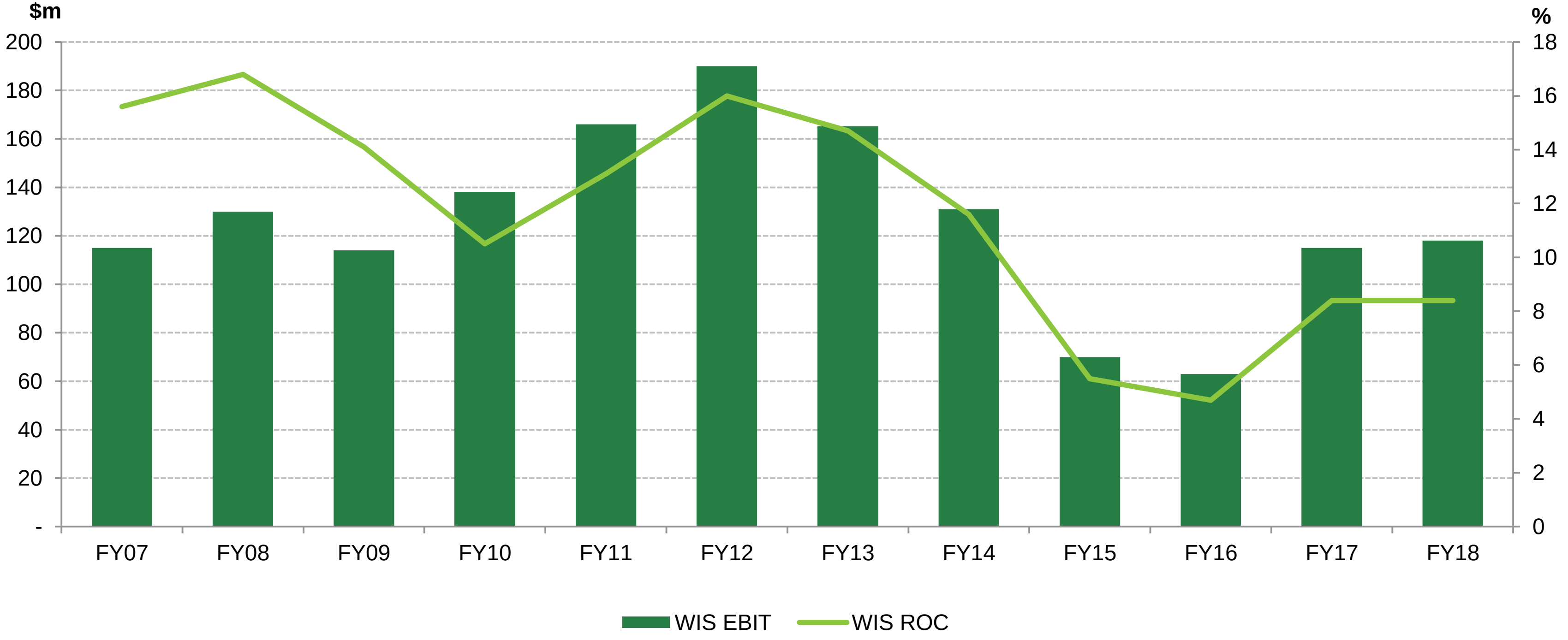
- Ongoing Decipher feature development
- Building capability in advanced analytics
- Physical site & process simulation digital models
- LPG route & forecasting optimisation
- Digitisation of inspection activities

Divisional overview: WIS

	Blackwoods	WWG	Coregas	Greencap
	Blackwoods NZ Safety Blackwoods	WORKWEAR GROUP	coregas	GREENCAP
Description	Distributor of tools, safety gear, workwear & industrial supplies	Manufacturer & supplier of workwear solutions	Industrial, medical & specialty gas supplier	Risk management & compliance service provider
Competitive position	• ~5% market share (AU)	• ~25-30% market share (AU)	• ~10% market share (AU)	• Mid-tier / niche player
Market dynamic	• Fragmented market	• Mature market	• Stable market with increasing competition	• Fragmented market
Competitive advantage	• Established position, broad SKU count & diverse customer base	• Strong market position, solid brands – Hard Yakka, King Gee, NNT	• Expertise & innovative solutions	• Digital offering

Historical EBIT and ROC: WIS

WIS – a portfolio of businesses in various stages of turnaround



Business update & current priorities: Blackwoods

Business update

- Customer service improvements achieved
- New web platform launched in May 2019 - *Blackwoods.com.au*
- Own brand refresh complete
- DC automation being implemented

kingcraft

Current priorities

- Implementation of new ERP system
- Investment in data & digital systems to drive productivity improvements & customer experience
- Further automation opportunities

Blackwoods: automation – Scoresby and Greystanes

Note: Video available at https://www.wesfarmers.com.au/strategy-videos

Business update & current priorities: WIS

WORKWEAR GROUP

- Digital transformation & improve operational efficiencies
- Investing in product customisation & brand

coregas

- Successful launch of Healthcare
- Building capabilities in specialty gases

GREENCAP
Going Further in Managing Risk

- Binding agreement to acquire CM3[1] platform
- DecipherGreen – remote sensing & environmental consulting (6 month pilot for proof of concept)
- Growing online ~20% year on year growth

1. Completion expected June / July 2019 subject to satisfaction of customary conditions precedent

Sustainability update

Indigenous employment

- Indigenous employees represent 2.2% of headcount
- National training award for Creating Opportunities Spotlight initiative
- Coregas partnership with The Cryogenics Group

Gender balance

- Women represent 30% of Industrial leaders[1]
- Focus on balance & inclusion

Community engagement

- Support of Bernie Banton Foundation, Fred Hollows Foundation, Clontarf Foundation & Academy
- Lifeline & Scitech partnerships, Jacaranda back to school program

Ethical sourcing

- Policies developed, implemented & being expanded to include Modern Slavery

Wesfarmers Chemicals, Energy & Fertilisers

WesCEF won a national training award for its Creating Opportunities Spotlight Program, which supports Aboriginal employment opportunities for its local suppliers

1. Gender Balance for over 451 Hays Points.

Outlook

Chemicals, Energy & Fertilisers

- Production & demand for products expected to remain robust
- AN to continue to benefit from ongoing disruption at competing Burrup plant but medium-term earnings will be affected by an oversupply of EGAN in WA
- AN margin to be impacted in FY20 as some key contracts roll over to new pricing
- Improved outlook for LPG pipeline content & continued competitive intensity in natural gas retailing
- Fertiliser earnings dependent on seasonal weather conditions
- Earnings will continue to be impacted by international commodity prices, exchange rates, competitive factors & seasonal outcomes
- Planned Kwinana investor tour to be held on Thursday 3rd October 2019

Industrial & Safety

- Australian conditions remain generally stable, weakness in New Zealand & UK markets expected to remain
- Performance improvement activities continue in Blackwoods, Workwear Group & Greencap, including digital transformation, enhancing supply chain efficiency & building merchandising capability

Q&A – Industrials

David Baxby
Managing Director, Industrials

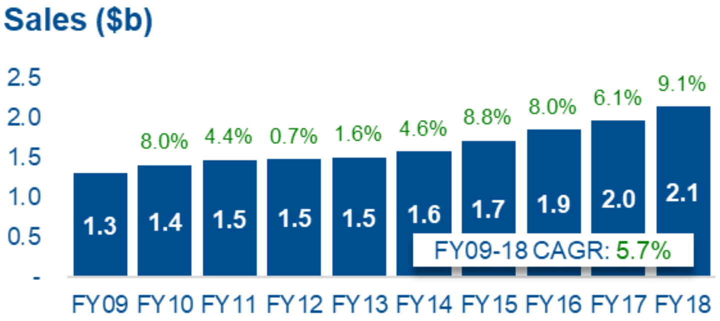
Ross Martelli
General Manager, CSBP Chemicals

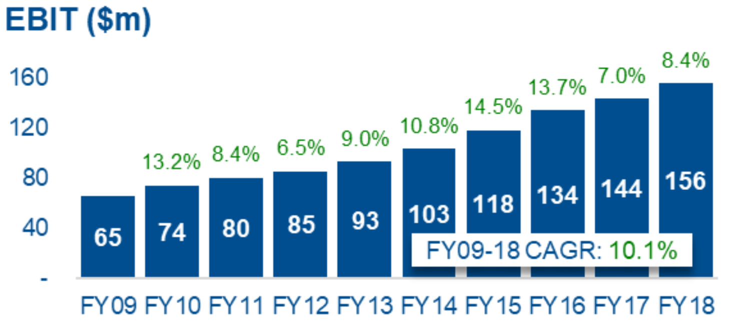
Officeworks

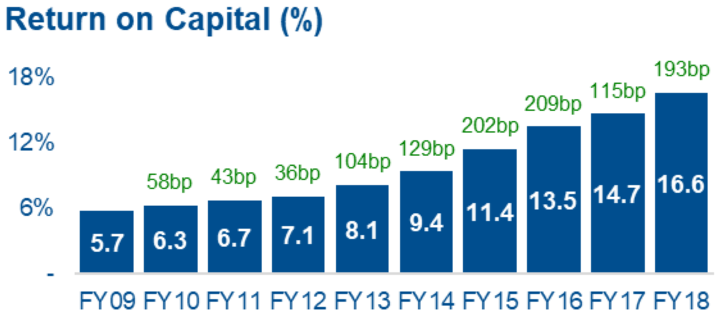
Sarah Hunter

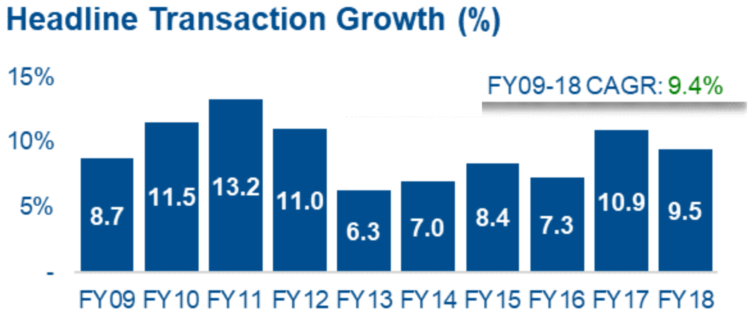
Managing Director, Officeworks

Historical performance









Our customer landscape is changing

Customers expect…

Flexibility to shop whenever and however across **every channel**

Solutions and services to help solve problems

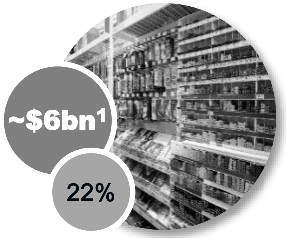
Greater convenience and **immediacy**

Increased focus on doing well by **doing good**

A better offer than our **competitors**

Current addressable market

Previous
Addressable market size



Current
Addressable market size

Extended
Addressable market size

Core Office Supplies	+	Technology, Print & Copy, Furniture, Kitchen, Cleaning & Packaging	+	Education, Business, Connected Customer, Services, Create & Design

1. Based on market analysis conducted by Penfold Research to assess the size of the Australian core office supplies market (Source: 2018 Penfold Market Update)
2. Based on the incremental categories in non-core office supplies market (e.g. furniture, print & copy) identified by Penfold (Source: 2018 Penfold Market Update) and GFK research to assess the size of the Technology categories not included by Penfold.
3. Based on market analysis conducted for Officeworks by L.E.K. in 2019.

We are refreshing our strategy to deliver long-term growth

Our Team

Customer Experience

Operational Excellence

Connecting with our Communities

Growing Our Business

Our team

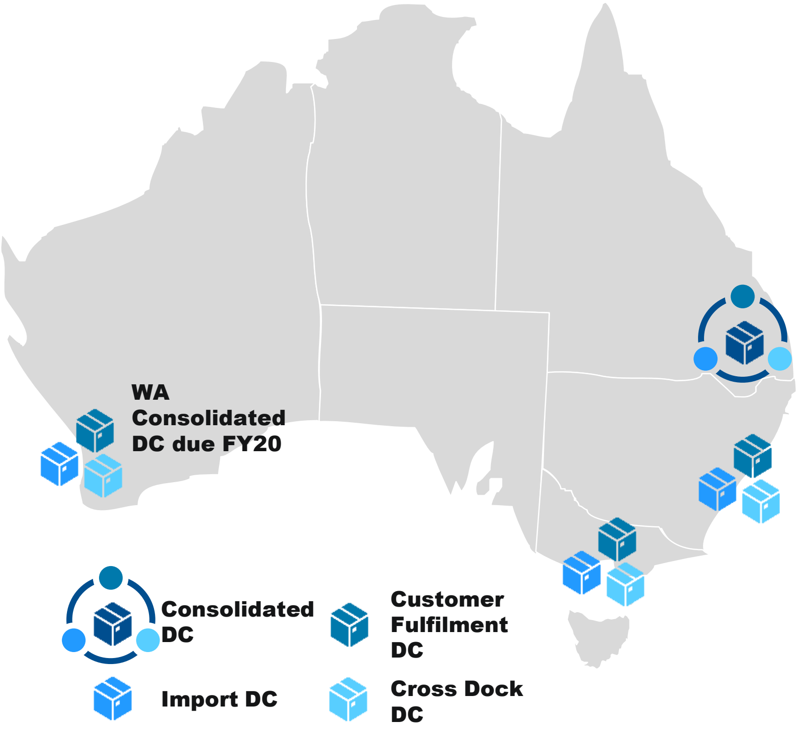
- Enhanced focus on safety, health & wellbeing
  - Continued focus on safety
  - Develop a broader health & wellbeing strategy
- Implement our new four year Store Operations Enterprise Agreement
  - Provide stability & certainty for our team members & Officeworks
- Develop our credentials as an employer of choice
  - Modernise our policies (e.g. Growing Families Policy)
  - Increase our focus on diverse teams
  - Increase our focus on training & skills development

Customer experience

- Invest in understanding our customers better
  - New GM Customer Experience role & building the capability of insights team
  - Enhance our data analytics capability
- Use our customer knowledge to evolve our every-channel offer, including:
  - an even better Click & Collect offer
  - even greater delivery choices
  - upgraded online functionality & features
  - improved range curation & in-store experience

Operational excellence

- Modernise our supply chain by:
  - Increasing the capacity & capability of our Customer Fulfilment Centres
  - Upgrading our supply chain network to support our customers' every channel needs
- Invest in technology to simplify activities & unlock growth
  - Implementing new people management systems (e.g. payroll & roster management)
  - Invest in selected core platforms (e.g. Print & Copy digital platform upgrade)



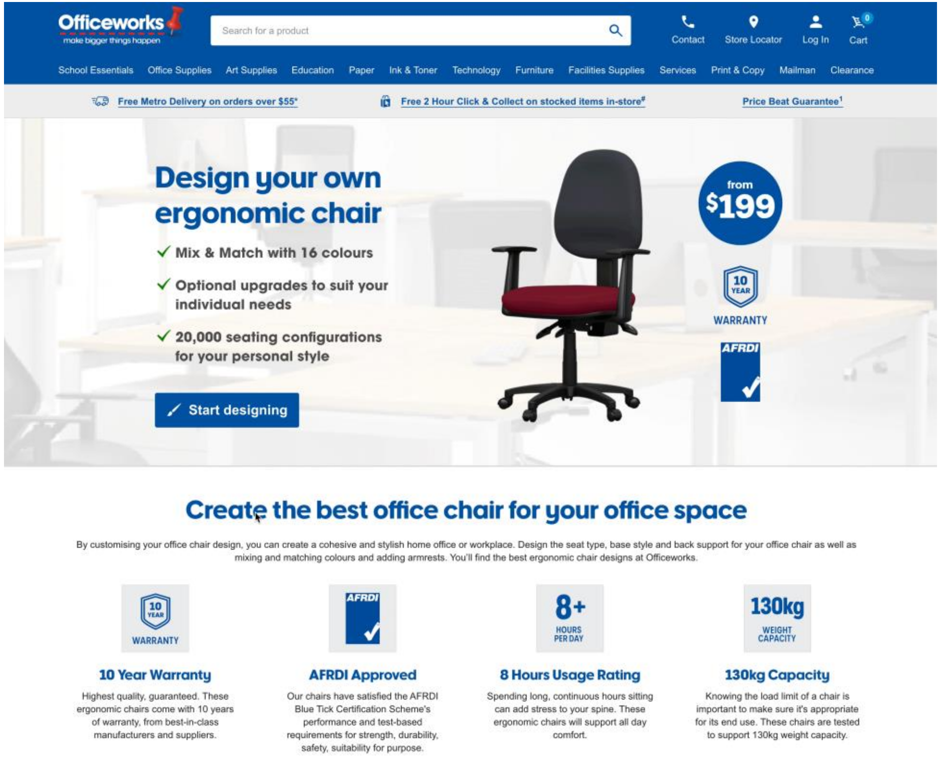
Connecting with our communities

- Connect with our communities by:
  - investing in our national partnerships (e.g. Restoring Australia, The Australian Literacy & Numeracy Foundation, The Smith Family)
  - building closer partnerships with local community groups
- Increase our focus on sustainable business through initiatives such as:
  - on track to plant 596,000 trees by December 2019
  - increasing recycling at all facilities to reduce waste to landfill
  - recycling more electronic waste from customers
  - ensuring compliance with our Ethical Sourcing Policy
  - launching our 2025 Positive Difference Plan to further improve sustainable sourcing & reduce our environmental impact

Growing our business (core growth)

- Improve the business we have today
  - Maintain the relevance of our stores by investing in our network through a Store Renewal Program
  - Bring products & services to life & implementing learnings from Mentone XXL (e.g. Art & craft and learning & development)
  - Create consistent & tailored experiences across every channel (e.g. ‘Mix & Match’ chairs & desks)
  - Evolve & expand our range to continue to deliver the products that our customers need, across every channel

Growing our business (core growth)



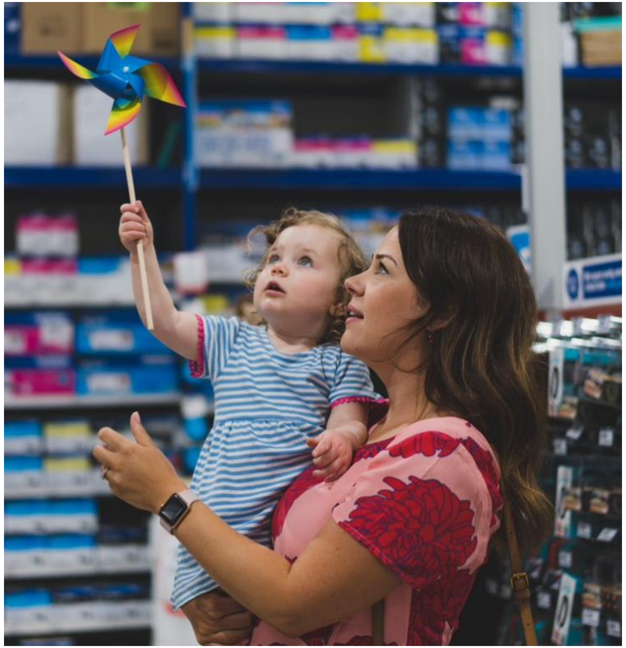
Note: Video available at https://www.wesfarmers.com.au/strategy-videos

Growing our business (new growth)

- Pursue new growth opportunities, such as:
  - Services (e.g. Geeks2U)
  - Businesses (e.g. Print, Copy & Create)
  - Education (e.g. Early learning)
- Grow our store fleet
  - continue to expand our store fleet in a disciplined way to support our every channel strategy

Outlook

- Variable trading conditions expected to continue & competitive pressure expected to remain strong
- New Store Operations Enterprise Agreement to be implemented, providing stability & certainty for our team
- Implement our refreshed strategy with a continued focus on execution



Q&A – Officeworks

Sarah Hunter
Managing Director, Officeworks

Michael Howard
Chief Financial Officer, Officeworks

Close

Rob Scott

Managing Director, Wesfarmers Limited

Wesfarmers