Wesfarmers

SHAREHOLDER REVIEW 08

Strength through diversity

WE'RE NOW ALL PART OF SOMETHING BIGGER

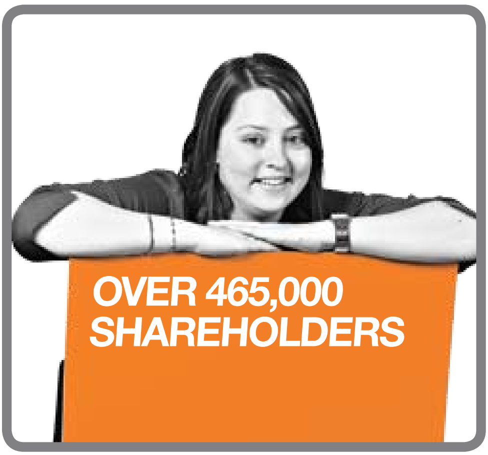
"WHILE WE ARE A DIFFERENT COMPANY IN MANY WAYS, WITH DIFFERENT ASSETS, WE ARE THE SAME WESFARMERS IN MANY OTHER WAYS – THAT IS, WITH A FOCUS ON PROVIDING A SATISFACTORY RETURN TO OUR SHAREHOLDERS...."

Richard Goyder
Managing Director


$1.5 BILLION IN
DIVIDENDS TO
SHAREHOLDERS


$34 BILLION
IN REVENUE

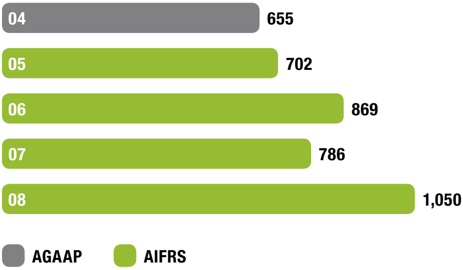

STRONG
PORTFOLIO OF
DIVERSIFIED
BUSINESSES


OVER 465,000
SHAREHOLDERS


A COMMITMENT
TO SUSTAINABLE
GROWTH

Net profit ($m)*

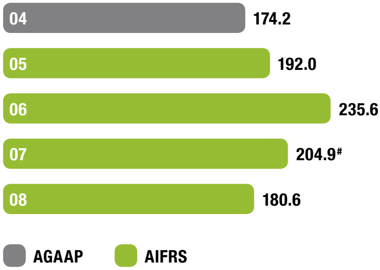
$1,050m



*Excludes earnings from the sale of ARG in 2006

Earnings per share (cents)*

180.6 cents



#2007 earnings per share restated for rights issue in accordance with AIFRS

Highlights of a busy year

OPERATIONAL HIGHLIGHTS

- $19.3 billion acquisition of Coles Group Limited
- Completed Coles group integration ahead of schedule
- New management teams recruited for Coles
- Record production and sales from Curragh coal mine
- Completed expansion of CSBP's ammonium nitrate facility
- Construction of liquefied natural gas plant completed
- 17 per cent of Bunnings stores upgraded
- Four insurance broking acquisitions

FINANCIAL HIGHLIGHTS

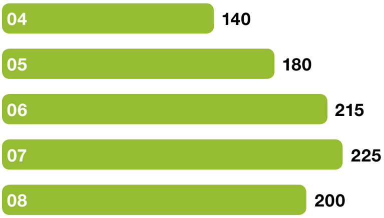
- Revenue of $33.6 billion, up 244 per cent (15 per cent excluding Coles group)
- Profit of $1,050 million
- Full-year dividend of $2.00 per share
- Successfully completed $2.5 billion equity raising
- Bunnings cash sales up 13.9 per cent and earnings up 11.6 per cent
- Coal earnings up 25.1 per cent
- Chemicals and fertilisers earnings up 22.8 per cent
- Energy earnings up 19.4 per cent
- Industrial and safety earnings up 13.3 per cent

Value generated and distributed

	2008	2007
Value generated by Wesfarmers:	**$8,573m**	$3,367m
Employees - salaries, wages and other benefits	**50%**	37%
Government - taxes and royalties	**15%**	21%
Lenders - borrowed funds	**9%**	6%
Shareholders - dividends on their investment	**18%**	26%
Reinvested in the business	**8%**	10%

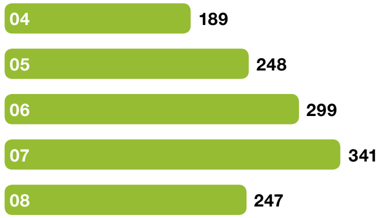
Dividends per share (cents)

200 cents



Operating cash flow per share (cents)

247 cents



Results summary

		2008 AIFRS	2007 AIFRS
KEY FINANCIALS			
Operating revenue	$m	**33,584**	9,754
Net profit before net interest and tax	$m	**2,014**	1,221
Net profit after tax	$m	**1,050**	786
Dividends	$m	**1,533**	865
Total assets	$m	**37,306**	12,076
Net debt	$m	**9,276**	5,032
Shareholders’ equity	$m	**19,590**	3,503
Capital expenditure on property, plant and equipment and tangibles	$m	**1,241**	680
Depreciation and amortisation	$m	**654**	345
KEY SHARE DATA			
Earnings per share	cents	**180.6**	204.9*
Dividends per share	cents	**200.0**	225.0
Net tangible assets per share	$	**-1.52**	2.11
Operating cash flow per share	$	**2.47**	3.41
KEY RATIOS			
Return on average shareholders’ equity	%	**8.5**	25.1
Gearing (net debt to equity)	%	**47.4**	143.6
Interest cover (cash basis)	times	**4.9**	8.7

*2007 earnings per share restated for rights issue in accordance with AIFRS

WELCOME TO OUR NEW SHAREHOLDERS

Chairman's message to shareholders

Dear Shareholders,

I'm delighted to present to shareholders this year's Annual Report – my last as Chairman of the Wesfarmers Board.

I'd particularly like to welcome the nearly 300,000 new shareholders who are now part of the Wesfarmers family as a result of the company's acquisition of the Coles group of businesses in November 2007.

In concluding my tenure as Chairman, I'm also ending my formal association with a company which I have proudly served in various roles for 45 years, including eight years as Wesfarmers' Managing Director.

Now, after six challenging and very enjoyable years as Chairman – during a period which has seen the company undergo another period of major change – I've decided it's an appropriate time to step down.

It's also a good time to reflect on the company's progress and the reasons for its past and ongoing successes.

Growing from strength to strength

When I started with the company as a graduate engineer in 1963, Wesfarmers had a market value of just $2.7 million.

Wesfarmers was very much a farmers' co-operative run by people with a passion to serve and improve the lot of the men and women on the land.

The LPG supply business of Kleenheat Gas, the transport business of Gascoyne Trading, the retail operations of Wesfarmers stores and the activities of Masters Dairy were established and operating successfully.

Their purpose was to "add materially to the services offered by Wesfarmers and to its overall surplus for the year."

They were the evolutionary start to the Wesfarmers of today.

It is interesting to note that Wesfarmers ordered its first computer in that year as did the University of Western Australia where I was studying.

Based on these core operations, the company continued to grow and when I was appointed Managing Director in 1984, its market value had increased to $30 million.

The next two and a half decades saw the Wesfarmers diversification and expansion strategies accelerate through a number of key acquisitions in coal, rail transport, insurance services, industrial and, in recent years, retail.

Now, in 2008 the company is, at one level, almost unrecognisable from these roots.

Our market capitalisation is now approaching $25 billion, representing the large and small investments of over 465,000 shareholders.

While we remain proudly Perth-based and a very active member of the Western Australian community, Wesfarmers is truly a national company with significant diversity and breadth.

With the acquisition of the Coles group in November last year, Wesfarmers became one of the country's largest retailers.

Some have commented that with the Coles acquisition, we might be stretching the boundaries of the diversified, 'safe haven' business model which has served the company so well.

But while many aspects of the company's operations have changed in recent years, its foundations and strengths have not.

That's why I, and the Wesfarmers Board, are confident that in the next few years, our shareholders will benefit from our diversified model and the strength that is created as we reinvigorate Coles and harness its excellent brands potential and footprint.

A unique business approach

Wesfarmers' objective is to deliver 'a satisfactory return to shareholders' – an organising principle introduced into the business when I became Managing Director 24 years ago.

Guided by this principle, Wesfarmers has developed a unique, highly focused and disciplined business culture.

This culture has many facets. A key part is founded on the company's willingness to take on new challenges through a hard headed commercial approach. It actively pursues the challenge of change and diversification in line with the company's ultimate focus on strong returns.

In building its mix of businesses, Wesfarmers actively seeks opportunities by acquiring, investing in and growing previously underperforming businesses.

There are many examples of acquisitions which have delivered strong returns over time; including:

- the takeover of CSBP, initiated in 1977, which under Wesfarmers' ownership has become a major producer of industrial chemicals while continuing to be Western Australia's leading fertiliser supplier;
- the acquisition of the Curragh coal mine in central Queensland in 2000, which following a major expansion programme in recent years, is now benefiting from strong demand; and
- the Howard Smith acquisition, where we significantly added to the Bunnings network through BBC Hardware, and formed our Industrial and Safety division which is also performing strongly.

The measure we use to define satisfactory returns is total shareholder returns over time, which includes distributions to shareholders and share price appreciation. Management performance is judged against controllable factors which is why return on equity at a group level, and return on capital at a divisional level, are the best proxies for total shareholder returns.

While many aspects of the company's operations have changed in recent years, its foundations and strengths have not

Wesfarmers has always had a very strong operational focus on return on capital and that is applied to any business we acquire. The acquisition of Coles provides a significant opportunity to add shareholder value over time. Initially, as outlined in this report, return on equity has decreased significantly as we anticipated it would. The turnaround of Coles is expected to produce increased earnings and return on equity over the coming years.

Total shareholder returns will be enhanced through a combination of delivering improved performance on existing capital employed, and ensuring that new capital investments also provide strong returns. Management incentives will be structured to align with this focus.

Certainly, the turnaround of Coles will be challenging, but it's a familiar challenge for Wesfarmers, and one which I believe – like the examples I've quoted and for the reasons that have underpinned our success in the past - will deliver value to shareholders and our customers.

Our performance - 2008

With the level and intensity of activity over the past 12 months, 2007/08 represented another strong year for Wesfarmers, as outlined in the review by Richard Goyder, Wesfarmers' Managing Director, which I encourage you to read.

The Board declared a fully-franked final dividend of \$1.35 per share for the year ended 30 June 2008, bringing the total dividend for the year to \$2.00 per share. This compares to the \$2.25 paid last year which included a component of approximately 25 cents attributable to the sale of the Australian Railroad Group in June 2006.

I'd like to take this opportunity to thank each and every one of the people I have been associated with during my four and a half decades with Wesfarmers.

I also want to thank my fellow directors for their support and commitment during my time on both the Board and as Chairman. In particular, I want to note the contribution of Dick Lester, who stepped down from the Board in June 2008 after 13 years as a Wesfarmers director.

It's a tremendous company with a tremendous reputation and I'm sure that Bob Every - who succeeds me as Chairman - will continue to lead the Board with a very clear focus on shareholder returns and enhancing our corporate reputation.

I would also especially like to thank both Richard Goyder and his predecessor Michael Chaney for their dedication and professionalism as managing directors during my six years as Chairman.

Above all, I want to thank all our shareholders – old and new - for your support and commitment to the culture and commercial approach that makes Wesfarmers unique.

T Eastwood.

Trevor Eastwood AM
Chairman

A FIRM FOCUS ON SHAREHOLDER RETURNS

Managing Director's review

The last 12 months have truly been a pivotal period for the company, its employees, shareholders and other stakeholders.

It's been a year of many changes and challenges.

Some of those challenges we've created ourselves as we sought to position Wesfarmers to continue to provide satisfactory returns to our shareholders, and indeed, all our stakeholders into the future.

Over the course of the 2007/08 financial year, we completed the $19.3 billion acquisition of the Coles group of businesses – including the food and liquor businesses, Kmart, Target and Officeworks – and successfully undertook the integration of the group into Wesfarmers.

In the process, we've become one of the biggest private sector employers in the country, with nearly 200,000 people on our payroll.

In May, we undertook a $2.5 billion equity raising to help fund the Coles acquisition and strengthen our balance sheet.

It's a testament to the Wesfarmers business model of decentralised operations and strong management systems that in a year of significant changes and challenges, many of our businesses recorded very strong performances.

Overall, profit after tax and interest for the full year has come in at $1.05 billion – up from $786 million in the previous year with all six businesses which we owned for the full year recording increased earnings.

The Coles group - foundations for growth

Although we acquired Coles group five months into the financial year, a significant amount of work was undertaken during the remainder of 2007/08 to reposition the group for future growth.

It’s testament to the Wesfarmers business model, that in a year of significant changes and challenges, many of our businesses recorded very strong performances

By June 2008, we’d restructured the previously centralised Coles functions to create autonomous retail divisions and completed a number of critical commercial reviews including the review of Kmart. There has been a significant reduction in above-store employee numbers at Coles, the appointment of new management teams and development of five year plans and budgets.

Completing the integration programme prior to the end of the financial year – well ahead of schedule – has been crucial in allowing our new retail divisions to enter the new financial year with a clear focus on performance to create a much more customer-focused, value-driven operation.

Financial results for these divisions since we acquired them in November 2007 have been mostly sound and largely reflect that we’re still at the early stages of turning these businesses around.

In that seven months:

- operating revenue for the Coles division, including supermarkets, liquor, fuel and convenience operations, was $16.9 billion resulting in EBIT of $474 million;
- operating revenue for Kmart was $2.5 billion, with EBIT of $114 million;
- Officeworks achieved total revenue of $802 million, with EBIT of $36 million; and
- Target, in particular, performed very well with overall sales rising to $2.2 billion and EBIT of $223 million.

The key reason that we acquired Coles was because we believed that it would be value accretive for our shareholders over time. While Target has performed well over the past few years, the other businesses we acquired all require significant structural change to effect a sustained turnaround in their performance.

This involves not only new management, a focus on the customer and a commercial approach to running businesses but ultimately a cultural shift to that which has been a hallmark of Wesfarmers for many years - that is a strong performance focus, underpinned by our values of being ethical, open, bold and accountable.

There is no simple formula to rejuvenate a complex retail business like the Coles group and the changes that are being put in place won’t be obvious on a particular day or date.

We believe effecting a sustained turnaround for the Coles group, particularly in the food and liquor business and Kmart, will take up to five years.

We are making solid progress in many areas.

I’m very confident that with a new world-class management team in place and taking the hard decisions needed for these businesses to succeed, we will see improved performance from each of Coles, Kmart and Officeworks and continued strong results from Target.

Strong performance across divisions

The businesses which have been the mainstay of Wesfarmers have continued to go from strength to strength during the 2007/08 financial year.

The divisions we owned prior to the Coles acquisition recorded an overall 15 per cent increase in revenue and 16 per cent increase in profit before interest and tax.

Highlights of the full-year results for these businesses include:

- another very strong performance from Bunnings, which recorded cash sales growth of 13.9 per cent on the previous 12 months, and a trading profit increase of 16.8 per cent;
- a 25.1 per cent increase in EBIT from our Resources division;
- our Insurance division which posted a 9.4 per cent increase in EBIT;
- the Industrial and Safety division recorded strong earnings growth and EBIT of 13.3 per cent;

- a 22.8 per cent increase in EBIT from our Chemical and Fertiliser division; and
- a 19.4 per cent increase in EBIT from our Energy division.

Despite a tighter economic environment, the overall outlook for the group for the next 12 months is positive, particularly on the back of strong export prices for coal.

I want to thank all our employees for the hard work and enthusiasm they've shown during the past 12 months. Our people continue to perform at a level with a strong commitment to our objective and values. Without their dedication and strong work ethic, the results we have achieved during 2007/08 would not have been possible.

Change and continuity

One final observation on a year which has been a significant one in Wesfarmers' 94-year history.

Wesfarmers' footprint now extends into many of the major sectors of the economy – resources, insurance, rural, home improvement, and now Coles' diversified mix of retail businesses.

I'm very conscious that our expanded business scope and national reach confers enormous responsibility on the group not only towards its wider customer base, but to the communities and families where we operate, and most importantly to our shareholders.

And while we are a different company in many ways, with different assets, we are the same Wesfarmers in many other ways – that is, with a focus on providing a satisfactory return to our shareholders, looking after our employees and ensuring that they have a safe environment in which to work, providing terrific products and services to our customers, looking after and caring for the environment, and making a contribution to the communities in which we operate.

Those are the fundamentals of Wesfarmers that will continue to stay the same.

Finally, I would like to pay tribute to Trevor Eastwood who is stepping down as Chairman after six years.

His influence through various roles in management and on the Board has been a continuous and significant thread in shaping the company and its ongoing success over 45 years. Trevor has been an invaluable help to me as Managing Director, wise counsel, strong support and a great thinker. I'm sure you'll join with all of us at Wesfarmers in wishing Trevor the very best for the future.

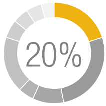
Yours sincerely,

Richard Goyder

Richard Goyder
Managing Director

REVIEW OF OPERATIONS

COLES#



Contribution to EBIT+

Revenue ($m)
$16,875.5m

08	16,875.5

EBIT ($m)
$474.4m

08	474.4

Activities

- Full-line supermarket retailer with 750 stores across Australia, more than 100,000 employees and over 11 million customer transactions a week
- National liquor retailer with 862 outlets trading under the Liquorland, Vintage Cellars and 1st Choice brands, including 95 hotels
- Fuel and convenience store operator with 619 sites nationally

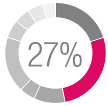
Year in brief

- EBIT of $474.4 million before charging $101 million of non-trading items
- Food and Liquor sales growth of 4.2 per cent to $12.8 billion with trading EBIT of $422 million
- Investment of over $100 million in lower on-shelf supermarket prices
- 17 new supermarkets opened, 12 extensions or refurbishments
- Liquor store network expanded with 46 new stores opened
- Convenience trading EBIT of $42 million
- Implemented new organisation structure and operating model, including appointment of new Managing Director and executive team

Future directions

- Coles will continue its programme to improve performance, by delivering:
  - improved product range
  - an enhanced value offer for customers
  - increased store investment and a renewal programme

HOME IMPROVEMENT & OFFICE SUPPLIES#



Contribution to EBIT+

Revenue ($m)
$6,160.5m

07	4,938.9
08	6,160.5

EBIT ($m)
$625.1m

07	528.4
08	625.1

Activities

- Retailing home improvement and building products
- Servicing project builders and the housing industry
- Retailing office products and solutions for home and work

Year in brief

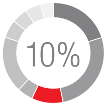
- 16.8 per cent increase in Bunnings' trading EBIT
- 13.9 per cent increase in Bunnings' cash sales
- 11 new Bunnings warehouse stores opened
- Five Bunnings trade centres opened
- 17 per cent of Bunnings stores upgraded or refurbished
- Officeworks contributed $36 million in EBIT
- Integration of Officeworks completed
- Strategy re-set work for Officeworks completed

Future directions

- Lifting service in Bunnings and Officeworks stores
- Ongoing Bunnings and Officeworks offer improvements
- Continued investment in the Bunnings and Officeworks networks
- Strong focus on the Bunnings and Officeworks teams
- Implementation of a new Officeworks marketing strategy and everyday low price position

+ Before corporate overheads #Information for former Coles group companies is for the ownership period 23 November 2007 to 30 June 2008

TARGET#



Contribution to EBIT+

Revenue ($m)
$2,198.4m

08 2,198.4

EBIT ($m)
$222.7m

08 222.7

Activities

- Retailer of fashion apparel and homewares
- Customer destination for childrenswear/nursery, womenswear, intimate apparel and homewares
- Caters to a wide range of customers via a network of 277 stores (Target and Target Country) throughout metropolitan and regional Australia
- Wide range of store formats to cater for many demographics
- Positioned to be the fashion alternative to speciality retailers

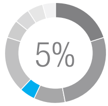
Year in brief

- $2.2 billion in revenue
- $223 million in EBIT, at an EBIT margin of 10.1 per cent
- Comparable store sales increase of 3.3 per cent
- Three Target stores opened
- 19 stores upgraded or refurbished, including improved layout, design, signage, traffic flow and fixtures
- Continued development of new and differentiated product ranges

Future directions

- Continue to open 8-10 stores per year
- Accelerate store refurbishment program with 20 per year (40 in 2008/09)
- New product ranges and existing product extensions in key categories
- Improvements in efficiency and the shopping experience of available space in stores

KMART#



Contribution to EBIT+

Revenue ($m)
$2,454.6m

08 2,454.6

EBIT ($m)
$114.0m

08 114.0

Activities

- Retailer of a wide variety of quality and great value general merchandise and apparel products through a network of 182 stores
- Retailer of tyres and provision of car servicing through a network of 263 stores

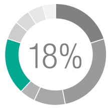
Year in brief

- Comparable store revenue growth of 2.2 per cent
- EBIT of $114 million
- One Kmart store and one Kmart Tyre and Auto Service Centre opened
- Two Kmart stores and four Kmart Tyre and Auto Centres closed
- 18 Kmart stores refurbished
- Improvement in product offer delivering improved margins
- Improved customer engagement

Future directions

- Stand-alone division focused on improving Kmart's performance
- Focus on customer service
- Open five to 10 new stores per year
- Review and accelerate store refurbishment programme
- Evolve and further improve the product offer
- Continue to build team capability
- Environmental improvements / pursue sustainability initiatives

RESOURCES



Contribution to EBIT+

Revenue ($m)
$1,310.8m

07	1,133.7
08	1310.8

EBIT ($m)
$422.5m

07	338.0
08	422.5

Activities

- Operating and developing coal mines in Queensland (Curragh) and Western Australia (Premier Coal); 40 per cent interest in New South Wales coal mine (Bengalla Joint Venture)
- Supplier of metallurgical coal to export markets and steaming coal to both domestic and export markets

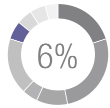
Year in brief

- EBIT up 25 per cent
- Continued growth in metallurgical coal sales
- Record hard coking coal prices achieved
- Curragh achieved record metallurgical coal production of 6.9 million tonnes
- Strong recovery from January 2008 floods
- Coal sales limited by infrastructure constraints

Future directions

- Strong business sustainability commitment
- Strong export market fundamentals and customer demand
- Continued export production and sales growth from Curragh
- Maximise exports, addressing infrastructure constraints
- Low emissions and other value-adding technology support and development
- Focused on future growth

INSURANCE



Contribution to EBIT+

Revenue ($m)
$1,648.6m

07	1,409.6
08	1,648.6

EBIT ($m)
$131.6m

07	120.3
08	131.6

Activities

- Key brands: Lumley, WFI, OAMPS and Crombie Lockwood
- Provision of general insurance products to select market segments
- Insurance broking, risk management and financial services distribution
- Operations in Australia, New Zealand and the United Kingdom

Year in brief

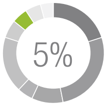
- 17.0 per cent increase in revenue
- 9.4 per cent increase in EBIT
- Successful integration of OAMPS and Crombie Lockwood in line with expectations
- Higher than expected claims from weather events and large property and motor losses
- Restructuring and rate increases initiated in Lumley New Zealand
- Broking earnings growth in all markets
- Four bolt-on acquisitions of broker businesses

Future directions

- Maintain business focus in selected market segments
- Rates stabilising following downward pressure in recent years
- Efficiency initiatives leveraging scale of underwriting and broking operations
- Further bolt-on acquisitions to enhance distribution platform
- Growth through the development of insurance and financial services products

+ Before corporate overheads

CHEMICALS AND FERTILISERS



Contribution to EBIT+

Revenue ($m)
$996.6m

- 07 592.1
- 08 996.6

EBIT ($m)
$123.6m

- 07 100.6
- 08 123.6

Activities

- Manufacture and marketing of chemicals for mining, mineral processing and general industry including plastics
- Manufacture and marketing of broadacre and horticultural fertilisers
- Provider of soil and plant testing and agronomy advisory services

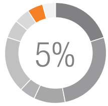
Year in brief

- 68.3 per cent increase in revenue
- 22.8 per cent increase in EBIT
- Chemicals earnings up due to increased production and the partial year contribution from Australian Vinyls Corporation
- Fertiliser volumes and earnings increased
- Completed expansion of ammonium nitrate facility at Kwinana, Western Australia increasing annual production capacity by 235,000 tonnes
- Record production and contribution from Queensland Nitrates joint venture

Future directions

- Capitalise on strong chemical demand from the resources sector
- Enhance fertiliser sales volumes through market focused customer offer
- Pursue market growth and product diversification opportunities
- Expand sodium cyanide facility at Kwinana and de-bottleneck Queensland Nitrates facility

INDUSTRIAL AND SAFETY



Contribution to EBIT+

Revenue ($m)
$1,308.9m

- 07 1,208.0
- 08 1,308.9

EBIT ($m)
$129.8m

- 07 114.6
- 08 129.8

Activities

- Supply of industrial and safety products through a portfolio of leading distributors in Australia and New Zealand
- Servicing industry and government through extensive branch networks, sales forces as well as e-business, websites and telemarketing channels

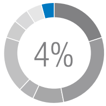
Year in brief

- 8.4 per cent increase in revenue, with growth recorded in all businesses
- 13.3 per cent increase in EBIT
- Acquisitions including Meredith Distribution, construction specialist
- Further improvements in Delivery in Full On Time through supply chain, systems and network upgrades
- Competitiveness reinforced by further cost and capital management improvements
- Return on capital lifted to 16.8 per cent

Future directions

- Increase share of customers' spend through improved service, delivery performance and value proposition
- Improve metropolitan sales penetration
- Continue to target higher growth sectors, including through acquisitions
- Enhance supply chain and operational efficiency
- Develop and retain high performing employees

ENERGY



Contribution to EBIT+

KleenheatGas · enGen · Wesfarmers LPG · coregas · Air Liquide Western Australia

Revenue ($m)
$565.1m

07	463.0
08	565.1

EBIT ($m)
$90.0m

07	75.4
08	90.0

Activities

- Manufacture, marketing and distribution of industrial, medical and specialty gases
- Production, marketing and distribution of liquefied petroleum gas (LPG) and liquefied natural gas (LNG)
- Power generation for remote towns and resource projects

Year in brief

- 22.0 per cent increase in revenue
- 19.4 per cent increase in EBIT
- Successfully completed integration of Coregas and two industrial gas supply projects
- Wesfarmers LPG increased earnings following record high energy prices
- enGen completed the Aboriginal Remote Community Power Project's five power stations
- Western Australian LNG project completed on budget however commissioning delayed due to gas supply disruptions
- Sale of 50 per cent interest in UNIGAS joint venture

Future directions

- Pursue sustainable growth of industrial gases in key eastern states and oil and gas markets
- Improved customer focus and cost efficiency in LPG distribution
- Pursue new power generation alternatives
- Evaluation of eastern Australian LNG projects, alternative fuel and renewable opportunities

OTHER ACTIVITIES

Bunnings Warehouse Property Trust · Gresham · Wespine Industries Pty Ltd

Activities

Wespine - 50 per cent interest in a softwood mill at Dardanup, Western Australia

Gresham - 50 per cent interest in the investment bank, Gresham Partners; plus interests in Gresham's private equity funds

Bunnings Warehouse Property Trust - 22.7 per cent interest in the property trust which mainly owns Bunnings Warehouses tenanted by Bunnings Group Limited

Year in brief

Wespine

- Earnings down 7.0 per cent
- Completed project to expand production capacity

Gresham

- Earnings of $5 million post-tax
- Investment in Fund 3

Bunnings Warehouse Property Trust

- $0.2 million pre-tax contribution following property revaluations

Future directions

Wespine

- gas supply constraints and increased energy costs likely to offset benefits of increased production

Gresham

- Develop businesses and seek profitable exits in Funds 1 and 2
- Make investments in Fund 3

Bunnings Warehouse Property Trust

- Acquire additional properties

+ Before corporate overheads

FIVE YEAR FINANCIAL HISTORY

All figures in $m unless shown otherwise		AIFRS 2008	AIFRS 2007	AIFRS 2006	AIFRS 2005	AGAAP 2004
SUMMARISED PROFIT AND LOSS						
Sales revenue		**33,301**	9,667	8,818	8,101	7,441
Other operating revenue		**283**	87	41	58	966
Operating revenue		**33,584**	9,754	8,859	8,159	8,407
Operating profit before depreciation, net interest paid and income tax		**2,668**	1,566	1,597	1,223	1,161
Depreciation and amortisation (ex goodwill)		**(654)**	(345)	(283)	(189)	(194)
Net interest paid		**(571)**	(116)	(82)	(67)	(50)
Income tax expense		**(393)**	(319)	(363)	(265)	(267)
		1,050	786	869	702	650
Outside equity interests		**-**	-	-	-	5
Operating profit after income tax before goodwill amortisation		**1,050**	786	869	702	655
Goodwill amortisation		**-**	-	-	-	(86)
Operating profit after income tax attributable to members of Wesfarmers Limited		**1,050**	786	869	702	569
CAPITAL AND DIVIDENDS						
Ordinary shares on issue (number) 000's		**799,438**	388,069	378,042	378,042	376,354
Paid up ordinary capital		**18,173**	2,256	1,902	1,901	2,346
Dividend per ordinary share		**200**	225	215	180	140
FINANCIAL PERFORMANCE BEFORE GOODWILL AMORTISATION						
Earnings per ordinary share (weighted average)*	cents	**180.6**	204.9	235.6	192.0	174.2
Earnings per ordinary share growth		**(11.90%)**	(13.00%)	22.70%	10.20%	15.60%
Return on equity (rolling 12)		**8.50%**	25.10%	31.10%	25.40%	18.50%
Income tax expense (effective rate)		**27.20%**	28.80%	29.40%	27.40%	29.10%
FINANCIAL PERFORMANCE AFTER GOODWILL AMORTISATION						
Earnings per ordinary share (weighted average)*	cents	**180.6**	204.9	235.6	192.0	151.5
Earnings per ordinary share growth		**(11.90%)**	(13.00%)	22.70%	26.80%	18.30%
Return on equity (rolling 12)		**8.50%**	25.10%	31.10%	25.40%	16.20%
Net interest cover - cash basis (times)		**4.9**	8.7	13.8	12.4	15.8
Income tax expense (effective rate)		**27.20%**	28.80%	29.40%	27.40%	39.50%
FINANCIAL POSITION AS AT 30 JUNE						
Total assets		**37,306**	12,076	7,430	7,153	7,271
Total liabilities		**17,716**	8,573	4,264	4,411	3,940
Net assets		**19,590**	3,503	3,166	2,742	3,331
Outside equity interests in controlled entities		**-**	-	-	-	(2)
Shareholders' equity attributable to members of Wesfarmers Limited		**19,590**	3,503	3,166	2,742	3,333
Net tangible asset backing per ordinary share		**($1.52)**	$2.11	$4.59	$3.47	$4.94
Net financial debt to equity		**47.40%**	143.60%	46.10%	62.90%	45.50%
Total liabilities/total assets		**47.50%**	71.00%	57.40%	61.60%	54.20%
STOCK MARKET CAPITALISATION AS AT 30 JUNE		**29,819**	17,746	13,356	15,125	11,065

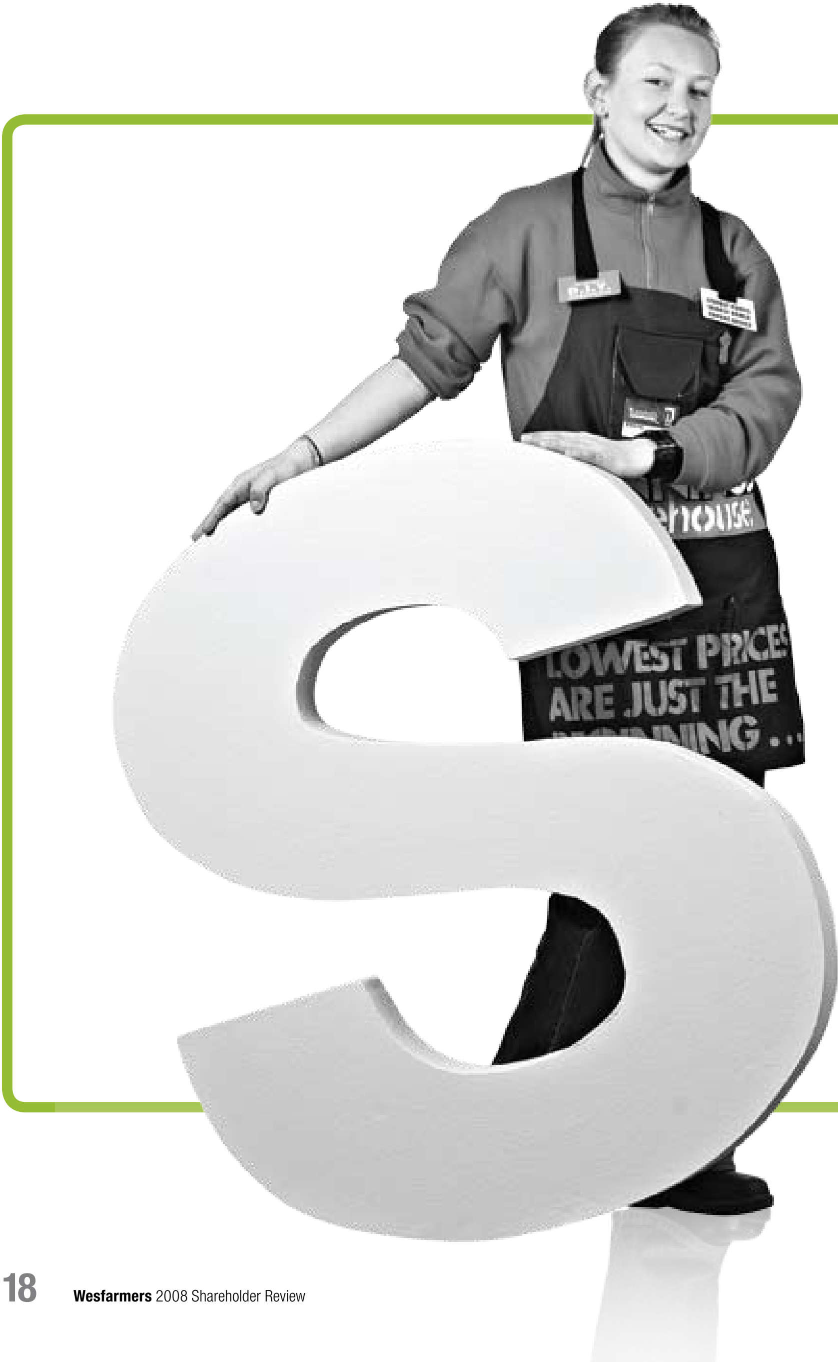
Excludes significant items:

In 2004 - Sale of rural services business

In 2006 - Sale of ARG

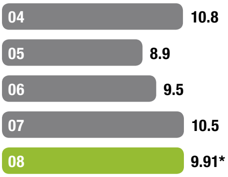
*2007 earnings per share has been restated with an adjustment factor on 1.03 as a result of the rights issue.

SUSTAINABILITY



Lost time injury frequency rate

9.91



*excludes Coles and Office Supplies as data not recorded on a comparable basis

Introduction

Wesfarmers' sustainability approach is guided by the overarching principle that a sustainable business ultimately depends on a healthy economy, community and environment.

As a result of the acquisition of the Coles group of businesses in November 2007, Wesfarmers is now a significantly larger company in many ways. The diversity and depth of our business operations - ranging from retail, insurance, industrial, energy and mining – now reach into many Australian and New Zealand communities.

Wesfarmers has a major responsibility in getting all our sustainability efforts right - not only towards our shareholders and wider customer base, but to the communities and environment in which we operate.

Wesfarmers has long-embedded sustainable business practices in all its operations to manage its company-wide interaction with the environment, the economy and the community.

The specific sustainability principles that guided the company's first-ever sustainability report in 1999 remain just as relevant today and will provide the basis on which the company will expand and improve its sustainability efforts into the future.

They include:

- maintaining and enhancing the physical environment in which we operate;
- providing a safe and secure work environment for all our employees, customers and other stakeholders;
- treating all our stakeholders – employees, customers, shareholders, suppliers and the broader community - with respect and decency;
- investing in the community through partnerships, programmes and sponsorships over and above the direct economic and commercial benefits Wesfarmers provides; and
- acting in accordance with high ethical standards.

In recognition of Wesfarmers' sustainability commitment and record, we continue to be among only 40 Australian companies invited to participate in the Dow Jones Sustainability Index, which measures the economic, environmental and social sustainability performance of the top 10 per cent of the world's 2,500 largest companies.

A significant challenge over the past year has been to integrate the sustainability efforts of the Coles group of businesses into the group's sustainability reporting and performance benchmarks and processes.

There has been good progress on this front, which will provide a platform for ongoing sustainability measurement and improvements within the former Coles businesses, and the wider group, going forward.

Ultimately, the most important and sustainable investment Wesfarmers can contribute, is through its business operations and the prosperity and opportunities these operations spread throughout the community.

Over the past year, the group collectively contributed $1.3 billion in government taxes and royalties, achieved net sales of over $33 billion, paid $1.5 billion in dividends to its shareholders and spent a further $25 billion through the purchase of goods and services.

Our environment

The diversity and scope of Wesfarmers' operations means our interactions with the environment are many and varied.

As a diversified company which places significant responsibility on our staff, we encourage our managers and employees to bring their own diverse experiences and expertise to the table and think innovatively about challenges, so they are connected to the most appropriate solution.

At the same time, we believe success across every aspect of our operations should be gauged on the basis

The diversity and scope of Wesfarmers' operations means our interactions with the environment are many and varied

of practical, measurable processes that result in practical, measurable outcomes.

Wesfarmers continues to ensure that all its divisions and operations comply with, and are benchmarked against strict environmental standards and regulations. Our overall performance in these areas is monitored by the Board's Audit Committee.

Through our Sustainability Report monitoring and reporting processes, the group seeks to implement continuous annual improvements in a range of areas aimed at minimising our impact on the environment.

These include improved energy and water usage efficiency, reduced noise and odour impacts, and waste and packaging reduction strategies.

With the acquisition of the Coles group, our footprint in areas such as waste management and packaging, including plastic bags, has increased significantly, and we will be focused in the near-term on developing strategies that reduce these impacts in a sustainable way.

The biggest sustainability priority for Wesfarmers, as it is with many businesses, continues to be the challenge – and opportunity - of reducing our greenhouse emissions.

With the Coles group of businesses integrated into Wesfarmers, we now account for about one per cent of Australia's total greenhouse emissions. Therefore, we have a significant stake, and responsibility, in ensuring our emissions are minimised.

Wesfarmers supports Government efforts to introduce an emissions trading scheme and we are actively contributing to the consultation process to ensure the proposed scheme strikes an appropriate balance between sustainable reductions in emissions and continued economic growth.

We continue to have a strong emissions reduction focus through energy efficiency measures.

Bunnings has a commitment to become carbon neutral by 2015 or before. Our Insurance division aims to achieve carbon neutrality in 2009.

In addition, the company and a number of our businesses are participants in the Government's Energy Efficiency Opportunities programme. Several of our businesses are also voluntary participants in the Greenhouse Challenge Plus programme.

The group is also committed to setting internal carbon reduction targets among its divisions to ensure its carbon footprint is minimised, and that our group efforts are aligned with national emission reduction strategies.

Significant opportunities exist to reduce our emissions in areas of the group's operations, particularly in the production operations of our industrial divisions, and these are being actively assessed and costed.

Stakeholder relations

Wesfarmers has a wide range of stakeholders across many parts of the Australian community.

Guided by Wesfarmers' overall principle of respectful and decent stakeholder relations as outlined by the group, divisions are encouraged to engage their specific stakeholders in ways they believe are appropriate to meet this objective. This recognises that it is the managers and employees within divisions who have the expertise and experience to build and maintain sustainable relationships with their immediate stakeholders and deal effectively with their issues.

Our key stakeholders are of course our shareholders, for whom we manage their investments - large and small - in the company to ensure they receive satisfactory returns. Yet, satisfactory returns would not be possible without a workforce that is motivated and encouraged to perform to their full potential.

The acquisition of the Coles group in November 2007 has meant that the Wesfarmers group is now the largest private sector employer in Australia, with nearly 200,000 employees.

As an employer of scale, we have significant responsibilities to many Australian workers and their families to make sure we provide both a rewarding, as well as a safe and secure work environment.

Wesfarmers will continue to place the highest priority on achieving this objective across all its workplaces, and divisions have generally reported improvements over the past year in the number of lost time injuries and workplace compensation claims as a result of workplace accidents and associated health and safety issues.

Employee numbers and greenhouse gas emissions by division

Divisions	Employee numbers	Greenhouse Gas Emissions tonnes CO_2 equivalent
Coles	**108,953**	**2,938,829**
Home Improvement & Office Supplies	**30,692**	**186,525***
Target	**23,951**	**230,545**
Kmart	**26,276**	**347,893**
Resources	**752**	**614,619**
Insurance	**3,169**	**12,975**
Industrial & Safety	**3,264**	**33,546**
Chemicals & Fertilisers	**788**	**1,407,618**
Energy	**938**	**583,562**
Corporate	**177**	**n/a****

*Net of carbon offsets
**No data available for Corporate or Office Supplies

As an employer of scale, we have significant responsibilities to many Australian workers and their families to make sure we provide both a rewarding, as well as a safe and secure work environment

Fundamental to the sustainability of any business is making sure that we continue to focus on the attraction, retention and development of our people.

Wesfarmers continues to place a high priority on ongoing access to training and development for its staff through a range of education and on-the-job training opportunities and options, as well as promoting employee well-being, such as health awareness and monitoring, fitness programmes and vaccinations.

Our community

As we continue evolving into a company with a significant national reach, Wesfarmers remains committed to supporting communities through funding, sponsorships and in-kind support.

The Wesfarmers group organises its community partnerships to target four key categories: arts and innovation, indigenous communities, medical research and education and community. Over the past year, the Wesfarmers Board allocated 0.25 per cent of the group's pre-tax profits to community projects and programmes in these areas.

One of the key partnerships recently announced by Wesfarmers involves a contribution of $4.5 million over the next five years to fund the establishment of a new research centre at the Western Australian Institute for Medical Research (WAIMR), one of the country's leading medical research institutes.

The new Wesfarmers Research Centre, will focus on research that aims to quickly translate cutting-edge research from the laboratory to patient care and treatment in three key areas of community health - heart disease, diabetes and obesity.

Wesfarmers also continues to develop a national reputation for its contribution to the arts through the award-winning Wesfarmers Arts sponsorship programme. Around $700,000 was provided to a range of leading visual and performing arts organisations and an additional significant commitment of $1 million was made to the Art Gallery of Western Australia towards the launch of the Art Gallery Capital Campaign to acquire artworks of national and international stature. The year also saw Wesfarmers Arts receive the Partnership of the Year Award in the national Australia Business Arts Foundation Awards for its commissioning of four major new works of opera, orchestral music, dance and theatre as part of the Wesfarmers Arts Commission Series with the Perth International Arts Festival from 2004 to 2007.

In addition, Wesfarmers' divisions continue to make their own funding and in-kind contributions to a wide range of community initiatives, including land care and conservation projects, welfare and community organisations assisting people in need, surf life saving groups as well as many local schools and sporting clubs.

Bunnings continues to provide significant community assistance and support through the use of its facilities and hosting of sausage sizzles that promote or raise money for a wide range of local and national projects and causes.

Over and above these direct contributions to communities, Wesfarmers contributes its expertise to informing economic, social and environmental issues important to Australia's future through submissions and representations to decision-makers at a government and public policy level.

Further information on the company's sustainability outcomes and initiatives can be found in the 2008 Sustainability Report, which will be published in November 2008 and will be available from the company or can be downloaded from www.wesfarmers.com.au.

Professor Peter Klinken (left) and Professor Peter Leedman from the Western Australian Institute for Medical Research. During the year Wesfarmers committed $4.5 million over five years to the ongoing work of the institute.

BOARD OF DIRECTORS

A Trevor Eastwood AM, age 66
Non-executive Chairman

Joined the Board in 1994 and was appointed Chairman in 2002. Trevor holds a Bachelor of Engineering degree from the University of Western Australia and completed the Advanced Management Program at the Harvard Business School in 1982. He commenced his career with the group as an employee of Westralian Farmers Co-operative Limited in 1963 and held a number of management positions in the group up to his retirement in 1992, including his final eight years as Managing Director of Wesfarmers Limited. Trevor is also a director of The WCM Group Limited and was formerly the Chairman of West Australian Newspapers Holdings Ltd and a director of Qantas Airways Limited.

B Richard Goyder, age 48
Managing Director

Joined the Board in 2002. Richard has a Bachelor of Commerce degree from the University of Western Australia and completed the Advanced Management Program at the Harvard Business School in 1998. He joined Wesfarmers in 1993 after working in various commercial roles at Tubemakers of Australia Limited. He has held a number of commercial positions in Wesfarmers' Business Development Department including General Manager. In 1999 Richard was Managing Director of Wesfarmers Dalgety Limited, which subsequently became Wesfarmers Landmark Limited, a position he retained until his appointment as Finance Director of Wesfarmers Limited in 2002. He was appointed Deputy Managing Director and Chief Financial Officer of Wesfarmers Limited in 2004 and assumed the role of Managing Director and Chief Executive Officer in July 2005. Richard is a director of Gresham Partners Holdings Ltd, Australian Business and Community Network, the Fremantle Football Club Limited and a number of Wesfarmers group subsidiaries. He is also a member of the Federal Government's Business Roundtable on Sustainable Development, the Business Council of Australia and the University of Western Australia Business School Advisory Board.

C Gene Tilbrook, age 57
Finance Director

Joined the Board in 2002. Gene holds Bachelor of Science and Master of Business Administration degrees and a Diploma in Computing Science from the University of Western Australia. He completed the Advanced Management Program at the Harvard Business School in 1998. Gene joined Wesfarmers in 1985 and has held a number of commercial positions in its Business Development Department and at Wesfarmers Energy. He previously worked in corporate finance and in systems engineering. Gene was Executive Director, Business Development before being appointed Finance Director in July 2005.

He is a director of a number of Wesfarmers' subsidiaries, as well as Gresham Partners Holdings Ltd and Wespine Industries Pty Ltd. He was previously a director of Bunnings Property Management Limited (appointed July 2001 – resigned September 2005), the responsible entity for the listed Bunnings Warehouse Property Trust and Air Liquide WA Pty Ltd. He is a councillor of the Australian Institute of Company Directors (WA Division) and also a member of the boards of The UWA Perth International Arts Festival and St George's College Foundation Inc.

D Colin Carter OAM, age 65
Non-executive director

Joined the Board in 2002. Colin holds a Bachelor of Commerce degree from Melbourne University and a Master of Business Administration from Harvard Business School. He has had extensive experience advising on corporate strategy and corporate governance and his consultancy career has included major projects in Australia and overseas. The other listed companies of which he is or has been a director in the last three years are Origin Energy Limited (appointed February 2000 – resigned April 2007), SEEK Limited (appointed March 2005) and Foster's Group Limited (appointed March 2007 – resigned September 2007). He is also Chairman of Indigenous Enterprise Partnerships, a director of World Vision Australia, the Geelong Football Club Limited, a member of the Board of The Cape York Institute and the Independent Expert Panel on Sport, Chairman of the AFL Foundation and an adviser to, and former Vice President of, The Boston Consulting Group.

E Patricia Cross, age 49
Non-executive director

Joined the Board in 2003. Patricia holds a Bachelor of Science (Econ) with Honours from Georgetown University. The other listed companies of which she is or has been a director in the last three years are Qantas Airways Limited (appointed January 2004) and National Australia Bank Limited (appointed December 2005). Patricia has 25 years experience in international banking and finance, having served two years with the U.S. government, over 15 years in management and executive roles with Chase Manhattan Bank, Banque Nationale de Paris, National Australia Bank and 11 years as a non-executive director with organisations including the Transport Accident Commission (Deputy Chairman) and Suncorp-Metway Limited. She was previously a director of AMP Limited and Chairman of Qantas Superannuation Limited. Patricia also serves on a variety of government and not-for-profit advisory boards including as a director of the Murdoch Children's Research Institute and Methodist Ladies College (Melb).

F Bob Every, age 63
Non-executive director

Joined the Board in February 2006. Bob holds a Bachelor of Science degree and a Doctorate of Philosophy (Metallurgy) from the University of New South Wales and is a Fellow of the Australian Academy of Technological Sciences and Engineering. The other listed companies of which he is or has been a director in the last three years are Boral Limited (appointed September 2007), Chairman of Iluka Resources Limited (appointed March 2004), and Sims Group Limited (appointed October 2005 - resigned November 2007). He is also a director of O'Connell Street Associates Pty Limited, OCA Services Pty Ltd and Malcolm Sargent Cancer Fund for Children in Australia Limited, known as Redkite. He was also the Chairman of the New Zealand based listed company Steel & Tube Holdings Limited and a director of OneSteel Limited. Other positions previously held by Bob include Managing Director of Tubemakers of Australia Limited, President of BHP Steel and Managing Director and Chief Executive Officer of OneSteel Limited, a position from which he retired in May 2005. He was also a director of CARE Australia, an advisor to Proudfoot Consulting and on the advisory board of Gresham Private Equity Limited.

G Charles Macek, age 61
Non-executive director

Joined the Board in 2001. Charles holds a Bachelor of Economics degree and a Master of Administration from Monash University. The other listed companies of which he is or was a director in the last three years are Telstra Corporation Limited (appointed November 2001) and Living Cell Technologies Ltd (appointed March 2006 - resigned August 2007). Charles is Chairman of Orchard Funds Pty Ltd, the Sustainable Investment Research Institute Pty Ltd and the Racing Information Services Australia Pty Ltd. He is also an investment committee member of Unisuper Limited. He was formerly the Chairman of the Centre for Eye Research Australia Limited, IOOF Holdings Ltd and the Financial Reporting Council and a member of the New Zealand Accounting Standards Review Board.

H David White, age 60
Non-executive director

Joined the Board in 1990. David holds a Bachelor of Business degree from Curtin University and is a fellow of CPA Australia. He is Chairman of the Wheatbelt Area Consultative Committee, a member and Treasurer of Parkerville Children and Youth Care (Inc) and a member of the Australian Institute of Company Directors. He was formerly the Treasurer of The Royal Agricultural Society of Western Australia (Inc).

I James Graham AM, age 60
Non-executive director

Joined the Board in 1998. James holds a Bachelor of Engineering in Chemical Engineering with Honours from the University of Sydney, a Master of Business Administration from the University of New South Wales and is a Fellow of the Australian Academy of Technological Sciences and Engineering. He has had an active involvement in the growth of Wesfarmers since 1976 in his roles as Managing Director of Gresham Partners Limited and previously as a director of Hill Samuel Australia Limited and Managing Director of Rothschild Australia Limited. In addition to his investment banking activities, James is Chairman of Rabobank Australia Limited, Rabo Australia Limited, Rabobank New Zealand Limited, the Advisory Council of The Institute for Neuromuscular Research and Gresham Technology Management Limited, which was the responsible entity of the Technology Investment Fund until August 2005. He is also a director of Wesfarmers Federation Insurance Limited, Lumley General Insurance Limited and Riviera Group Pty Ltd. James is also a member of the Fundraising Committee for the Australian Olympic Committee (NSW) for Beijing 2008 and a Trustee of the Gowrie Scholarship Trust Fund. In the period from 1989 to 1995 he was Chairman of the Darling Harbour Authority in New South Wales.

J Tony Howarth AO, age 57
Non-executive director

Joined the Board in July 2007. Tony is a Senior Fellow of the Financial Services Institute of Australia and has over 30 years experience in the banking and finance industry. He has held several senior management positions during his career, including Managing Director of Challenge Bank Limited and CEO of Hartleys Limited. The other listed companies of which he is or has been a director in the last three years are Chairman of Mermaid Marine Australia Limited (appointed July 2003), Alinta Limited (appointed 2000 - resigned July 2006), Home Building Society Ltd (appointed June 2003 - delisted 24 December 2007), Deputy Chairman of Bank of Queensland Limited (appointed 18 December 2007) and a director of AWB Limited (appointed March 2005). He is also Chairman of St John of God Health Care Inc. Tony is also involved in a number of community and business organisations including the Senate of the University of Western Australia, Chairman of the Committee for Perth Limited, Chairman of Force 15 Foundation, a member of the Rio Tinto WA Future Fund and the University of Western Australia Business School Advisory Board and a director of Western Australian Community Foundation Limited, the Australian Chamber of Commerce and Industry and the Chamber of Commerce and Industry of Western Australia (Inc).

DIRECTOR AND EXECUTIVE REMUNERATION

Executive Directors, Senior Executives and Executives remuneration for the year ended 30 June 2008

		Short-term employee benefits		
		CASH SALARY	SHORT-TERM INCENTIVE	NON-MONETARY BENEFITS
Executive Directors		$	$	$
R J B Goyder[2]	Group Managing Director	2,730,707	-	116,063
G T Tilbrook	Finance Director	927,163	1,380,000	97,616
Senior Executives				
S A Butel	MD Resources Division	483,740	702,000	44,582
J C Gillam	MD Home Improvement and Office Supplies Division	912,500	905,900	108,858
K D Gordon	Director Industrial Divisions	528,750	1,080,000	38,322
L K Inman[4]	MD Target Division	463,045	1,043,280	15,714
I J W McLeod[5]	MD Coles Division	203,202	-	10,820
Former KMP and executives disclosed under the Corporations Act 2001				
T J Bowen[6]	Finance Director, Coles	894,065	900,000	17,065
P J C Davis	COO Home Improvement	732,500	800,002	3,322
Total		7,875,672	6,811,182	452,362

Non-Executive Director remuneration for the year ended 30 June 2008

		SHORT-TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	
		FEES AND ALLOWANCES	OTHER	SUPERANNUATION[1]	TOTAL
		$	$	$	$
C B Carter	Director (non-executive)	144,681	9,904	20,369	174,954
P A Cross	Director (non-executive)	148,383	9,904	16,667	174,954
T R Eastwood	Chairman (non-executive)	418,661	9,904	88,489	517,054
R L Every	Director (non-executive)	135,786	9,904	52,597	198,287
J P Graham[2]	Director (non-executive)	274,216	9,904	-	284,120
A J Howarth[3]	Director (non-executive)	143,739	9,904	33,435	187,078
R D Lester[4]	Director (non-executive)	93,800	9,904	100,000	203,704
C Macek	Director (non-executive)	177,258	9,904	16,542	203,704
D C White	Director (non-executive)	159,822	9,904	43,978	213,704
Total		1,696,346	89,136	372,077	2,157,559

	POST-EMPLOYMENT BENEFITS		SHARE-BASED PAYMENTS			
OTHER	SUPERANNUATION	OTHER LONG TERM BENEFITS	VALUE OF SHARES[1]	TERMINATION PAYMENTS	TOTAL	% PERFORMANCE RELATED[3]
$	$	$	$	%		
9,904	38,000	525,000	1,644,981	-	5,064,655	32.5
9,904	99,600	860,000	824,984	-	4,199,267	52.5
9,904	100,000	395,255	219,989	-	1,955,470	47.1
9,904	50,000	785,000	509,990	-	3,282,152	43.1
9,904	50,000	582,274	274,981	-	2,564,231	52.8
608,825	50,618	260,384	-	-	2,441,866	42.7
1,200,974	1,343	-	800,000	-	2,216,339	36.1
164,281	44,091	750,781	383,997	-	3,154,280	40.7
9,904	50,000	672,840	365,000	-	2,633,568	44.2
2,033,504	483,652	4,831,534	5,023,922	-	27,511,828	

NOTES FOR EXECUTIVE DIRECTORS, SENIOR EXECUTIVES AND EXECUTIVES REMUNERATION FOR THE YEAR ENDED 30 JUNE 2008

1. Share-based payments: Shares were allocated under the Wesfarmers Long Term Incentive Plan ("WLTIP") on 23 November 2007 with an allocation price of $41.20797. The previous share allocation under the WLTIP was on 1 December 2006, with a share allocation cost of $34.5650. Fifty percent of the value is shown under 'Share-based payments' as the forfeiture period for the 2007 WLTIP was increased by an additional 12 months. Previously one hundred percent of the value of the share allocation was shown as it was fully expensed in the year of allocation.
2. R J B Goyder was allocated $3,289,962 worth of shares under the WLTIP during the 2008 financial year. As the shares are subject to forfeiture if he leaves before 30 June 2009, fifty percent of the value is shown under 'Share-based payments' in the 2008 financial year, the balance being shown in the 2009 financial year. Mr Goyder's previous allocation under the WLTIP on 1 December 2006 of $2,639,971 worth of shares was fully expensed during the 2007 financial year.
3. % Performance Related is the sum of the short term incentive and long term incentive (Share-based payments) divided by the Total remuneration, reflecting the actual percentage of remuneration at risk for the year, as compared to the target percentage of remuneration at risk shown on page 155.
4. L K Inman was appointed on 23 November 2007. Short-term benefits 'other' for L K Inman include carry over retention payments to honour previous contractual obligations with the Coles group of $220,344 and $382,500, paid in January and February 2008 respectively.
5. I J W McLeod was appointed on 26 May 2008. Short-term benefits 'other' for I J W McLeod include an incentive to join of $1.2million, paid in cash on 31 July 2008. Share-based payments include an incentive to join of $800,000 in the form of shares under the 2008 WLTIP, expected to be awarded in November 2008 and subject to WLTIP trading and forfeiture conditions. These payments were in recognition of the forfeiture of bonus and incentive payments as a result of Mr McLeod terminating his previous employment contract and total $2,000,000 as an incentive to join payment.
6. Short-term benefits for T J Bowen include amounts paid on relocation from Sydney to Melbourne i.e. $75,000 relocation allowance, $63,489 interest subsidy and $154,377 property transaction costs.

NOTES FOR NON-EXECUTIVE DIRECTOR REMUNERATION FOR THE YEAR ENDED 30 JUNE 2008

1. Superannuation contributions are made on behalf of the non-executive directors in accordance with Wesfarmers' statutory superannuation obligations. The superannuation figures also include additional (i.e. non-statutory) contributions to superannuation.
2. J P Graham's fees are paid to Gresham Partners Limited for participation on the Boards of Wesfarmers Limited, Wesfarmers Federation Insurance and Lumley General Insurance. Of the salaries and fees above, $193,704 (2007: $171,000) relates to the parent company only.
3. A J Howarth was appointed on 5 July 2007.
4. R D Lester retired on 30 June 2008.

Wesfarmers

CORPORATE DIRECTORY

Wesfarmers Limited
ABN 28 008 984 049

Registered office

Level 11, Wesfarmers House
40 The Esplanade, Perth,
Western Australia 6000

Telephone:	(+61 8) 9327 4211
Facsimile:	(+61 8) 9327 4216
Website:	www.wesfarmers.com.au
Email:	info@wesfarmers.com.au

Executive directors

Richard Goyder
Managing Director and Chief Executive Officer

Gene Tilbrook
Finance Director

Non-executive directors

Trevor Eastwood AM Chairman
Colin Carter OAM
Patricia Cross
Bob Every
James Graham AM
Tony Howarth AO
Charles Macek
David White

Company Secretary

Linda Kenyon

SHARE REGISTRY

Computershare Investor Services
Pty Limited
Level 2, 45 St George's Terrace
Perth, Western Australia 6000

Telephone:

Australia:	1300 558 062
International:	(+61 3) 9415 4631

Facsimile:

Australia:	(03) 9473 2500
International:	(+61 3) 9473 2500
Email:	web.queries@computershare.com.au
Website:	www.computershare.com.au

FINANCIAL CALENDAR+

Record date for final dividend	1 September 2008
Final dividend paid	6 October 2008
Annual general meeting	13 November 2008
Half-year end	31 December 2008
Half-year profit announcement	February 2009
Record date for interim dividend	February 2009
Interim dividend payable	March 2009
Year-end	30 June 2009

+ Timing of events is subject to change

ANNUAL GENERAL MEETING

The 27th annual general meeting of Wesfarmers Limited will be held at the Perth Convention Centre, Mounts Bay Road, Perth, Western Australia on Thursday, 13 November 2008 at 2.00pm (Perth time).

WEBSITE

To view the 2008 annual report, shareholder and company information, news announcements, background information on Wesfarmers' businesses and historical information, visit Wesfarmers' website at **www.wesfarmers.com.au**

Printed on 55% recycled paper manufactured to ISO 14001 environmental standards.

www.mindfield.com.au
WESF_11931