



2006 Half Year Results Teleconference

14 February 2006



Presentation Outline



Group Performance Highlights Richard Goyder

Group Financial Results Gene Tilbrook

Divisional Comments

Energy David Robb

Hardware John Gillam

Insurance Bob Buckley

Industrial and Safety Terry Bowen

Chemicals & Fertilisers Keith Gordon

Other Businesses Gene Tilbrook

Outlook Richard Goyder

Richard Goyder

Managing Director, Wesfarmers Limited



Group Performance Highlights



- Operating revenue up 9.8%
- Net profit up 36.5%
- Operating cash flow up 36.1%
- Earnings per share up 34.7% to \$1.21 per share
- Rolling 12 month ROE of 28.7%, up 4.8% on pcp
- Interim dividend increased to 65 cents per share, up 22.6%

Divisional Performance



Half Year ended 31 December	2005		2004
	EBIT \$m	ROC* %	ROC^ %
Hardware	220.9	22.8	22.5
Energy	343.2	64.2	33.4
Insurance	63.5	33.6	30.0
Industrial & Safety	46.0	13.2	13.7
Chemicals & Fertilisers	26.7	17.7	19.8

* Rolling 12 months to 31 December as reported under A-IFRS

^ Rolling 12 months to 31 December reflecting adoption of A-IFRS from 1 July 2004

Gene Tilbrook

Finance Director, Wesfarmers Limited



Group Performance Summary



Half Year ended 31 December (\$m)	2005	2004	↑↓ %
Revenue	4,447.1	4,048.7	9.8
EBITDA	829.6	601.5	37.9
EBIT	707.1	511.5	38.2
Net Profit after tax	447.5	327.9	36.5
Operating Cash Flow	435.3	319.9	36.1
Earnings Per Share - basic (cents)	121.4	90.1	34.7
Operating Cash Flow Per Share (cents)	115.2	85.0	35.5
Dividends Per Share (cents)	65.0	53.0	22.6

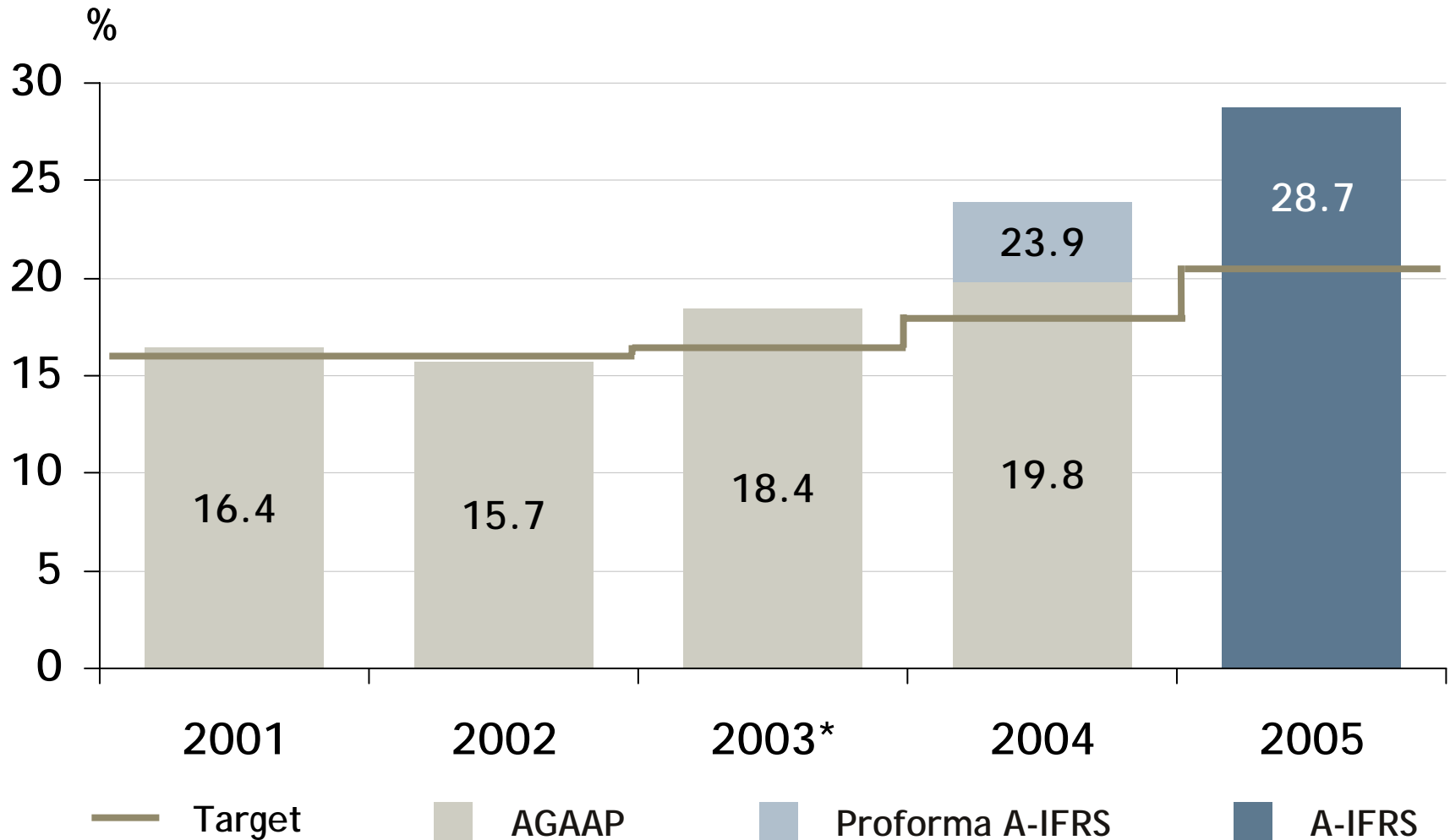
Divisional EBIT



Half Year ended 31 December (\$m)	2005	2004	↑↓ %
Hardware	220.9	225.4	(2.0)
Energy	343.2	123.8	177.2
Insurance	63.5	66.2	(4.1)
Industrial and Safety	46.0	51.5	(10.7)
Chemicals and Fertilisers	26.7	29.1	(8.2)
Other	6.8	15.5	(56.1)
Total	707.1	511.5	38.2

Return on Shareholders' Funds

(rolling 12 months to 31 December)



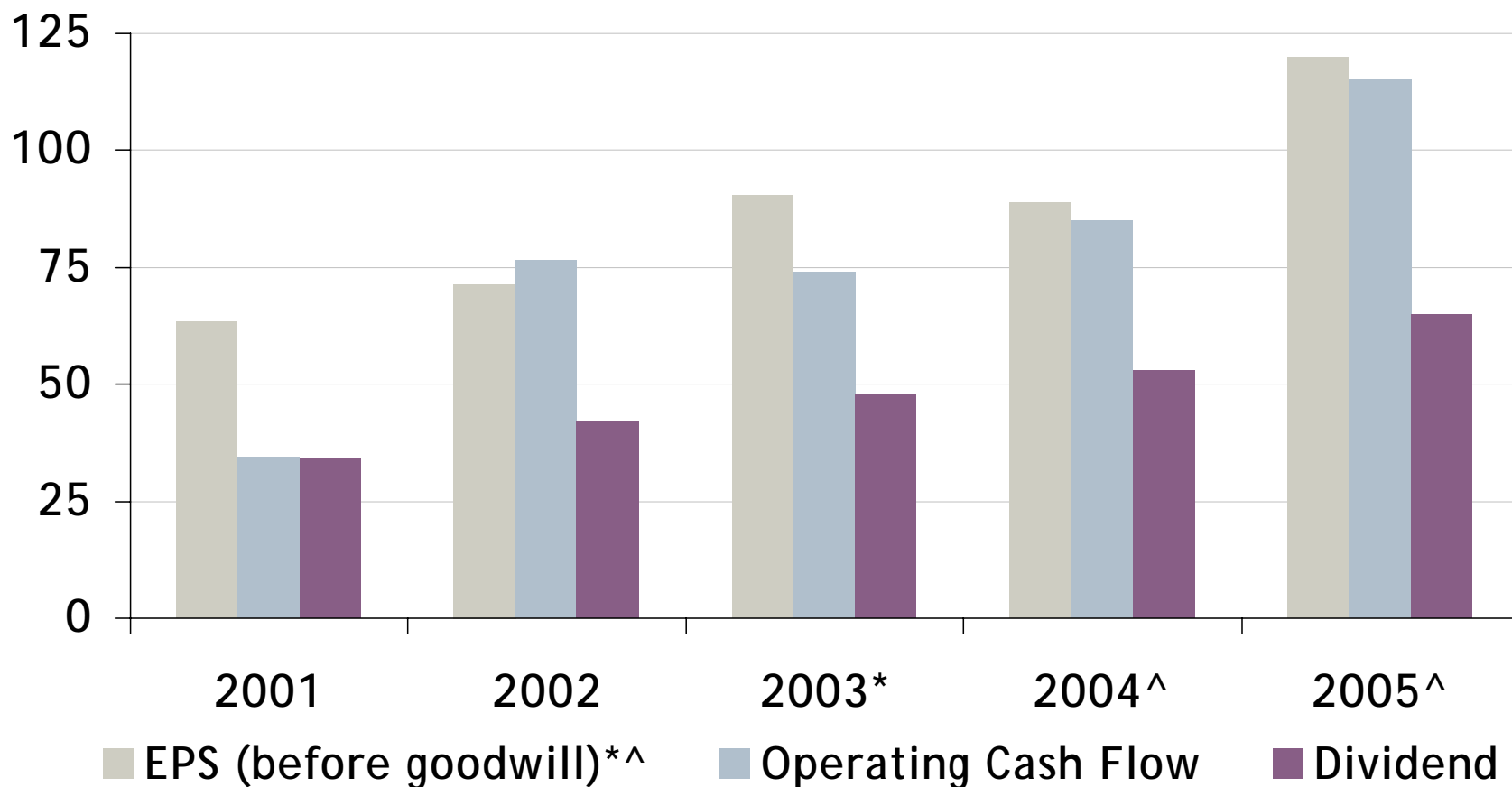
* Excludes sale of Landmark

Cash Flow & Dividend (Half Year)

(earnings, operating cash flow and dividend per share)



Cents



* Excludes sale of Landmark

^ Restated for impact of A-IFRS

Capital Management



- Net Debt /Equity of 74.1% at 31 December 2005
- Cash Interest Cover Ratio (rolling 12 months) of 13.3 times
- Capital expenditure was \$302.4 million, lower than budget due to timing delays

Wesfarmers Energy

David Robb

Executive Director, Wesfarmers Limited

Managing Director, Wesfarmers Energy



Energy Performance Summary



Half Year ended 31 December (\$m)		2005	2004	↑↓ %
Revenue		814.4	517.8	57.3
EDITDA		407.7	158.4	157.4
Depreciation & Amortisation of PPE		(64.5)	(34.6)	86.4
EBIT		343.2	123.8	177.2
Coal	Revenue (\$m)	629.1	308.6	103.9
	EBIT (\$m)	317.8	91.6	246.9
Gas & Power	Revenue (\$m)	185.3	209.2	(11.4)
	EBIT (\$m)	25.4	32.2	(21.1)
ROC (R12 %)		64.2	33.4*	30.8

* Reflects adoption of A-IFRS from 1 July 2004

Energy Highlights



- Record earnings
- Premier long term supply agreement
- Curragh North development
 - Train Load Out Upgrade
 - Materials Handling Project



- Curragh export production 6.4 - 6.8 mt
- CHPP and infrastructure performance critical
- Curragh Materials Handling Project continues
- Lower export metallurgical coal prices
- Lower LPG production and exports
- High CP continues and pressures KHG margins

Hardware

John Gillam

Managing Director, Hardware



Hardware Performance Summary



Half Year ended 31 December (\$m)	2005	2004	↑↓ %
Revenue	2,215.5	2,134.3	3.8
EBIT	220.9	225.4	(2.0)
Share Plan & Store Refit Expense	23.3	4.3	
Comparative EBIT	244.2	229.7	6.3
ROC (R12 %)	22.8	22.5*	0.3
Safety (R12 LTIFR)	10.5	13.4	(21.6)
Trading Revenue^ (\$m)	2,198.6	2,120.7	3.7
Comparative EBIT/Trading Revenue (%)	11.1	10.8	0.3
Profit from disposal of Property (\$m)	3.0	3.6	(16.7)

* Reflects adoption of A-IFRS from 1 July 2004

^ Excludes property and other non-trading items

Hardware Highlights



- 4.7% cash sales growth (2.7% store on store)
- 0.2% decline in trade sales
- 4 warehouse openings and 12 warehouse upgrades
- Good progress on major strategies
 - merchandising, advertising, systems, supply chain



- Continued cash sales growth
 - tight, competitive retail conditions
- Improving trade performance
 - housing market expected to stabilise
- Network development and consistency work continues
- Ongoing effectiveness and efficiency gains

Wesfarmers Insurance Division

Bob Buckley

Managing Director, Wesfarmers Insurance



Insurance Performance Summary



Half Year ended 31 December (\$m)	2005	2004	↑↓ %
Gross Written Premium*	502.0	486.8	3.1
Net Earned Premium	376.6	343.2	9.7
Net Claims	(229.6)	(205.7)	11.6
Net Commission and Expenses	(105.0)	(88.5)	18.6
Underwriting Result	42.0	49.0	(14.3)
Insurance Margin	54.3	60.2	(9.8)
EBIT	63.5	66.2	(4.1)
Net Earned Loss Ratio (%)	61.0	60.0	(1.0)
Combined Operating Ratio (%)	88.8	85.7	(3.1)
Insurance Margin (%)	14.4	17.5	(3.1)

*Includes an adjustment for changes to unclosed business at 31 December

Insurance Highlights



- Significant WFI Crop claims due to major hail events
- LGA claims provision increase of \$8 million
- Premium rates softening since 2004
- Further reductions in reinsurance expense



- All business units experiencing increased competition
- Continued pressure on rates impacting revenue growth
- Reversion to long term claim patterns
- Businesses performing well in challenging environment

Wesfarmers Industrial and Safety

Terry Bowen

Managing Director, Industrial and Safety



Industrial & Safety Performance Summary



Half Year ended 31 December (\$m)	2005	2004	↑↓ %
Revenue	588.0	589.7	(0.3)
EBITDA	53.1	59.6	(10.9)
Depreciation & Amortisation of PPE	(7.1)	(8.1)	(12.3)
EBIT	46.0	51.5	(10.7)
EBIT/Revenue (%)	7.8	8.8	(1.0)
ROC (R12 %)	13.2	13.7*	(0.5)
Safety (R12 LTIFR)	4.8	5.3	(9.4)

* Reflects adoption of A-IFRS from 1 July 2004



- Sales growth in Industrial Products (Blackwoods)
 - Strong market conditions continue in Qld & WA (mining)
 - Declines in manufacturing, particularly NSW & VIC
- Protector Alsafe improved profitability
- Increased sales Packaging House (NZ)
- Blackwoods Paykels (NZ) difficulties continue
- NZ Safety and Protector Safety Supplies impacted by competitive pressures and softening market conditions



- Continued sales growth in Australia (mining & infrastructure segments)
- Sales in New Zealand businesses expected to remain subdued
- Second half focus
 - restructure business model around trading streams
 - improve customer service in each business
 - review product ranges
 - improve internal efficiencies and processes

Chemicals and Fertilisers

Keith Gordon

Managing Director, Chemicals and Fertilisers



Chemicals & Fertilisers Performance Summary



Half Year ended 31 December (\$m)		2005	2004	↑↓%
Revenue	Chemicals	121.7	100.1	21.6
	Fertilisers	131.7	116.9	12.7
		253.3	217.0	16.7
EBITDA		48.5	48.4	0.2
Depreciation & Amortisation of PPE		(21.8)	(19.3)	13.0
EBIT		26.7	29.1	(8.2)
Sales Volume ('000t):	Chemicals	237.7	227.3	4.6
	Fertilisers	370.2	381.4	(2.9)
ROC (R12 %)		17.7	19.8*	(2.1)
Safety (R12 LTIFR)		2	2	-

* Reflects adoption of A-IFRS from 1 July 2004

Chemicals & Fertilisers Highlights



- Safety performance
- Kwinana ammonium nitrate expansion
- Sodium cyanide business
- Gas curtailment issues
- QNP performance and expansion update
- Albany superphosphate manufacturing facility

Chemicals & Fertilisers Outlook



- Continued strong demand for chemical products
- Potential impact of gas curtailments
- Decision on QNP expansion
- Cautious fertiliser outlook

Other Businesses

Gene Tilbrook

Finance Director, Wesfarmers Limited



Other Business Performance Summary



Contribution to Group EBIT Half Year ended 31 December (\$m)	Holding %	2005	2004
Associates:			
ARG	50	9.4	12.6
Gresham Private Equity - Fund 1	50	9.4	1.5
Gresham Private Equity - Fund 2	67	(0.9)	(0.8)
Gresham Partners	50	1.3	2.1
Wespine	50	5.1	5.1
Tax on ARG, Gresham and Wespine		(4.6)	(4.6)
Corporate Overheads and Other		(12.9)	(0.4)
Total		6.8	15.5



- Results down from pcp
- Iron ore tonnages up, grain tonnages down, \$3.5m charge largely for prior period
- Good grain harvest should underpin better second half



- Wesfarmers and G&W agreed to sell 100% for \$1.3bn enterprise value
 - Queensland Rail: above rail
 - Babcock & Brown: below rail
 - South Australia disaggregated (“ASR”)
- Wesfarmers agreed to sell its 50% of ASR to G&W for \$20m
- Subject to approvals, licences etc.
- Profit before tax for Wesfarmers, approximately \$235m, subject to adjustments



GPE Fund 1

- Investment in Virgin Active sold in November 2005 achieving a gross IRR of 34.5%
- Partial exit of EROC (completed January 2006 achieving over 4 times multiple)
- Three investments remaining: Norcros; Riviera and Raywood

GPE Fund 2

- Current commitment A\$323m (Wesfarmers A\$150m)
- Acquisition of 50% interest in Pacific Print Group in November 2005 for an enterprise value of \$190m

Outlook

Richard Goyder

Managing Director, Wesfarmers Limited





- Full year result significantly above 2004/05
- Challenging domestic environment but all businesses in good shape
- Impact of commodity prices
- Business development

Questions



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