2007 Half Year Results Information Pack

15 February 2007

Wesfarmers

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Group Performance

Wesfarmers

Group Performance Summary

Half Year ended 31 December ($m)	2006	2005	⇕ %
Operating revenue	**4,718.1**	4,447.1	*6.1*
EBITDA	**790.6**	829.6	*(4.7)*
EBIT	**612.9**	707.1	*(13.3)*
Net profit after tax	**391.9**	446.7	*(12.3)*
Operating cash flow	**477.4**	435.3	*9.7*
Earnings per share (ex. employee res. shares)	**105.8**	121.2	*(12.7)*
Earnings per share (inc. employee res. shares)	**103.6**	118.2	*(12.4)*
Cash flow per share (inc. employee res. shares)	**126.2**	115.2	*9.5*
Dividends per share	**85.0**	65.0	*30.8*

Divisional EBIT

Half Year ended 31 December ($m)	2006	2005	⇕ %
Home Improvement	**269.7**	220.9	*22.1*
Coal	**168.1**	317.8	*(47.1)*
Insurance	**60.1**	63.5	*(5.4)*
Industrial & Safety	**50.9**	46.0	*10.7*
Chemicals & Fertilisers	**27.8**	26.7	*4.0*
Energy	**38.1**	25.5	*49.5*
Other	**33.3**	36.5	*(8.7)*
Divisional EBIT	**648.0**	736.8	*(12.1)*
Corporate overheads and consolidation adj	**(35.2)**	(29.7)	*(18.5)*
Group EBIT	**612.9**	707.1	*(13.3)*

Profit on Sale of Non-current Assets

Half Year ended 31 December ($m)	**2006**	2005
Home Improvement	**9.1**	(0.8)
Insurance	**0.7**	0.1
Industrial & Safety	**5.4**	(0.1)
Chemicals & Fertilisers	**5.9**	-
Energy	**0.4**	0.1
Other	**3.4**	1.8
Pre-tax Total	**24.9**	1.1

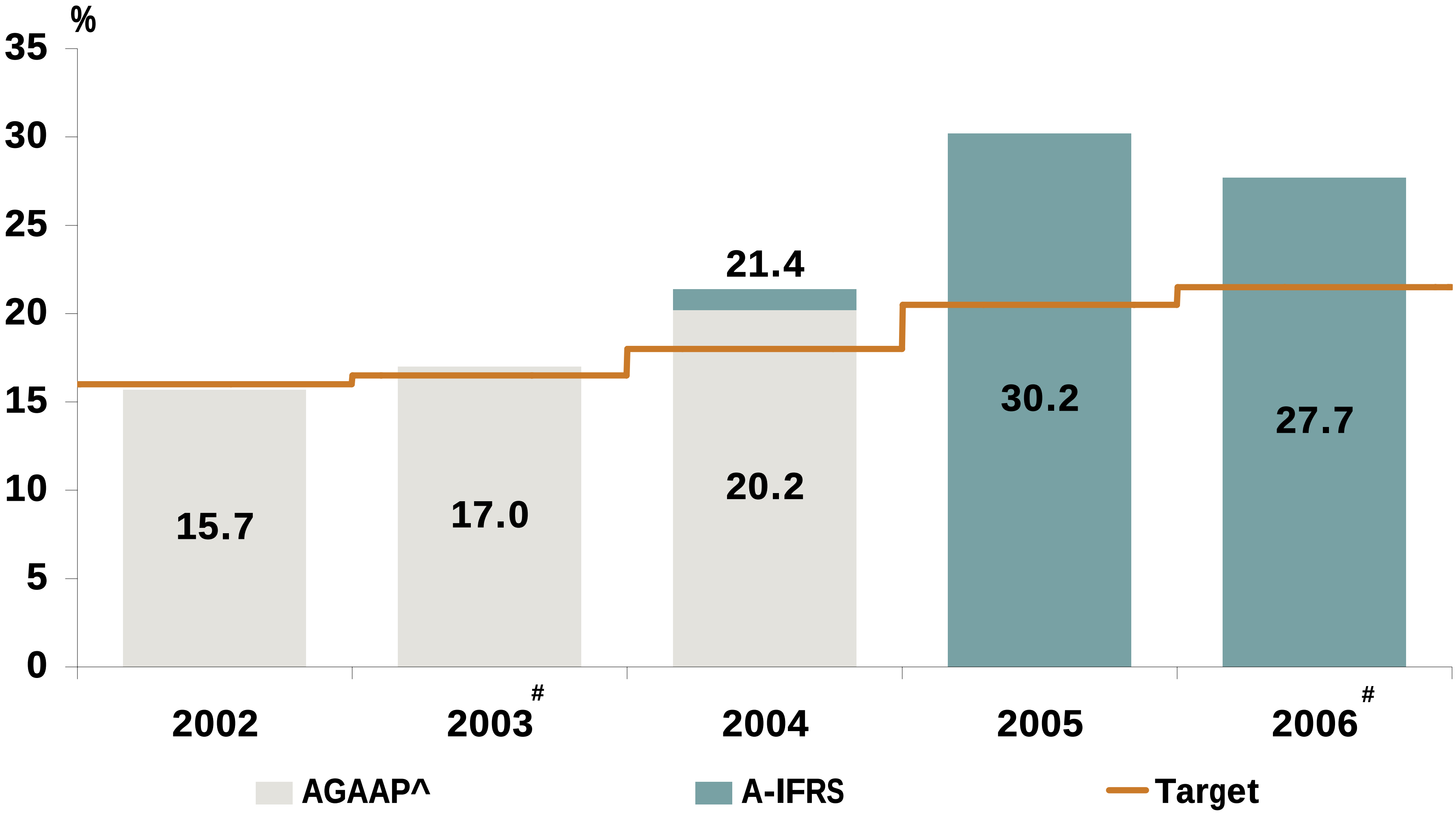
*Group EBIT also includes non-recurring remediation, closure and acquisition costs of $10.6m

Divisional ROC & Capital Employed

Rolling 12 months to 31 December	2006 EBIT $m	2006 Cap Emp $m	2006 ROC %	2005 ROC %
Home Improvement	469.6	1,867.6	25.1	22.8
Coal	427.4	808.0	52.9	76.6
Insurance	121.1	492.4	24.6	33.6
Industrial & Safety	101.8	743.3	13.7	13.2
Chemicals & Fertilisers	84.0	562.0	14.9	17.7
Energy	63.2	190.3	33.2	34.6

Return on Shareholders' Funds

(rolling 12 months to 31 December*)



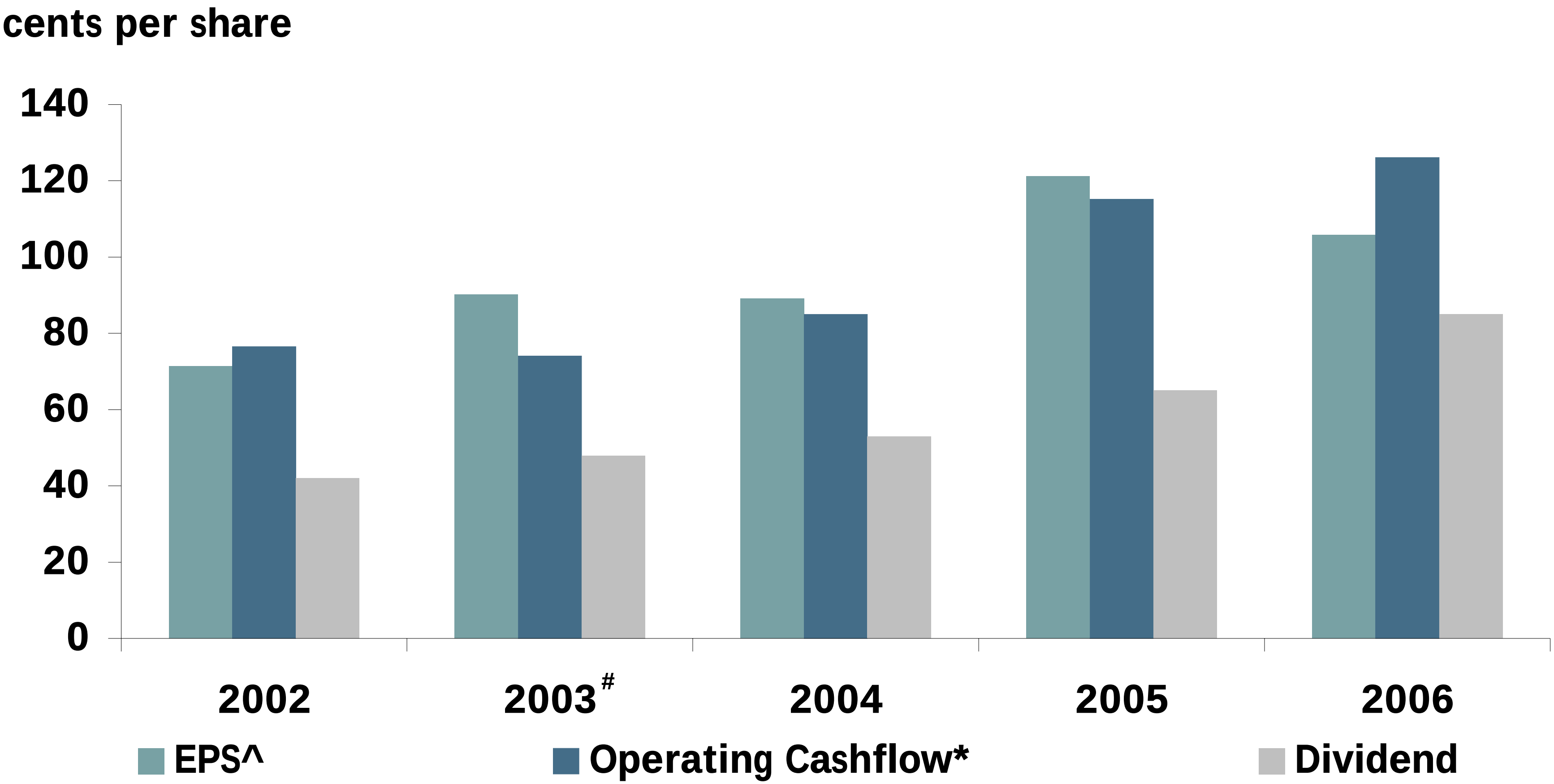
*Based on average monthly equity balances (previously based on average opening and closing)

Excludes sale of Landmark, Girrah (2003) and ARG (2006)

^ Before goodwill amortisation

Cash Flow & Dividend (Half Year to 31 Dec)

(earnings, operating cash flow and dividend per share)



EPS and Cash flow exclude sale of Landmark

* Based on WANOS including employee reserved shares

^ AGAAP excl. goodwill amortisation (2002 to 2003), AIFRS excl. employee reserved shares (2004 onwards)

Employee Share Plan Expense

Half Year ended 31 December Pre-Tax ($m)	**2006**	2005
Home Improvement	**14.7**	15.5
Coal	**1.0**	0.7
Insurance	**2.0**	2.5
Industrial & Safety	**3.1**	3.4
Chemicals & Fertilisers	**1.0**	1.4
Energy	**1.4**	1.7
Other	**6.4**	1.9
Total	**29.6**	27.1

Home Improvement

Home Improvement Performance Summary

Half Year ended 31 December ($m)	2006	2005	↕ %
Revenue	**2,470.5**	2,215.5	*11.5*
EBIT	**269.7**	220.9	*22.1*
ROC (R12 %)	**25.1**	22.8	*2.3pt*
Safety (R12 LTIFR)	**14.0**	10.5	
Trading Revenue* ($m)	**2,448.0**	2,198.6	*11.3*
Profit from disposal of property ($m)	**9.1**	3.0	*203.3*
Trading EBIT*	**255.1**	216.0	*18.1*
Trading EBIT / Trading Revenue (%)	**10.4**	9.8	*0.6pt*

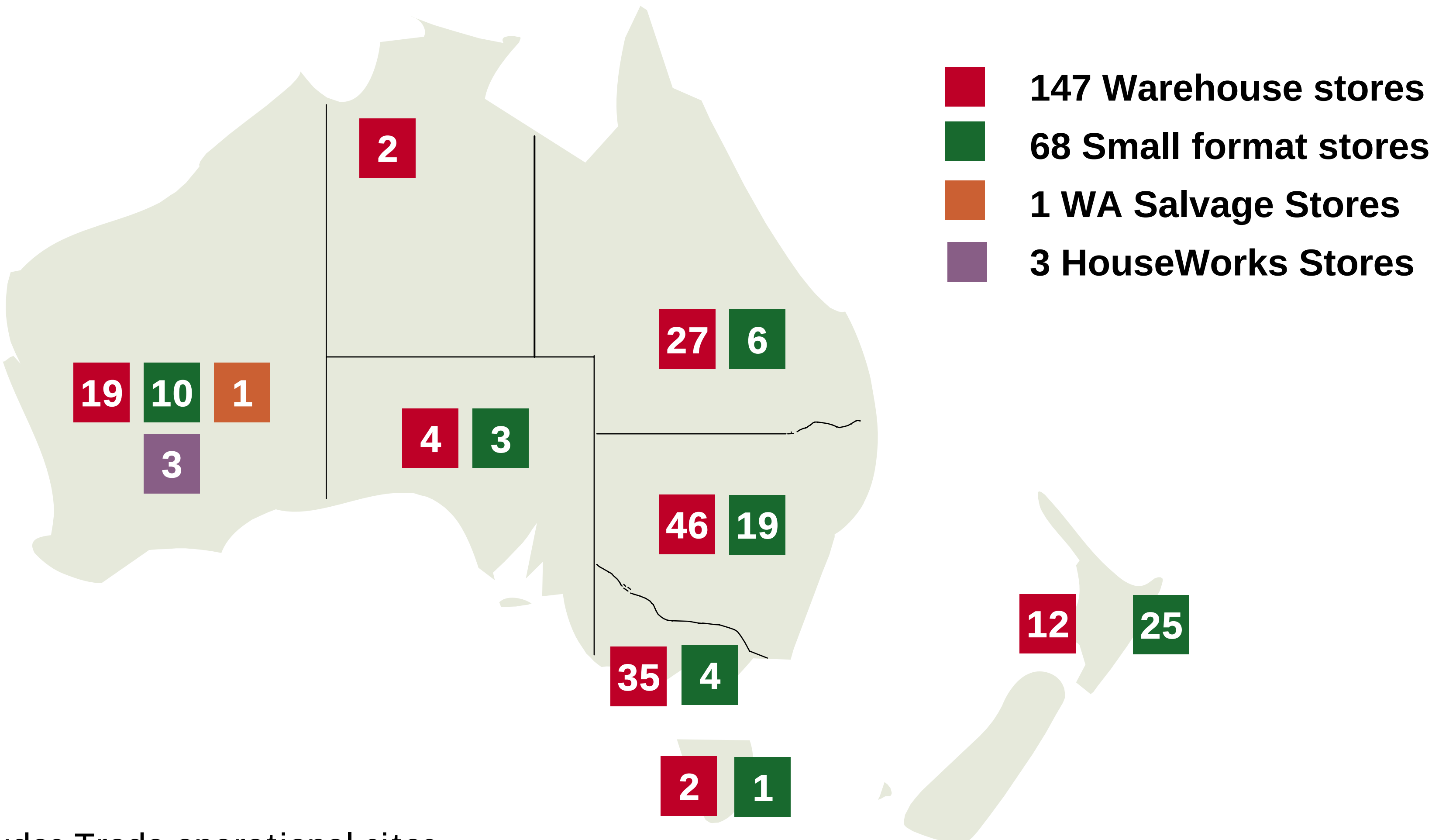
* Excludes property and other non-trading items

Home Improvement Highlights

- 14.1% cash sales growth
  - store on store cash sales growth of 10.3%
- 3.0% lift in trade sales
- 5 warehouse and 3 small format store openings
  - 17 store upgrades
- Good traction on key merchandising and operational strategies
- Solid business effectiveness and efficiency gains

Store Network

at December 2006



Excludes Trade operational sites

Store Network Movements

	Open at June 2006	Opened	Closed	Open at Dec 2006	Under development
Bunnings Stores					
Warehouse format	142	5	0	147	11*
Smaller format	69	3	4	68	1
WA Salvage Stores	13	0	12	1	0
HouseWorks Stores	2	1	0	3	0
Bunnings trade operations					
Distribution Centres	7	0	0	7	1
Trade focused stores	3	0	0	3	0

* One site is the acquisition of the M10 Mega store in Adelaide, this acquisition settled on 25 January, 2007

Home Improvement Outlook

- Continued cash sales growth
  - Improved retail conditions, some volatility concerns remain
- Steadily improving trade performance
- Ongoing network development
  - 12-14 warehouse store openings likely for 2006/07
- Focus on progressing strategic agenda

Coal

Coal Performance Summary

Half Year ended 31 December ($m)	2006	2005	↕ %
Revenue	**587.4**	629.1	*(6.6)*
EBITDA	**267.5**	370.3	*(27.8)*
Depreciation & Amortisation*	**(99.4)**	(52.5)	*(89.2)*
EBIT#	**168.1**	317.8	*(47.1)*
ROC (R12 %)#	**52.9**	76.6	*(23.7)pt*
Coal Production ('000 tonnes)	**7,133**	7,604	*(6.2)*
Safety (R12 LTIFR)^	**3.7**	6.0	

* Includes Stanwell rebate amortisation of $68.2m in 2006 and $20m in 2005

Based on preliminary allocation of overheads

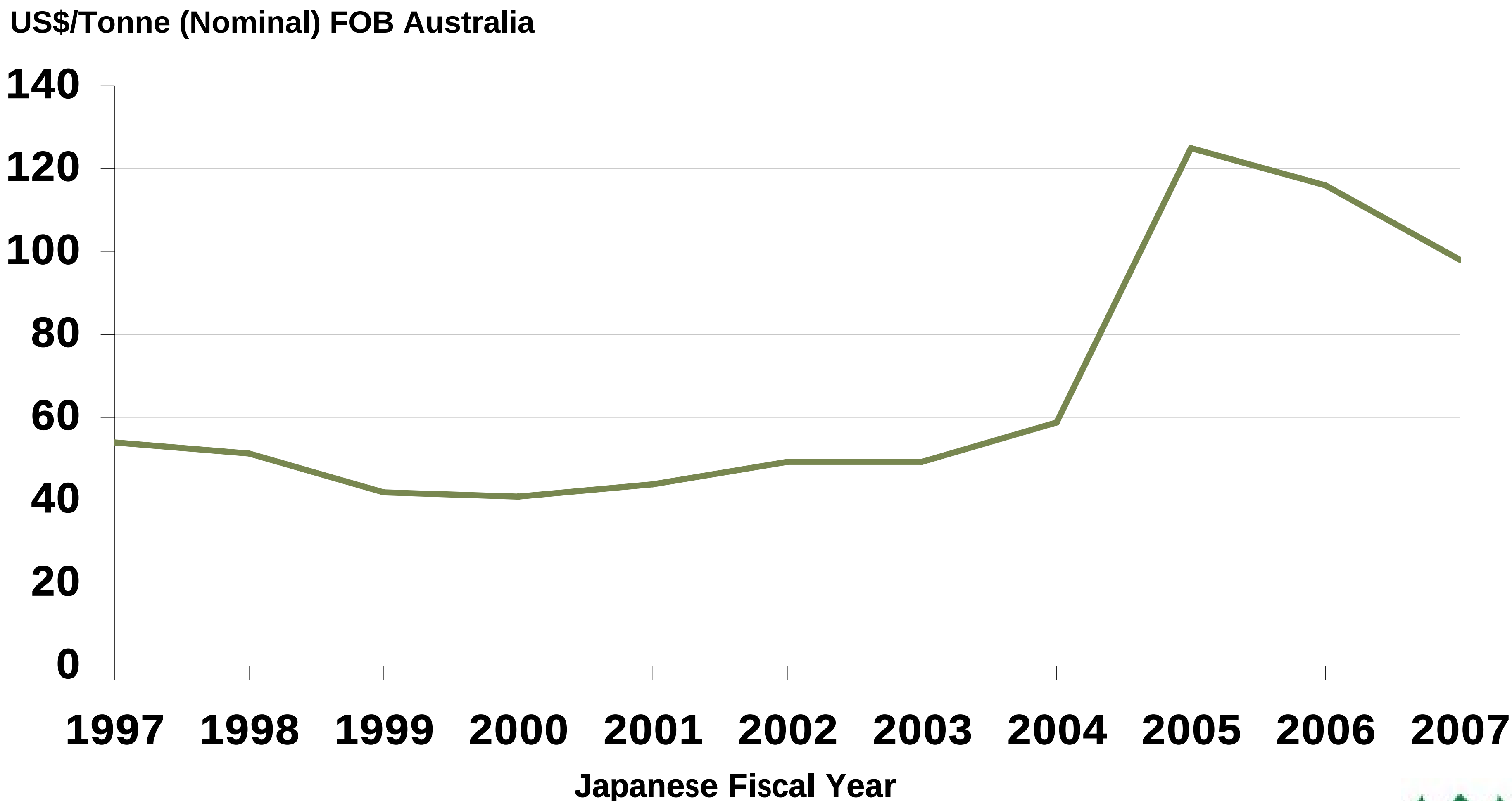
^ Curragh and Premier

Coal Highlights

- Increased metallurgical sales
- Curragh North Materials Handling Project commissioning
- Premier Char Demonstration Plant construction completed
- Bengalla Modified Development Consent approval

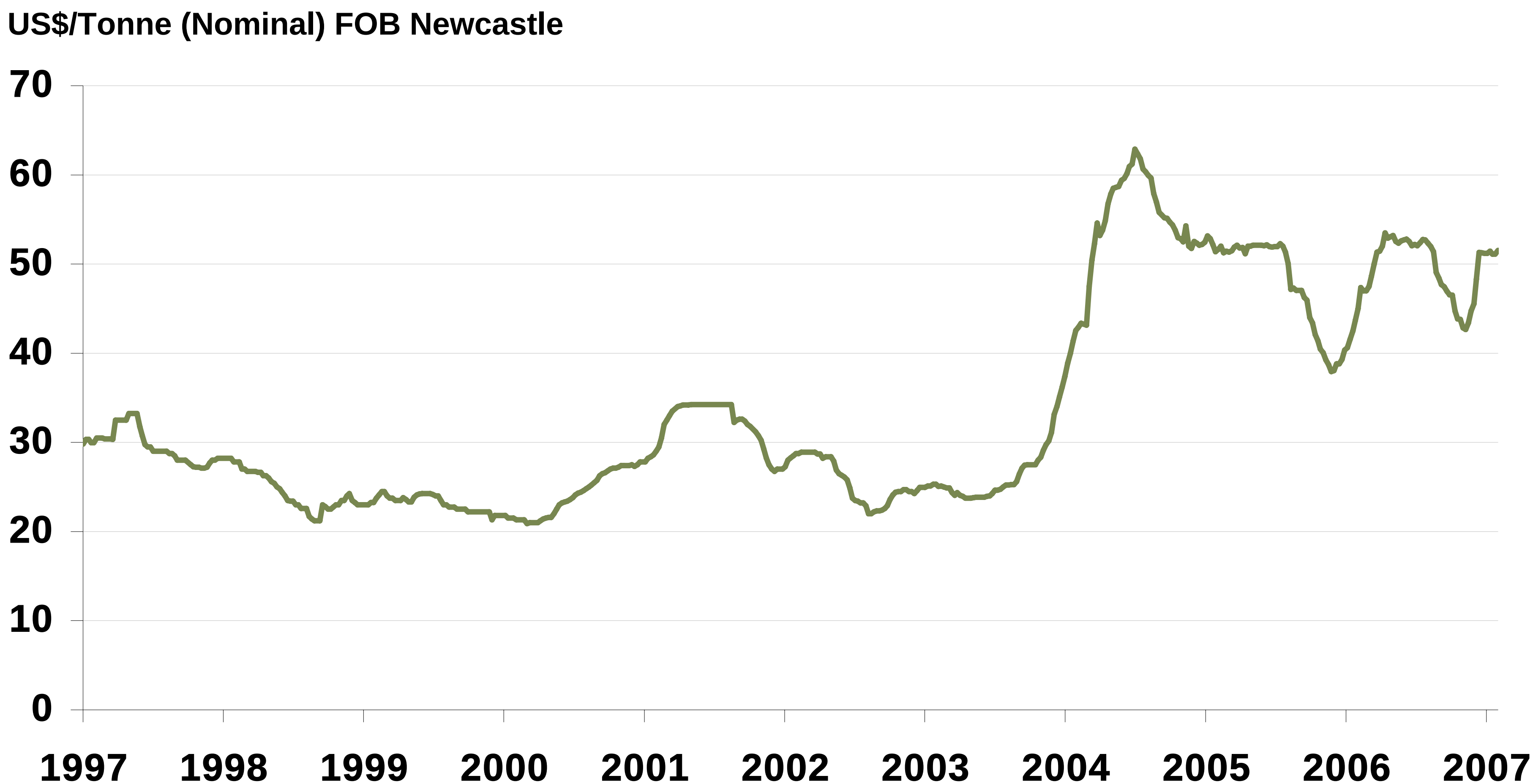
Metallurgical Coal Prices

Australian Hard Coking Coal to Japan



Source: Barlow Jonker

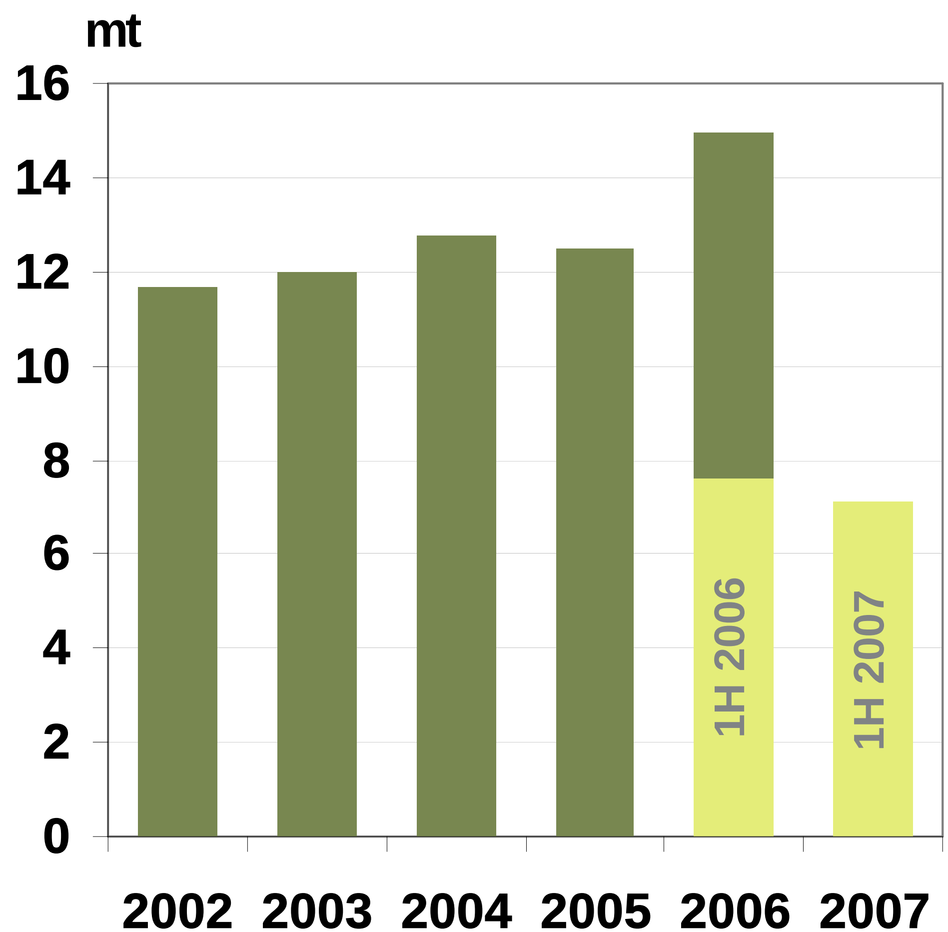
Thermal Coal Prices



Source: Barlow Jonker

Coal Production

- Curragh:
  - Higher metallurgical production
  - Lower steaming production in line with reduced contract deliveries
  - Coal Handing and Preparation Plant shutdown
- Premier:
  - 11 day Coal Handling Plant shutdown for maintenance
  - Reduced sales to Verve Energy
- Bengalla:
  - Port congestion constrained coal production

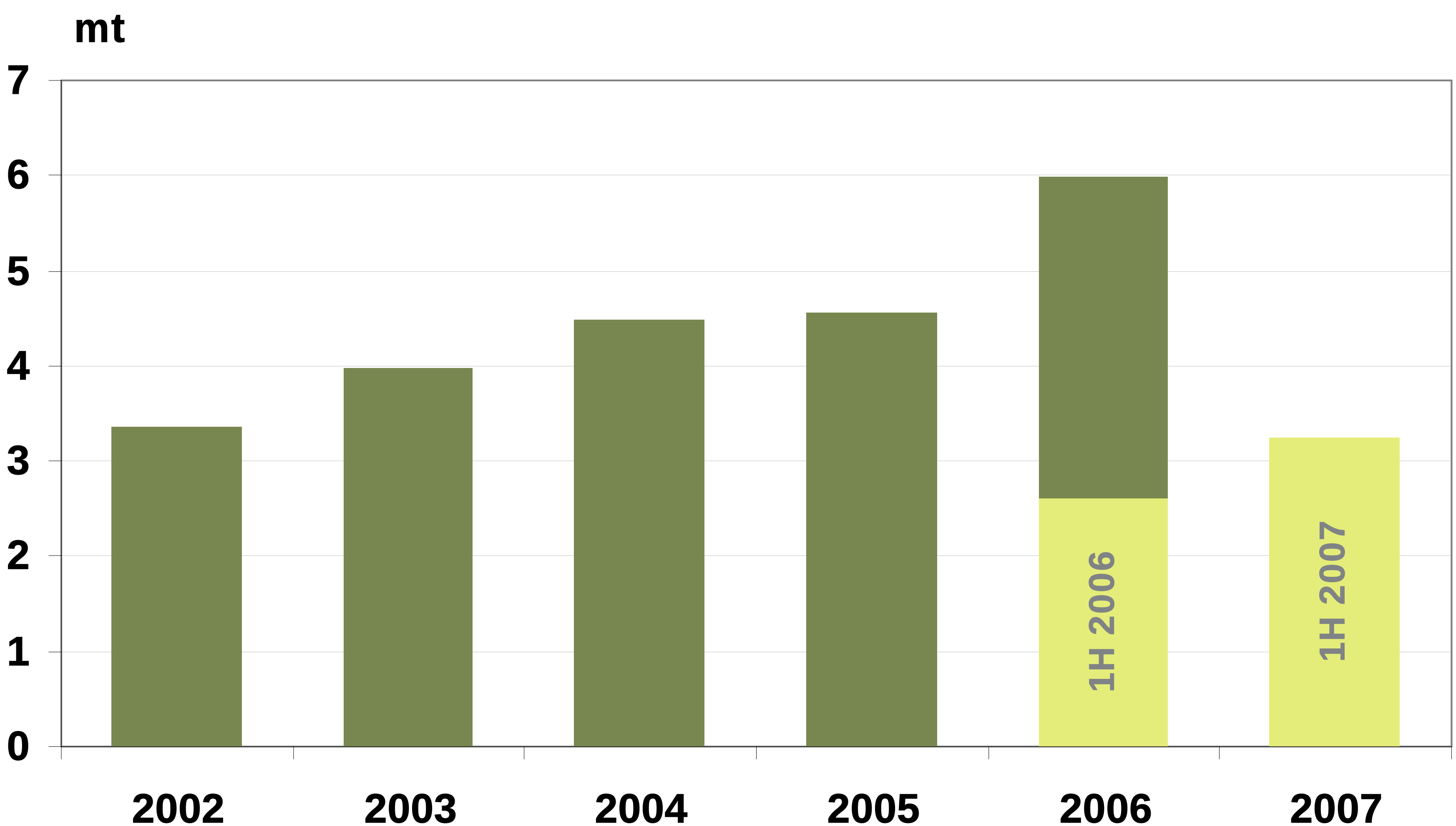


Coal Production

Mine	Beneficial Interest	Coal Type	Half Year ended ('000 tonnes)	
			Dec-06	**Dec-05**
Premier, WA	100%	Steaming	**1,661**	1,907
Curragh, QLD	100%	Metallurgical	**3,203**	2,988
		Steaming	**1,049**	1,405
Bengalla*, NSW	40%	Steaming	**1,220**	1,304
Total			**7,133**	7,604

* Wesfarmers attributable production

Curragh Metallurgical Sales



Coal – Sales Volumes

1H 2007 versus 1H 2006

Curragh		
Metallurgical	+ 23 %	**+ 9 %**
Steaming	- 17 %	
Premier		
Domestic	- 14 %	**- 14 %**
Bengalla		
Export	+ 12 %	**+ 19 %**
Domestic	+ 46 %	

Curragh Production Costs

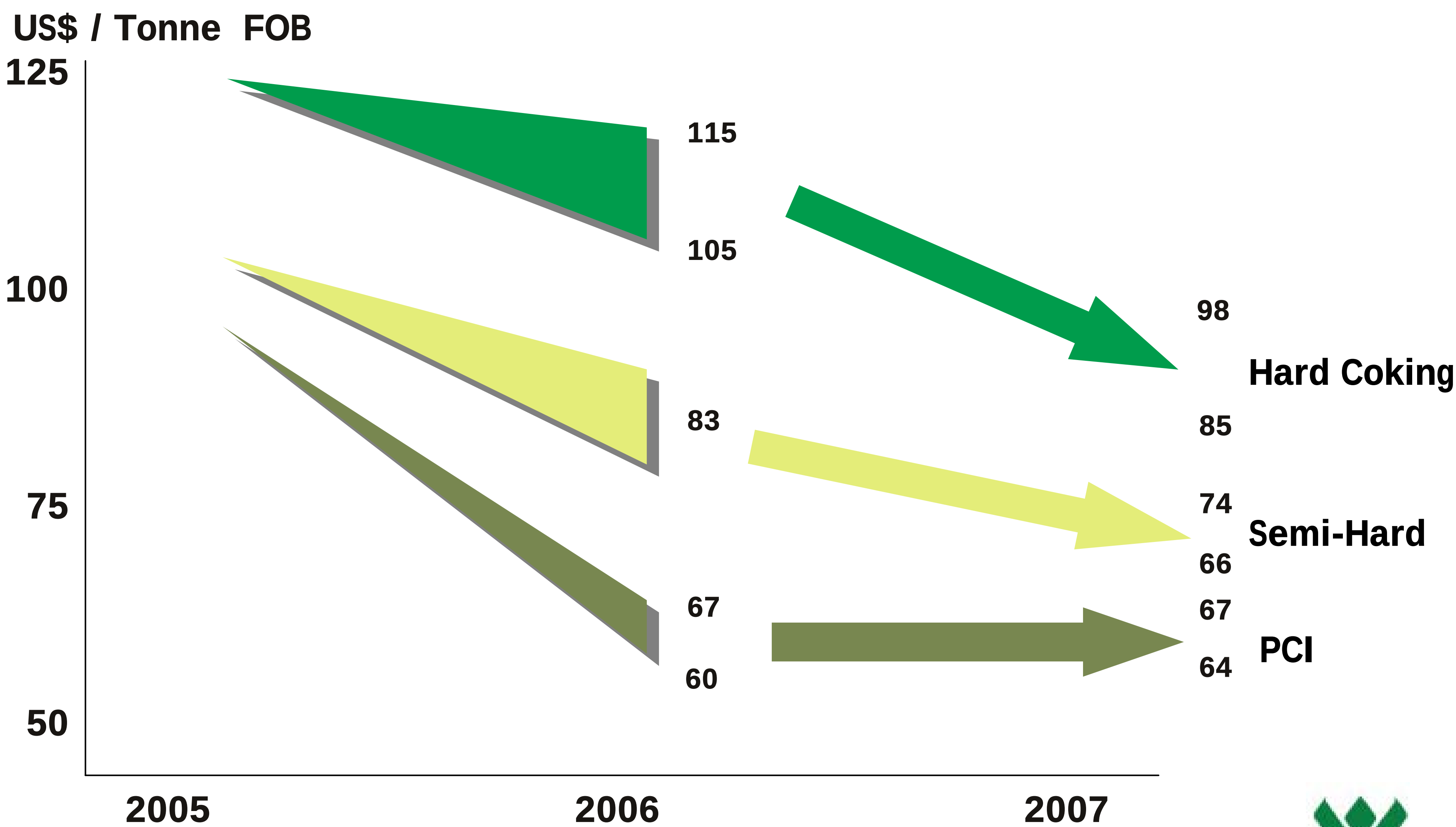
12 months to Dec 06 vs 12 months to Dec 05

- Continued pressure on costs
- Increased contractor activities

	Increase
Total cash production cost *	18%
Total production volume	4%
Cash production cost per product tonne *	**14%**

* Excludes Stanwell rebate amortisation

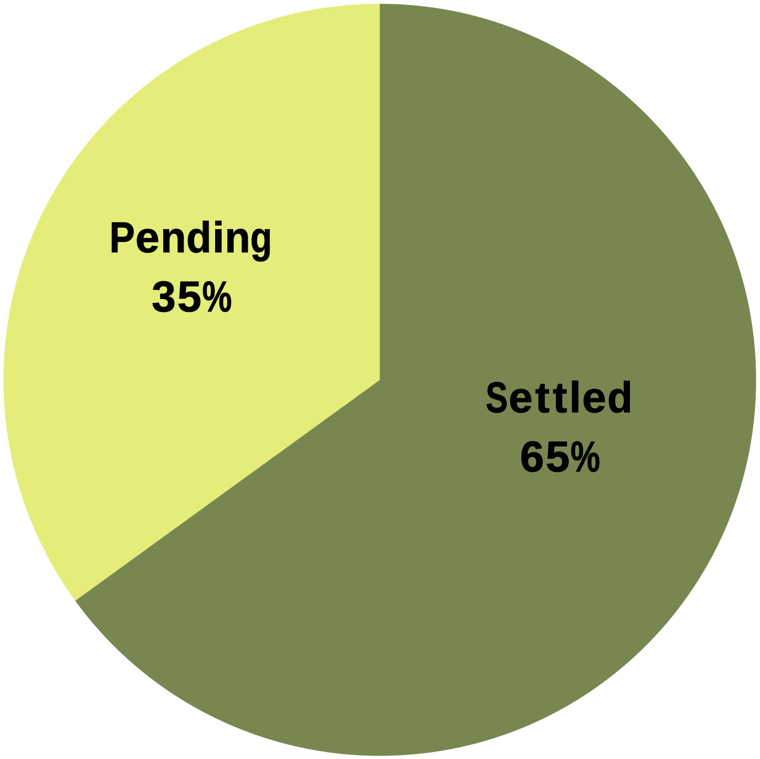
Metallurgical Coal Prices



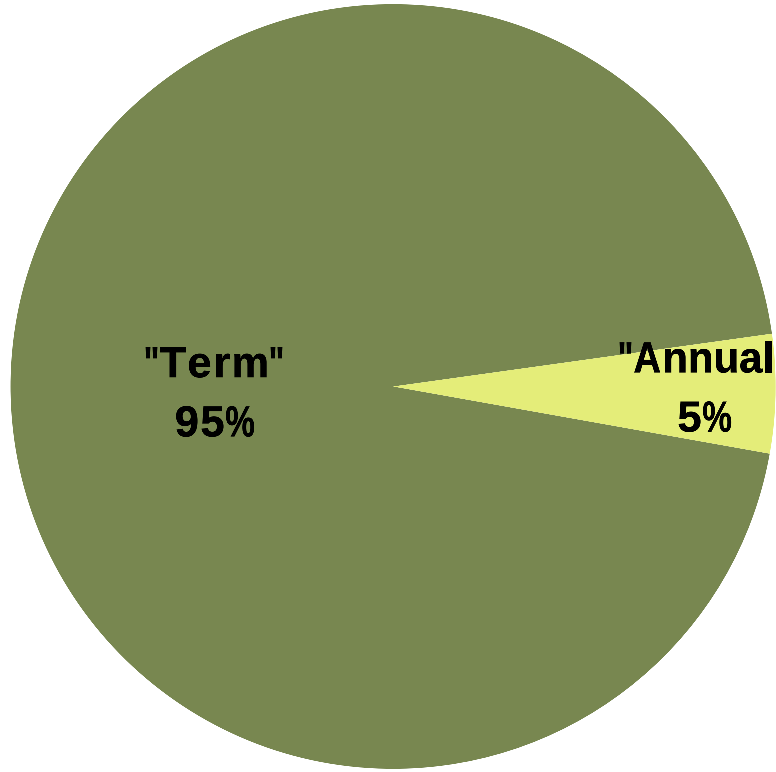
Source: Citigroup April 2006

Source: Tex Report

Curragh Export Sales



Contract Price Negotiations



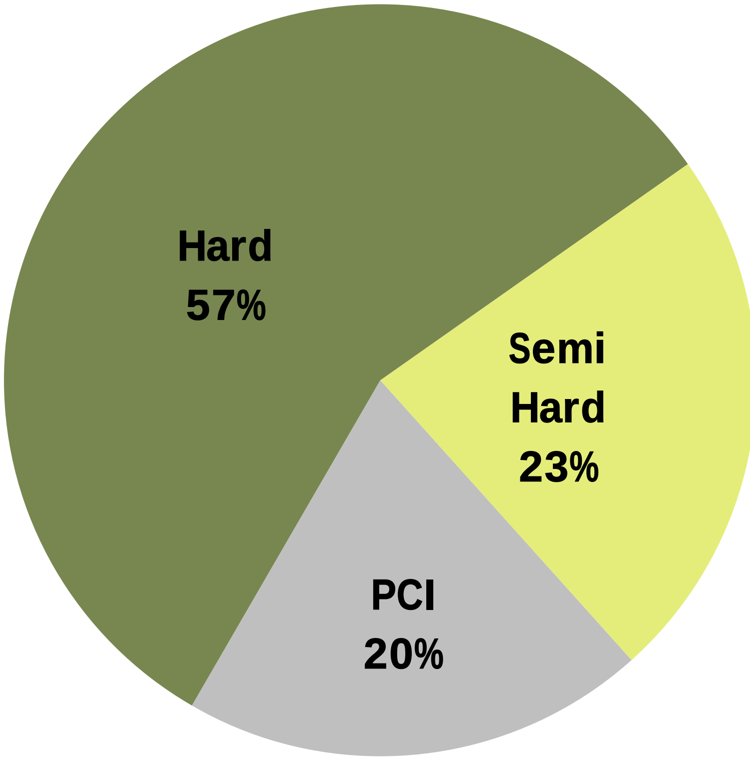
Contract Duration

Term: 3 – 5 Year Contracts

Annual: 1 Year Contracts

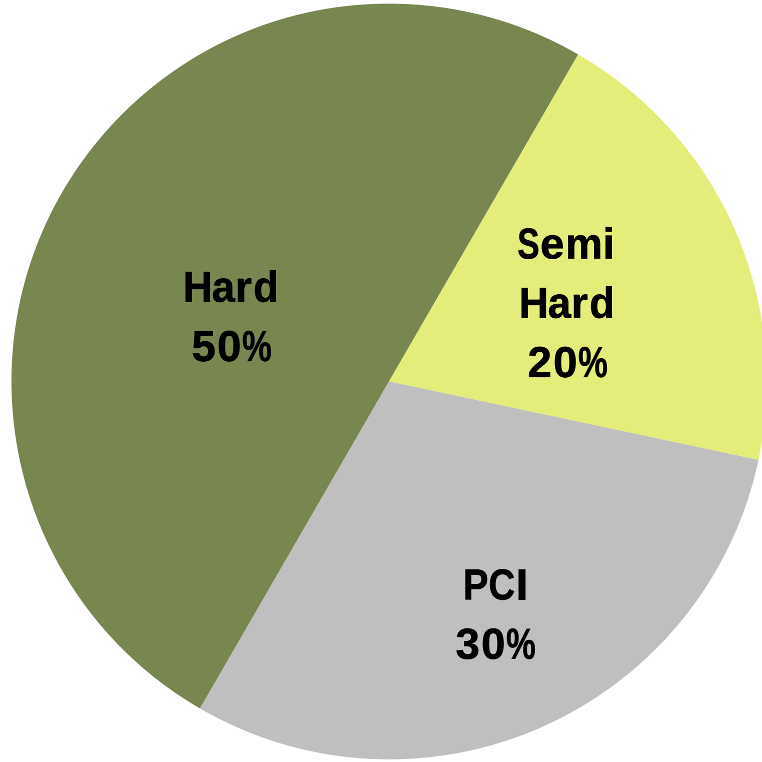
As at February 2007

Curragh Metallurgical Sales Mix



2005/06

6.0 million tonnes



2006/07 estimate

6.2 to 6.5 million tonnes

Wesfarmers Curragh Hedging Profile

Year end 31 Mar	Current proportion of USD revenue hedged*	Average AUD/USD hedge rate
2008	90%	0.7049
2009	70%	0.7173
2010	50%	0.7219
2011	30%	0.7262
2012	10%	0.7235

* calculated using known contract outcomes, long run pricing assumptions, and after adjusting for USD capital and operational expenditure and USD royalty payments

Newcastle Coal Delivery System

Performance Update

- Restricted system capacity in November added 20 to 25 ships to queue
- Vessel queues increased to 50+ ships in late 2006
- High shipping demurrage
- On going system capacity limitation
- Potential reintroduction of capacity allocation system for coal chain
- Expect continuation of shipping congestion into 2007

Coal Outlook

- Infrastructure constraints continue in 2006/07
  - Blackwater to Bluff rail track duplication (July 2007)
  - Newcastle Coal Chain
- Curragh North Development completion
- Premier Char Demonstration Plant operation
- Input cost and availability pressures to continue
- Curragh metallurgical sales 6.2 – 6.5mt in 2006/07
- Curragh sales mix remains unchanged
- Metallurgical coal price settlements

Insurance

Insurance Performance Summary

Half Year ended 31 December ($m)	2006*	2005	↕ %
Gross Written Premium	546.0	503.3	*8.5*
Net Earned Premium	**406.1**	376.6	*7.8*
Insurance Trading Result	**53.7**	54.3	*(1.1)*
EBIT pre Amortisation and Non-Trading Items^	**62.7**	61.8	*1.5*
EBIT	**60.1**	63.5	*(5.4)*
Net Earned Loss Ratio (%)	**59.9**	61.0	*1.1pt*
Combined Operating Ratio (%)	**90.5**	88.8	*(1.7)pt*
Insurance Margin (%)	**13.2**	14.4	*(1.2)pt*

* Includes 2 months of OAMPS' results

^ Amortisation of intangibles in 2006 of $2.6m, NTI gain in 2005 of $1.7m

Insurance Highlights

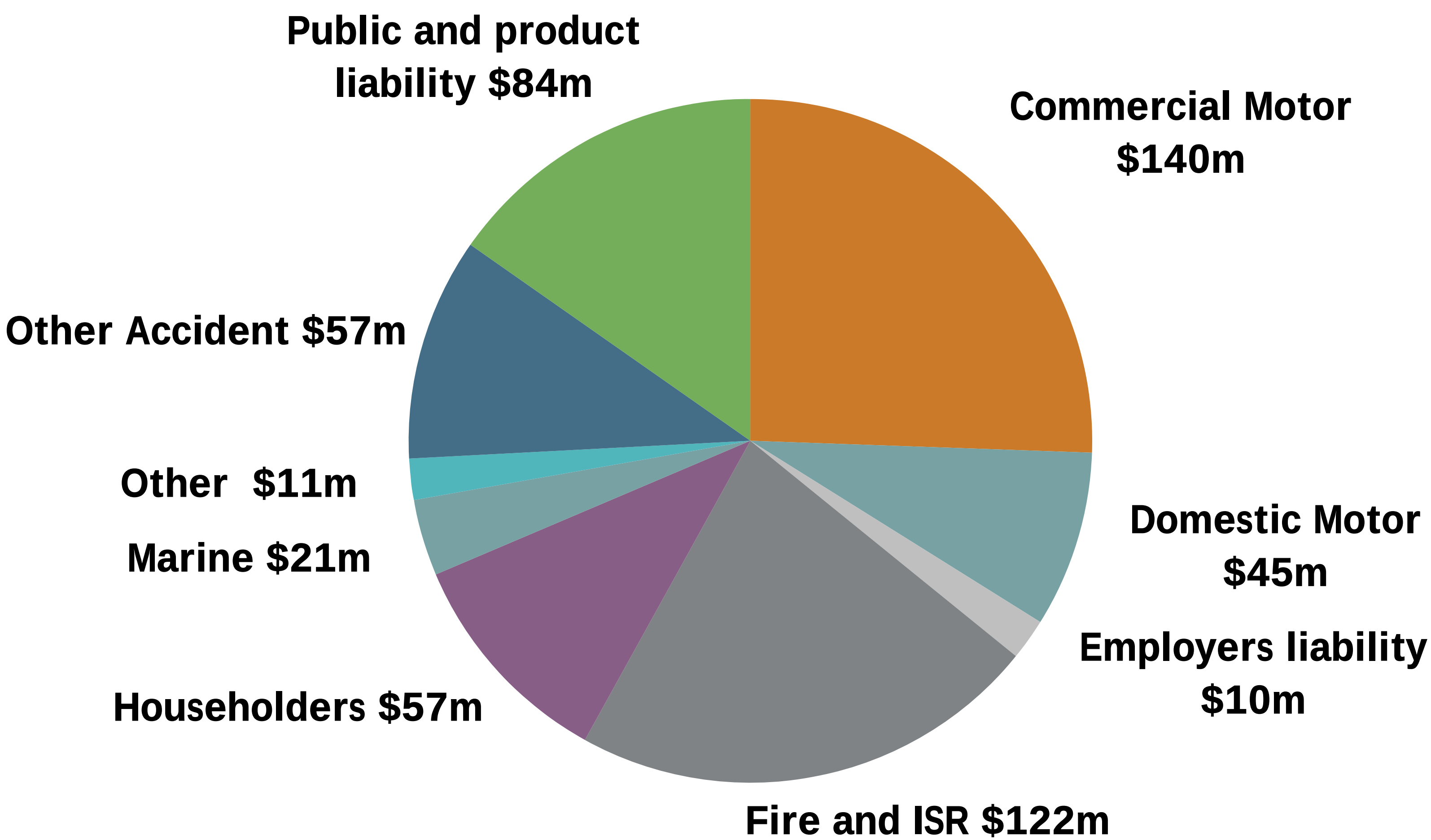
- Half year result was below expectations
- Deterioration in underwriting results for Lumley in Aust. & NZ
- WFI reported an excellent result
- Acquisition of OAMPS Ltd effective 1 November 2006
  - Integration of corporate functions
  - Merger of AIIL with Lumley (Aust.)
  - Broking operations performing to plan
- Acquisition of Crombie Lockwood announced

Underwriting KPIs

Half Year ended 31 December (%)	**2006**	2005	↕ %pt
Gross Earned Loss Ratio	**63.3**	59.8	*(3.5)*
Net Earned Loss Ratio	**59.9**	61.0	*1.1*
Reinsurance Expenses (% GEP)	**24.1**	27.4	*3.3*
Exchange Commission (% NEP)	**7.0**	8.6	*(1.6)*
Commission Expense (% GWP)	**14.2**	13.4	*(0.8)*
Total Earned Expenses (% GWP)	**28.0**	27.3	*(0.7)*
Combined Operating Ratio (% NEP)	**90.5**	88.8	*(1.7)*
Insurance Margin (% NEP)	**13.2**	14.4	*(1.2)*

Gross Written Premium (underwriting)
(for the six month period to 31 December 2006)

Total $546m



Acquisition Integration

- Integration of OAMPS corporate functions into WID and WES underway
- AIIL to be merged with LGA via portfolio transfer
  - Modest reinsurance synergies via increased retentions and purchasing power
- Broking operations initiatives
- Several new broking opportunities under evaluation

Insurance Outlook

- Continued pressure on margin
- Achieve modest synergies from OAMPS integration
- Complete Crombie Lockwood acquisition by end of February
- Continue to evaluate growth opportunities

Industrial & Safety

Wesfarmers

Industrial & Safety Performance Summary

Half Year ended 31 December ($m)	**2006**	2005	↕ %
Revenue	**580.1**	588.0	*(1.4)*
EBITDA	**57.9**	53.1	*9.0*
Depreciation & Amortisation of PPE	**(6.9)**	(7.1)	*2.7*
EBIT	**50.9**	46.0	*10.7*
EBIT / Revenue (%)	**8.8**	7.8	*1.0pt*
ROC (R12 %)	**13.7**	13.2	*0.5pt*
Safety (R12 LTIFR)	**4.1**	4.8	

Industrial & Safety Highlights

- Operating Revenue flat at $580m (allowing for translation differences)
  - Overall growth in Blackwoods, Protector Alsafe offset by decline in NZ based businesses
- Earnings increased by 10.7% to $50.9m
  - Reflects restructuring and business improvement initiatives
- R12 capital employed reduced by $43m (including Bullivants)
- Return on capital increased to 13.7%
- Acquisition of Bullivants - Australia's leading supplier of lifting, rigging and materials handling products and services

Industrial & Safety Portfolio

Core business

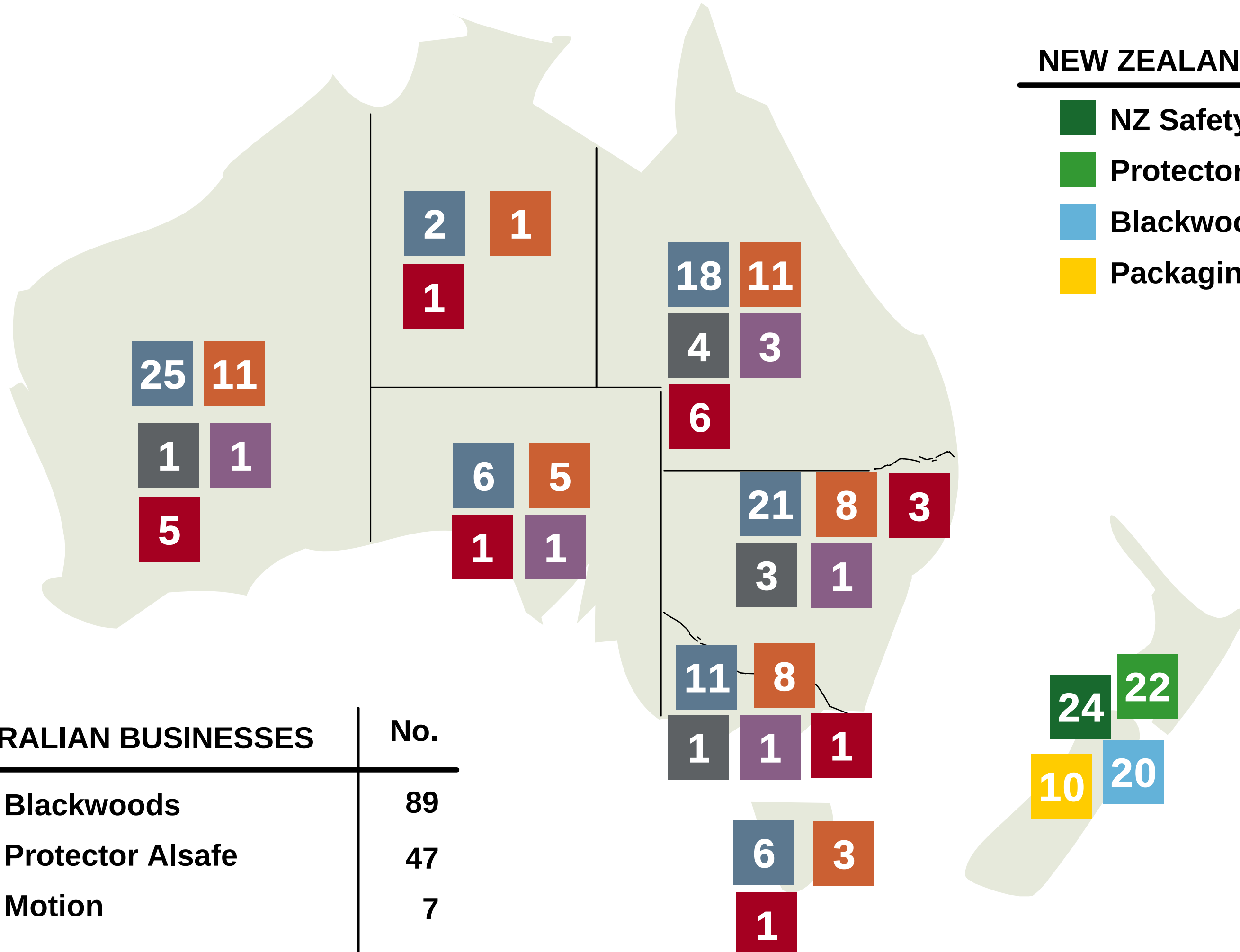
Blackwoods

Australian market leader in distribution of Maintenance, Repair and Operating supplies (MRO)

National Specialist Businesses

Australia	New Zealand
Protector Alsafe	NZ Safety – Specialists in Safety & Protection
Bullivants – Handling Safety	Blackwoods Paykels
Mullings Fasteners – "The Fastener Specialists"	Packaging House – Building partnerships, delivering solutions
Motion Industries – power transmission & bearings	Protector Safety Supply

Industrial & Safety - Distribution Network



NEW ZEALAND BUSINESSES	No.
NZ Safety	24
Protector Safety	22
Blackwoods Paykels (NZ)	20
Packaging House	10

AUSTRALIAN BUSINESSES	No.
Blackwoods	89
Protector Alsafe	47
Motion	7
Mullings	9
Bullivants (trading from 2007)	18

Business Activity Highlights

- Improving safety performance – rollout GetSAFE
- Business improvement initiatives remain on track
- Delivery performance improving
- Continuing SKU reductions
- Low cost country sourcing capability established in Shanghai
- Continuing to reduce slow moving inventory
- Branch network reduced from 251 (Dec'05) to 228 plus 18 Bullivants' sites
  - reflecting close of poor performing locations & improving supply chain efficiency
- Improving "win rate" on new & existing contracts
- Awarded the entire BHP Billiton safety contract (Australia-wide)

Industrial & Safety Outlook

- Ongoing mixed conditions – Growth in Australia, while New Zealand performance is expected to remain subdued
- Bullivants contribution to 2nd half results
- Ongoing strong focus on business improvement initiatives
- Review acquisition opportunities to complement organic growth – exposure to higher growth sectors / products

Chemicals & Fertilisers

Wesfarmers

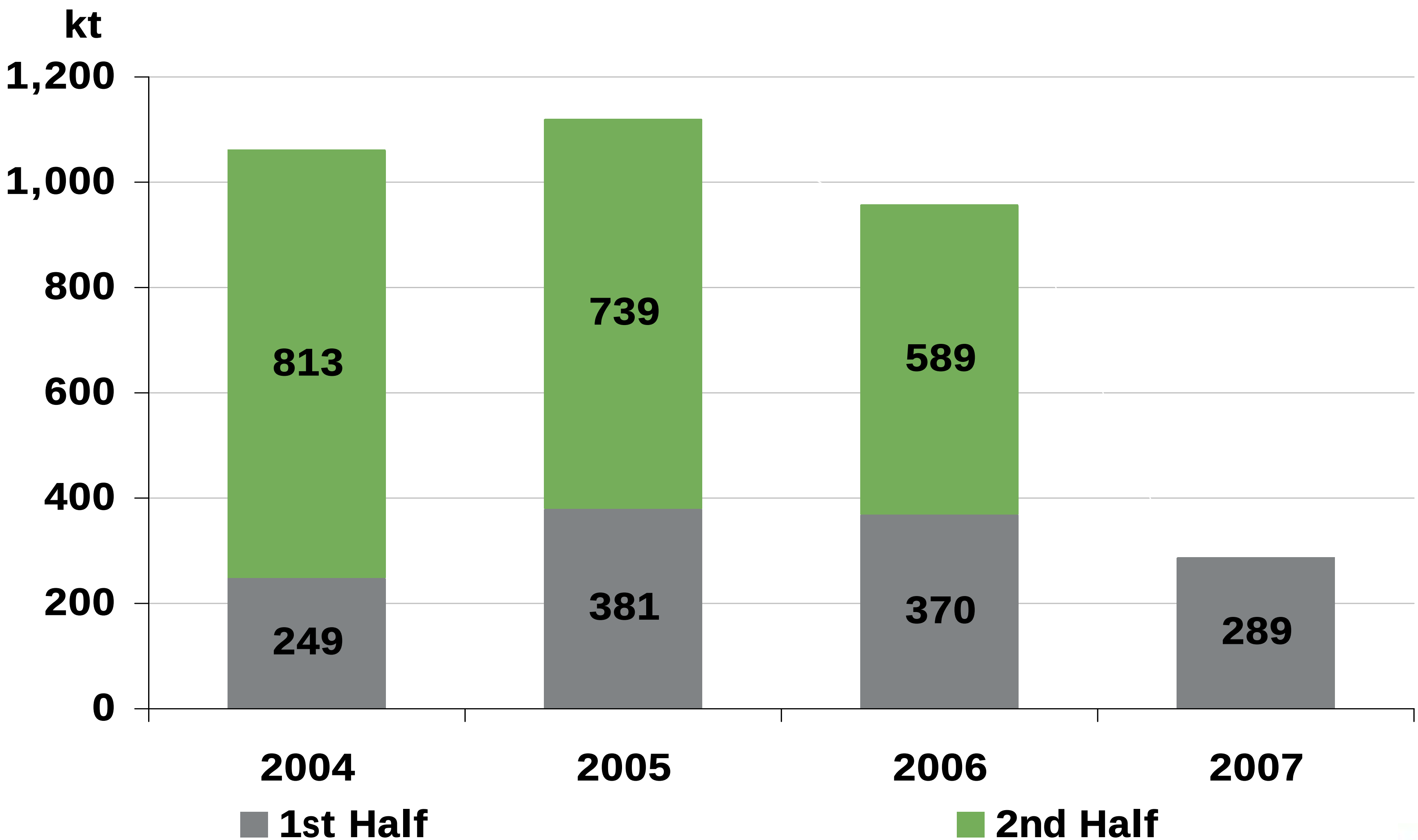
Chemicals & Fertilisers Performance Summary

Half Year ended 31 December ($m)		2006	2005	↕ %
Revenue	Chemicals	**125.1**	121.7	*2.8*
	Fertilisers	**105.6**	131.6	*(19.8)*
		230.7	253.3	*(8.9)*
EBITDA		**46.1**	48.5	*(5.0)*
Depreciation & Amortisation of PPE		**(18.3)**	(21.8)	*16.1*
EBIT		**27.8**	26.7	*4.0*
Sales Volume (‘000t):	Chemicals	**227.6**	237.7	*(4.3)*
	Fertilisers	**289.4**	370.2	*(21.8)*
ROC (R12 %)		**14.9**	17.7	*(2.8)pt*
Safety (R12 LTIFR)		**6.0**	1.3	

Chemicals & Fertilisers Highlights

- Ammonia plant shutdown completed within budget
  - Plant performance uplift due to firm gas transmission capacity
- Significantly improved contribution from QNP
  - Steady plant performance (maintenance shutdown in pcp)
  - Lower than budgeted imports
- Incremental improvement from sodium cyanide, ammonium nitrate
  - Advanced negotiations regarding supply of sodium cyanide to Boddington
- Fertiliser sales impacted by seasonal conditions
  - Contribution well below last year
- Profit on sale of chlor-alkali business offset lower fertiliser contribution
- Careful management of expenses
- Construction on Kwinana ammonium nitrate duplication continues

Fertiliser Sales



Kwinana AN Expansion

May 2006

January 2007

Kwinana AN Expansion

Chemicals & Fertilisers Outlook

- Demand for mining chemicals remains strong
- Commission Kwinana AN2 in first half FY08
- Seasonal break critical for fertiliser sales
  - Lower sales during back-loading period
  - Pasture and cropping products affected
  - Purchases likely to be delayed until needed
  - Carryover product on farm
  - Analysts tip strong plantings of wheat subject to seasonal break
- EBA re-negotiation

Energy

Energy Performance Summary

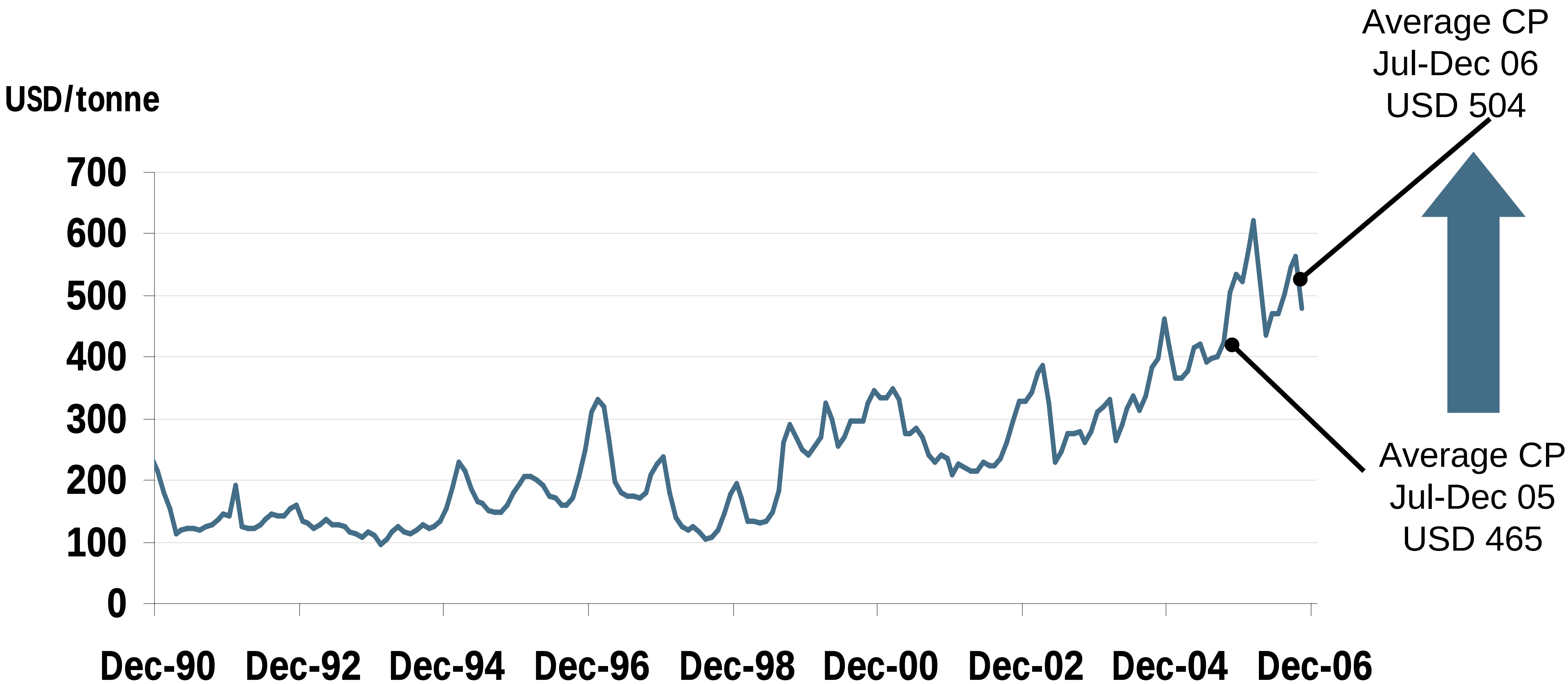
Half Year ended 31 December ($m)	2006	2005	↕ %
Revenue	**222.4**	185.4	*20.0*
EBITDA	**50.6**	37.4	*35.2*
Depreciation & Amortisation of PPE	**(12.5)**	(12.0)	*(4.8)*
EBIT*	**38.1**	25.5	*49.5*
ROC (R12 %)*	**33.2**	34.6	*(1.4)pt*
LPG production (kt)	**93.8**	78.6	*19.3*
Safety (R12 LTIFR)	**0.5**	2.1	

* Based on preliminary allocation of overheads

Energy Highlights

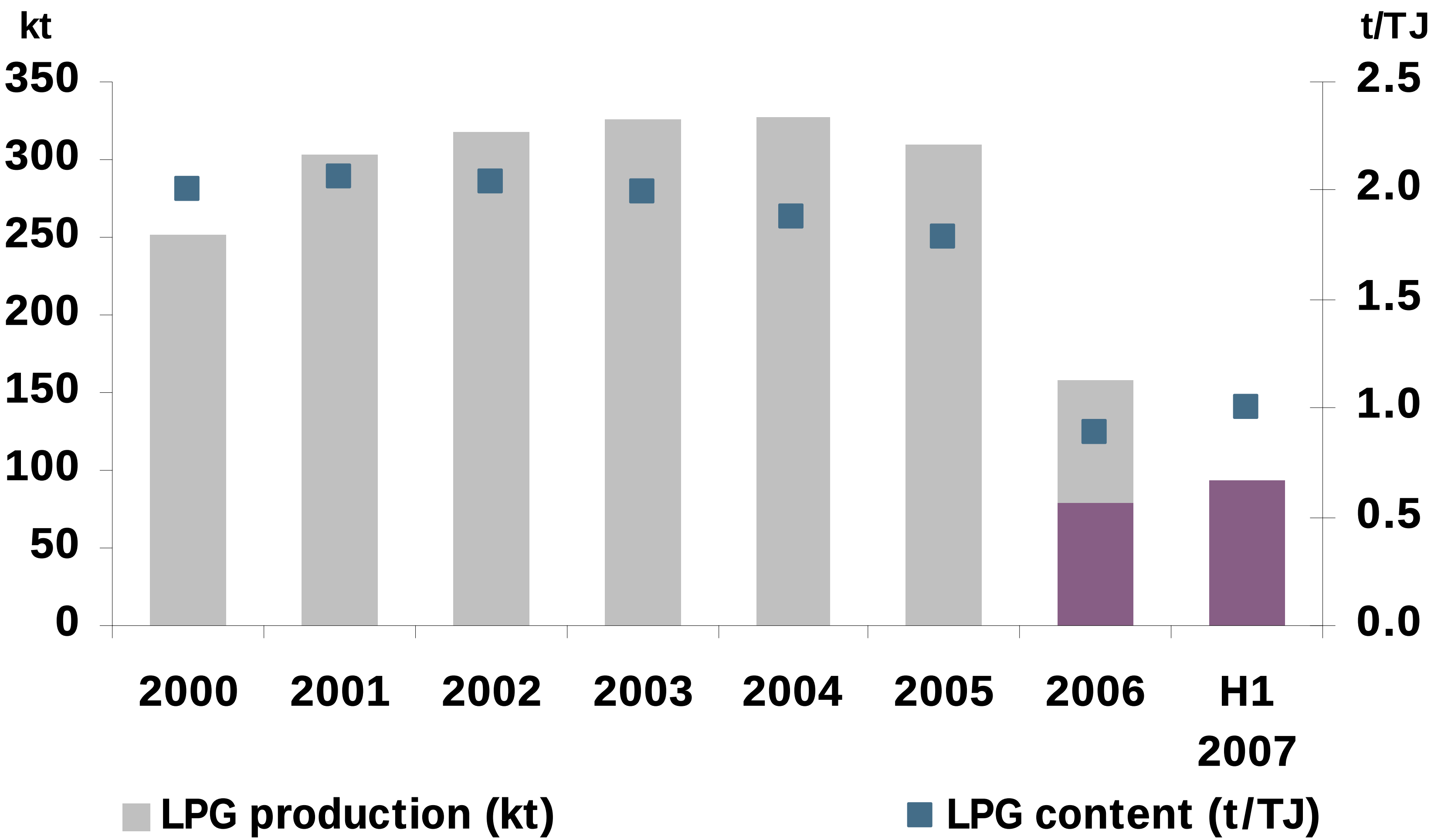
- Growth of newly formed division
- Entered agreement to acquire Linde Gas Pty Ltd – renamed Coregas following completion 1 February 2007
- Project works commenced on new $138 million LNG project at Kwinana
- Construction of five new remote community power stations underway
- WLPG production and sales increased

Continued high world LPG prices



Continued volume pressure on Kleenheat Gas

LPG Production and Content



WLPG production 19.3% above previous corresponding period

Energy Outlook

- Energy businesses performing well
  - Half year earnings above last year
  - Outlook dependent on Saudi CP, LPG content and LPG export volumes
- Positive part year contribution from Coregas
- Implement/develop current growth opportunities
  - $138 million LNG project
  - Remote Power Stations
- Look to capture future growth opportunities

Other Businesses

Other Business Performance Summary

Share of net profit of associates included in EBIT Half Year ended 31 December ($m)	Holding %	**2006**	2005
Associates:			
ARG	*0*	**-**	9.4
Gresham Private Equity - Fund 1	*50*	**0.0**	9.4
Gresham Private Equity - Fund 2	*67*	**(1.5)**	(0.9)
Gresham Partners	*50*	**2.2**	1.3
Wespine	*50*	**3.9**	5.1
Bunnings Warehouse Property Trust	*23*	**25.7**	7.8
Tax on relevant associates		**(4.0)**	(4.6)
Sub-total		**26.4**	27.5
Other*		**6.9**	9.0
Total		**33.3**	36.5

* Includes corporate interest & investment income, BPML, self insurance

Breakdown of reported result

Contribution to reported profit before tax Half Year ended 31 December ($m)	**2006**	2005
Divisional EBIT	**614.7**	700.3
Profit from associates	**26.4**	27.5
Other EBIT	**6.9**	9.0
Corporate overheads	**(35.7)**	(27.5)
Consolidation adjustment	**0.5**	(2.2)
Group EBIT	**612.9**	707.1
Less: Finance costs		
- expense net of capitalisation	**(57.7)**	(63.4)
- discounts*	**(5.0)**	(7.3)
Reported profit before tax	**550.2**	636.4

* relates mainly to Stanwell rebate

Gresham Private Equity

Fund 1

- Current investment A$28.1m
- Exits expected over next several years

Norcros	Riviera	Raywood
mining / infrastructure contractor	ocean cruisers	vehicle control systems

Gresham Private Equity

Fund 2

- Wesfarmers' commitment A$150m; capital invested A$63.9m
- Witchery acquired in July 2006

CURRENT INVESTMENT PORTFOLIO			
Noel Leeming	**Australian Pacific Paper Products**	**Pacific Print Group**	**Witchery**
electrical retailer (New Zealand)	manufacturer & distributor of disposable nappies (Australia)	leading commercial printing business (New Zealand)	women's fashion apparel
Noel Leeming www.noelleeming.co.nz	APPP Australian Pacific Paper Products	Pacific Print Group	WITCHERY

Capital Management

Wesfarmers

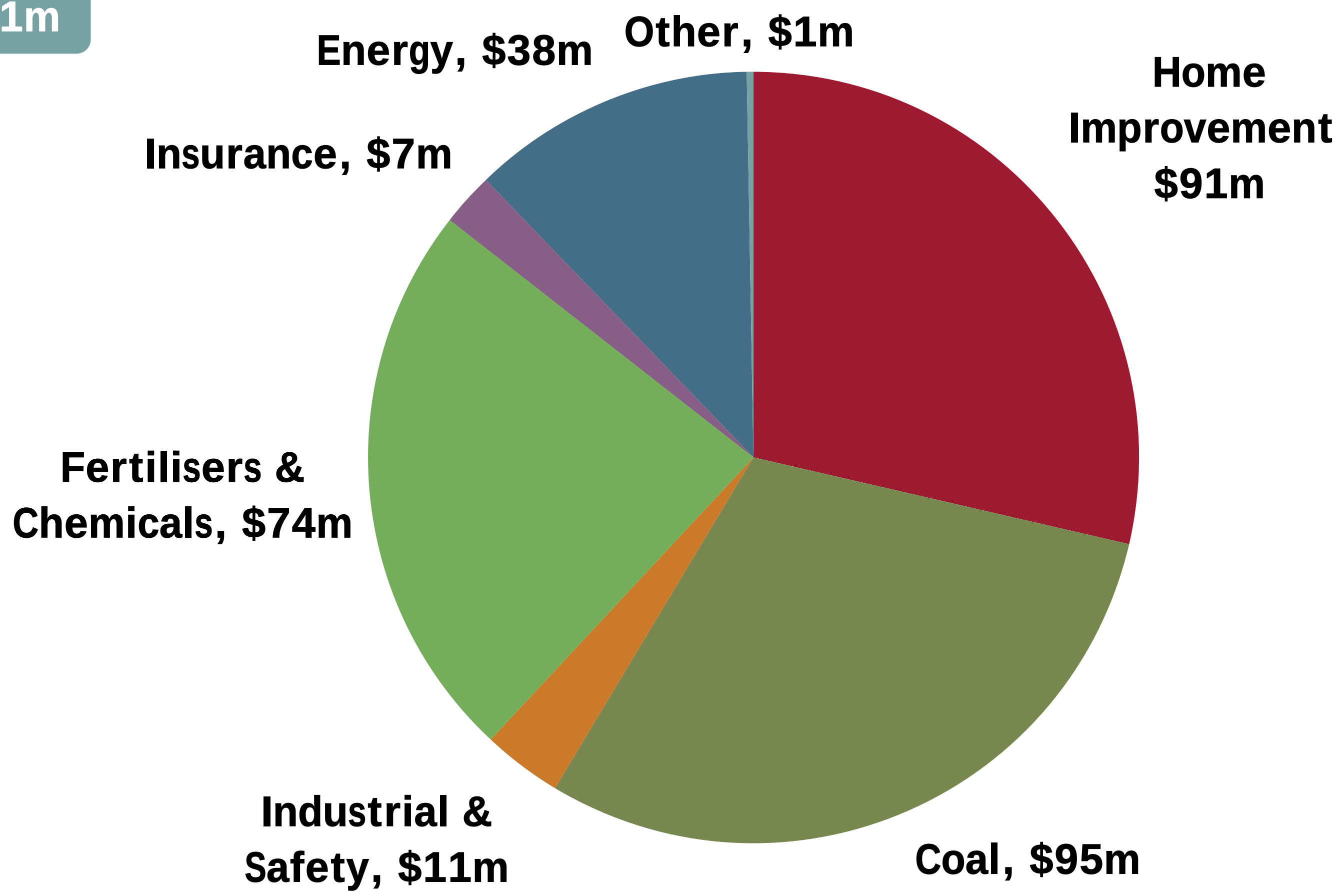
Capital Management

- Funding OAMPS, Linde and Crombie Lockwood takes the ND:E ratio above the high end of preferred range
- Cash flow cover remains strong
- Focus is to match capital structure to funding requirements
- Dividend Investment Plan reinstated
  - 100% underwritten for interim dividend

Capital Expenditure

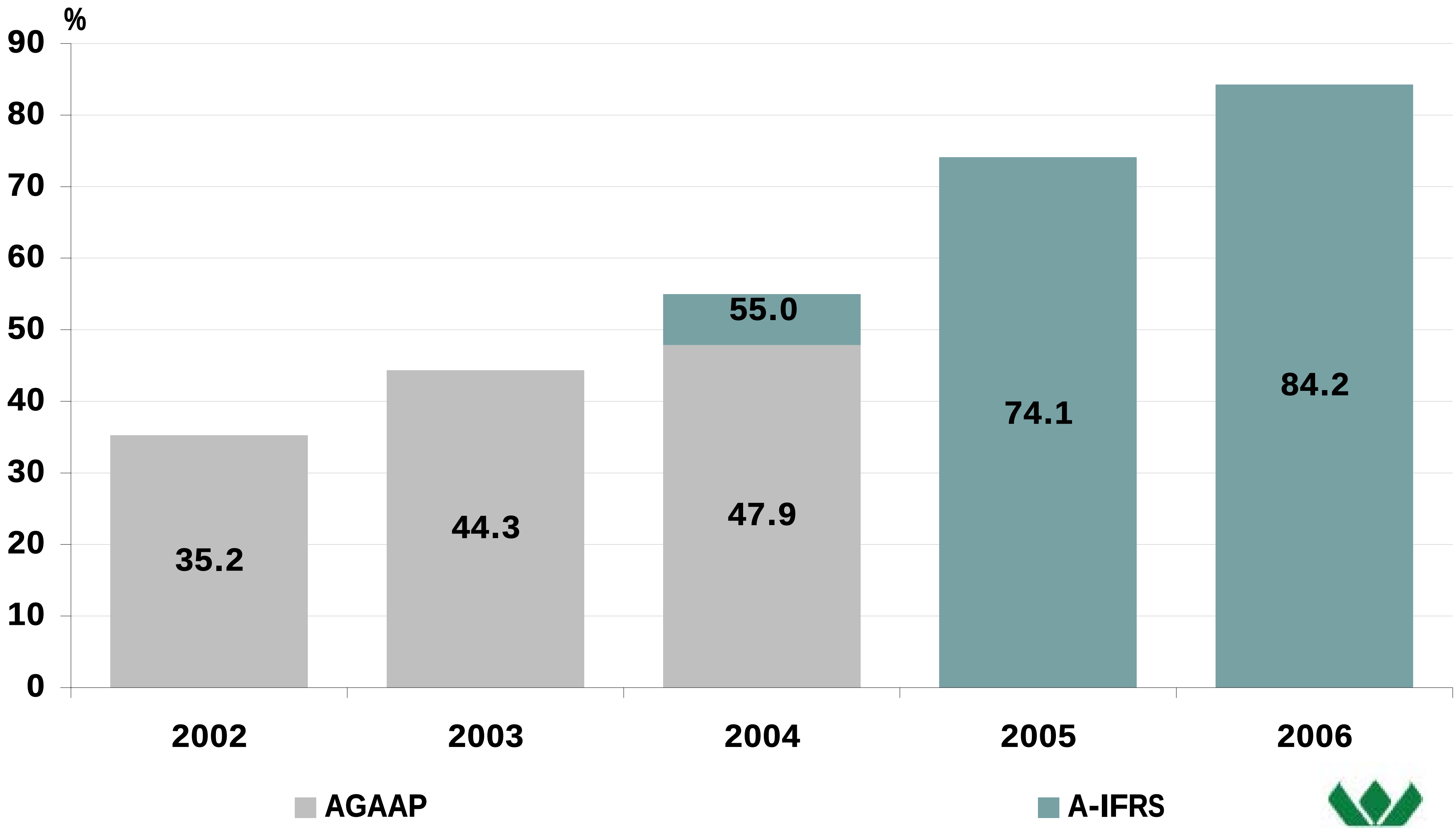
Half Year ended 31 December 2006

A$317.1m

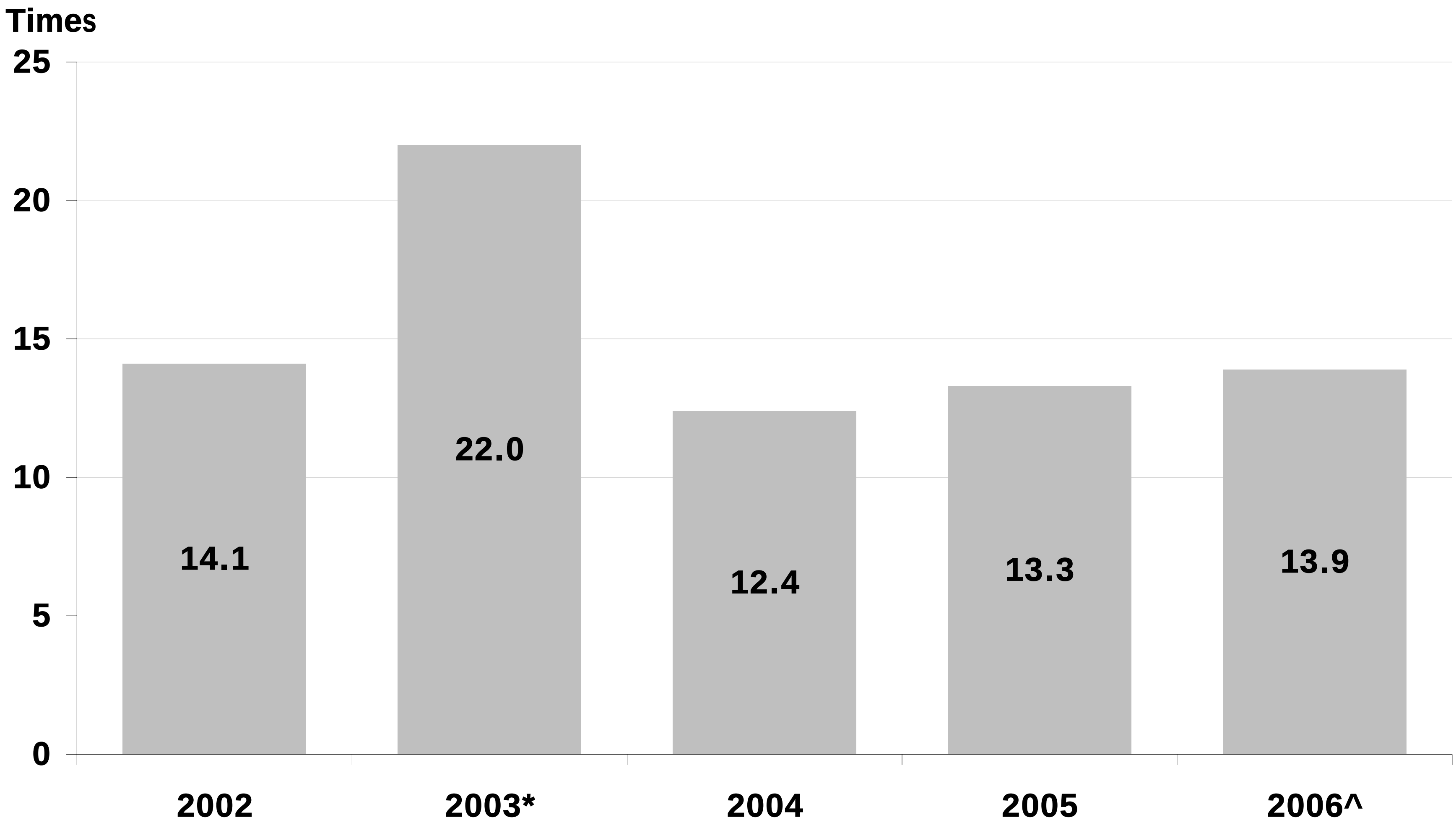


Net Debt/Equity

(as at 31 December)



Interest Cover Ratio (cash basis)
(Rolling 12 months to 31 December)



* Excludes the sale of Landmark and Girrah

^ Excludes the sale of ARG

Outlook

Wesfarmers

Outlook

- Positive outlook due to
  - Improvements in operating performance across the group
  - Investment in growth
    - OAMPS, $700m
    - Coregas, $500m
    - Capital expenditure, ~$800m
    - Crombie Lockwood
- But
  - Cost pressures and focus
  - Commodity price movements

Wesfarmers

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