2007 Half Year Results Teleconference

15 February 2007

Wesfarmers

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Group Performance Highlights

Richard Goyder

Managing Director, Wesfarmers Limited

Group Performance Highlights

- Operating revenue of $4.7 billion, up 6.1%
- Group profit after tax of $392 million, down 12.3%
- Earnings per share of 105.8 cents*, 12.7% below pcp
- Operating cash flow up 9.7%
- ROE of 27.7%, down from 30.2%
- Interim dividend increased to 85 cents per share, up 20 cents per share

*excludes employee reserved shares, as per AIFRS

Divisional Performance

Half Year ended 31 December	2006 EBIT $m	2006 ROC* %	2005 ROC* %
Home Improvement	269.7	25.1	22.8
Coal	168.1	52.9	76.6
Insurance	60.1	24.6	33.6
Industrial & Safety	50.9	13.7	13.2
Chemicals & Fertilisers	27.8	14.9	17.7
Energy	38.1	33.2	34.6

* Rolling 12 months to 31 December

Group Financial Results

Gene Tilbrook

Finance Director, Wesfarmers Limited

Wesfarmers

Group Performance Summary

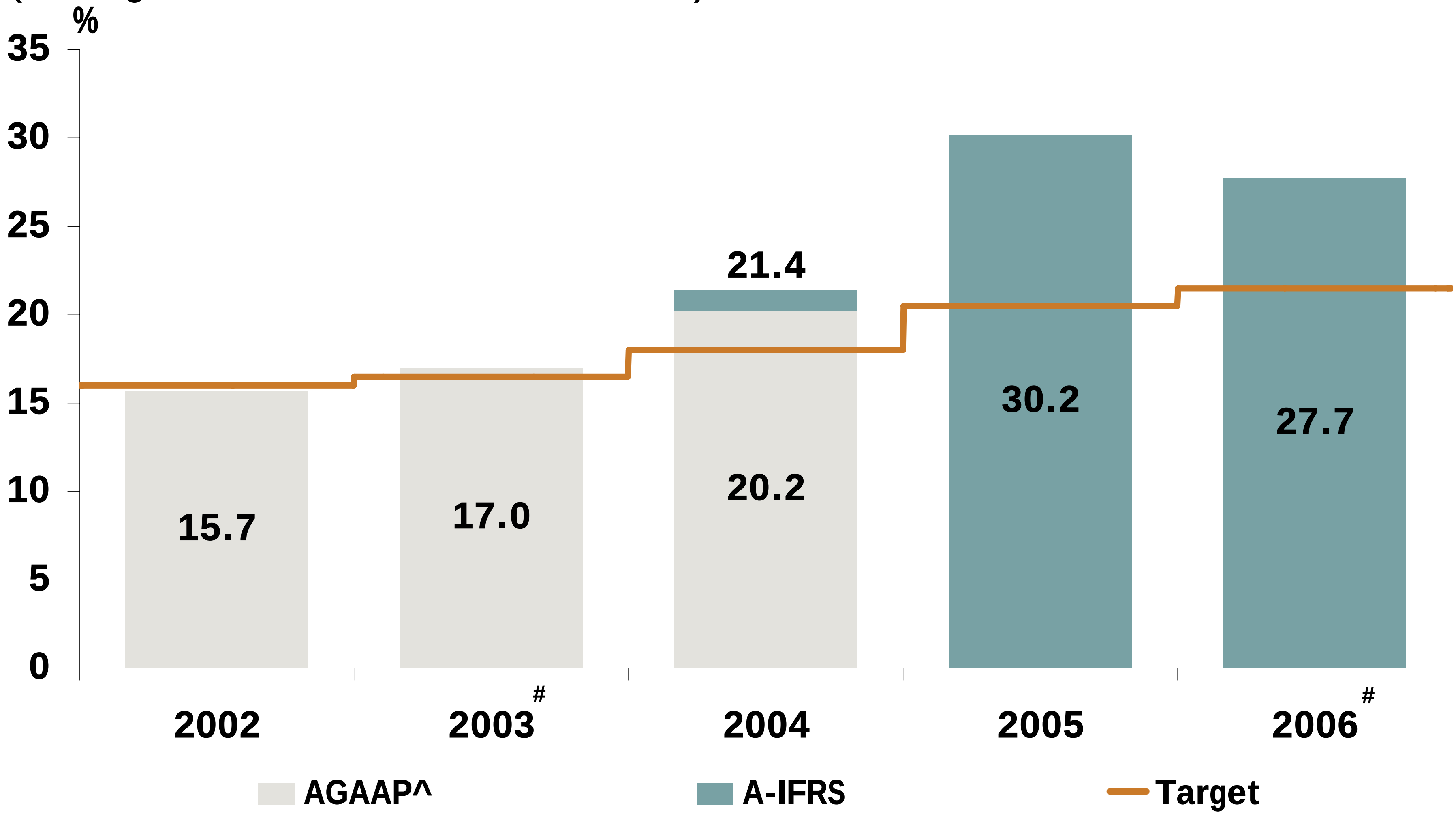
Half Year ended 31 December ($m)	2006	2005	↕ %
Operating revenue	**4,718.1**	4,447.1	*6.1*
EBITDA	**790.6**	829.6	*(4.7)*
EBIT	**612.9**	707.1	*(13.3)*
Net profit after tax	**391.9**	446.7	*(12.3)*
Operating cash flow	**477.4**	435.3	*9.7*
Earnings per share (ex. employee res. shares)	**105.8**	121.2	*(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)*

Return on Shareholders' Funds

(rolling 12 months to 31 December*)

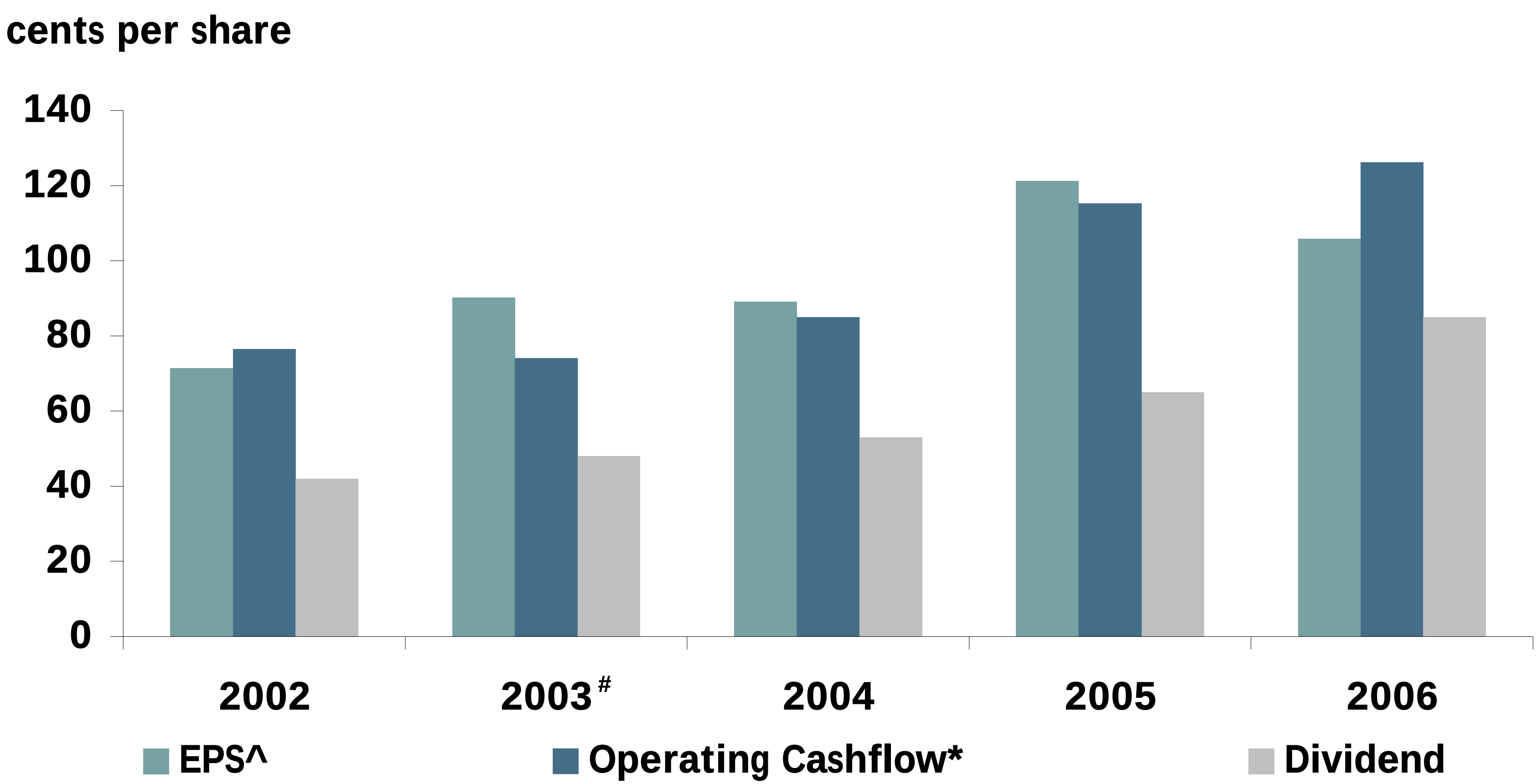


*Based on average monthly equity balances (previously based on average opening and closing)

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)

Capital Management

- Net Debt / Equity of 84.2% at 31 December 2006
- Cash Interest Cover Ratio (rolling 12 months) of 13.9 times
- Capital expenditure of $317.1 million, was lower than budget due to timing delays
- Dividend Investment Plan reinstated
  - 100% underwritten for interim dividend

Home Improvement

John Gillam

Managing Director, Home Improvement

BUNNINGS warehouse

Wesfarmers

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

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

Stewart Butel

Managing Director, Wesfarmers Coal

Wesfarmers

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

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

Bob Buckley

Managing Director, Wesfarmers Insurance

Wesfarmers

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

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

Terry Bowen

Managing Director, Industrial & Safety

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 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

Keith Gordon
Managing Director, 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

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

Tim Bult

Managing Director, Wesfarmers Energy

Wesfarmers

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

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

Gene Tilbrook

Finance Director, Wesfarmers Limited

Wesfarmers

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

GPE Fund 1

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

GPE Fund 2

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

Outlook

Richard Goyder

Managing Director, Wesfarmers Limited

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

Questions

Wesfarmers

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