

2007 Half Year Results Information Pack

15 February 2007

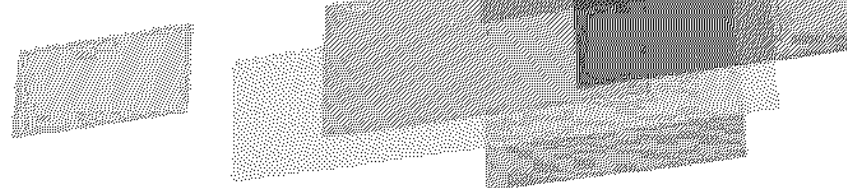


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Group Performance

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



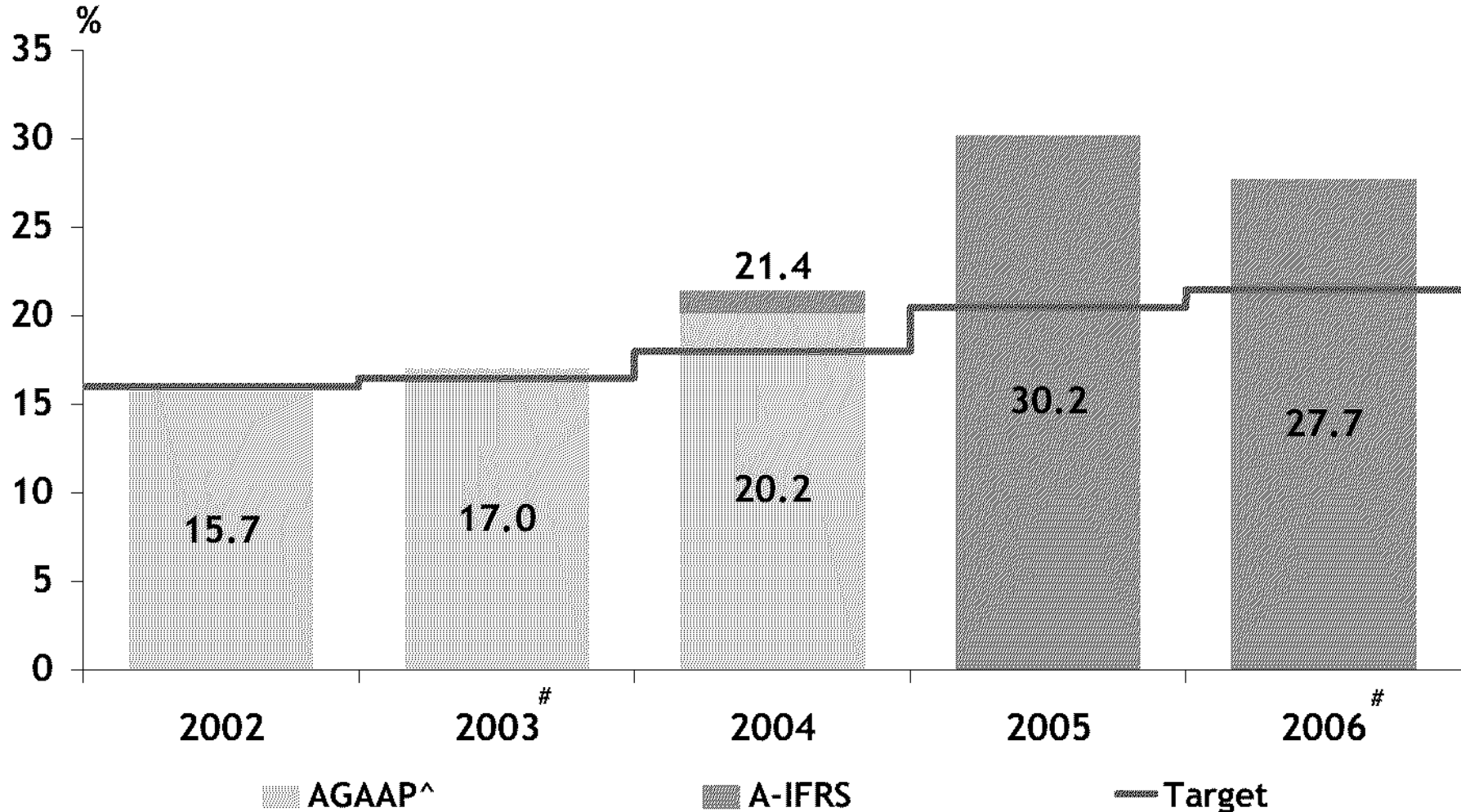
Divisional ROC & Capital Employed

Rolling 12 months to 31 December	2006			2005
	EBIT \$m	Cap Emp \$m	ROC %	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)

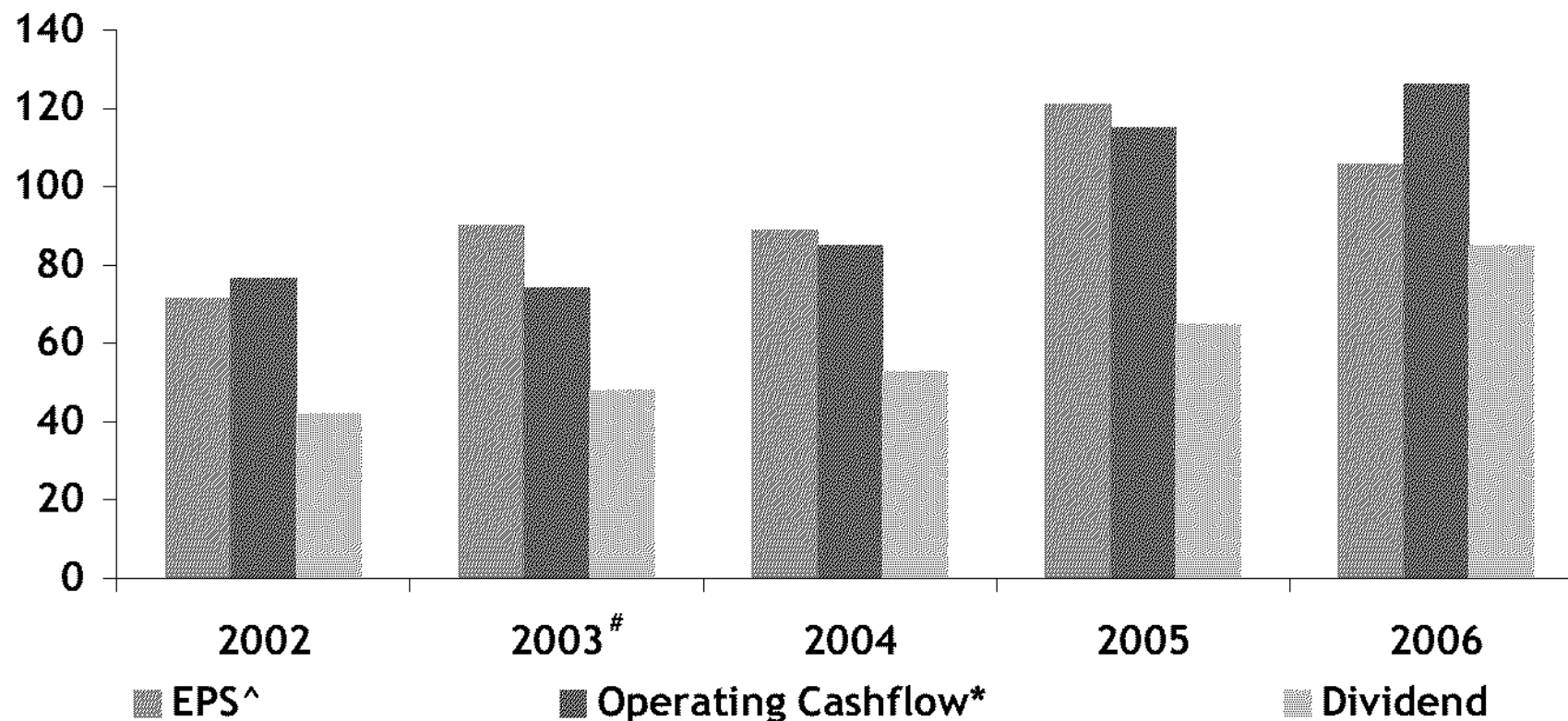
^ Before goodwill amortisation



Cash Flow & Dividend (Half Year to 31 Dec)

(earnings, operating cash flow and dividend per share)

cents 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)



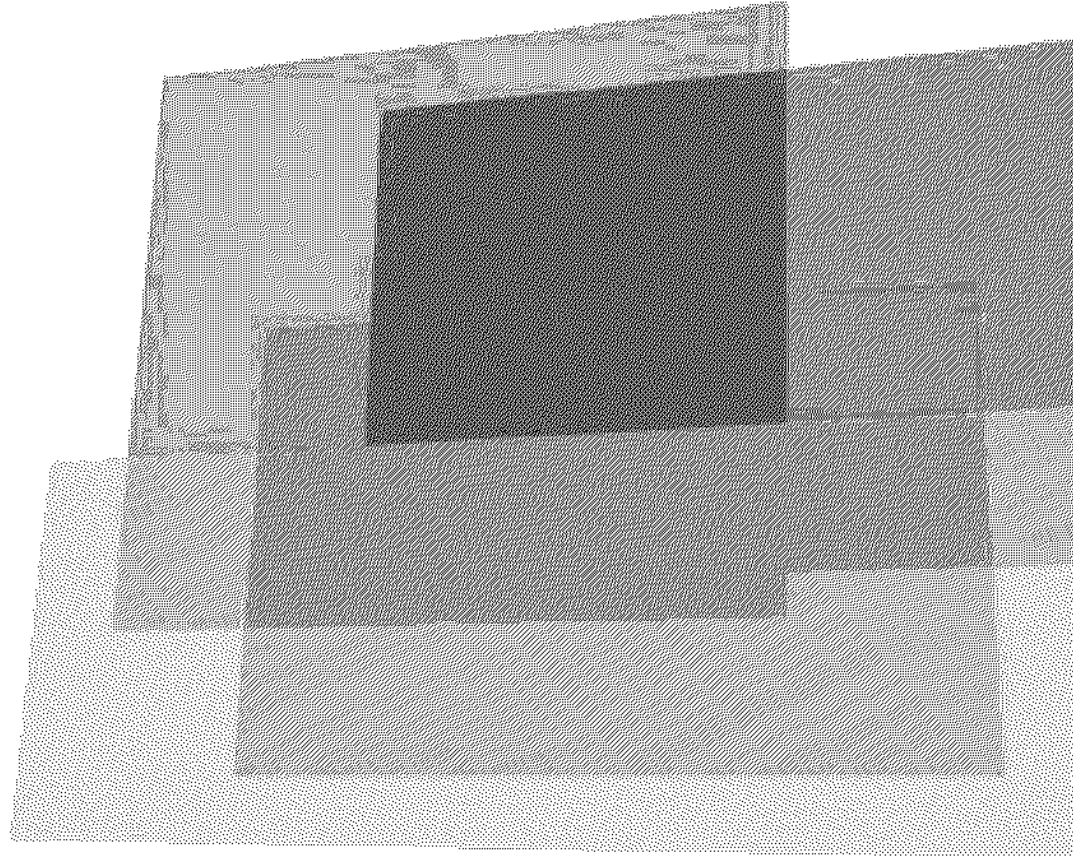
Employee Share Plan Expense

Half Year ended 31 December	2006	2005
Pre-Tax (\$m)		
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



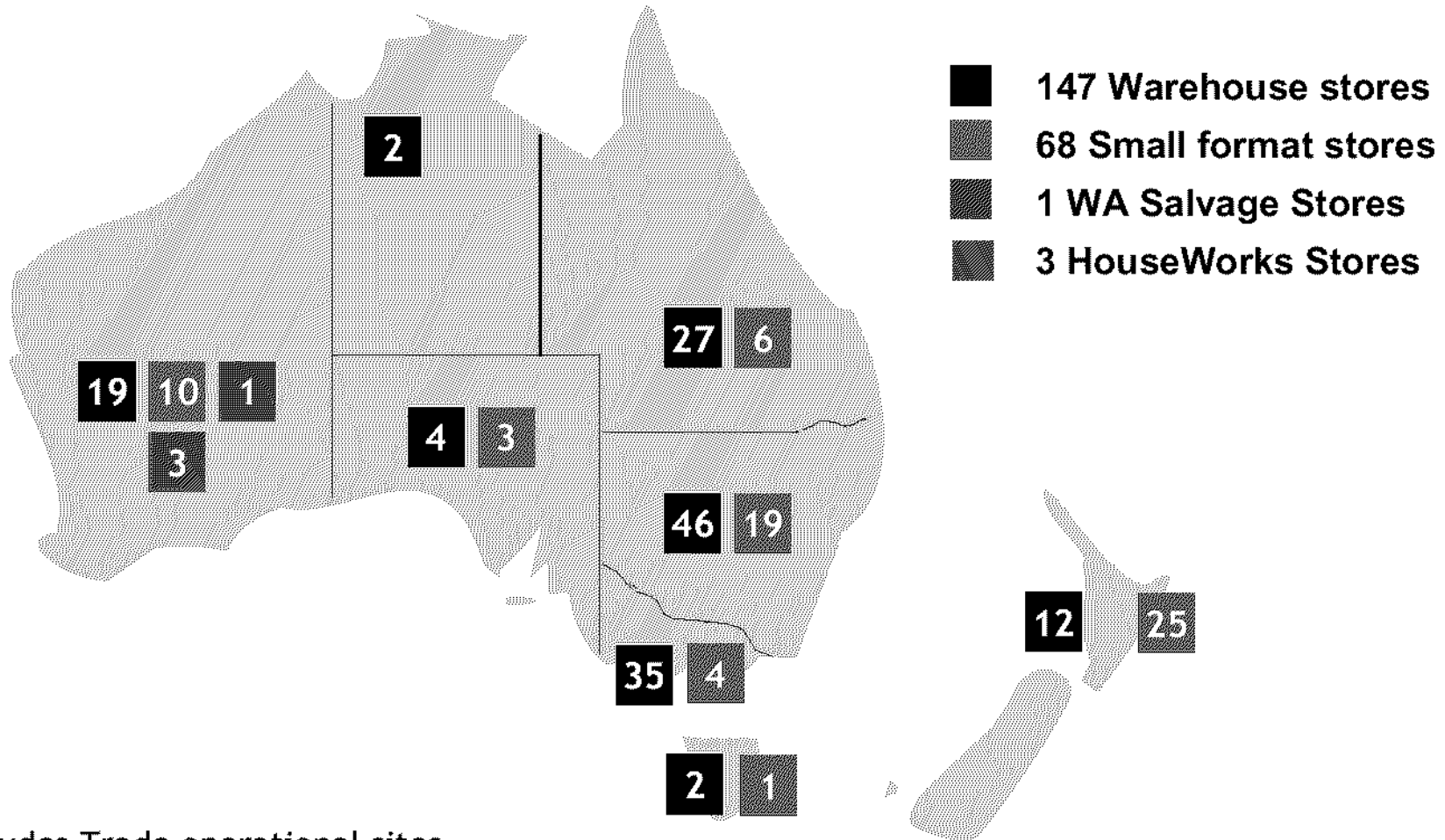
Home Improvement Highlights

- 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

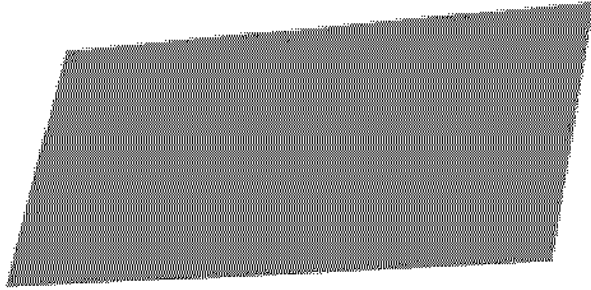
* One site is the acquisition of the M10 Mega store in Adelaide, this acquisition settled on 25 January, 2007



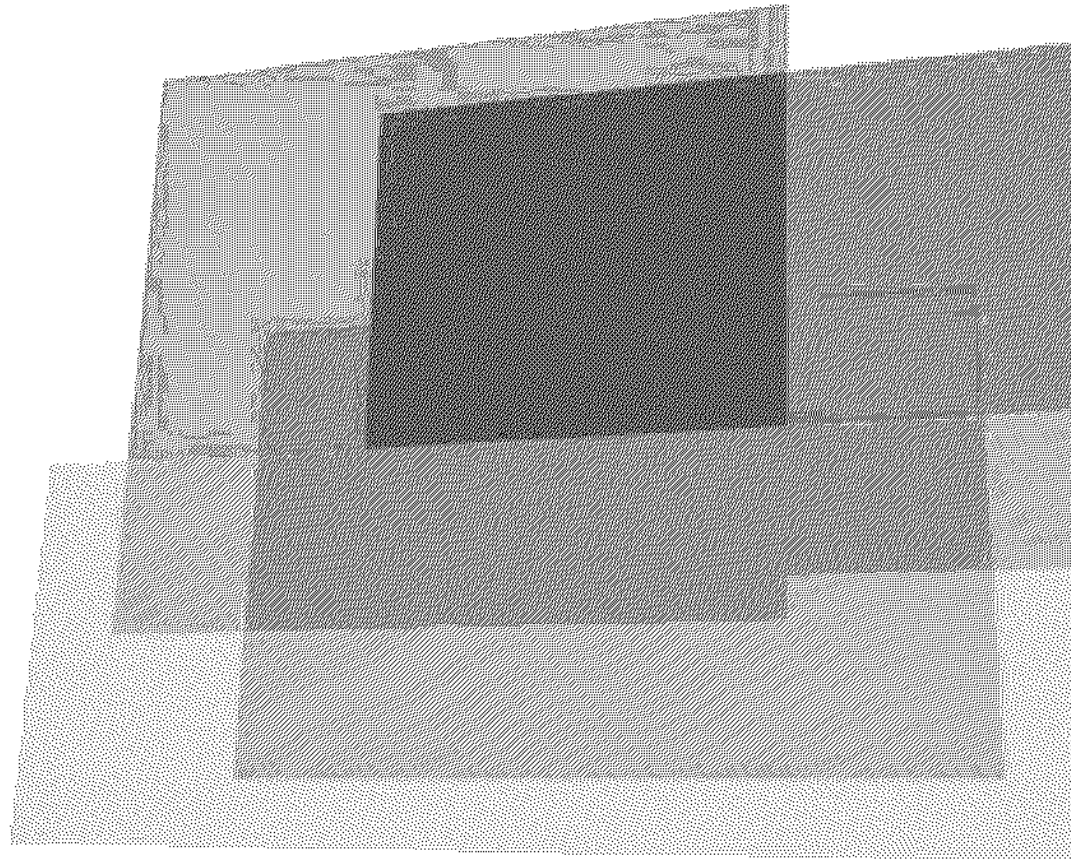
Home Improvement Outlook

- 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

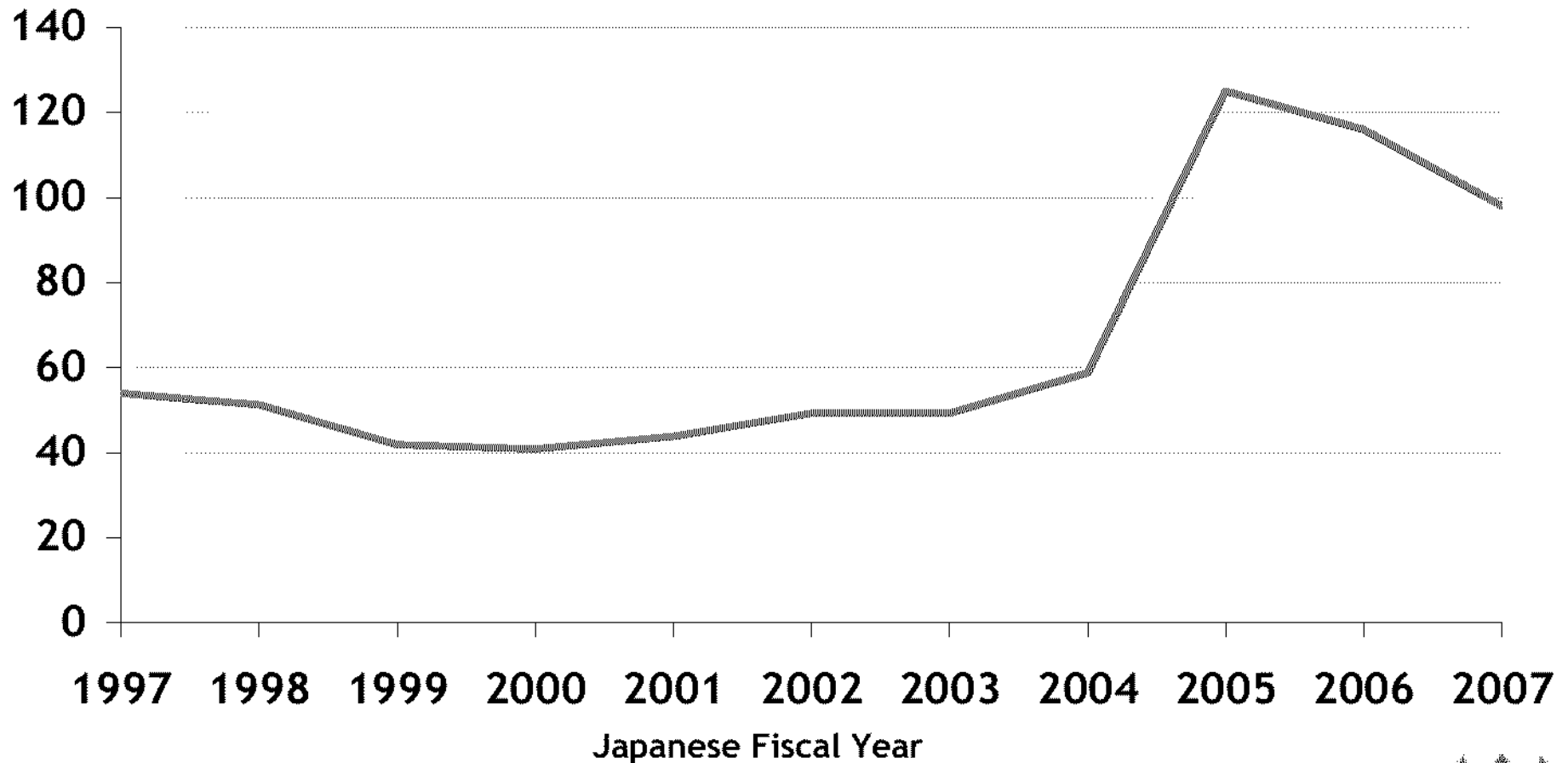
- Increased metallurgical sales
- Curragh North Materials Handling Project commissioning
- Premier Char Demonstration Plant construction completed
- Bengalla Modified Development Consent approval



Metallurgical Coal Prices

Australian Hard Coking Coal to Japan

US\$/Tonne (Nominal) FOB Australia

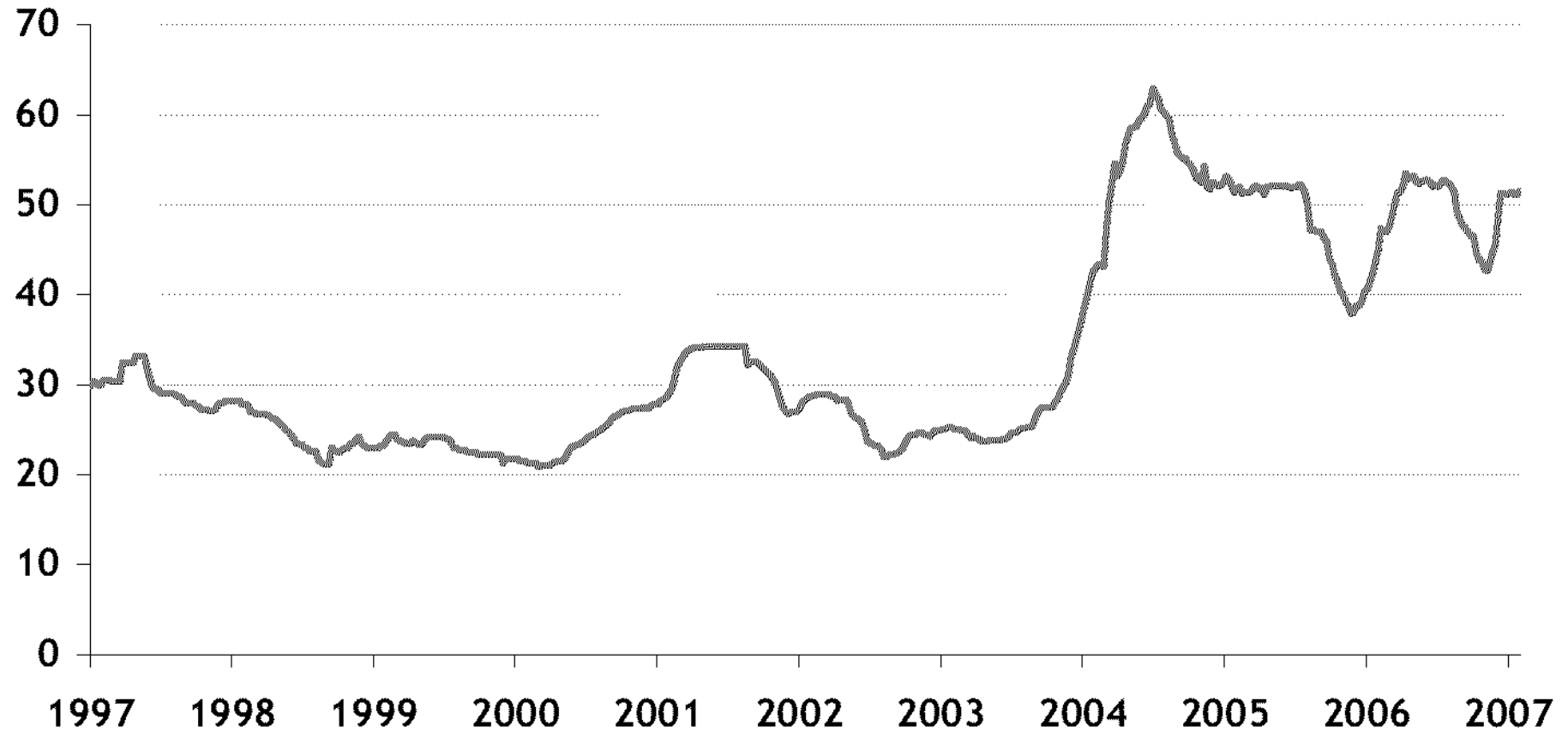


Source: Barlow Jonker



Thermal Coal Prices

US\$/Tonne (Nominal) FOB Newcastle

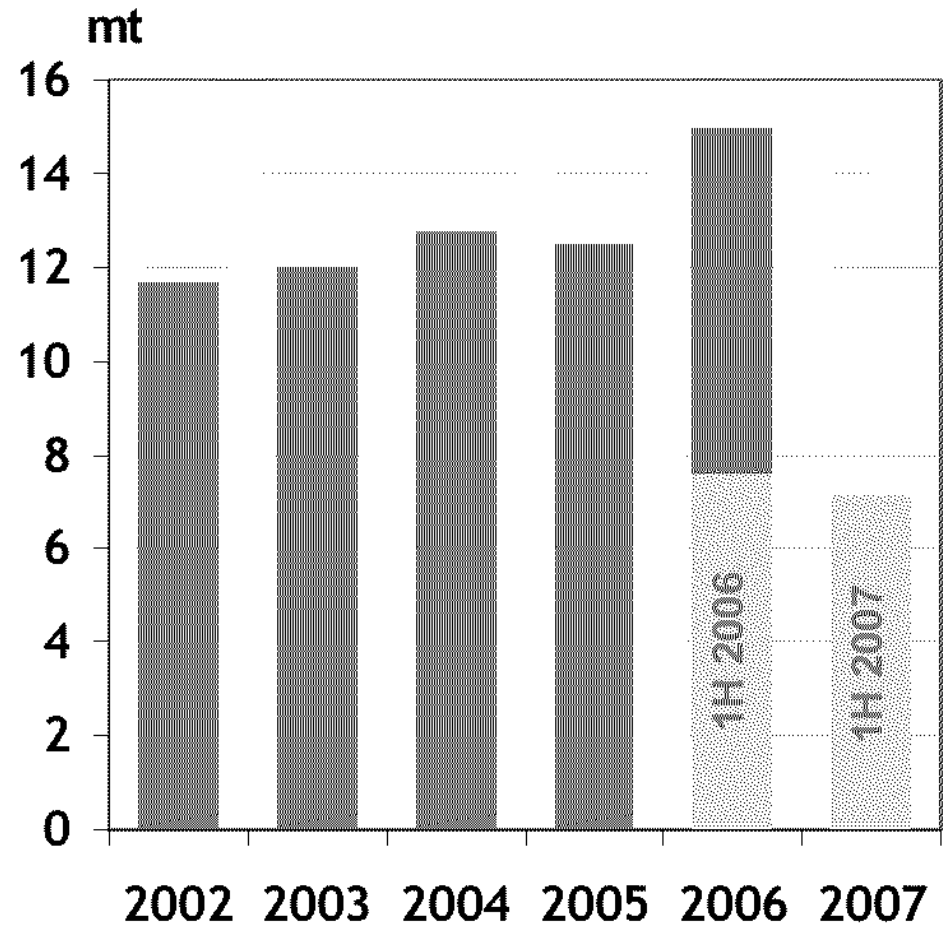


Source: Barlow Jonker



Coal Production

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



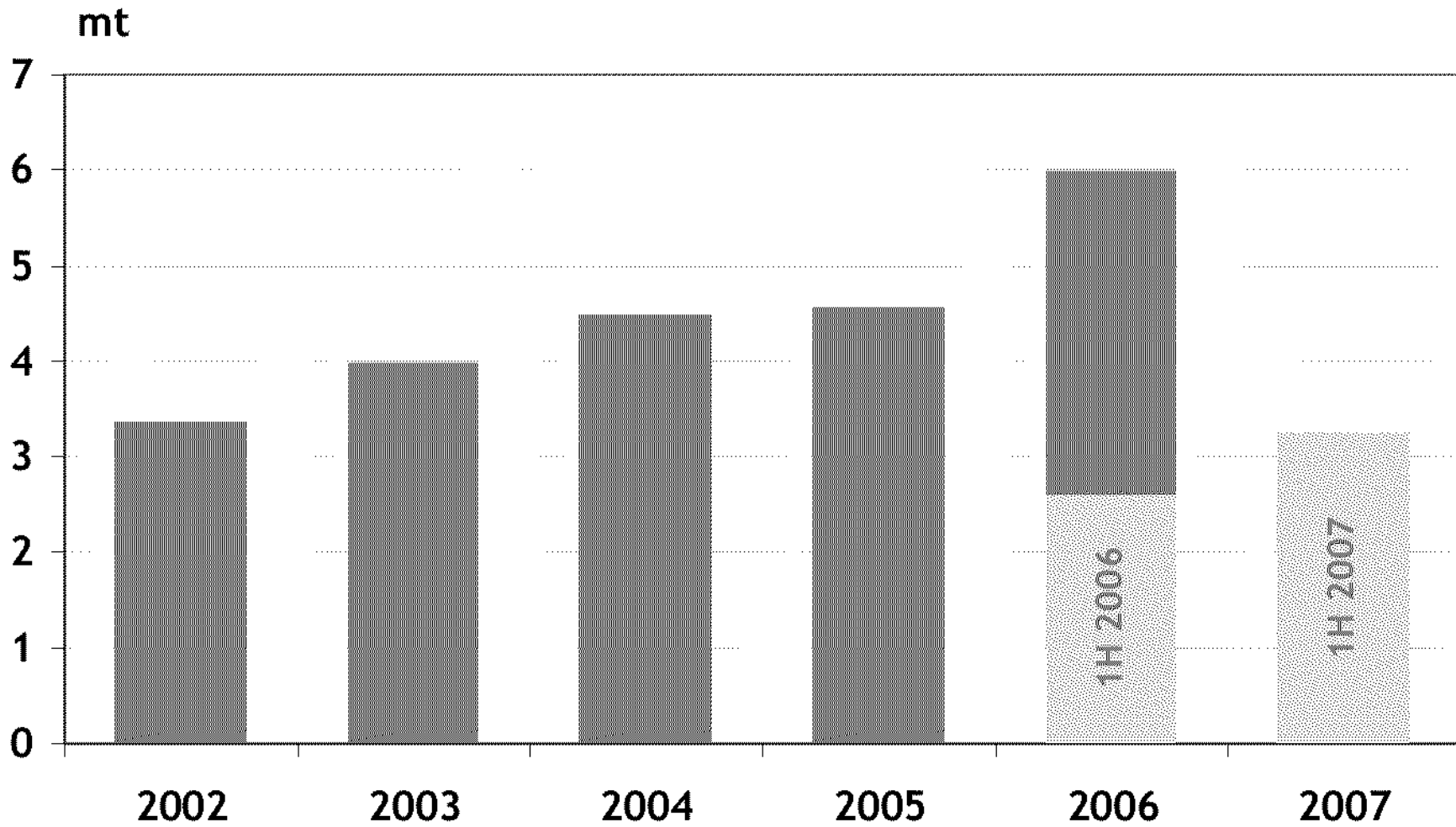
Coal Production

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 %
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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 *

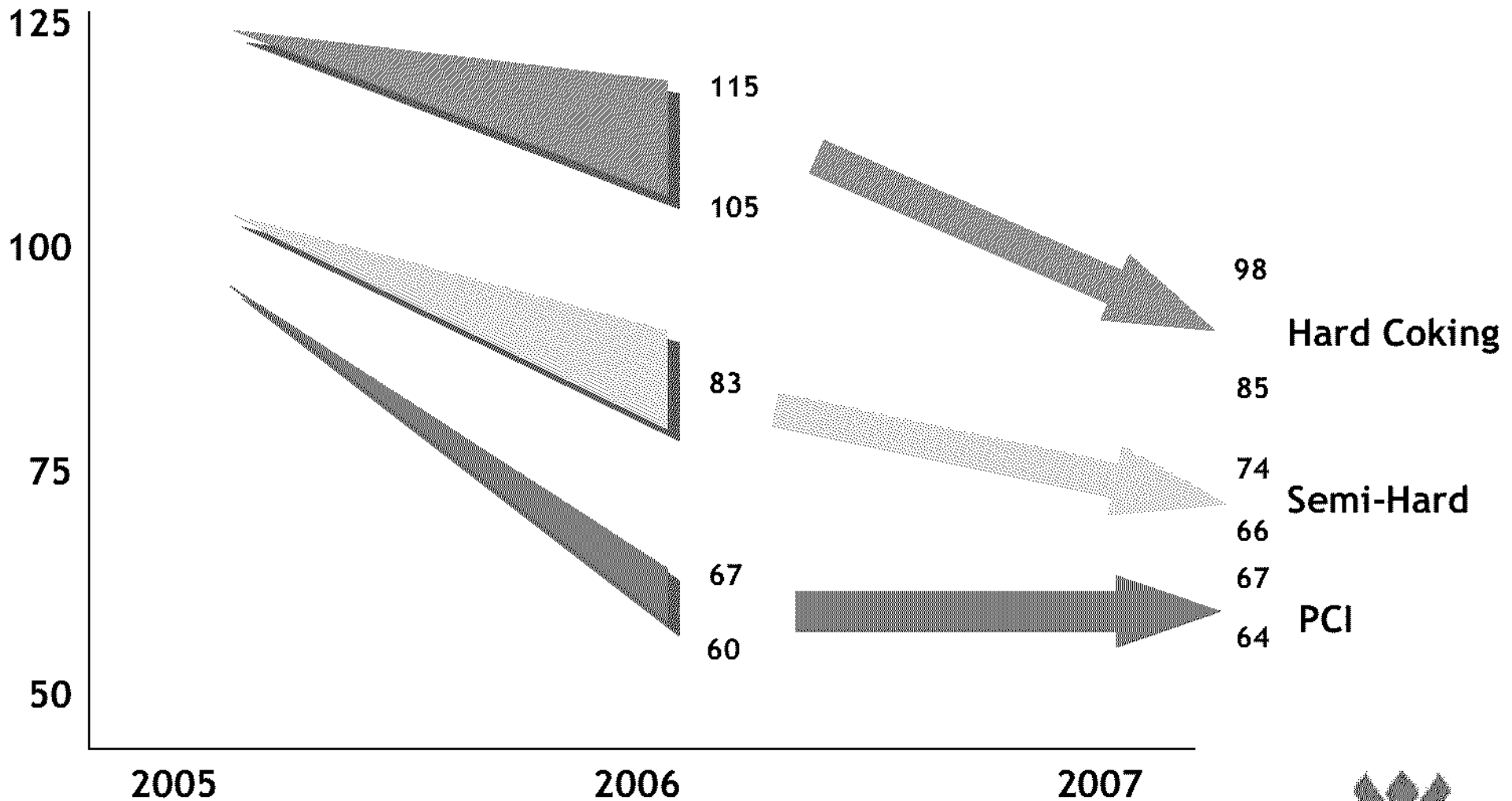
14%

* Excludes Stanwell rebate amortisation



Metallurgical Coal Prices

US\$ / Tonne FOB

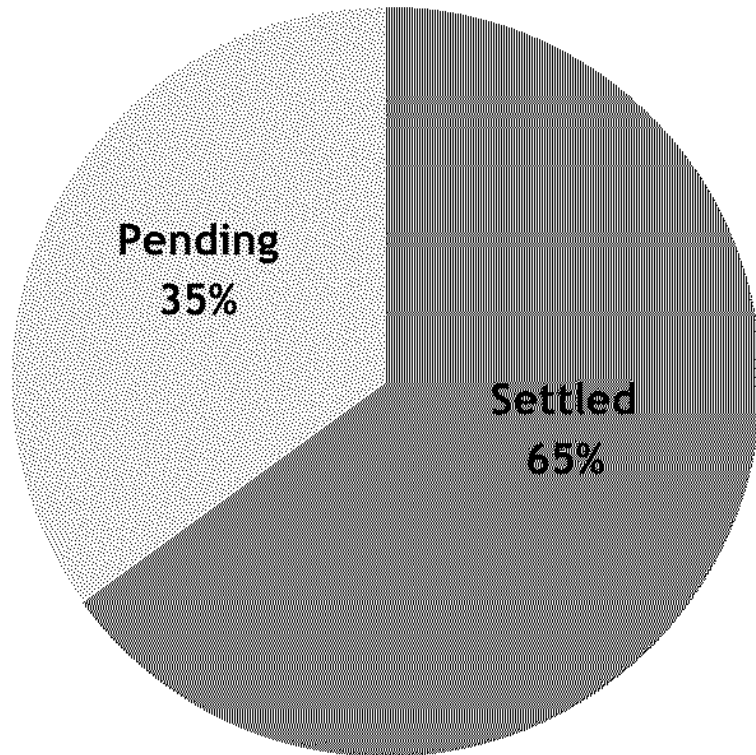


Source: Citigroup April 2006

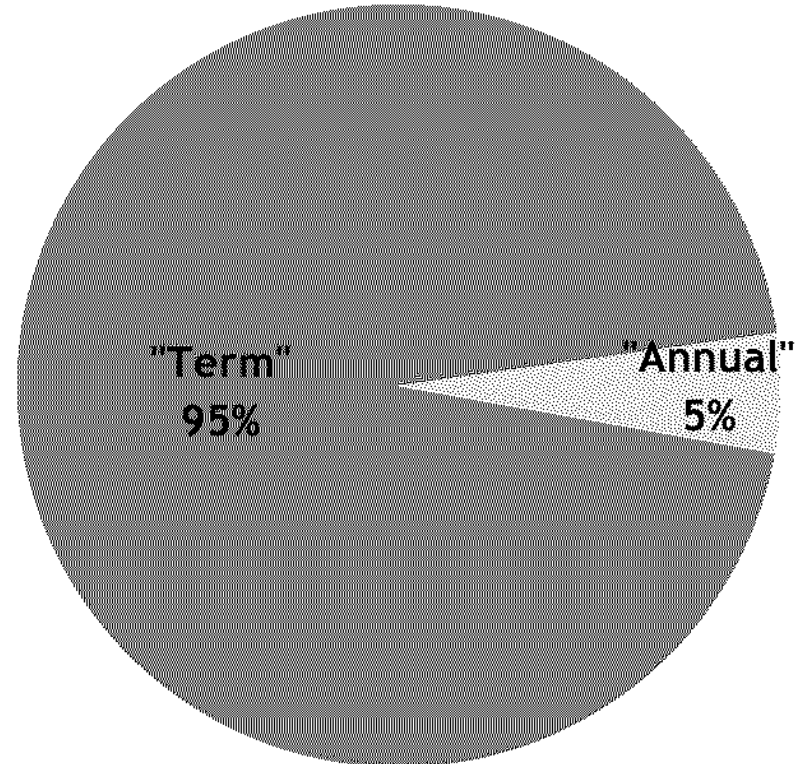
Source: Tex Report



Curragh Export Sales



Contract Price Negotiations



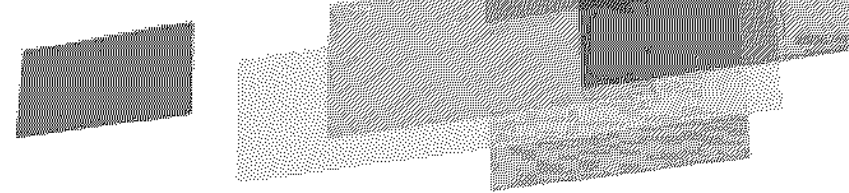
Contract Duration

Term: 3 – 5 Year Contracts

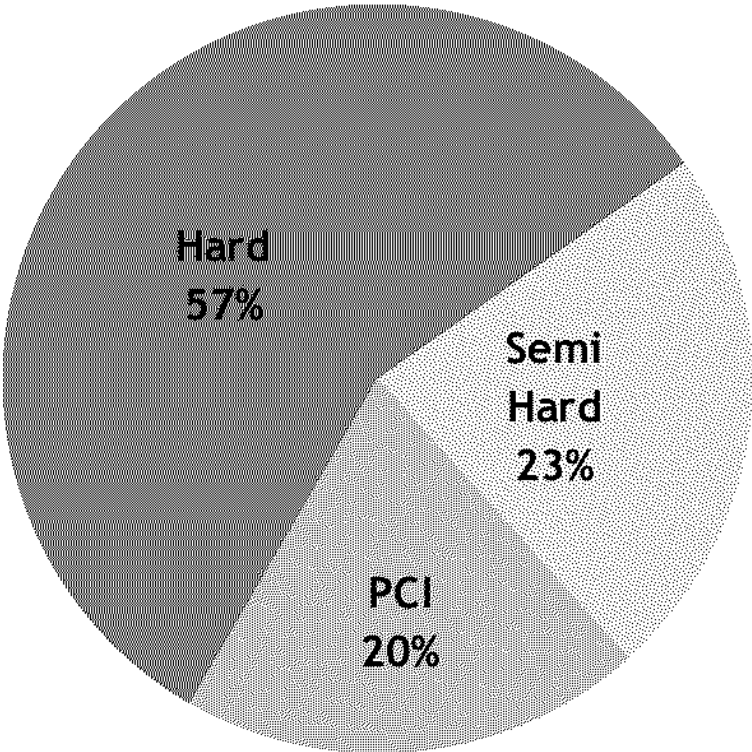
Annual: 1 Year Contracts

As at February 2007



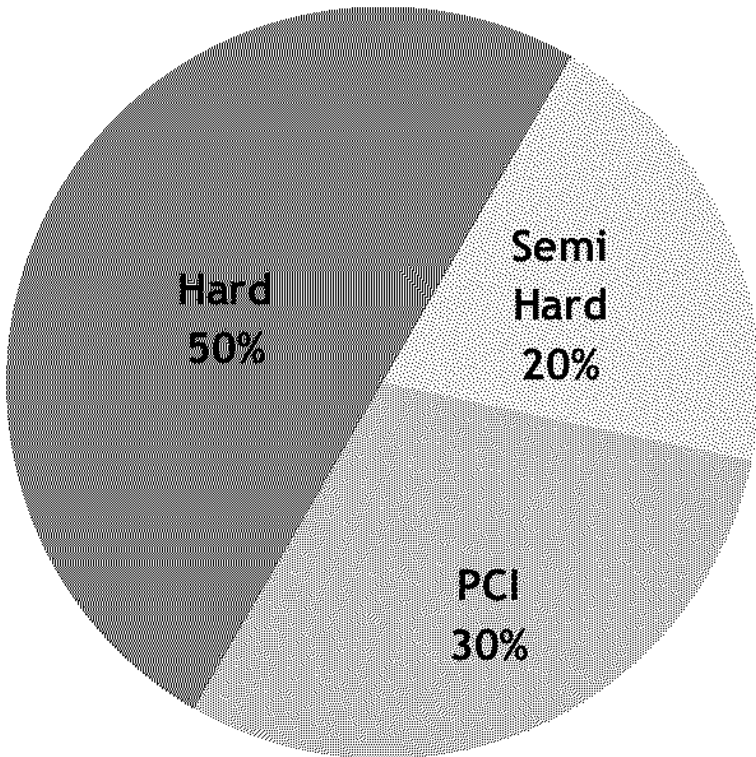


Curragh Metallurgical Sales Mix



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

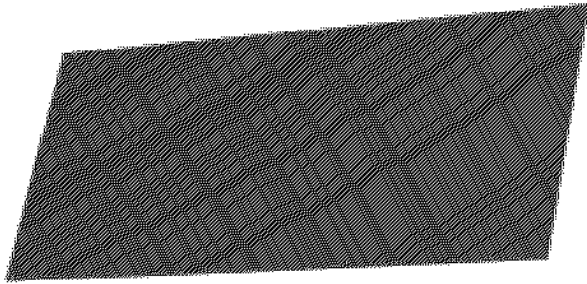
- Restricted system capacity in November added 20 to 25 ships to queue
- Vessel queues increased to 50+ ships in late 2006
- High shipping demurrage
- On going system capacity limitation
- Potential reintroduction of capacity allocation system for coal chain
- Expect continuation of shipping congestion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



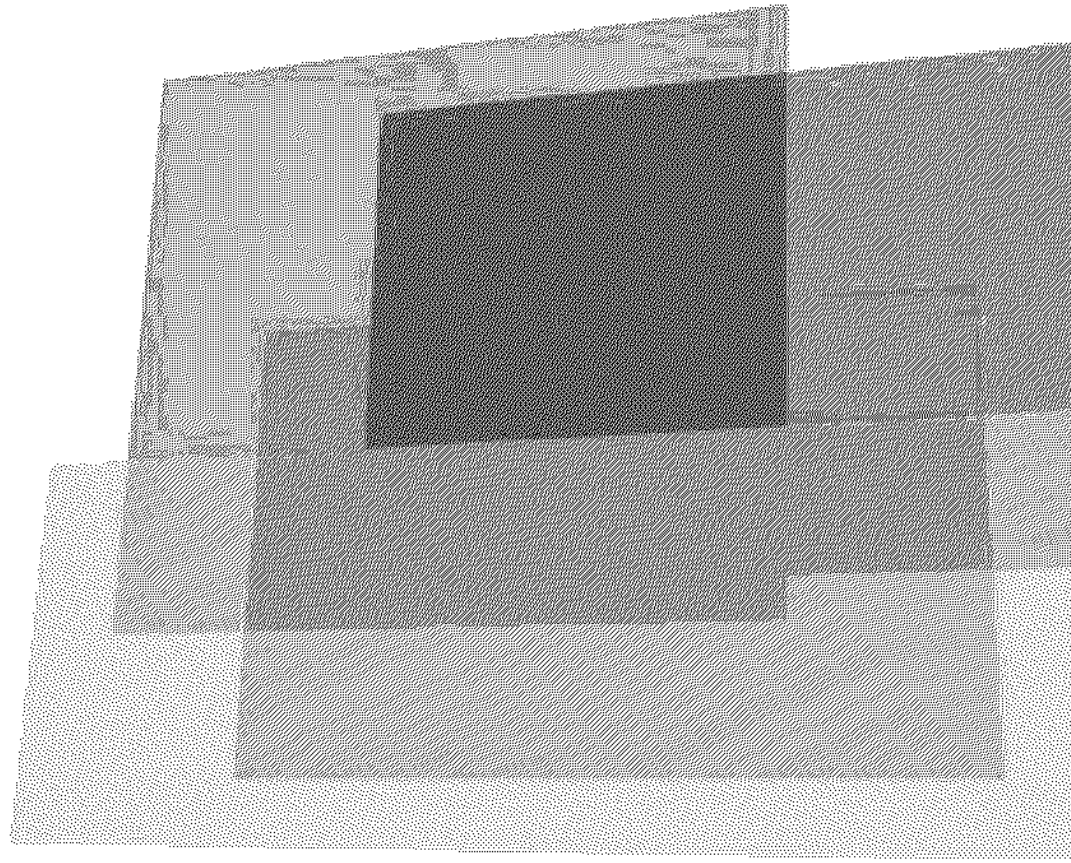
Coal Outlook

- 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 AILL with Lumley (Aust.)
 - Broking operations performing to plan
- Acquisition of Crombie Lockwood announced



Underwriting KPIs

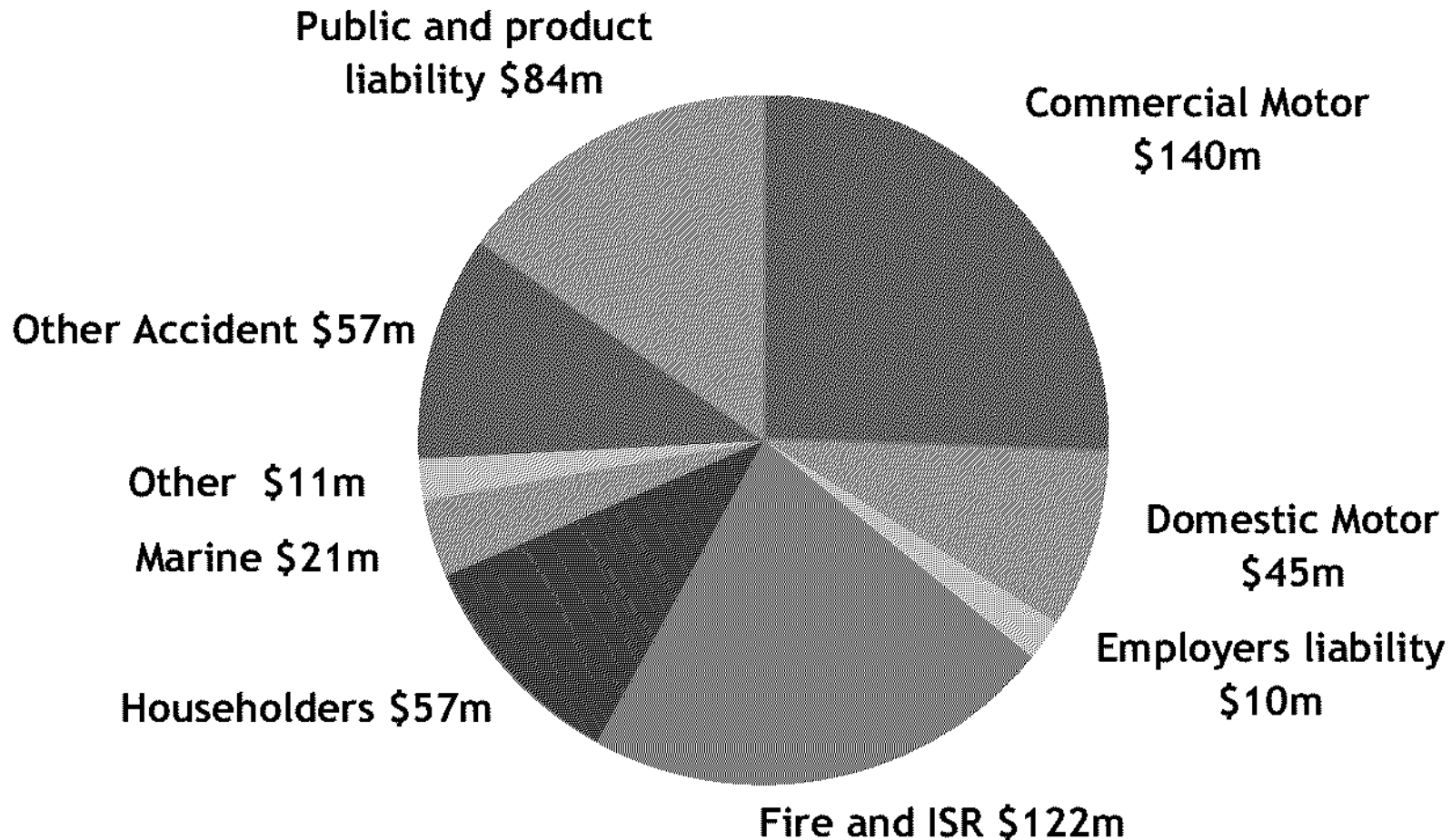
Half Year ended 31 December (%)	2006	2005	↑↓ %pt
Gross Earned Loss Ratio	63.3	59.8	(3.5)
Net Earned Loss Ratio	59.9	61.0	1.1
Reinsurance Expenses (% GEP)	24.1	27.4	3.3
Exchange Commission (% NEP)	7.0	8.6	(1.6)
Commission Expense (% GWP)	14.2	13.4	(0.8)
Total Earned Expenses (% GWP)	28.0	27.3	(0.7)
Combined 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

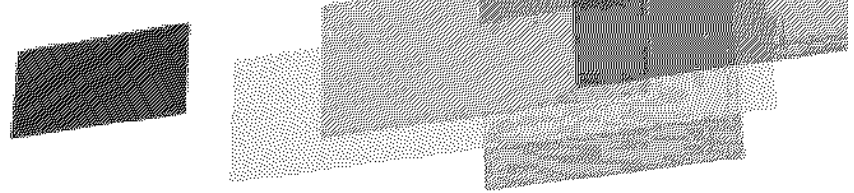


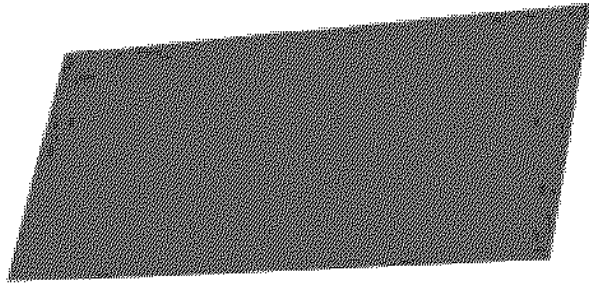
Acquisition Integration

- Integration of OAMPS corporate functions into WID and WES underway
- AILL 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

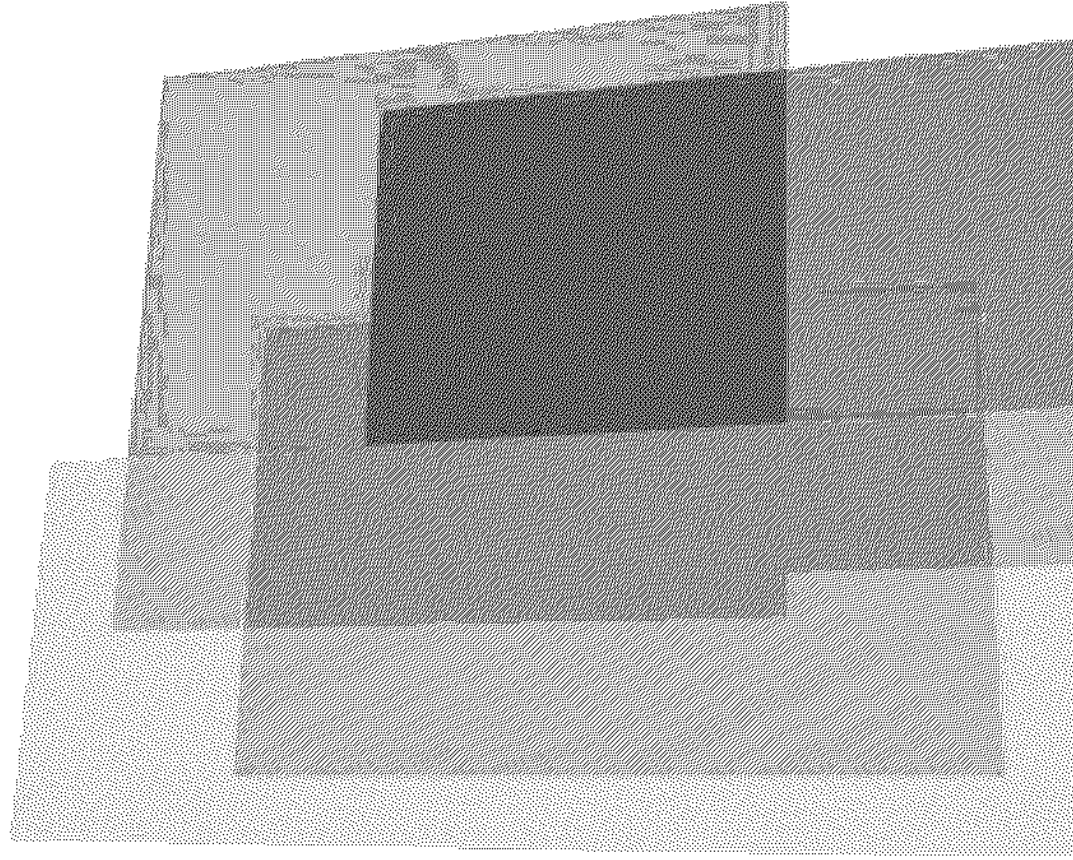


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Industrial & Safety



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 Portfolio

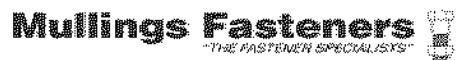
Core business

Blackwoods

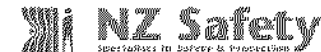
Australian market leader in distribution of Maintenance, Repair and Operating supplies (MRO)

National Specialist Businesses

Australia



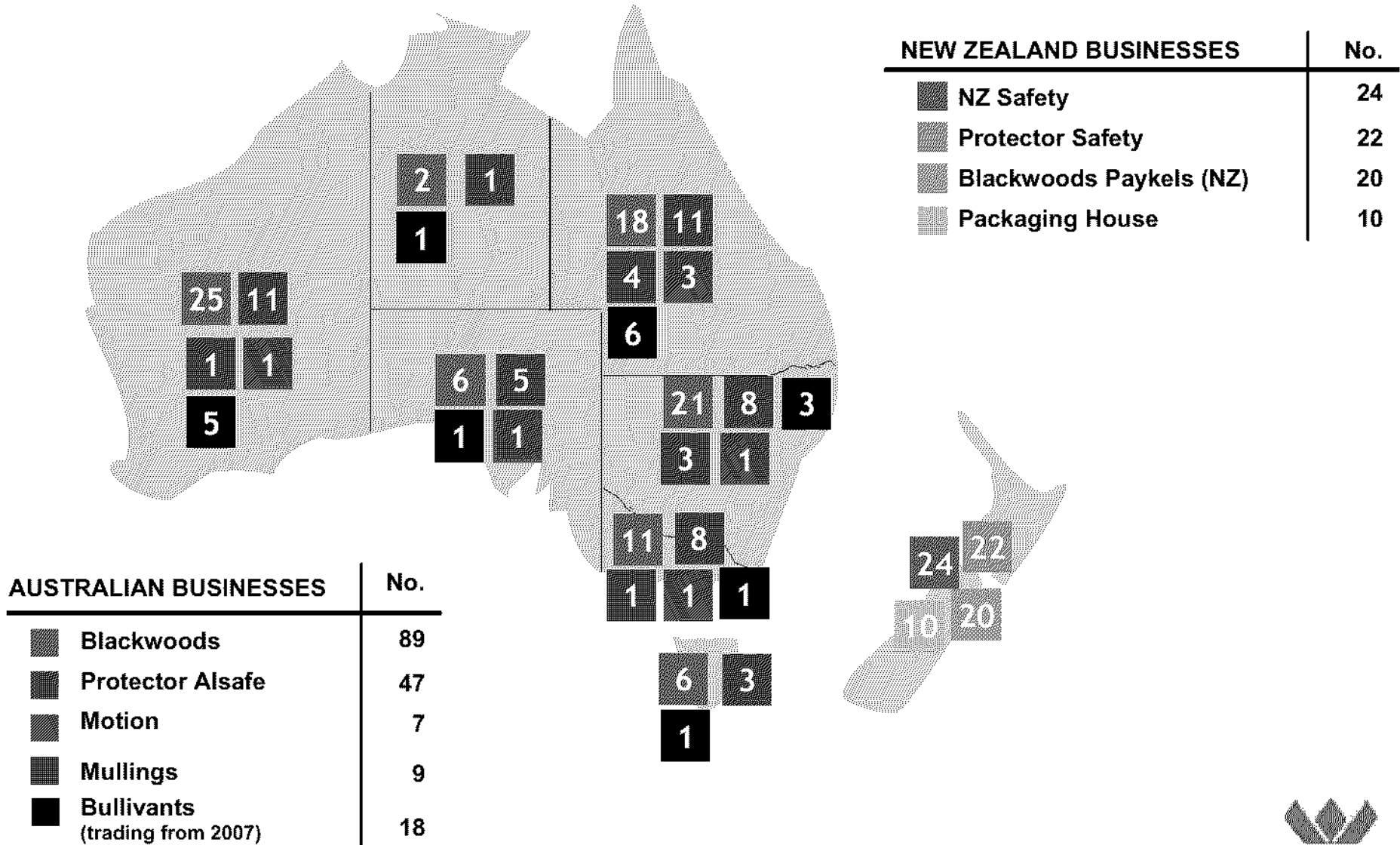
New Zealand



Blackwoods & Paykels



Industrial & Safety - Distribution Network



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

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	

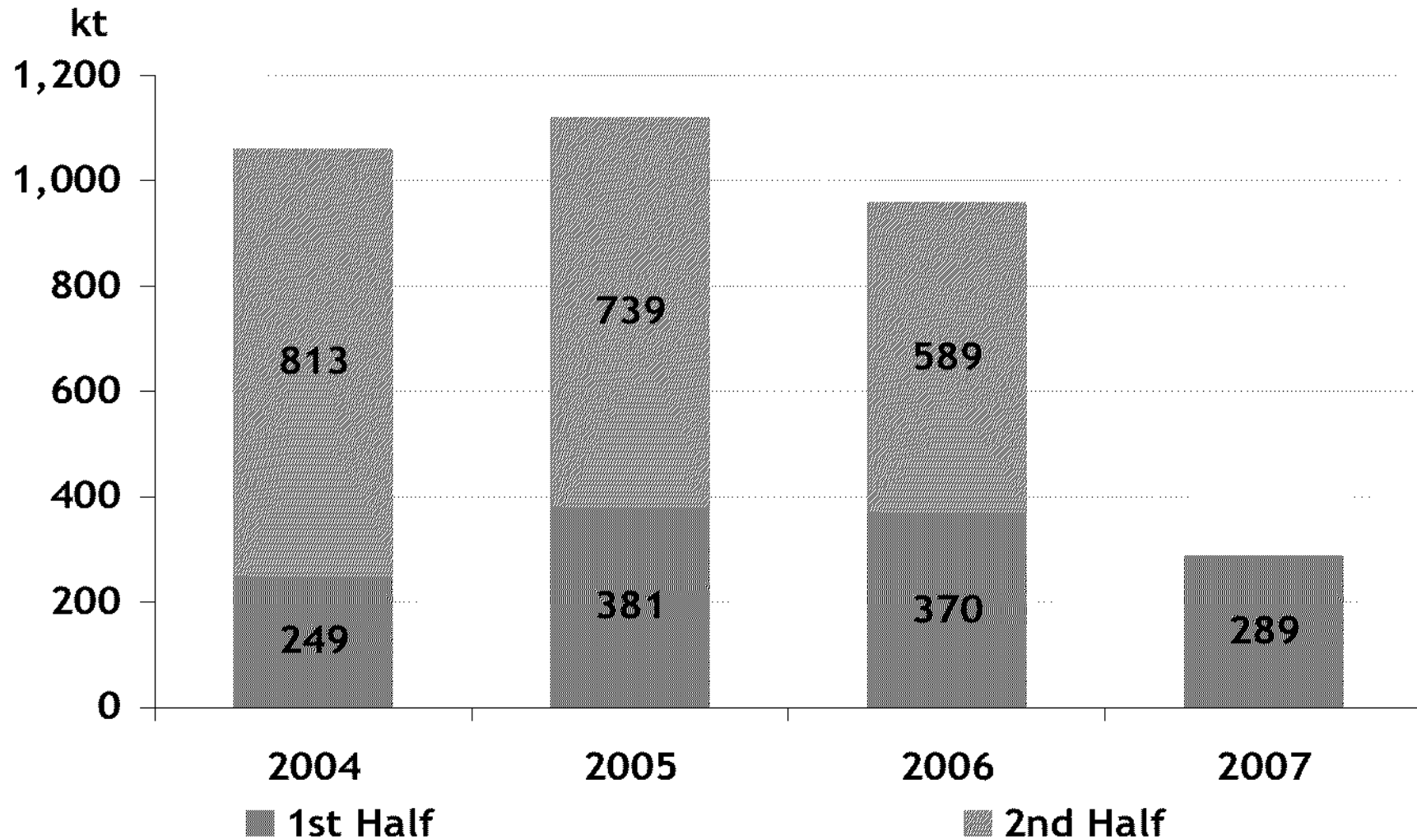


Chemicals & Fertilisers Highlights

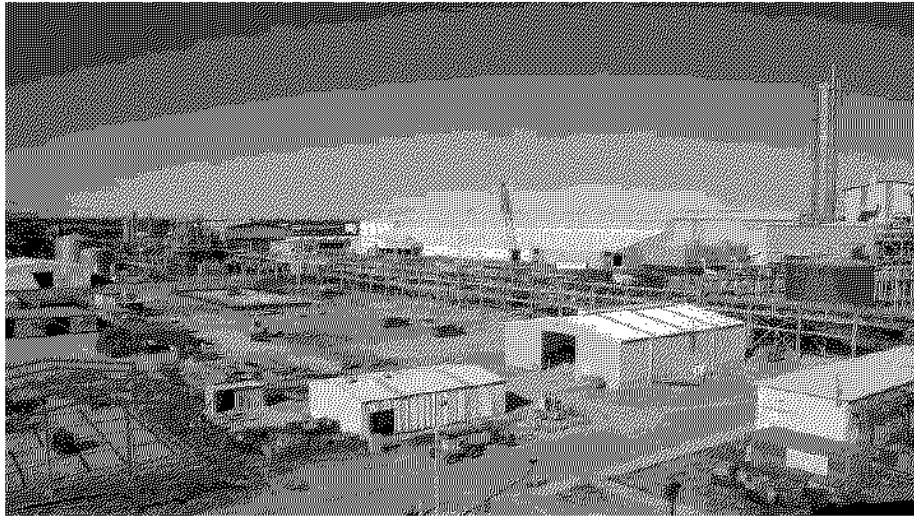
- Ammonia plant shutdown completed within budget
 - Plant performance uplift due to firm gas transmission capacity
- Significantly improved contribution from QNP
 - Steady plant performance (maintenance shutdown in pcp)
 - Lower than budgeted imports
- Incremental improvement from sodium cyanide, ammonium 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



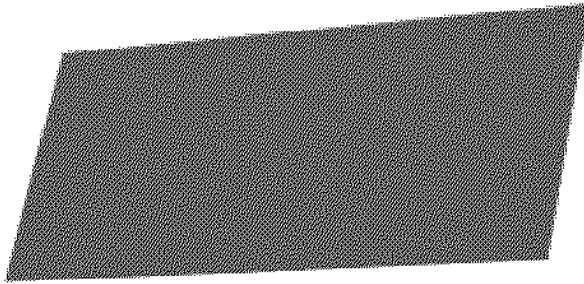
Kwinana AN Expansion



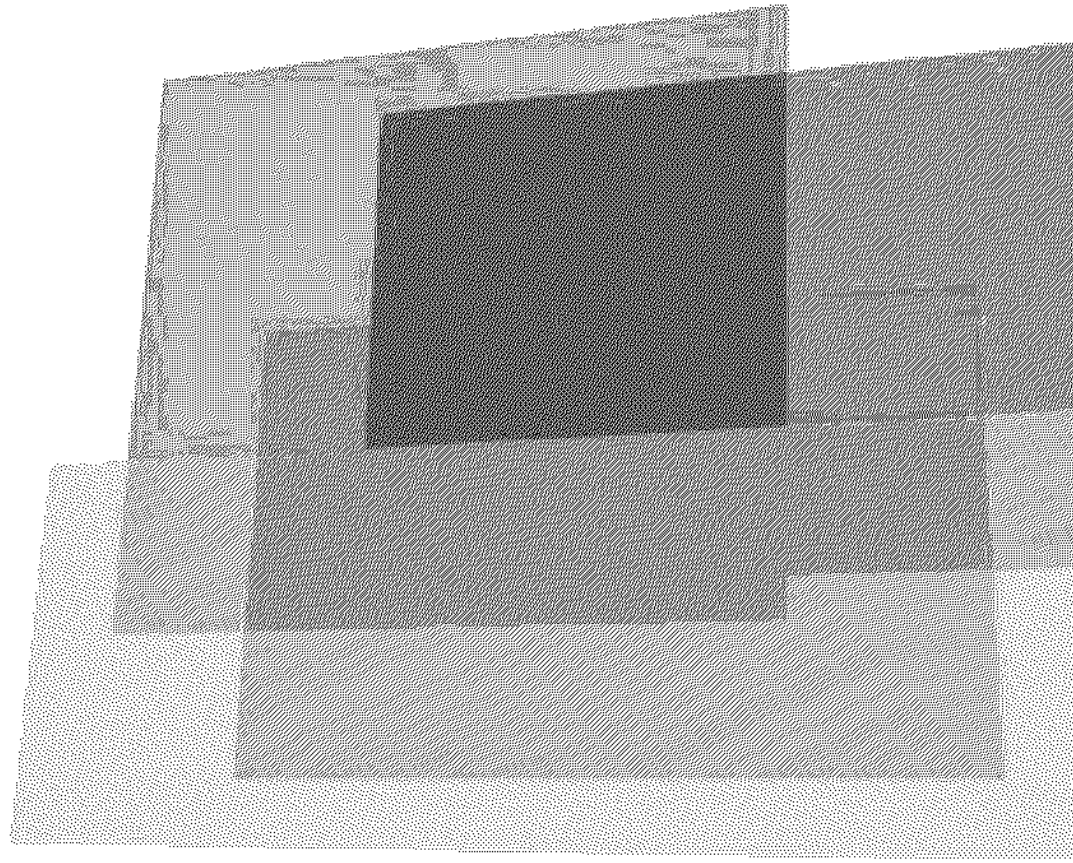
Chemicals & Fertilisers Outlook

- 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

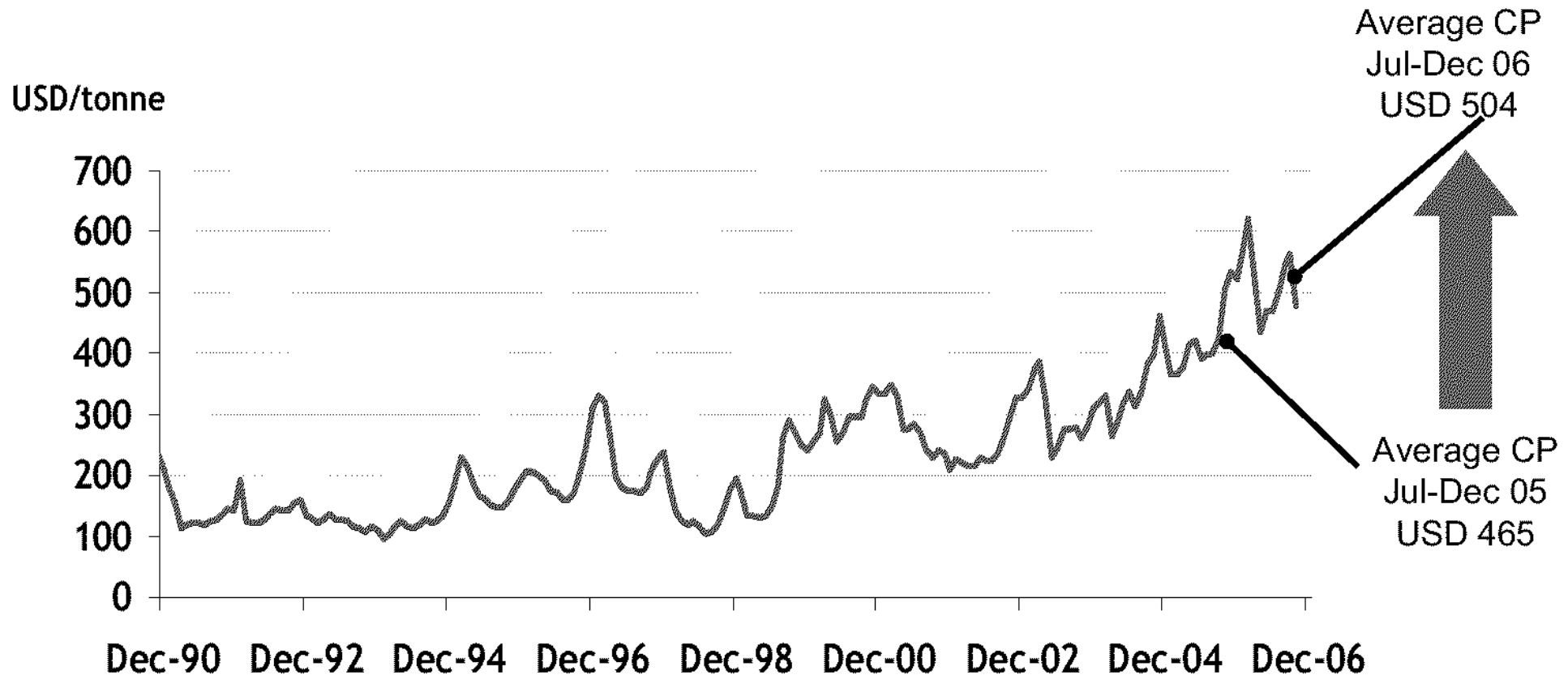


Energy Highlights

- 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



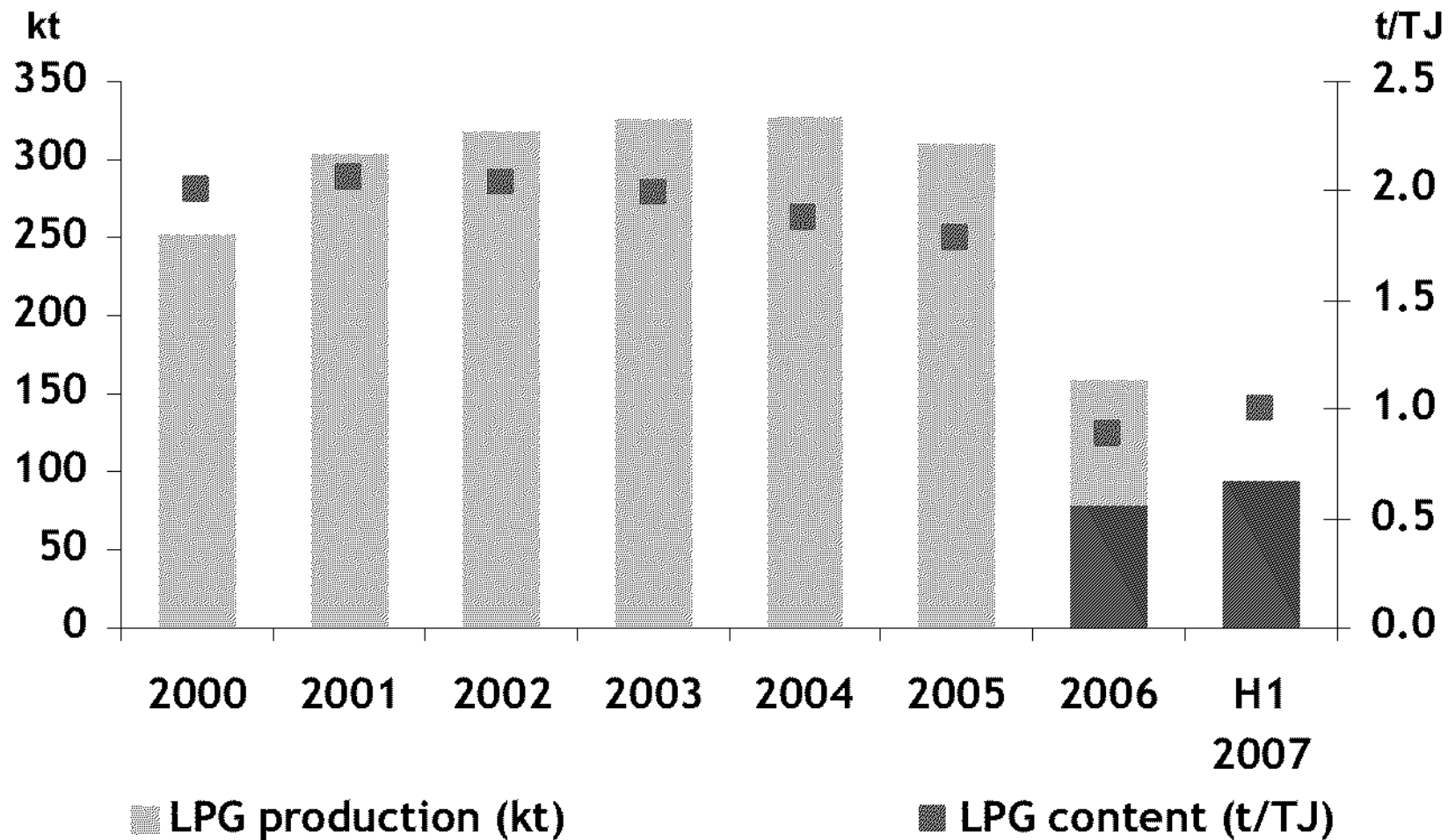
Continued high world LPG prices



Continued volume pressure on Kleenheat Gas



LPG Production and Content



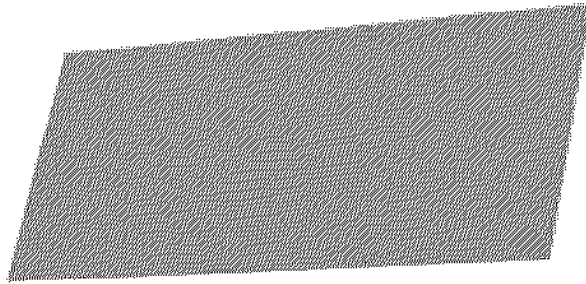
WLPG production 19.3% above previous corresponding period



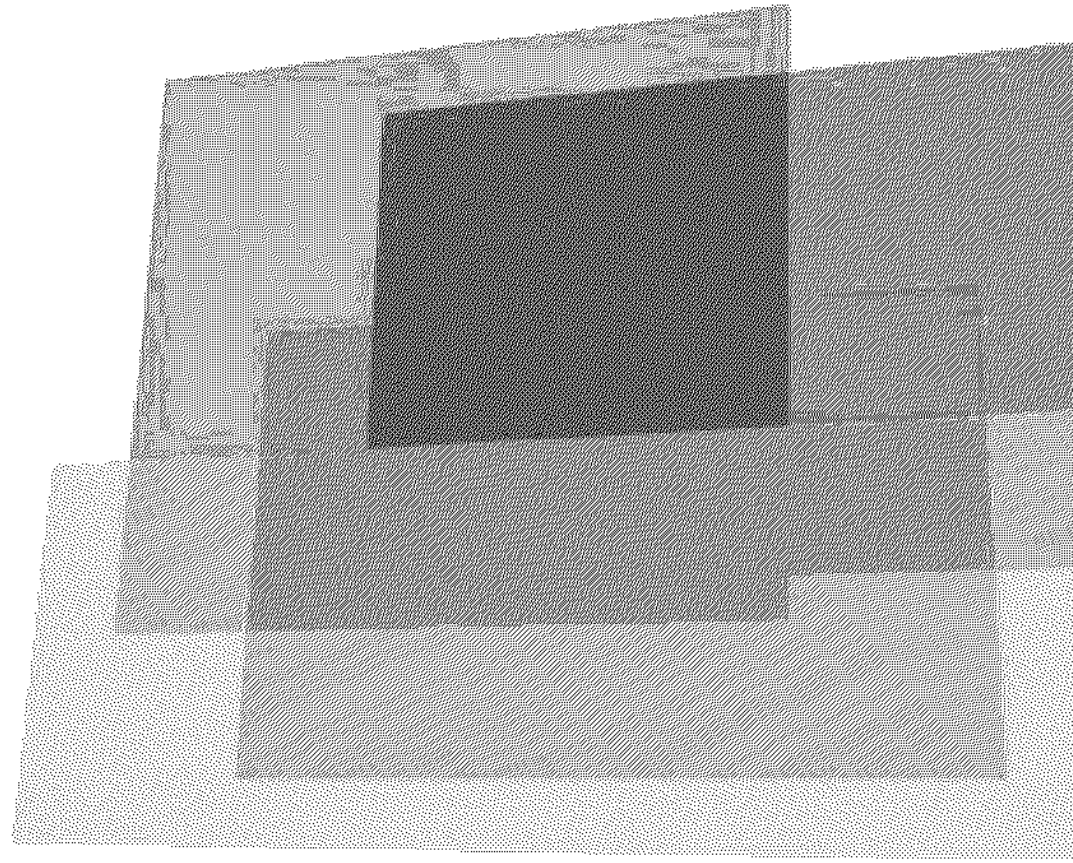
Energy Outlook

- 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

mining / infrastructure
contractor

NORCROS

Riviera

ocean cruisers



Raywood

vehicle control systems

Raywood



Gresham Private Equity

Fund 2

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

CURRENT INVESTMENT PORTFOLIO

Noel Leeming

electrical retailer
(New Zealand)

Noel Leeming
www.noelleeming.co.nz

Australian Pacific Paper Products

manufacturer & distributor
of disposable nappies (Australia)



Pacific Print Group

leading commercial printing
business (New Zealand)

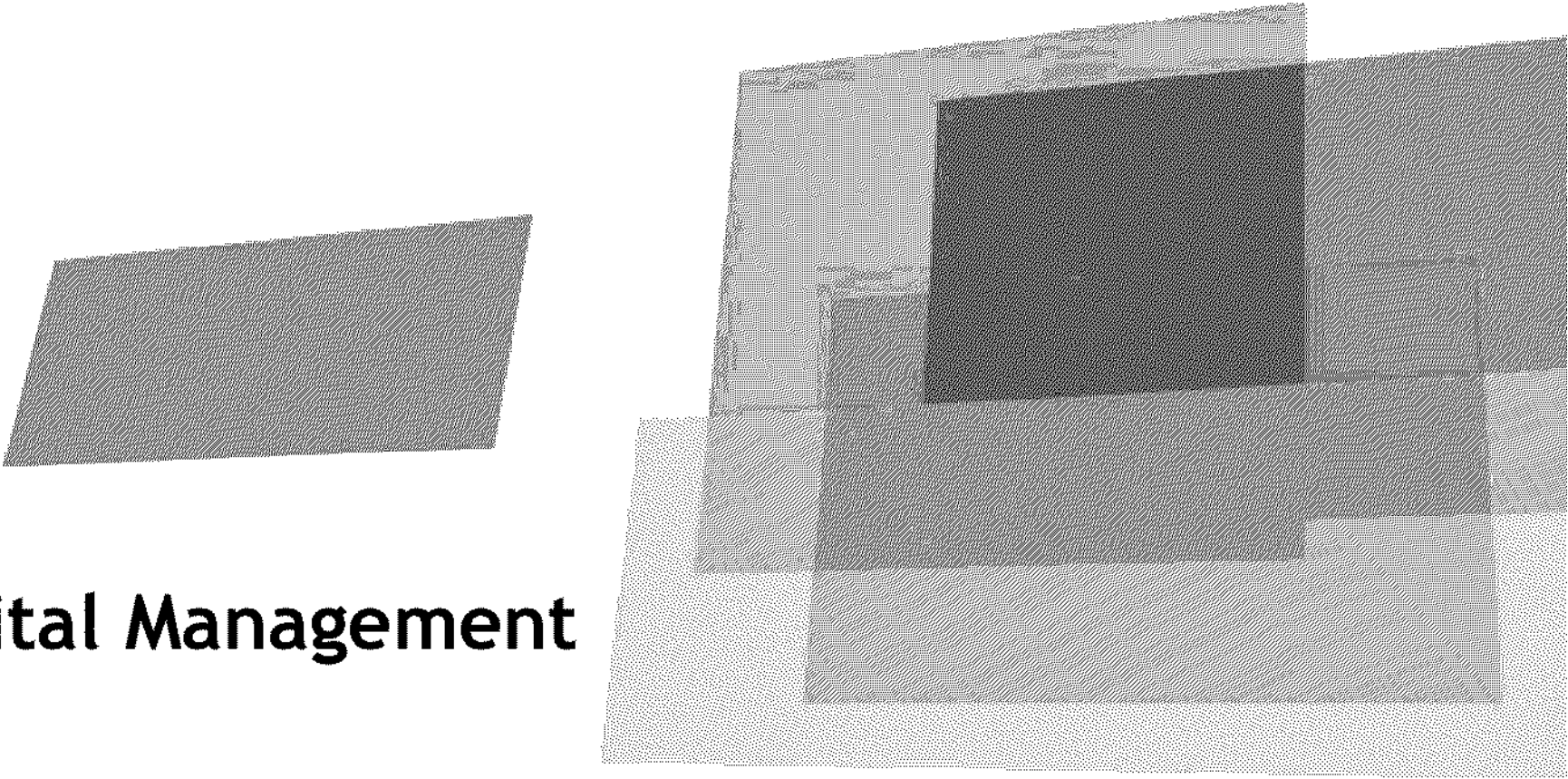
Pacific Print Group

Witchery

women's fashion
apparel

WITCHERY



Abstract geometric shapes, including a tilted rectangle and a complex arrangement of overlapping squares and rectangles, some with halftone patterns.

Capital Management

Capital Management

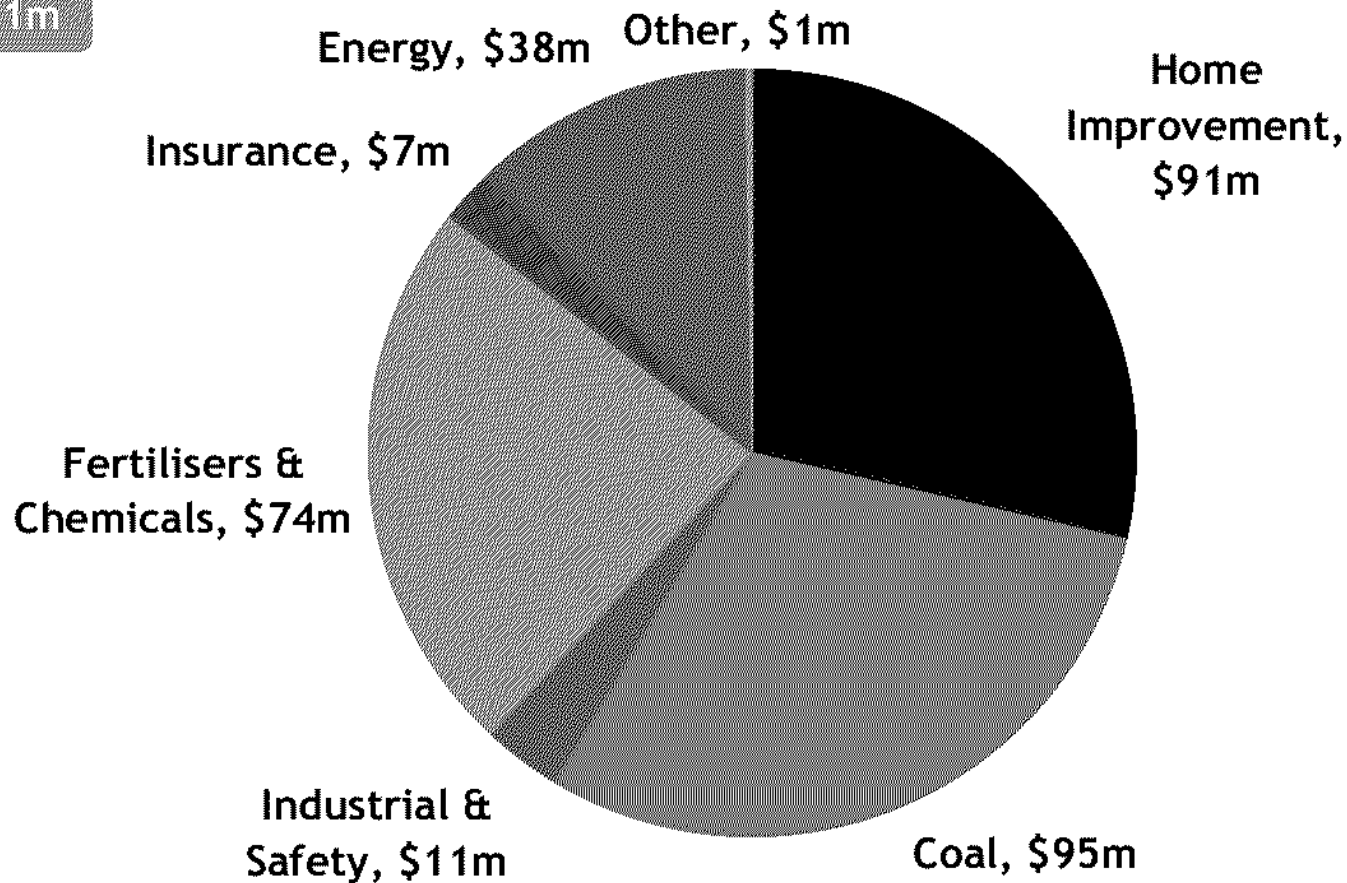
- Funding OAMPS, Linde and Crombie Lockwood takes the ND:E ratio above the high end of preferred range
- Cash flow cover remains strong
- Focus is to match capital structure to funding requirements
- Dividend Investment Plan reinstated
 - 100% underwritten for interim dividend



Capital Expenditure

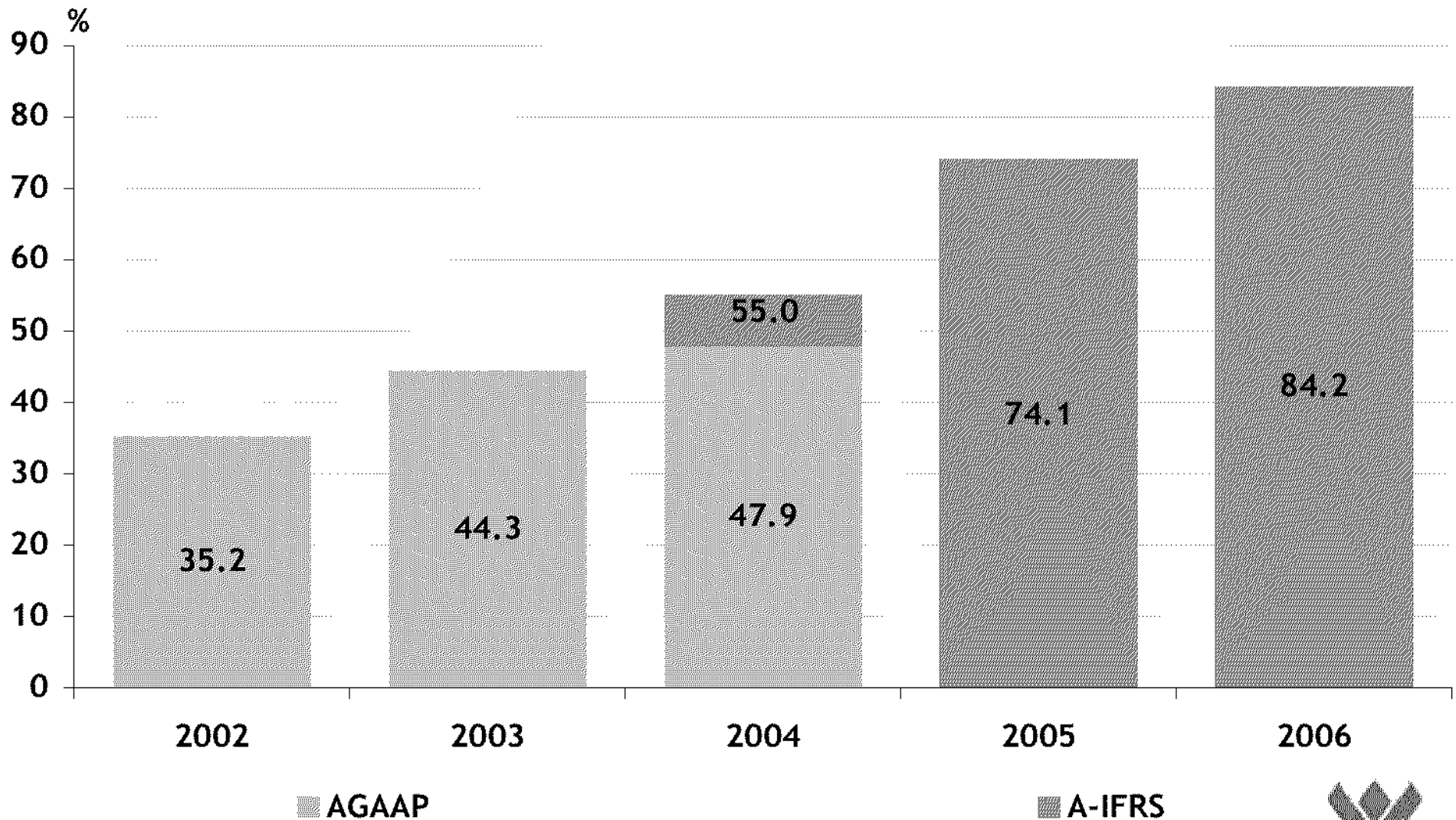
Half Year ended 31 December 2006

A\$317.1m



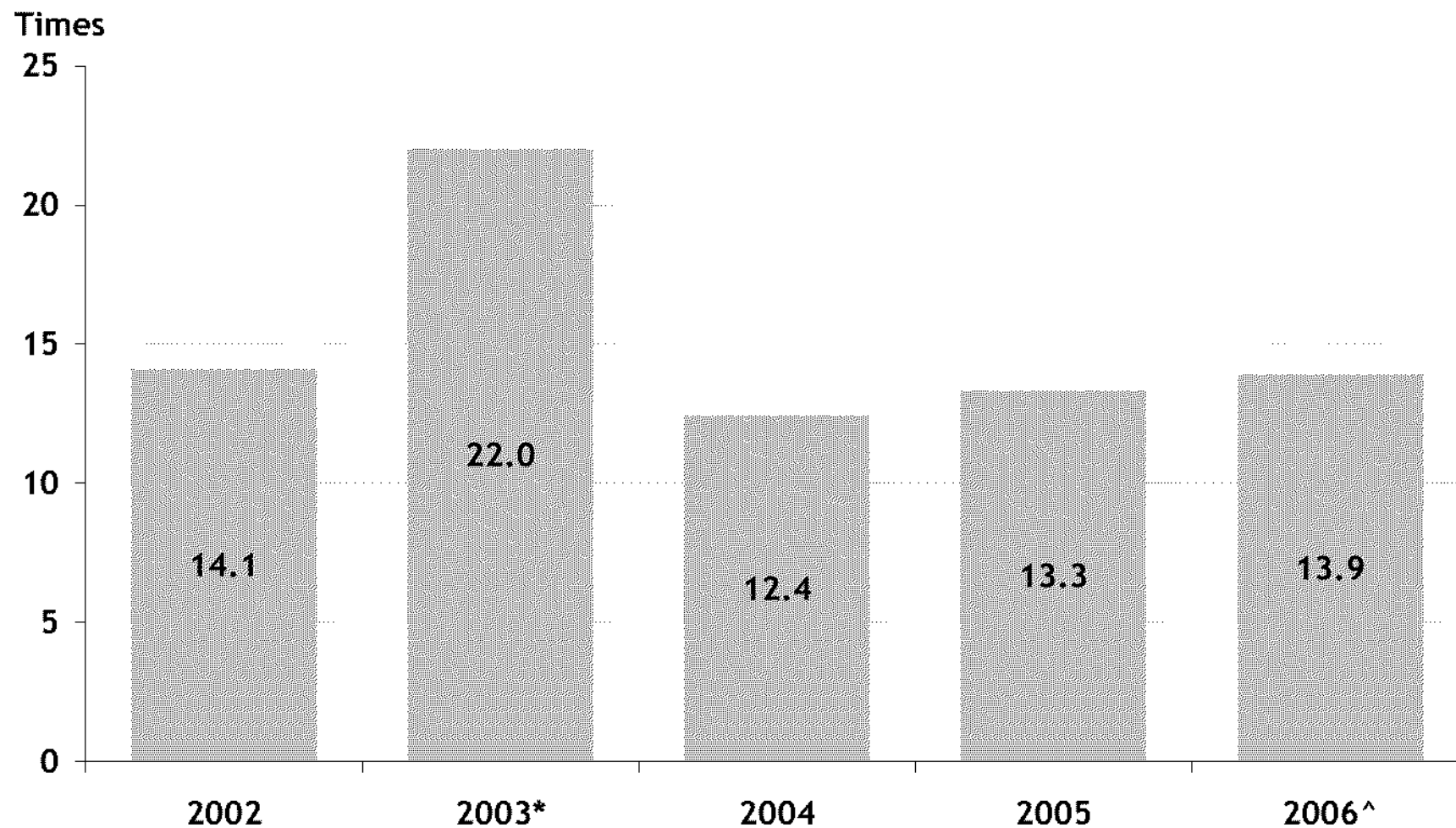
Net Debt/Equity

(as at 31 December)



Interest Cover Ratio (cash basis)

(Rolling 12 months to 31 December)

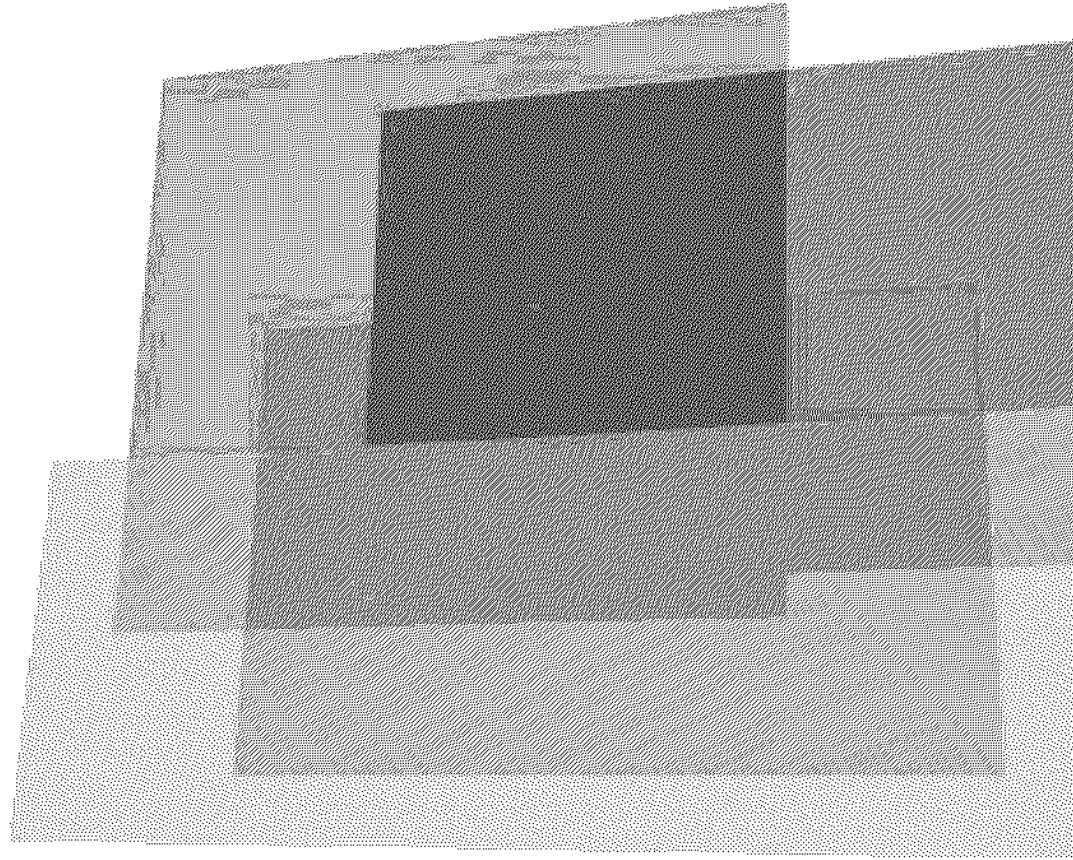


* Excludes the sale of Landmark and Girrah

^ Excludes the sale of ARG



Outlook



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

For all the latest news visit

www.wesfarmers.com.au