



2006 Annual Results Information Pack

15 August 2006



Table of Contents



1	Group Performance	3
2	Energy	9
3	Home Improvement	27
4	Insurance	33
5	Industrial and Safety	43
6	Chemicals and Fertilisers	51
7	Other Businesses	58
8	Capital Structure	63
9	Outlook	68

1. Group Performance



Group Performance Summary



Year ended 30 June (\$m)	2006	2005	%
Operating revenue	8,858.8	8,158.6	8.6
EBITDA (excluding sale of ARG)	1,649.5	1,259.7	30.9
EBIT (excluding sale of ARG)	1,366.0	1,070.8	27.6
Net profit after tax (excluding sale of ARG)	869.4	701.8	23.9
Net profit on sale of ARG	178.7		
Net profit after tax	1,048.1	701.8	49.3
Operating cash flow	1,129.1	935.0	20.8
Earnings per share (excluding sale of ARG) (cents)	235.6	192.0	22.7
Earnings per share (cents)	284.0	192.0	47.9
Cash flow per share (cents)	298.7	247.8	20.5
Dividends per share (cents)	215.0	180.0	19.4

Divisional EBIT



Year ended 30 June (\$m)	2006	2005	%
Home Improvement	420.5	415.7	1.1
Energy	627.2	317.1	97.8
Insurance	124.8	134.9	(7.5)
Industrial & Safety	96.8	108.8	(11.0)
Chemicals & Fertilisers	81.4	89.4	(8.9)
Other (excluding sale of ARG)	15.3	4.9	
Total (excluding sale of ARG)	1,366.0	1,070.8	27.6

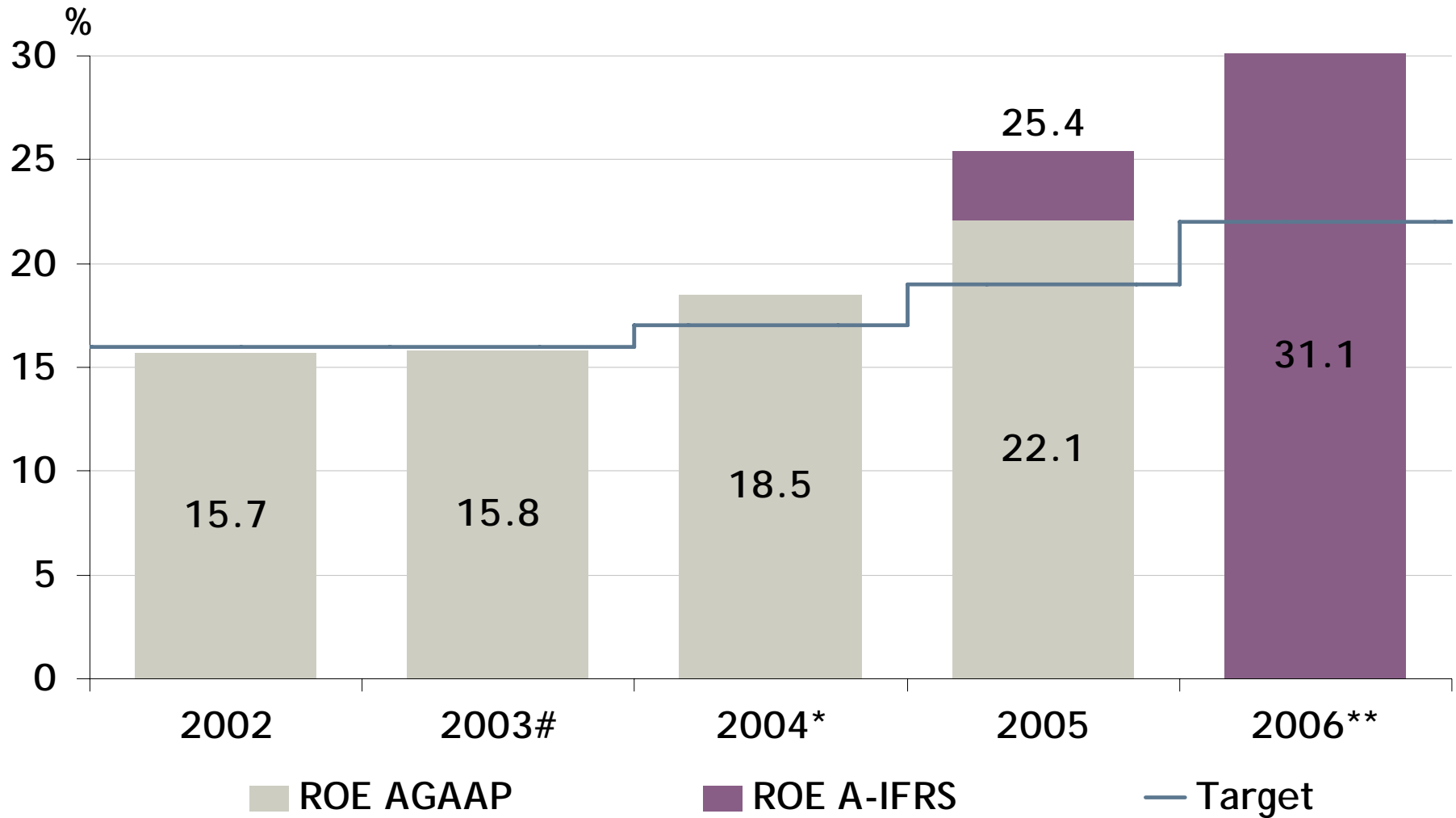
Divisional ROC & Capital Employed



Year ended 30 June	2006			2005
	EBIT \$m	R12 Capital Employed \$m	ROC %	ROC %
Home Improvement	420.5	1,838.0	22.9	23.3
Energy	627.2	921.7	68.0	47.6
Insurance	124.8	403.6	30.9	31.3
Industrial & Safety	96.8	769.1	12.6	13.6
Chemicals & Fertilisers	81.4	540.4	15.1	18.1

Return on Shareholders' Funds

(pre goodwill)



Excludes sale of Girrah

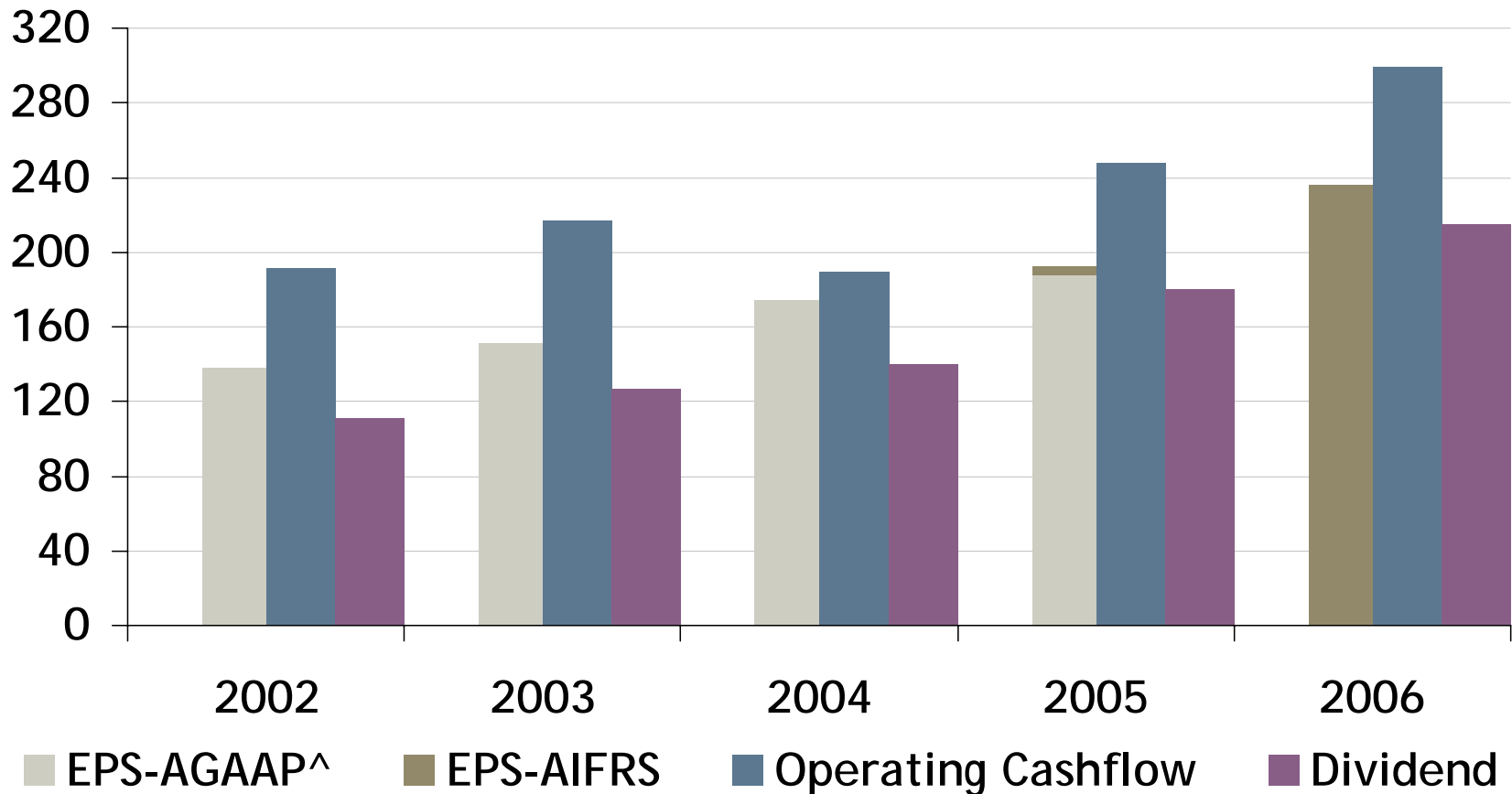
* Excludes sale of Landmark

** Excludes sale of ARG

Earnings/Operating Cashflow/Dividend (per share)



Cents



EPS and Operating Cashflow per share excludes sale of Girrah (2003), Landmark (2004) and ARG (2006)
[^] AGAAP EPS excludes goodwill amortisation

2. Energy



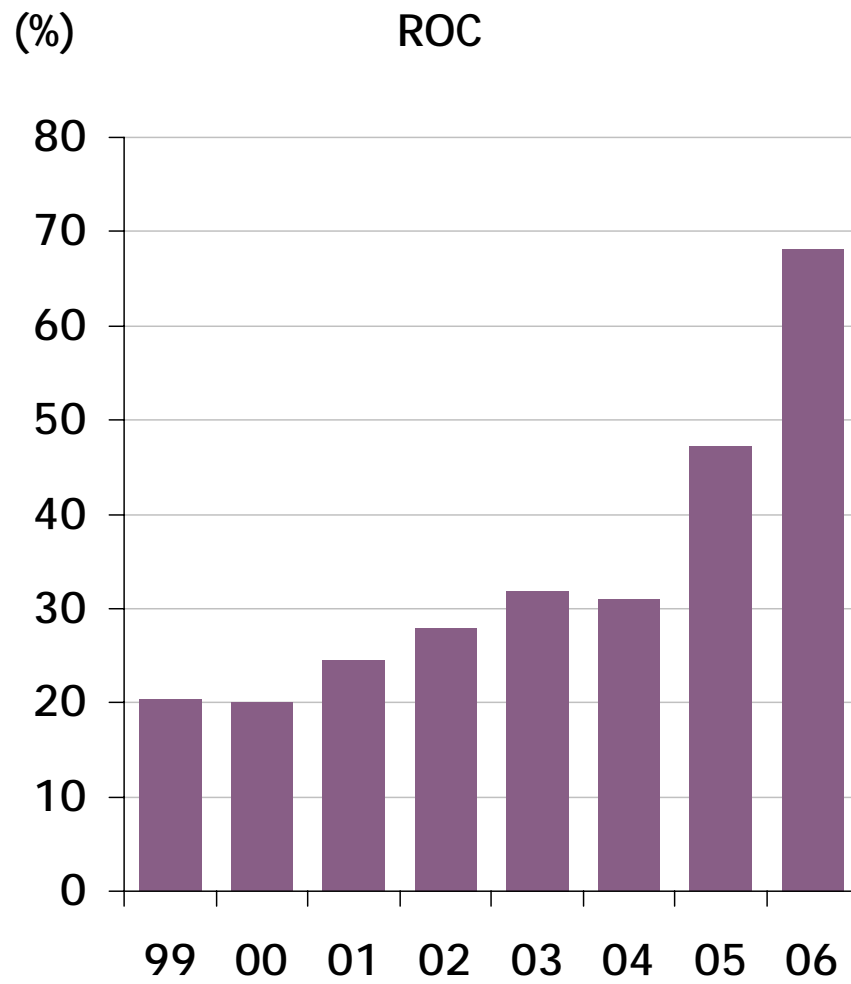
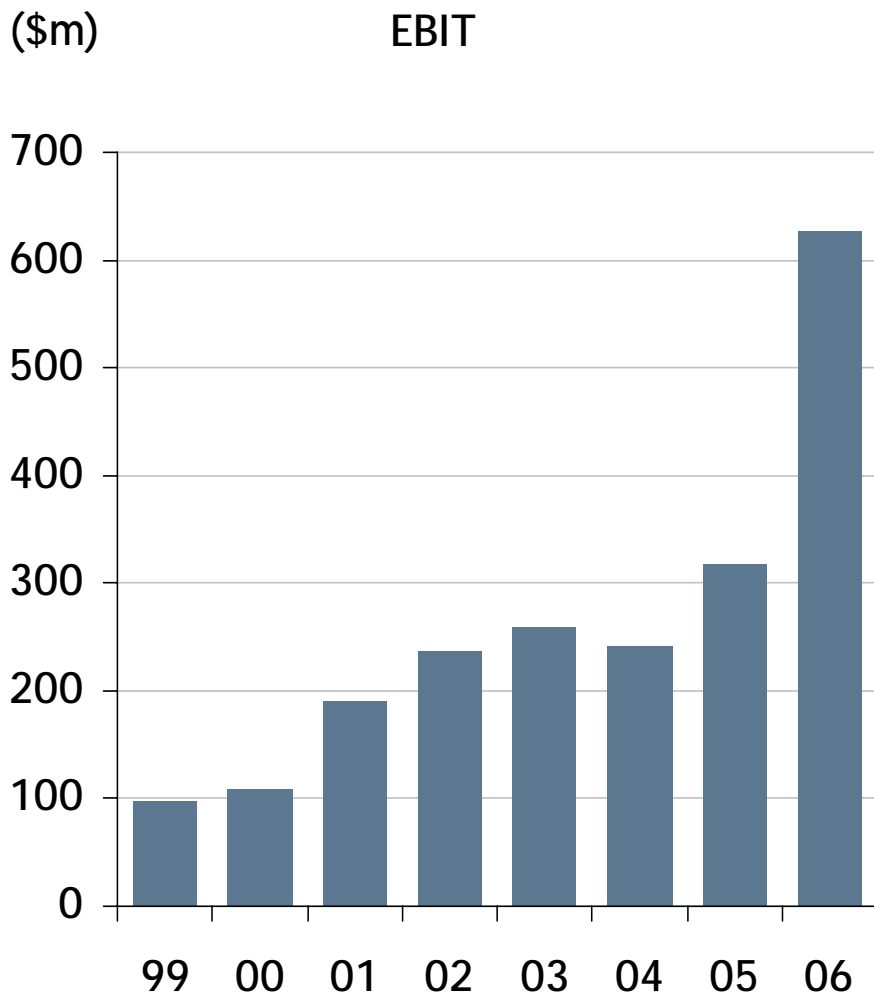
Energy Performance Summary



Year ended 30 June (\$m)		2006	2005	%
Revenue		1,676.1	1,161.5	44.3
EBITDA		795.0	393.8	101.9
Depreciation & Amortisation		(167.8)	(76.7)	118.8
EBIT		627.2	317.1	97.8
Coal	Revenue (\$m)	1,304.2	763.8	70.8
	EBIT (\$m)	577.8	251.2	130.0
Gas & Power	Revenue (\$m)	371.9	397.7	(6.5)
	EBIT (\$m)	49.4	65.9	(25.0)
Energy ROC (%)		68.0	47.6	20.4

Energy - Profitable Growth

Financial Performance

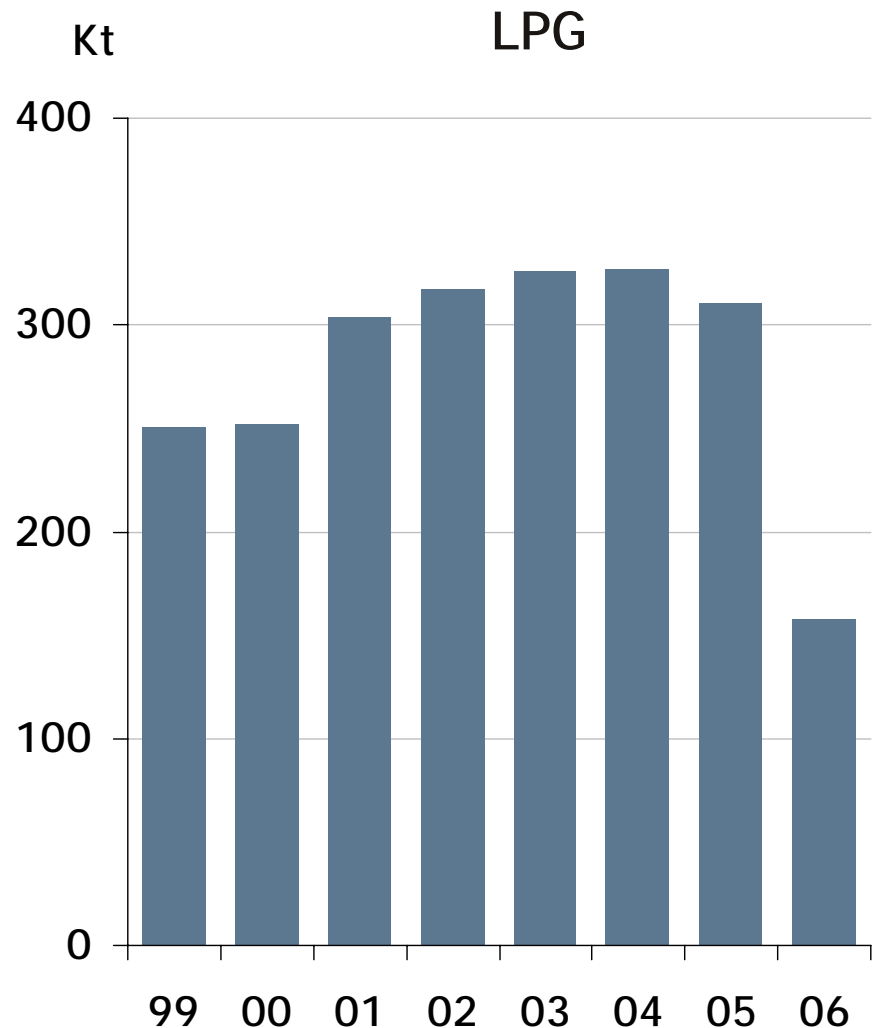
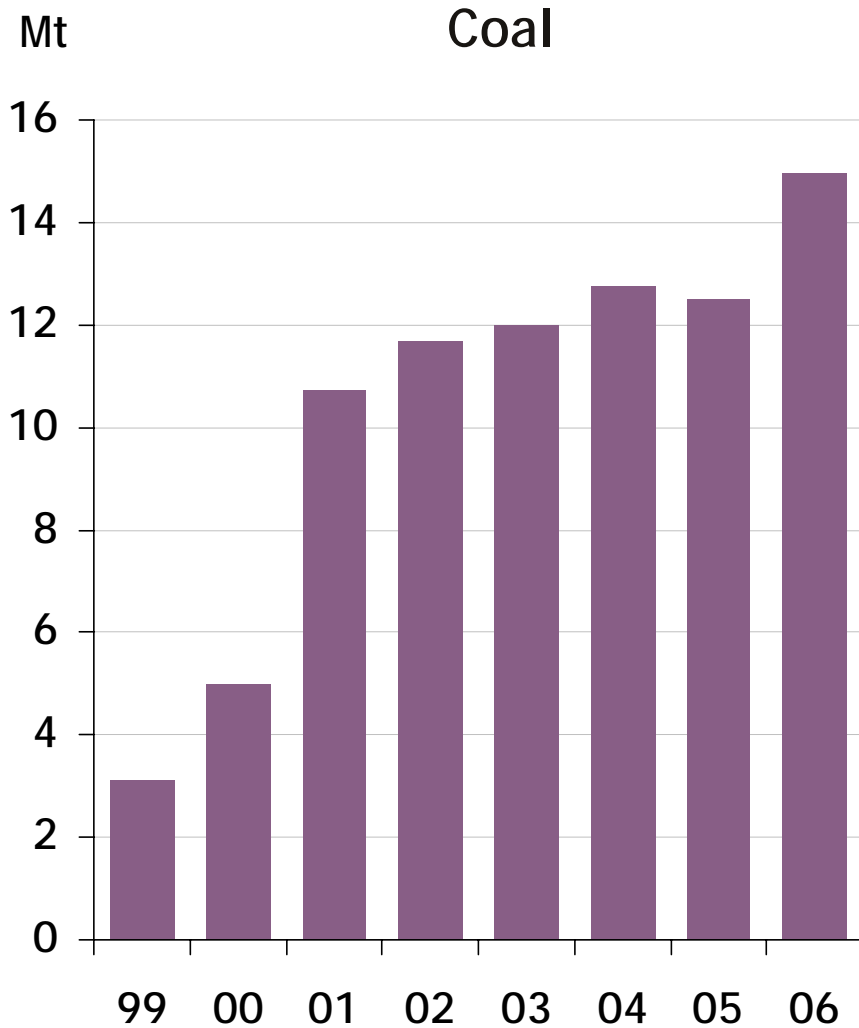


Energy Highlights

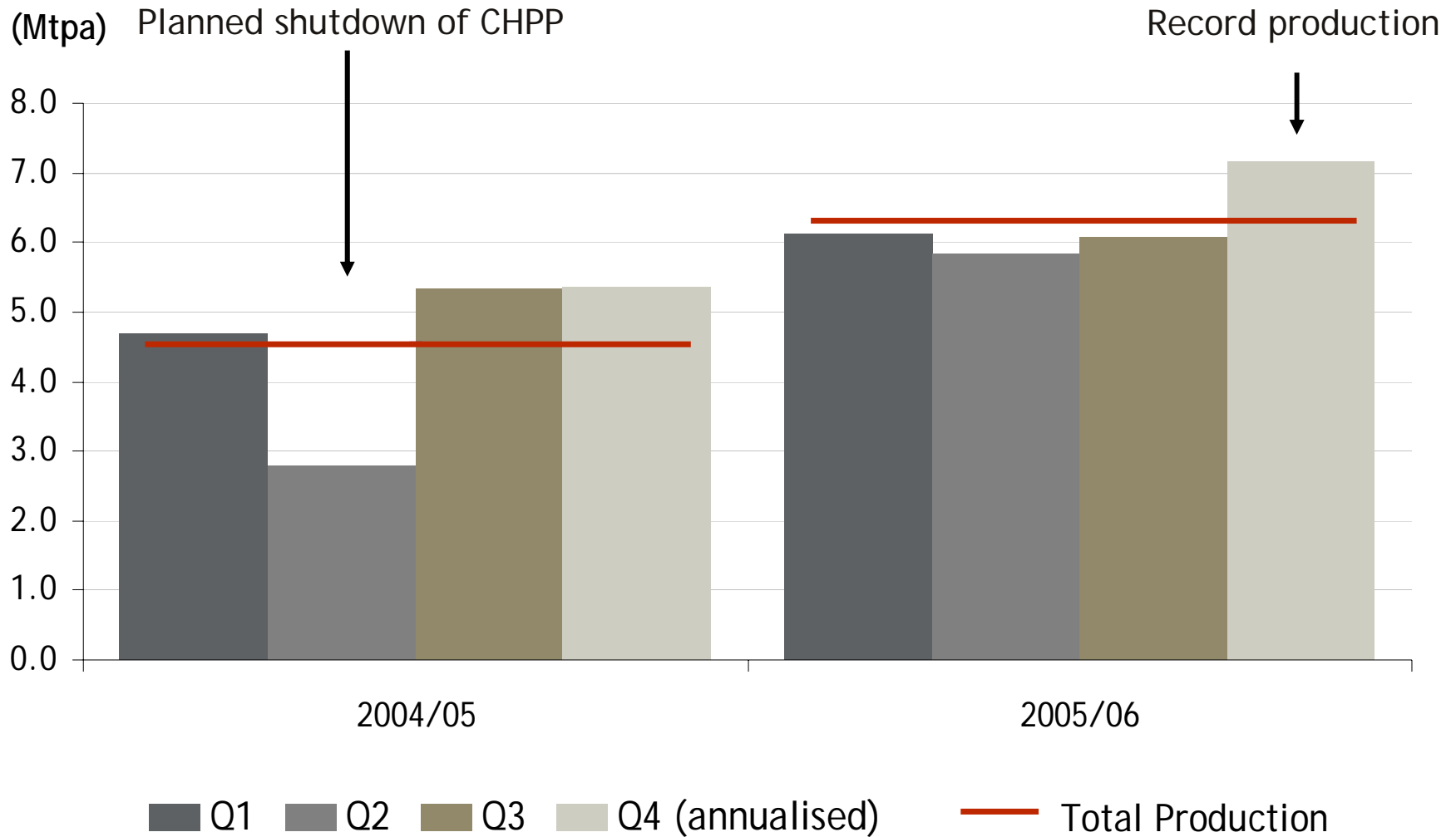


- Record metallurgical coal sales
- Record profit and ROC
- Curragh North development
- Long term Verve Energy supply contract
- Further developed domestic LNG, char opportunities
- First full year of Kwinana ASU II operations
- Remote power business growth

Production



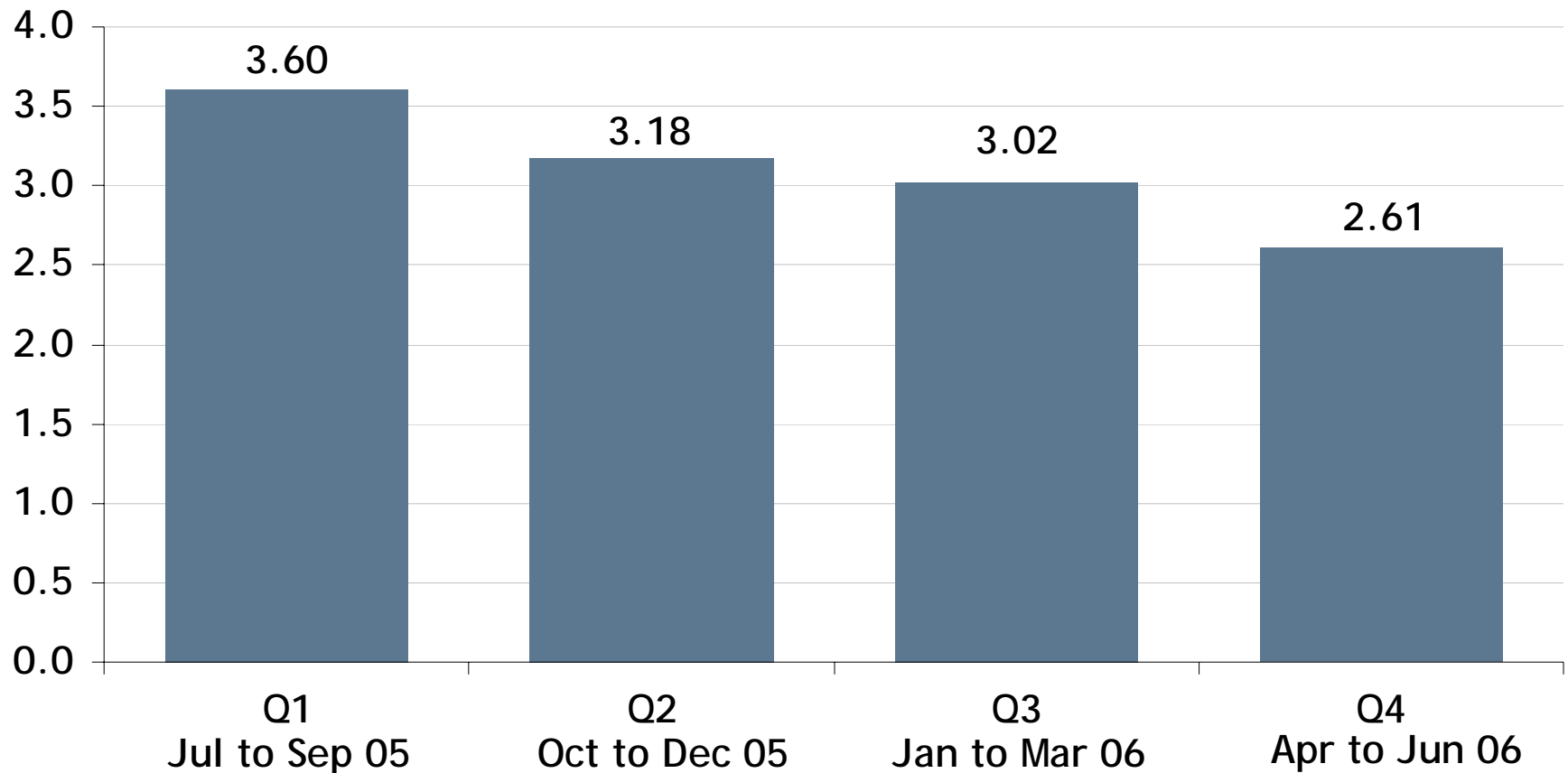
Curragh Metallurgical Coal Production



Wash Plant Downtime



Average Hours per Day Downtime
(excludes Shutdowns)



Energy - Sales Volumes

FY2006 versus FY2005



Curragh		
Metallurgical	+ 32%	+ 22%
Thermal	+ 5%	
Premier		
Domestic		+ 12 %
Bengalla		
Export	- 3%	- 5%
Domestic	- 13%	
Kleenheat Gas		
Traditional	+ 2%	+ 1%
Automotive	- 1%	
Wesfarmers LPG		
Domestic	+ 6%	- 50%
Export	- 81%	

Curragh Production Costs

FY2006 versus FY2005



	Increase
Cost of production inputs (per unit)	15%
Total cash production cost	28%
Total production volume	27%
Cash production cost per product tonne	Flat
Depreciation and Amortisation*	37%
Total production cost per product tonne*	1%

* Excludes Stanwell Rebate amortisation (\$80.9m in FY06; \$5.1m in FY05)

Overall Coal Production Costs

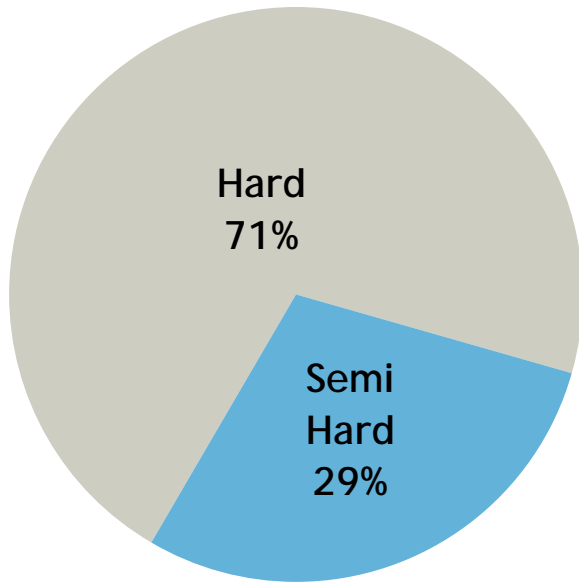
FY2006 versus FY2005



Curragh, Premier and Bengalla (100%)	Increase
Total cash production cost	27%
Total production volume	17%
Cash production cost per product tonne	8%
Depreciation and Amortisation*	22%
Total production cost per product tonne*	8%

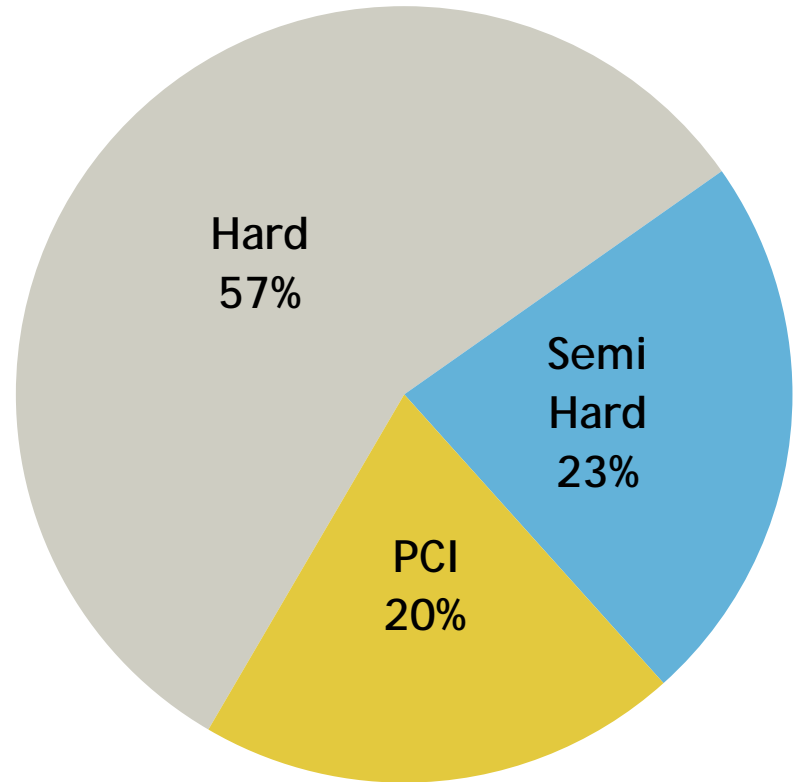
* Excludes Stanwell Rebate amortisation (\$80.9m in FY06; \$5.1m in FY05)

Curragh Metallurgical Sales Mix



2004/05

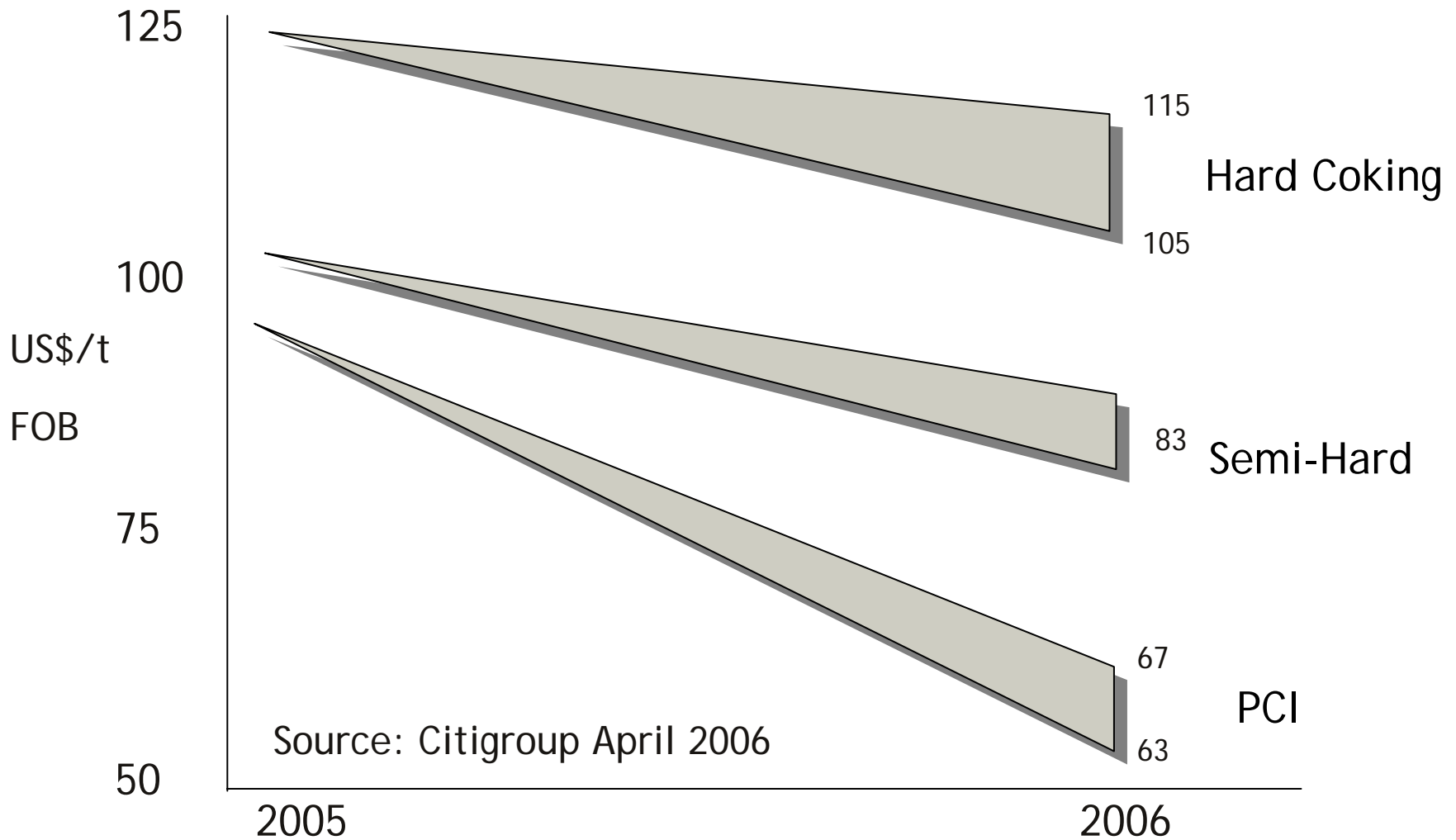
4.6 million tonnes



2005/06

6.0 million tonnes

Metallurgical Coal Prices



Wesfarmers Curragh Hedging Profile

at 30 June 2006



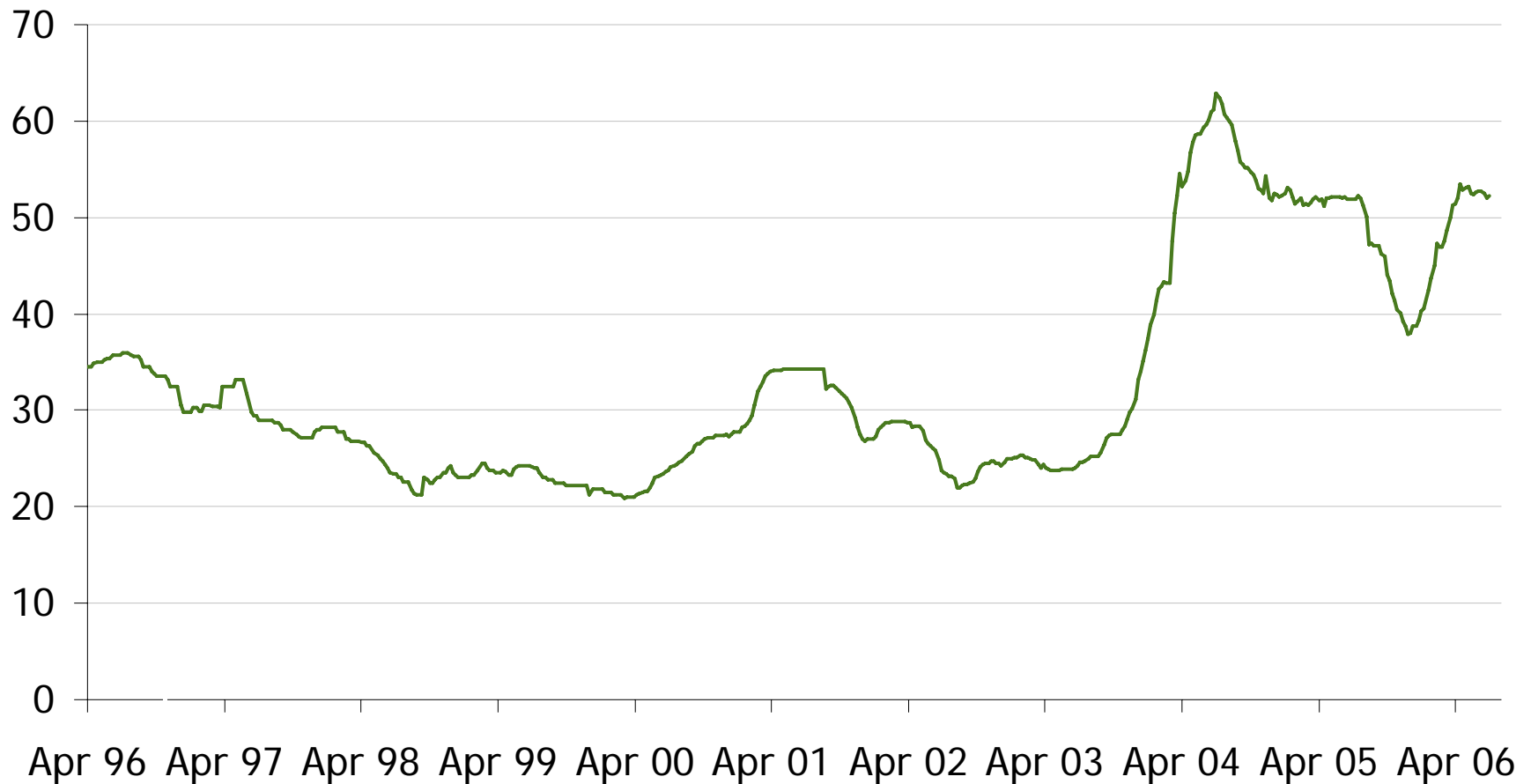
Period end 30 Jun	Current proportion of USD revenue hedged*	Average AUD/USD hedge rate
2007	90%	0.6982
2008	70%	0.7049
2009	50%	0.7183
2010	30%	0.7171
2011	10%	0.7137

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

Thermal Coal Prices

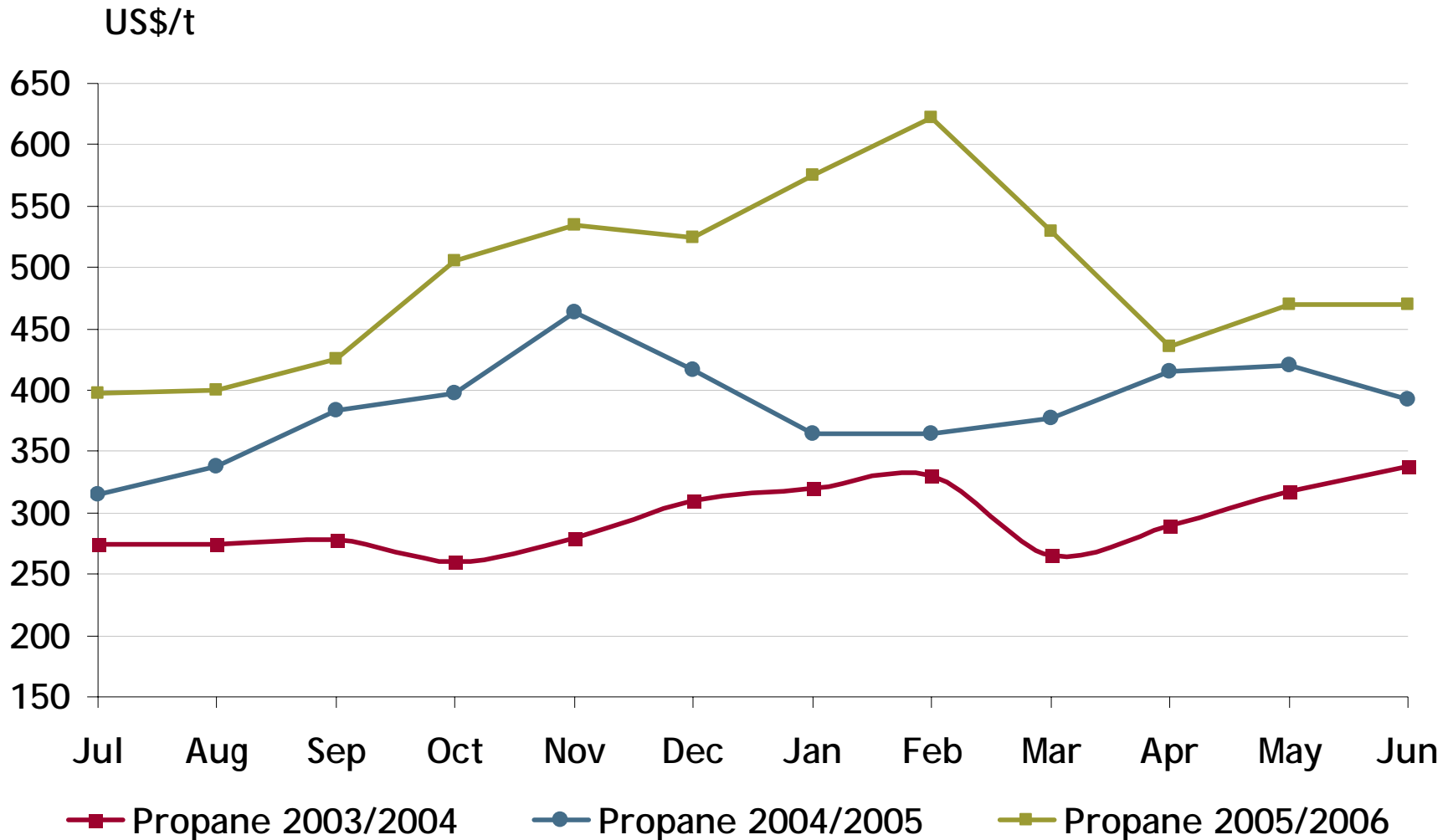


US\$/Tonne FOB nominal

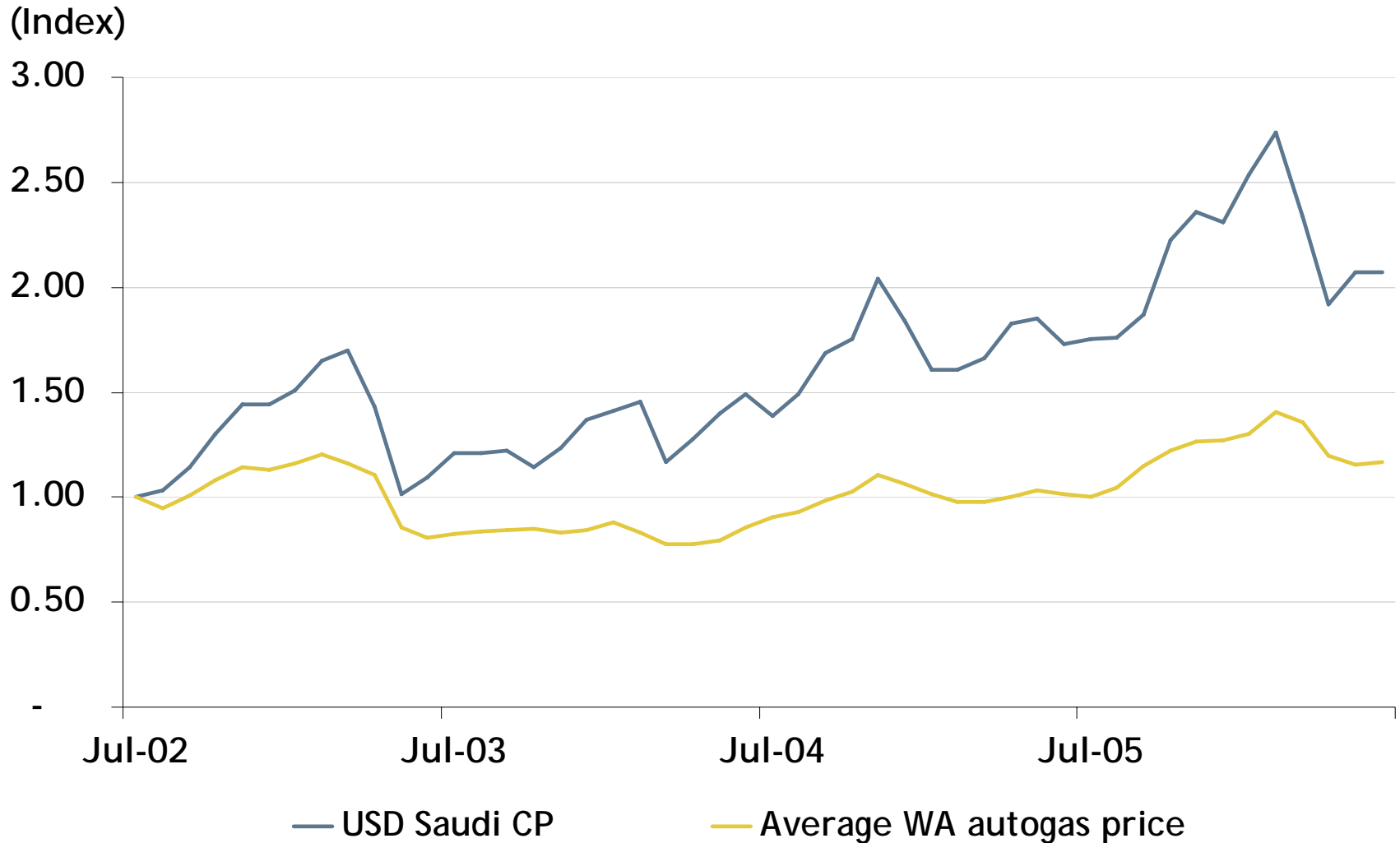


Source: Barlow Jonker

Saudi Aramco Contract Price



LPG Costs and Sale Price





- Rail and port system constraints continue in 06/07
 - Capital works completion dates unchanged
 - CQPA third dump station (November 2006)
 - QR track duplication (July 2007)
- 06/07 metallurgical sales estimate - 6.2mt to 6.5mt
- Stanwell rebate amortisation estimate
 - \$116m to \$122m (assuming price rollover)



- Curragh metallurgical coal sales 6.2mt to 6.5mt
- Sales mix hard / semi / PCI of 50 / 20 / 30%
- Infrastructure and weather risks on East Coast
- Curragh North materials handling project completion
- Continued firm export coal prices in the short term
- Continued cost pressures, higher Stanwell rebate
- International LPG price and local content challenge
- Growth opportunities

3. Home Improvement



Home Improvement Performance Summary



Year Ended 30 June (\$m)	2006	2005	%
Revenue	4,275.5	4,065.4	5.2
EBIT	420.5	415.7	1.1
Share Plan & Store Refit Expense	27.7	5.1	
Comparative EBIT	448.2	420.8	6.5
ROC (%)	22.9	23.3	(0.4)
Safety (R12 LTIFR)	12.4	11.4	
Trading Revenue* (\$m)	4,247.2	4,015.5	5.8
Comparative EBIT / Trading Revenue (%)	10.6	10.5	0.1
Profit from disposal of property (\$m)	13.6	10.0	36.0

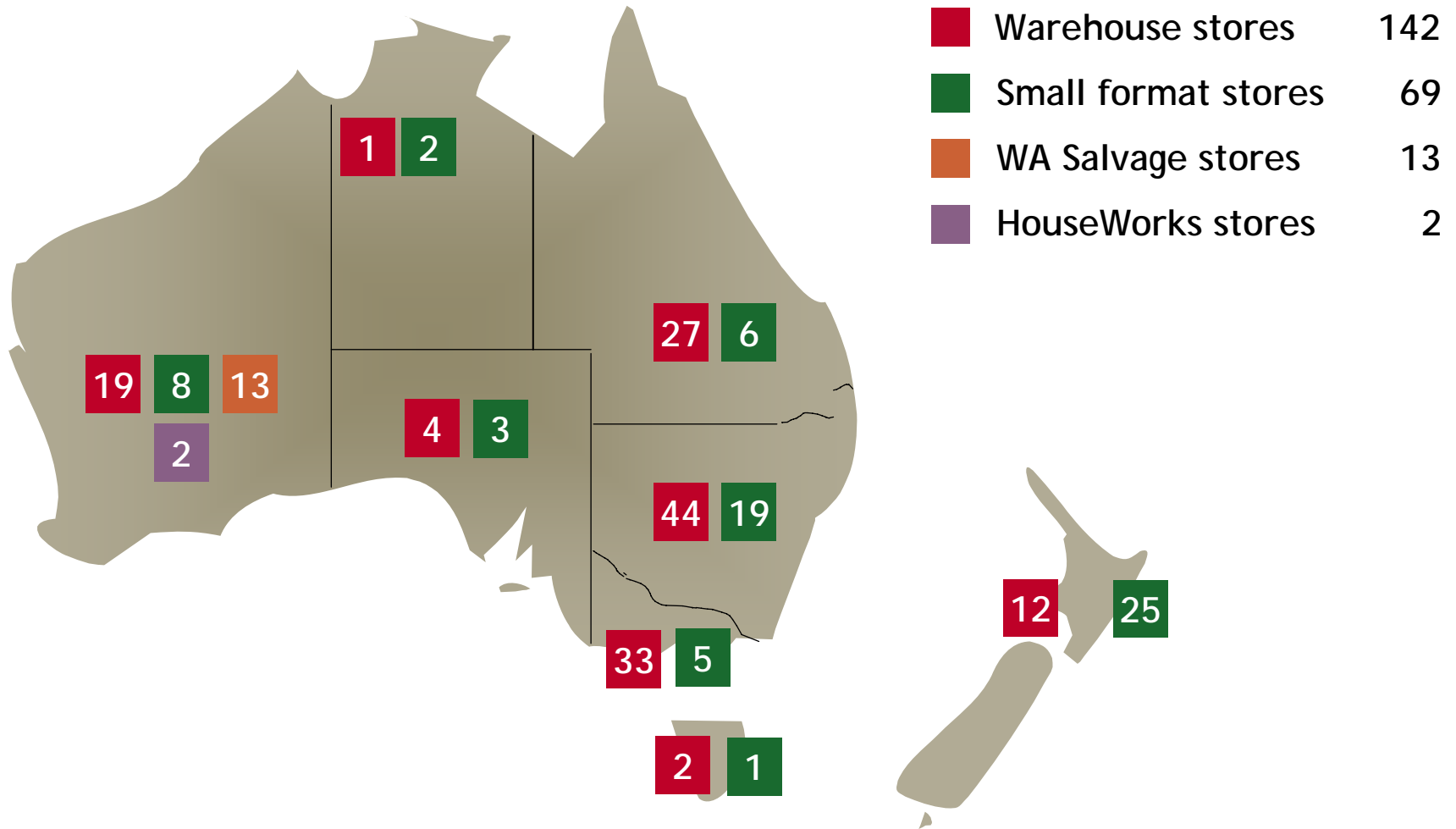
* Excludes property and other non-trading items

Home Improvement Highlights



- 7.1% cash sales growth
 - store-on-store growth: 5.1% full year; 7.5% 2nd half
- 1.5% growth in trade sales
- 12 warehouse store openings and 32 store upgrades
- Solid progress on major strategies
 - merchandising, advertising, supply chain, systems

Store Network - 30 June 2006



Excludes Distribution Centres and trade operational sites

Store Network Movements



	Open at June 2005	Opened	Closed	Open at June 2006	Under Development
Bunnings Stores					
Warehouse format	131	12	1	142	10
Smaller format	81	3	15*	69	1
WA Salvage Stores	18	0	5	13	0
HouseWorks Stores	0	2	0	2	0
Bunnings trade operations					
Distribution Centres	4	3	0	7	0
Trade focused stores	0	3*	0	3	0

* Reflects changed designation of 3 smaller stores to trade focused locations within the period

Home Improvement Outlook



- Continued cash sales growth
 - Volatile retail conditions
- Improving trade performance, in tight markets
- Network development and consistency work continues
 - 10-14 warehouse store openings likely
 - Around 30 store upgrades planned
- Ongoing effectiveness and efficiency gains

4. Insurance



Insurance Performance Summary



Year ended 30 June (\$m)	2006	2005	%
Gross Written Premium	1,025.9	1,019.9	0.6
Net Earned Premium	746.5	700.4	6.6
Net Claims	(448.9)	(412.1)	8.9
Net Commission and Expenses	(208.6)	(191.1)	9.2
Underwriting Result	89.0	97.2	(8.4)
Insurance Margin	111.3	122.9	(9.4)
EBIT	124.8	134.9	(7.5)
Net Earned Loss Ratio (%)	60.1	58.8	(1.3)
Combined Operating Ratio (%)	88.1	86.1	(2.0)
Insurance Margin (%)	14.9	17.6	(2.7)

Insurance Division KPIs



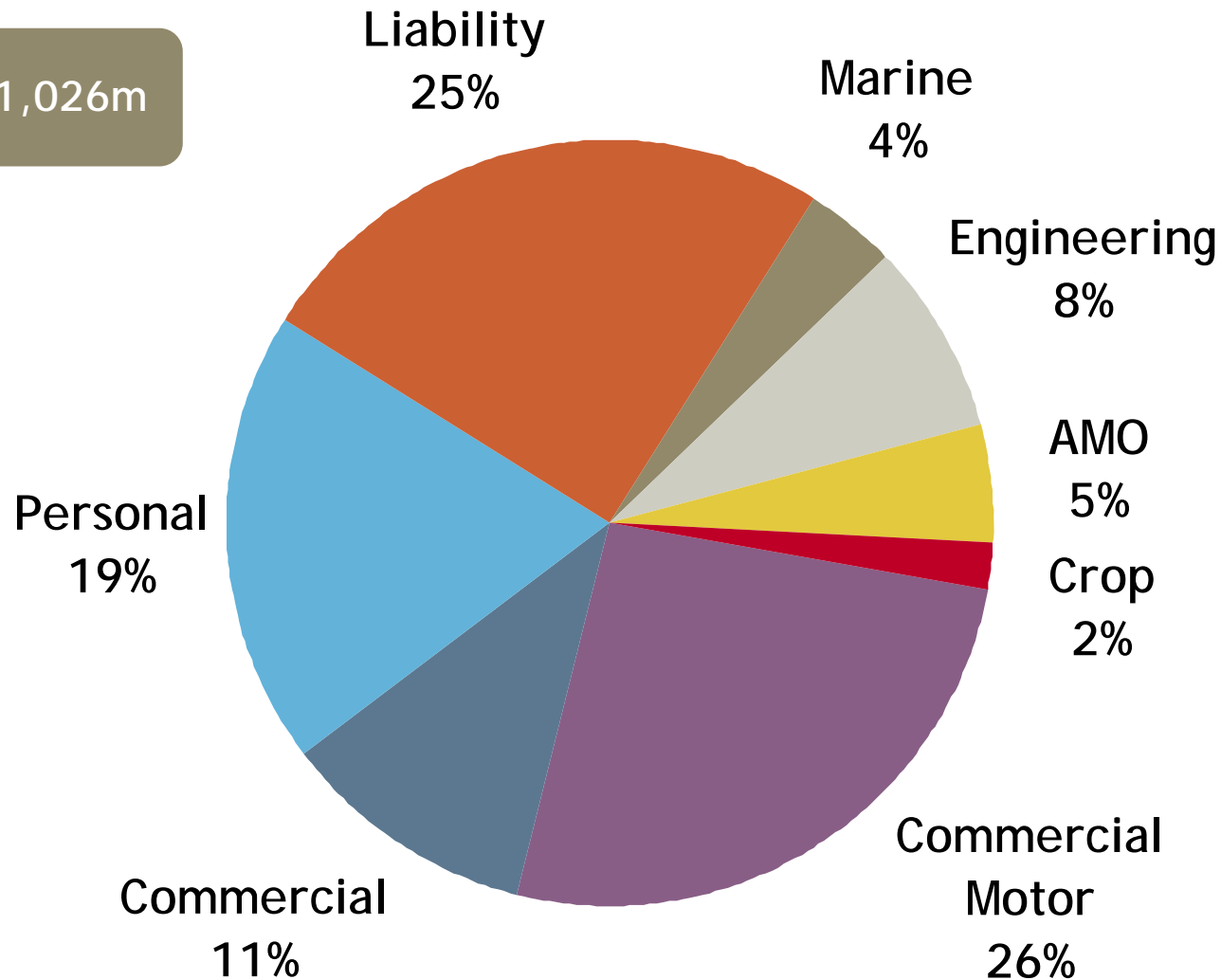
Year ended 30 June (%)	2006	2005	%
Gross Earned Loss Ratio	68.4	56.5	(11.9)
Net Earned Loss Ratio	60.1	58.8	(1.3)
Reinsurance Expenses (% GEP)	27.7	32.4	4.7
Exchange Commission (% RI excl XOL)	27.7	27.3	0.4
Commission Expense (% GEP)	13.5	13.7	0.2
Total Expenses (% GEP)	26.6	26.2	(0.4)
Combined Operating Ratio	88.1	86.1	(2.0)
Insurance Margin	14.9	17.6	(2.7)

Divisional - Gross Written Premium

(for year ended 30 June 2006)



Total: \$1,026m



LGA - KPIs



Year ended 30 June (%)	2006	2005	%
Gross Earned Loss Ratio	71.0	56.2	(14.8)
Net Earned Loss Ratio	60.3	58.4	(1.9)
Reinsurance Expenses (% GEP)	32.8	37.6	4.8
Exchange Commission (% RI excl XOL)	26.9	28.0	(1.1)
Commission Expense (% GEP)	13.9	14.4	0.5
Total Expenses (% GEP)	25.0	25.1	0.1
Combined Operating Ratio	86.1	83.7	(2.4)
Insurance Margin	17.1	20.1	(3.0)

LGNZ – KPIs



Year ended 30 June (%)	2006	2005	%
Gross Earned Loss Ratio	56.7	54.1	(2.6)
Net Earned Loss Ratio	60.4	61.2	0.8
Reinsurance Expenses (% GEP)	31.3	39.3	8.0
Exchange Commission (% RI excl XOL)	33.3	28.7	4.6
Commission Expense (% GEP)	16.4	15.8	(0.6)
Total Expenses (% GEP)	28.9	26.7	(2.2)
Combined Operating Ratio	89.5	87.9	(1.6)
Insurance Margin	13.0	14.2	(1.2)

WFI - KPIs



Year ended 30 June (%)	2006	2005	%
Gross Earned Loss Ratio	74.3	58.8	(15.5)
Net Earned Loss Ratio	59.7	57.9	(1.8)
Reinsurance Expenses (% GEP)	14.4	14.3	(0.1)
Exchange Commission (% RI excl XOL)	18.4	18.2	0.2
Commission Expense (% GEP)	9.9	9.9	0.0
Total Expenses (% GEP)	26.2	26.3	0.1
Combined Operating Ratio	88.1	86.2	(1.9)
Insurance Margin	15.7	18.0	(2.3)

Reinsurance



Year ended 30 June (%)	2006	2005
Reinsurance Expense (% GEP)		
including AMO	27.7	32.4
excluding AMO	23.5	28.2

Insurance Highlights



- Solid results achieved in all business units
- Record LGNZ result
- Three significant claims events - Cyclone Larry, Molong Floods and Grampian Bush Fires
- Acquisition of a number of niche portfolios by LGA
- Development of new alliances by WFI
- Investment in talent



- Challenging operating environment to continue
- All business units experiencing increased competition
- Rates to remain at competitive levels
- Claims patterns returning to historic levels
- Compliance workload increasing

5. Industrial and Safety



Industrial & Safety Performance Summary



Year ended 30 June (\$m)	2006	2005	%
Revenue	1,177.7	1,174.7	0.3
EBITDA	111.0	124.9	(11.1)
Depreciation & Amortisation	(14.2)	(16.0)	(11.2)
EBIT	96.8	108.8	(11.0)
EBIT/Revenue (%)	8.2	9.3	(1.1)
ROC (%)	12.6	13.6	(1.0)
Safety (R12 LTIFR)	5.1	4.3	

Industrial & Safety Highlights



- Operating revenue in line with last year
 - growth in Australia, Blackwoods in particular, offset by difficult conditions in New Zealand
- Earnings down due to net \$11.0m in exceptional items
 - significant restructuring costs, partially offset by profit on sale of land & Melbourne Metals business; employee share plan costs; and New Zealand exchange rate impact
- Working capital down 7.0%
- Restructure into business units complete
 - support staff savings (150 employees)
 - individual improvement programmes underway in each business

Exceptional Items 2005/06



	\$m
Restructuring costs	
Redundancy costs	2.4
Inventory provision/write-offs	5.1
Doubtful debt provision/write-offs	2.0
Profit on asset sales (land, Melbourne Metals)	(3.5)
	<hr/>
	6.0
Employee share plan impact	3.5
New Zealand exchange rate impact	1.5
Total	11.0



Blackwoods

- Solid growth, despite subdued Manufacturing/Automotive sector
- Product depth rationalisation (120,000 product lines purged)
- Sales and contract teams restructuring, growth in e-business sales



- Earnings growth across all regions, refocus on specialist service offering



- Improved second half earnings following restructuring
- Strengthened specialist capabilities

Business Activity Highlights

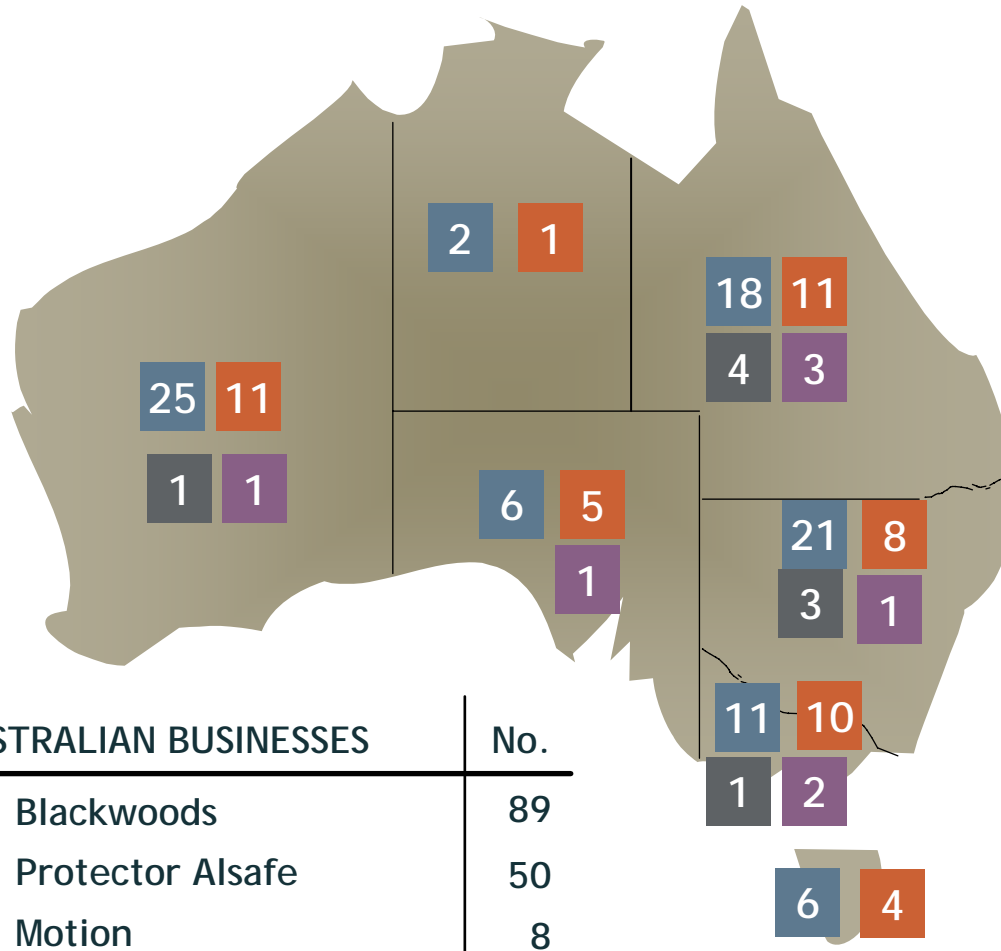


- NZ impacted by slowing economy and depreciating exchange rate
- Packaging House performed well
- Safety businesses delivered disappointing results, under strong competitive pressure
- Blackwoods Paykels restructured, earnings improved towards year end

Other significant items:

- Closure of 21 small under-performing branches across the networks
- New Packaging House DC, new Blackwoods and PA Northern DCs initiated
- Roll-out of new HSE "GetSAFE" programme

Distribution Network



AUSTRALIAN BUSINESSES

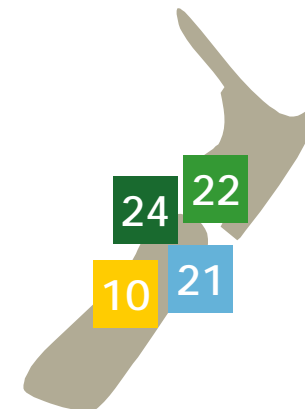
No.

Blackwoods	89
Protector Alsafe	50
Motion	8
Mullings	9

NEW ZEALAND BUSINESSES

No.

NZ Safety	24
Protector Safety	22
Blackwoods Paykels (NZ)	21
Packaging House	10





- Continued strong demand from mining and construction and infrastructure sectors, subdued by:
 - weaker market conditions in New Zealand
 - ongoing pressure on the manufacturing sector, particularly Automotive
- Benefits from recent restructuring activities, as well as strategic improvement programmes over time

6. Chemicals and Fertilisers



Chemicals & Fertilisers Performance Summary



Year ended 30 June (\$m)		2006	2005	%
Revenue	Chemicals	252.1	210.6	19.7
	Fertilisers	343.1	376.3	(8.8)
		595.2	586.9	1.4
EBITDA		123.1	128.0	(3.9)
Depreciation & Amortisation		(41.7)	(38.6)	(8.0)
EBIT		81.4	89.4	(8.9)
Sales Volume ('000t):	Chemicals	490	456	7.5
	Fertilisers	959	1,120	(14.4)
ROC (%)		15.1	18.1	(3.0)
Safety (R12 LTIFR)		4.6	2.0	

Chemicals & Fertilisers Key Points



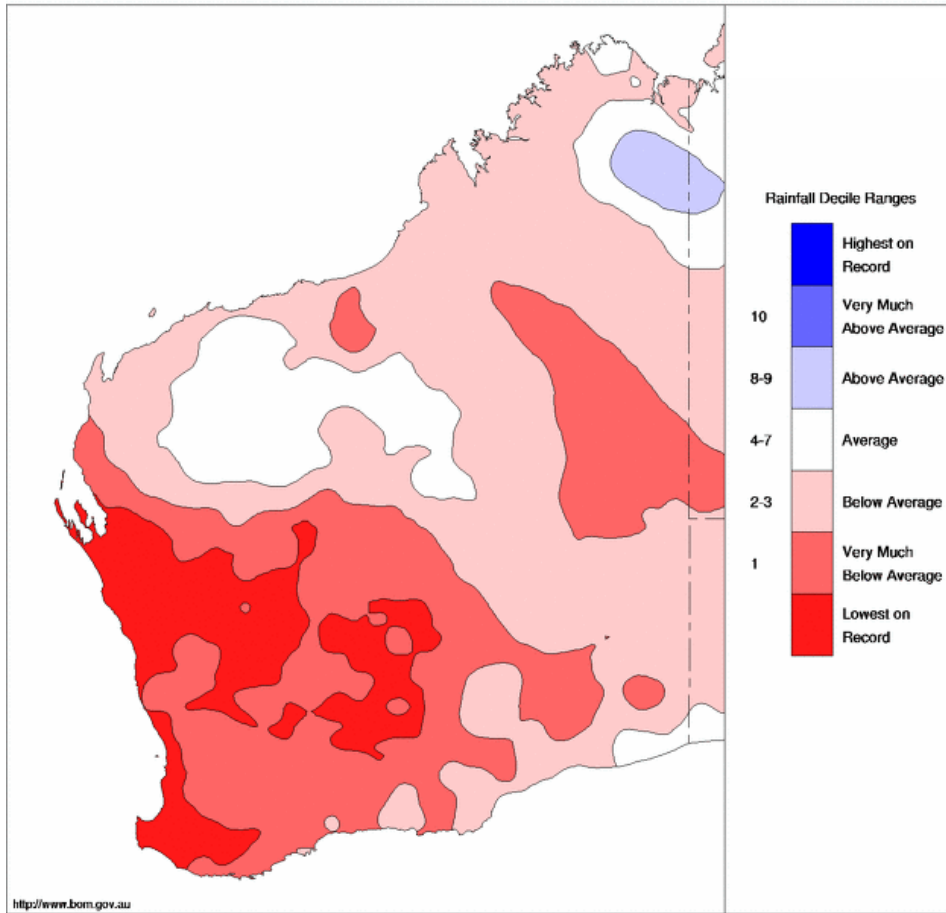
- Significant reduction in workplace injuries
- Chemical earnings in line with 2004/05:
 - gas supply issues necessitated ammonia import (combined impact \$4.5m)
 - extended QNP shutdown
 - reduced availability of chlor alkali plant (repairs and product purchases impacted earnings by \$1.1m)
 - continued improvement in sodium cyanide business
 - increased contribution from Kwinana ammonium nitrate
- Fertiliser earnings lower than 2004/05
 - significant volume impact from poor opening to season (fertiliser sales 160,000 tonnes lower than 2004/05)

WA Rainfall - June 2006



Western Australian Rainfall Deciles June 2006

Distribution Based on Gridded Data
Product of the National Climate Centre



© Commonwealth of Australia 2006, Australian Bureau of Meteorology

Issued: 14/07/2006

In many areas, rainfall in June 2006 was the lowest on record for the month.



- Ammonium Nitrate
 - record production year (251,000 tonnes)
 - renewal of short term contracts
 - shutdown in 2004/05 influenced result in prior year
- Sodium Cyanide
 - continued improvement in financial performance of business
 - margin improvements achieved
 - working capital (consignment stock) reduced
 - further business improvement required

AN Expansion Project



- Increase in capex by \$60 million to \$260 million
- Major increase is in prill plant
 - significantly higher materials and labour quantities than anticipated
 - issue has become evident through detailed engineering process
- Commissioning anticipated first half 2007/08



- Chemicals
 - Continued strong demand from resource sector
 - Full year benefits from sodium cyanide business improvements
 - Gas supply a key issue
 - 15 day ammonia plant shutdown scheduled for August 2006
 - Shut down expense and replacement product impact \$10.7m
 - AN expansion capex increased to \$260 million
- Fertilisers
 - Economic impact of season on farmers
 - Potentially high levels of closing stocks may influence 2006/07 volumes

7. Other Businesses



Other Business Performance Summary



Contribution to Group EBIT Year ended 30 June (\$m)	Holding %	2006	2005
Associates:			
ARG	50	16.5	16.1
Gresham Private Equity - Fund 1	50	11.7	5.9
Gresham Private Equity - Fund 2	67	(1.6)	(2.7)
Gresham Partners	50	2.7	4.7
Wespine	50	9.8	9.9
Bunnings Warehouse Property Trust	23	17.0	18.1
Tax on ARG, GPG and Wespine		(8.6)	(7.7)
Corporate Overheads and Other		(32.2)	(39.4)
Total (excluding sale of ARG)		15.3	4.9






- Sale completed 2 June
- Pre-tax profit \$234.9m, partially taxable
- Earnings for 11 months in line with last year

Gresham Private Equity - Fund 1



- Two divestments: Virgin Active and EROC
- Generated \$11.9m pre tax
- Three remaining investments - capital \$26.4m

CURRENT INVESTMENT PORTFOLIO

Norcros	UK based building materials, coatings	
Riviera	ocean cruisers	
Raywood	vehicle control systems	

Gresham Private Equity - Fund 2



- Capital invested \$40.9m
- Three Investments

CURRENT INVESTMENT PORTFOLIO

Noel Leeming electrical retailer (New Zealand)



Australian Pacific Paper Products manufacturer and distributor of disposable nappies (Australia)



Pacific Print Group leading commercial printing business (New Zealand)



8. Capital Structure





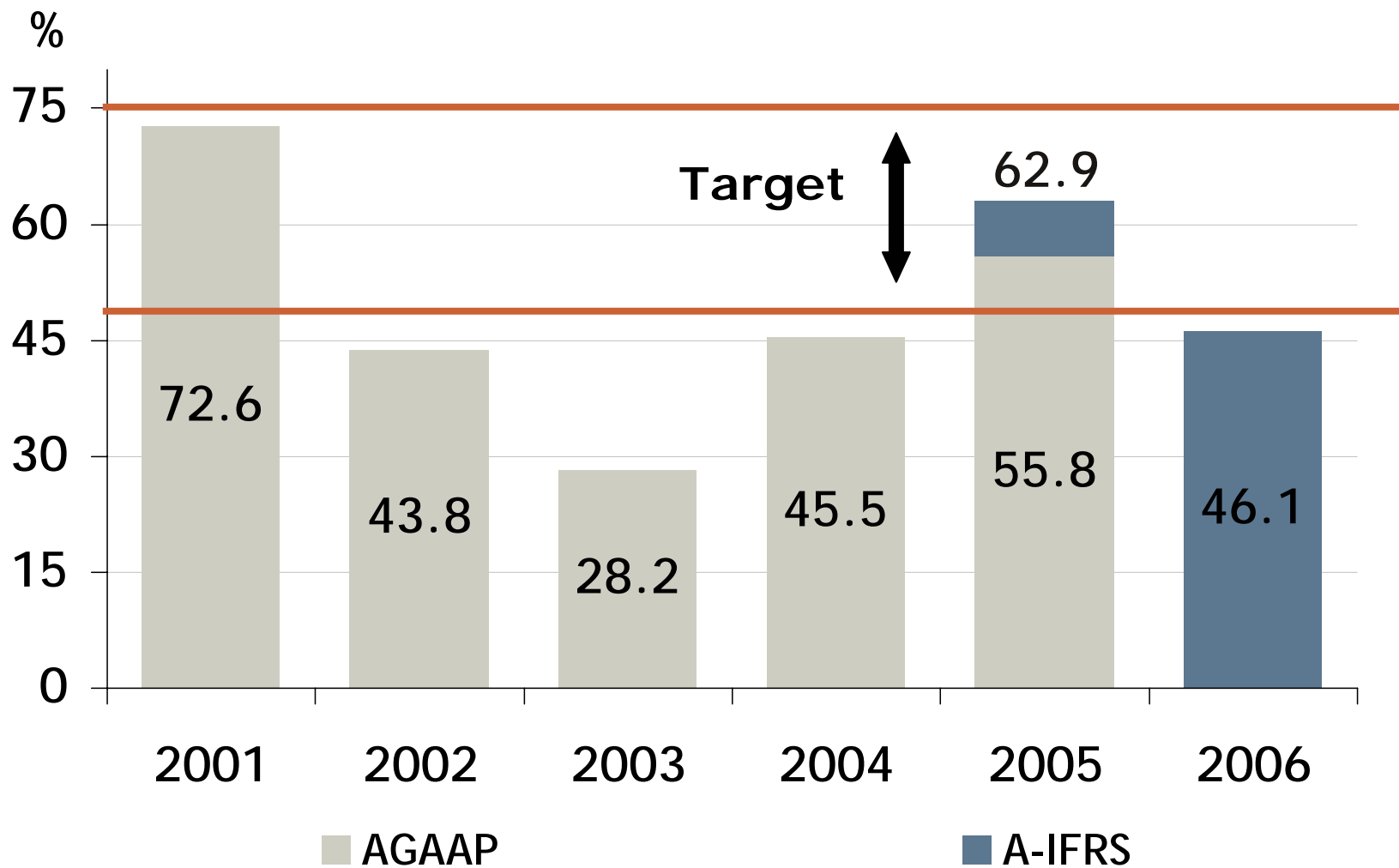
- Net Debt / Equity of 46.1% at 30 June 2006
- Cash Interest Cover Ratio to 30 June 2006 of 13.8
- Capital expenditure budget for 2006/07 of \$830 million
- Capacity for:
 - acquisitions
 - distribution of ARG sale franking credits
 - capital management

Capital Expenditure Programme



30 June (\$m)	Budget 2007	Actual 2006
Home Improvement	218	220
Energy	335	284
Insurance	18	20
Industrial and Safety	25	16
Chemicals and Fertilisers	231	72
Other	3	3
Total	830	615

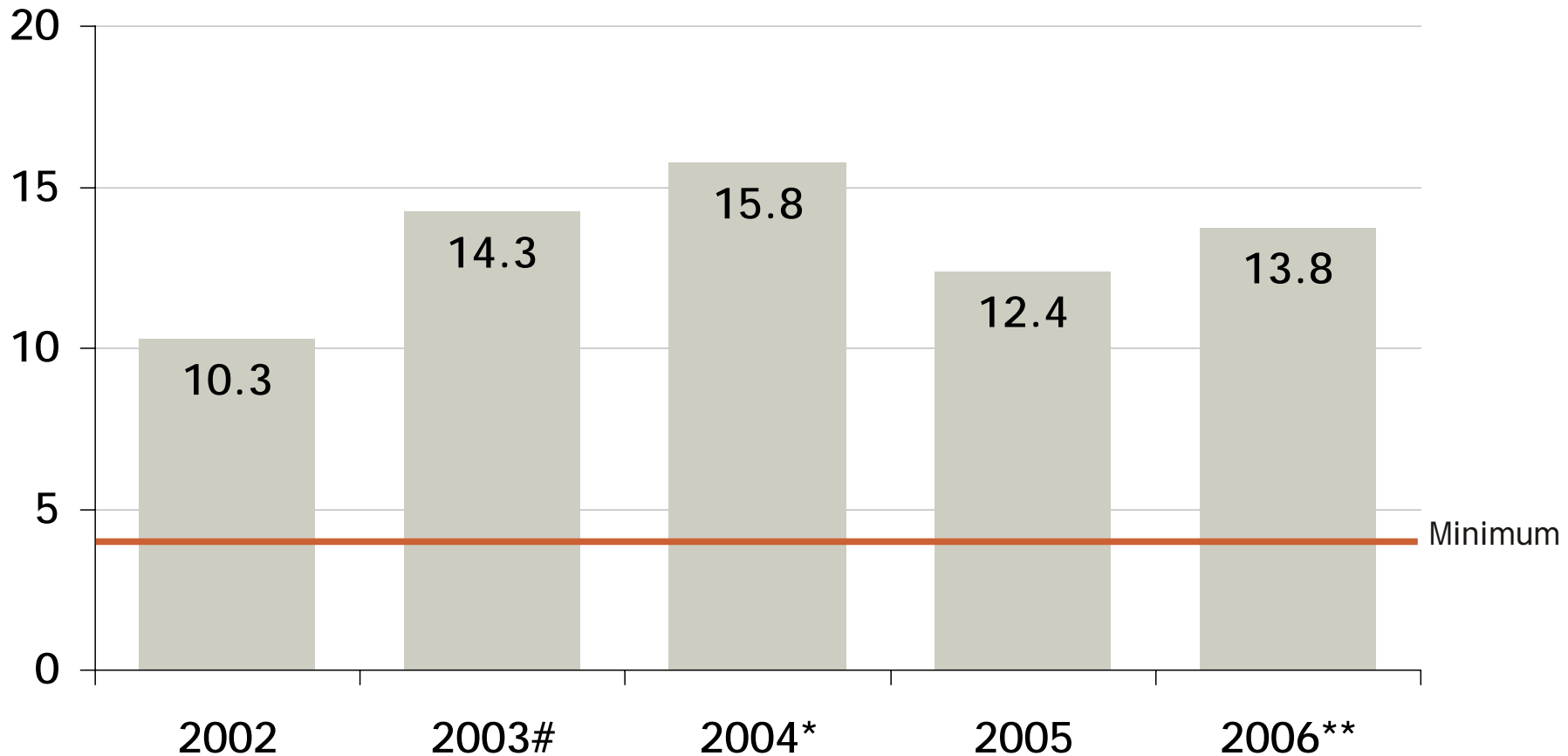
Net Debt/Equity (as at 30 June)



Cash Interest Cover Ratio



Times



Excludes sale of Girrah * Excludes sale of Landmark ** Excludes sale of ARG

9. Outlook





- Impact of
 - lower metallurgical coal prices
 - higher cost environment (interest rates, fuel)
- Focus on controllable factors
 - operating performance in businesses
 - delivering on growth initiatives
- Continue to look at many opportunities but patient and disciplined

For all the latest news visit
www.wesfarmers.com.au

