



Wesfarmers Limited

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NEWS

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POTENTIAL ACQUISITION OF LINDE GAS PTY LTD

Wesfarmers and The Linde Group of Germany have entered into a preliminary agreement which may lead to the purchase of Linde Gas Pty Ltd (“Linde Gas Australia”) by Wesfarmers for about \$500 million early in 2007.

Linde Gas Australia is a major participant in the Australian industrial gas market. It produces oxygen, nitrogen, argon and hydrogen at its Port Kembla operations and distributes these and a broad range of other gases for industrial, medical and specialty applications. The company has a well established presence in New South Wales, Victoria, Queensland and South Australia through both direct sales and a wide network of agents and distributors.

Over many years, Linde Gas Australia has successfully pursued a strategy of selectively targeting profitable niches within the industrial gas market. Linde Gas Australia achieved sales of approximately \$100 million and EBITDA of \$37 million (excluding royalties to The Linde Group) in the financial year ended 31 December 2005. Revenue for the ten months to 31 October 2006 increased about 7 per cent to \$88 million and there is substantial scope for growth through the continuation of current strategies. The planned roll out of new liquefaction capacity and other minor capital projects over 2007, involving expenditure of around \$20 million, will create additional opportunities for earnings growth over the short to medium term.

Linde Gas Australia’s longer term prospects are positive, particularly from opportunities anticipated in emerging and innovative industrial gas applications such as environmental monitoring, gas packaging for pre-prepared foods and changing healthcare practices.

Linde Gas Australia is being divested by The Linde Group following an undertaking given to the Australian Competition & Consumer Commission (“ACCC”) as a result of its global merger with The BOC Group plc. The potential transaction is subject to clearance from the ACCC and there being no material adverse change to the business.

The acquisition, should it proceed, is expected to make a positive contribution to group profits in the first full financial year under Wesfarmers’ ownership. The acquisition will be funded by existing debt facilities, with Wesfarmers considering its options to ensure an effective balance sheet structure.

Wesfarmers Managing Director, Richard Goyder, said the potential acquisition is an exciting growth opportunity for the newly constituted Wesfarmers Energy Division.

“With our coal interests housed in a separate operating division, Wesfarmers Energy now has responsibility for the company’s gas production, distribution and power generation businesses,” he said.

