



2006 Annual Results Teleconference

15 August 2006



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Richard Goyder
Managing Director, Wesfarmers Limited



Group Performance Highlights



- Group profit after tax of \$1.05 billion
- Operating revenue up 8.6%
- Net profit before sale of ARG of \$869 million, up 23.9%
- Profit on sale of ARG of \$234.9 million (before tax)
- Operating cash flow up 20.8%
- ROE of 31.1%, up 5.7%
- Full year dividend increased to \$2.15 per share, up 19.4%

Divisional Performance



Year ended 30 June	2006		2005
	EBIT \$m	ROC %	ROC %
Home Improvement	▲ 420.5	22.9	23.3
Energy	▲ 627.2	68.0	47.6
Insurance	▼ 124.8	30.9	31.3
Industrial & Safety	▼ 96.8	12.6	13.6
Chemicals & Fertilisers	▼ 81.4	15.1	18.1

Gene Tilbrook

Finance Director, Wesfarmers Limited



Group Performance Summary



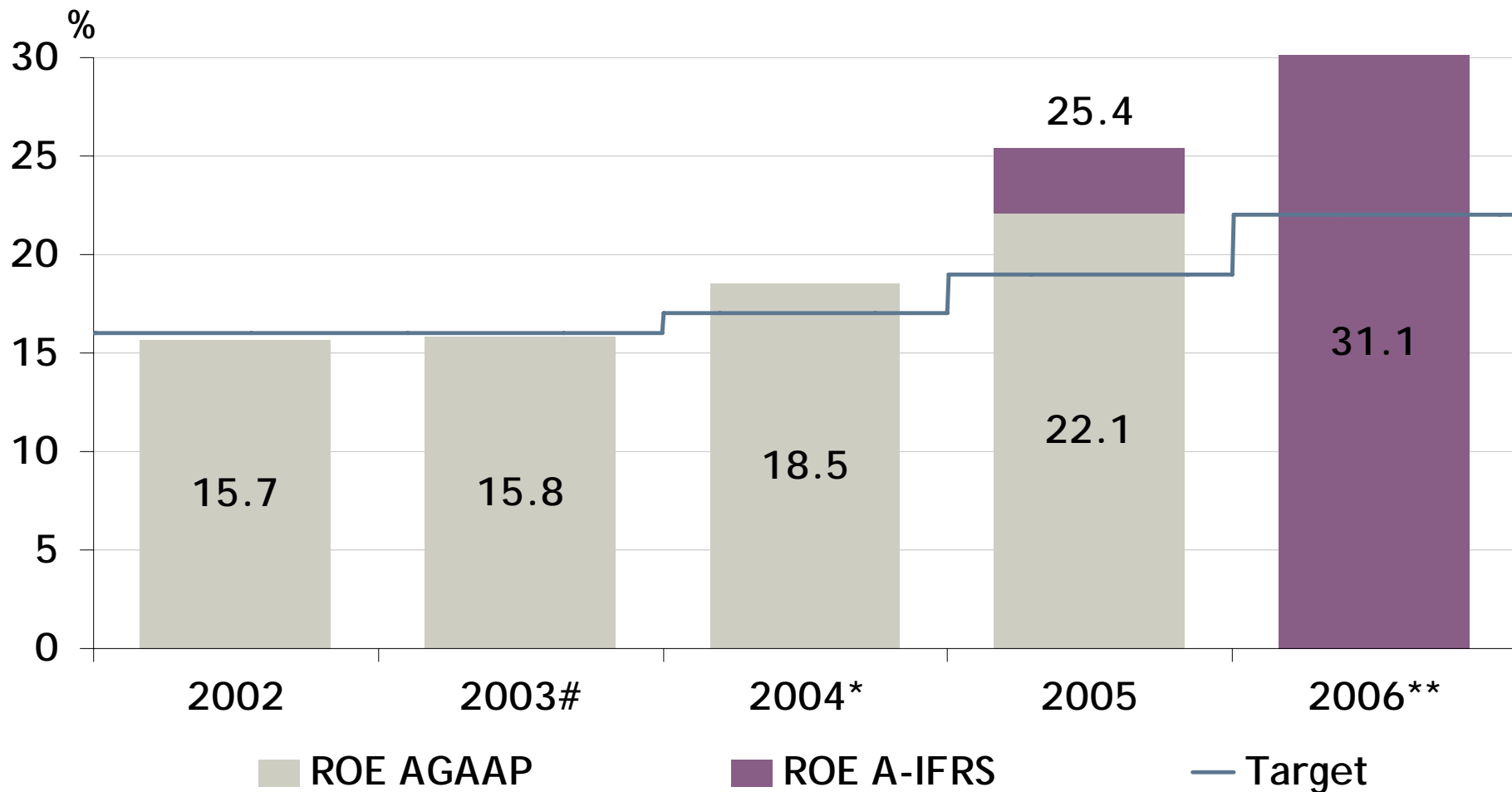
Year ended 30 June (\$m)	2006	2005	%
Operating revenue	8,858.8	8,158.6	8.6
EBITDA (excluding sale of ARG)	1,649.5	1,259.7	30.9
EBIT (excluding sale of ARG)	1,366.0	1,070.8	27.6
Net profit after tax (excluding sale of ARG)	869.4	701.8	23.9
Net profit on sale of ARG	178.7		
Net profit after tax	1,048.1	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 and Safety	96.8	108.8	(11.0)
Chemicals and 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

Return on Shareholders' Funds (pre goodwill)



Excludes sale of Girrah

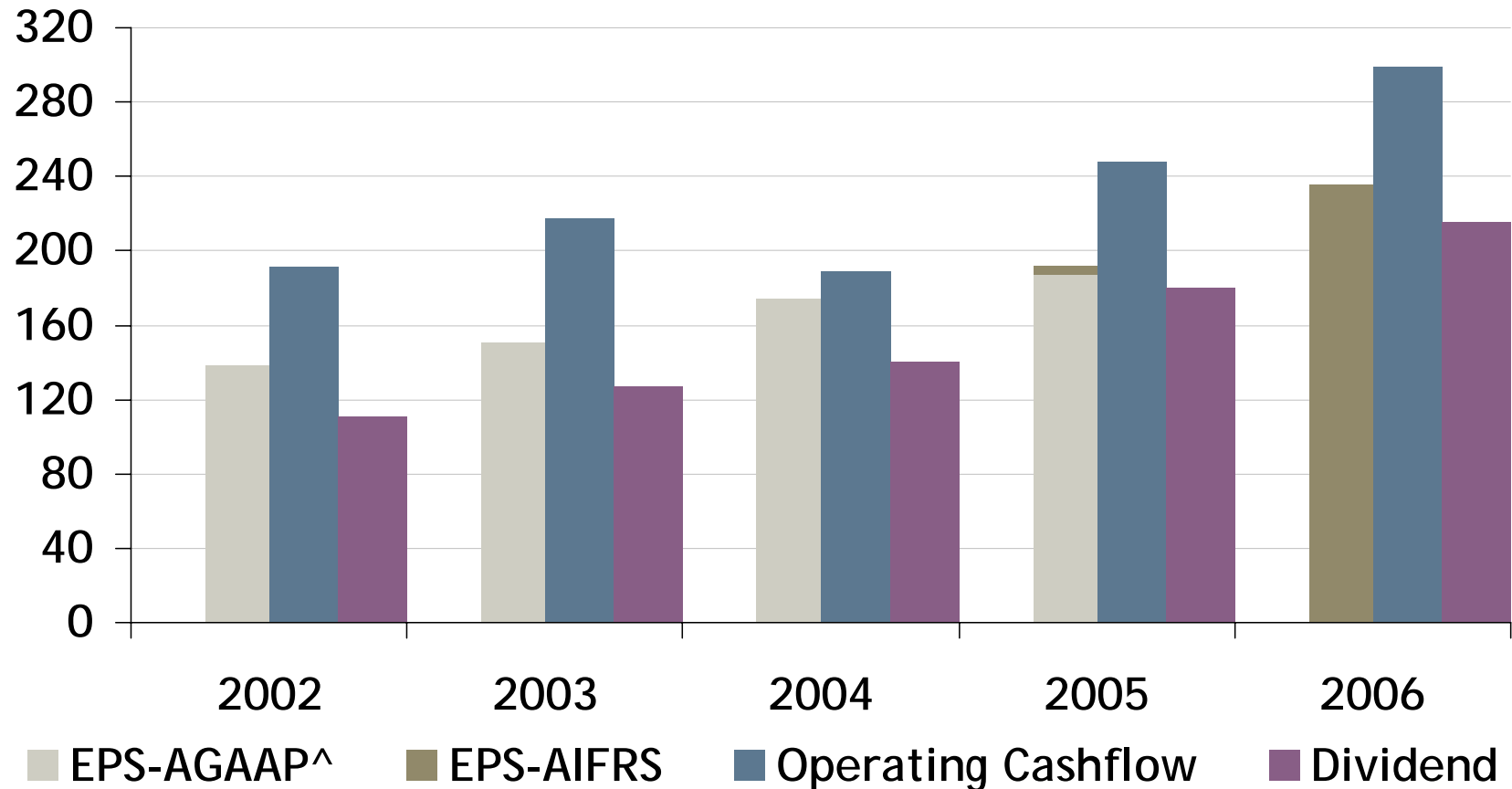
* Excludes sale of Landmark

** 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



- 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

Wesfarmers Energy

David Robb

Executive Director, Wesfarmers Limited

Managing Director, Wesfarmers 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)
ROC (%)		68.0	47.6	20.4

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



- 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

Home Improvement

John Gillam

Managing Director, 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



- 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

Wesfarmers Insurance Division

Bob Buckley

Managing Director, Wesfarmers 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 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

Wesfarmers Industrial and Safety

Terry Bowen

Managing Director, 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 of PPE	(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
- Earnings down due to net \$11.0m in exceptional items
- Working capital down 7.0%
- Restructure into business units complete
 - support staff savings (150 employees)
 - individual improvement programmes underway in each business



- 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

Chemicals and Fertilisers

Keith Gordon

Managing Director, 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 of PPE		(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)



- 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

Other Businesses

Gene Tilbrook

Finance Director, Wesfarmers Limited



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



GPE Fund 1

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

GPE Fund 2

- Investments:
 - Noel Leeming, Australian Pacific Paper Products, Pacific Print Group
- Capital invested \$40.9m

Outlook

Richard Goyder

Managing Director, Wesfarmers Limited





- 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

Questions



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