

5 October 2007

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

NOTICE OF ANNUAL GENERAL MEETING

The following documents will be mailed to shareholders on 8 October 2007 in relation to the 2007 Annual General Meeting of Wesfarmers Limited to be held on Thursday, 15 November 2007 at 2:00 pm (Perth time):

- letter to shareholders;
- Notice of Meeting;
- Proxy Form; and
- the 2007 Annual Report or 2007 Shareholder Review (in accordance with elections made by shareholders).

All documents are attached to this announcement, except for the 2007 Annual Report, which was lodged with the ASX on Thursday, 27 September 2007 under Listing Rule 4.5.

An annual report election form is also being mailed to shareholders and is attached to this announcement.

Yours faithfully,



L J KENYON
COMPANY SECRETARY

Dear Shareholder,

ANNUAL GENERAL MEETING - 15 NOVEMBER 2007 AT 2.00 PM

It is my pleasure to invite you to attend the 2007 Annual General Meeting of Wesfarmers Limited. You should have received the following documents with this letter:

- a Notice of Meeting (including the explanatory notes);
- a personalised Proxy Form and return envelope; and
- the 2007 Annual Report or 2007 Shareholder Review (unless you have elected not to receive a report).

Meeting Details

The Annual General Meeting is being held in the Grand Ballroom, Burswood Convention Centre, Great Eastern Highway, Burswood, Western Australia (see map on reverse) on Thursday, 15 November 2007 at 2.00 pm (Perth time). The registration desk will be open from 1.00 pm.

For your convenience, there is free parking near the Burswood Dome (as shown on the map). Undercover parking (\$11.00 per day) and monitored parking (\$6.00 per day) are also available at the venue.

Attendance at the Meeting

If you will be attending the meeting, *please bring this letter with you* and present it at the registration desk. The bar code at the top of the letter will assist in registering your attendance.

If you are unable to attend the meeting but wish to vote on any of the resolutions to be considered at the meeting, you are encouraged to complete and return the enclosed proxy form in accordance with the instructions on the back of the form. Alternatively, you can submit your proxy voting instructions online at www.computershare.com/au/proxy/wes.

Webcast

Shareholders who cannot attend the meeting will be able to watch and listen to the business of the meeting via webcast on our website (www.wesfarmers.com.au).

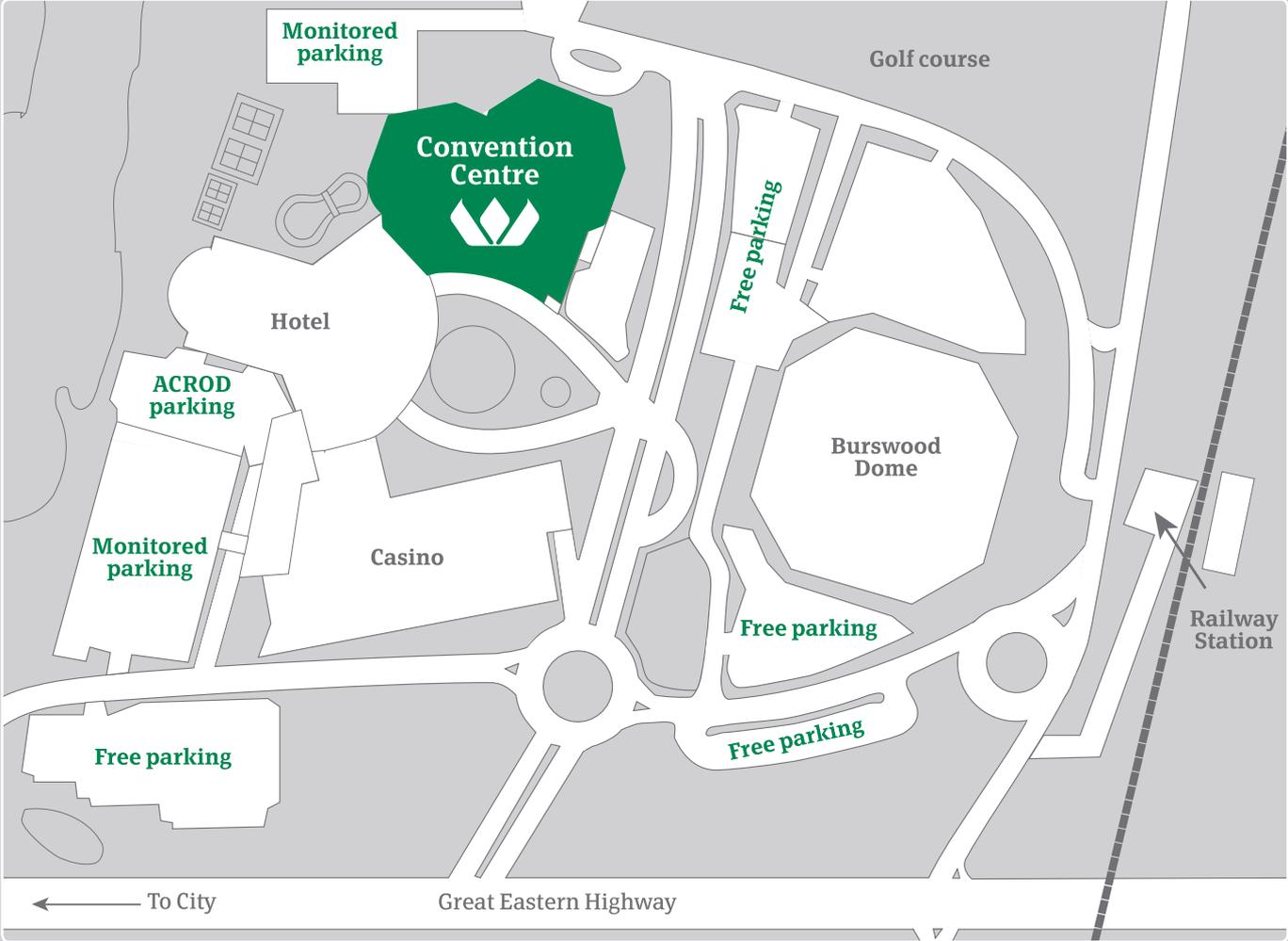
We look forward to seeing you at the meeting.

Yours sincerely,



LINDA KENYON
COMPANY SECRETARY
8 October 2007

Map of Burswood



Notice of meeting

Time: 2.00 pm

Date: Thursday, 15 November 2007

Place: Grand Ballroom, Burswood Convention Centre,
Great Eastern Highway, Burswood, Western Australia

Notice is hereby given that the 26th annual general meeting of Wesfarmers Limited will be held in the Grand Ballroom, Burswood Convention Centre, Great Eastern Highway, Burswood, Western Australia on Thursday, 15 November 2007 at 2.00 pm.

BUSINESS OF THE MEETING

1. Financial statements and reports

To receive and consider the financial statements and the reports of the directors and of the auditors for the year ended 30 June 2007.

2. Ordinary resolutions

(a) Election of Directors

To elect four directors, each of:

- (i) Mr Colin Carter,
- (ii) Mr James Graham,
- (iii) Mr David White,

who retire by rotation in accordance with the company's Constitution and, being eligible, offer themselves for re-election; and

- (iv) Mr Anthony (Tony) Howarth,

who, having been appointed as a director of the company since the last annual general meeting, retires in accordance with the company's Constitution and the ASX Listing Rules and, being eligible, offers himself for election.

(b) Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2007 be adopted."

Note: The vote on this resolution is advisory only and does not bind the directors or the company.

(c) Increase in Remuneration Pool for Non-executive Directors

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, with effect from 1 January 2008, the total amount that may be provided to the non-executive directors by way of remuneration for their services as directors of the company be increased by the amount of \$750,000 to \$3,000,000 (inclusive of statutory entitlements) per financial year."

Voting exclusion

The company will disregard any votes cast on resolution 2(c) by:

- any director of the company; and
- any associate of a director of the company.

The company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

3. Special resolutions

(a) Financial Assistance Approval

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That the shareholders approve Coles Group Limited (ABN 11 004 089 936) and its wholly-owned subsidiaries financially assisting the acquisition of the shares in Coles Group Limited by Wesfarmers Retail Holdings Pty Ltd (ACN 126 199 022), by acceding as guarantors to a Guarantee Deed Poll granted by the company and certain of its wholly-owned subsidiaries as guarantors."

(b) Changes to the Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, with effect from the close of the meeting, the Constitution be amended to allow for direct voting by making the amendments contained in the document to be tabled at the meeting and signed by the Chairman of the meeting for the purposes of identification."

By order of the Board



LINDA KENYON
COMPANY SECRETARY
8 October 2007

IMPORTANT INFORMATION

MEMBERS ENTITLED TO ATTEND AND VOTE AT THE MEETING

In accordance with the company's Constitution and the Corporations Regulations 2001, the Board has determined that the members entitled to attend and vote at the meeting will be those persons who are recorded in the register of members at 6.00 am on Wednesday, 14 November 2007.

PROXIES

Appointing a Proxy

Where a member is unable to attend the meeting, we encourage that member to complete and return the enclosed proxy form. Each member is entitled to appoint a proxy. A proxy need not be a member.

A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the appointment does not specify the proportion or number of the member's voting rights, each proxy may exercise half the votes.

Lodging a Proxy

To be effective, duly completed proxy forms, together with any relevant power of attorney, must be received not less than 48 hours before the time for holding the meeting (that is, by 2.00 pm (Perth time) on Tuesday, 13 November 2007). Please direct proxy forms and any relevant power of attorney to the company's share registry (Computershare Investor Services Pty Limited):

- at Level 2, 45 St George's Terrace, Perth WA 6000 or GPO Box 242, Melbourne VIC 3001
- by fax on (08) 9323 2033 (within Australia) or (+ 61 8) 9323 2033 (outside Australia)

Members can also submit their proxy voting instructions online at www.computershare.com/au/proxy/wes. Please refer to the enclosed proxy form for more information about submitting a proxy vote online.

BODY CORPORATE REPRESENTATIVES

A body corporate member or proxy may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act 2001 (Cth). Where a body corporate appoints a representative, the company requires written proof of the representative's appointment to be lodged with, or presented to, the company before the meeting.

EXPLANATORY NOTES

Item 1 – Financial statements and reports

The Corporations Act 2001 (Cth) requires the company's financial statements and reports for the last financial year to be laid before the annual general meeting. The financial statements and reports are contained in the company's 2007 Annual Report, a copy of which accompanies this notice (unless you have elected not to receive a copy of the report). The 2007 Annual Report is also available from the company's website (www.wesfarmers.com.au).

While no resolution is required in relation to this item, shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

The company's auditor, Ernst & Young, will be present at the meeting and shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the company's accounting policies, and the independence of the auditor.

Item 2(a) – Election of Directors

Messrs Colin Carter, James Graham and David White retire by rotation and offer themselves for re-election.

Mr Anthony (Tony) Howarth was appointed as a director since the last annual general meeting. Under the company's Constitution and the ASX Listing Rules, he holds office only until this meeting and therefore offers himself for election.

The Board supports the re-election of Messrs Colin Carter, James Graham and David White, and the election of Mr Anthony (Tony) Howarth.

The experience, qualifications and other information about the candidates appear below:

Profiles

Colin Carter OAM – Non-executive Director, age 64

Joined the Board in 2002. Colin holds a Bachelor of Commerce degree from Melbourne University and a Master of Business Administration from Harvard Business School. He has had extensive experience advising on corporate strategy and corporate governance and his consultancy career has included major projects in Australia and overseas. The other listed companies of which he is or has been a director in the last three years are Origin Energy Limited (appointed February 2000 – resigned April 2007), SEEK Limited (appointed March 2005) and Foster's Group Limited (appointed March 2007). He is also Chairman of Indigenous Enterprise Partnerships, a member of the Board of The Cape York Institute, a Commissioner of the Australian Football League, and an adviser to, and former Vice President of, The Boston Consulting Group.

James Graham – Non-executive Director, age 59

Joined the Board in 1998. James holds a Bachelor of Engineering in Chemical Engineering with Honours from the University of Sydney, a Master of Business Administration from the University of New South Wales and is a Fellow of the Australian Academy of Technological

Sciences and Engineering. He has had an active involvement in the growth of Wesfarmers since 1976 in his roles as Managing Director of Gresham Partners Limited and previously as a director of Hill Samuel Australia Limited and Managing Director of Rothschild Australia Limited. In addition to his investment banking activities, James is Chairman of Rabobank Australia Limited, Rabo Australia Limited, Rabobank New Zealand Limited, the Advisory Council of The Institute for Neuromuscular Research and Gresham Technology Management Limited, which was the responsible entity of the Technology Investment Fund until August 2005. He is also a director of Wesfarmers Federation Insurance Limited, Lumley General Insurance Limited, Australian International Insurance Limited and Riviera Group Pty Ltd. James is also a member of the Fundraising Committee for the Australian Olympic Committee (NSW) for Beijing 2008 and a Trustee of the Gowrie Scholarship Trust Fund. In the period from 1989 to 1995 he was Chairman of the Darling Harbour Authority in New South Wales.

David White – Non-executive Director, age 59

Joined the Board in 1990. David holds a Bachelor of Business degree from Curtin University and is a fellow of CPA Australia. He is Chairman of the Wheatbelt Area Consultative Committee, a member and Treasurer of Parkerville Children and Youth Care (Inc) and a member of the Australian Institute of Company Directors. He was formerly the Treasurer of The Royal Agricultural Society of Western Australia (Inc).

Anthony (Tony) Howarth AO – Non-executive Director, age 55

Joined the Board in July 2007. Tony is a Senior Fellow of the Financial Services Institute of Australia and has over 30 years experience in the banking and finance industry. He has held several senior management positions during his career, including Managing Director of Challenge Bank Limited and CEO of Hartleys Limited. The other listed companies of which he is or has been a director in the last three years are, Chairman of Home Building Society Ltd (appointed June 2003), Mermaid Marine Australia Limited (appointed July 2003), Alinta Limited (appointed 2000 - resigned July 2006) and a director of AWB Limited (appointed March 2005). He is also Chairman of St John of God Health Care Inc. Tony is also involved in a number of community and business organisations including the Senate of the University of Western Australia, Chairman of the Committee for Perth Limited, a member of the Rio Tinto WA Future Fund and a director of Western Australian Community Foundation Limited, the Australian Chamber of Commerce and Industry and the Chamber of Commerce and Industry of Western Australia (Inc).

Item 2(b) – Adoption of Remuneration Report

The Remuneration Report is required to be considered in accordance with section 250R of the Corporations Act 2001 (Cth).

The Remuneration Report, which details the company's policy on the remuneration of non-executive directors, executive directors and senior executives, is set out on pages 125 to 135 of the company's 2007 Annual Report.

The Remuneration Report is also available from the company's website (www.wesfarmers.com.au).

The vote on the adoption of the Remuneration Report is advisory only and does not bind the directors or the company.

Item 2(c) – Increase in Remuneration Pool for Non-Executive Directors

The sum of \$3,000,000 is to cover the total fees that could be paid in a financial year to all non-executive directors of the company (including statutory entitlements), as shared between them in such proportion as the Board agrees from time to time. This is an increase of \$750,000 from the total approved by shareholders at the annual general meeting held on 8 November 2004. The new annual fee limit will take effect from 1 January 2008.

This increase is to enable the company to maintain directors' fees in line with those paid by companies of a similar size and complexity. Analysis of the company's current fees by external consultants has shown that they are below those paid by comparable companies. The increased limit will enable the company to continue to attract and retain new directors with appropriate skills and competencies to contribute to the Board. The increased fee pool will also provide greater flexibility for the Board to appoint an additional director or directors with specialist expertise and experience. It is not proposed to utilise the whole of the increased sum at the present time.

The company will disregard any votes cast on resolution 2(c) by:

- any director of the company; and
- any associate of a director of the company.

The company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Item 3(a) – Financial Assistance Approval

Background

The company has obtained an A\$10 billion syndicated loan facility arranged and underwritten by BNP Paribas, Australia and New Zealand Banking Group Limited and National Australia Bank Limited (the "Facility Agreement"), which it may use, among other things, to fund the cash component of the proposed acquisition of Coles Group Limited (ABN 11 004 089 936) ("Coles") by the company's wholly-owned subsidiary, Wesfarmers Retail Holdings Pty Ltd (ACN 126 199 022) under a scheme of arrangement.

As is the case with the company's current funding arrangements, and many similar funding arrangements of other companies, the banks providing the Facility Agreement require that the company's obligations be guaranteed by the bulk of the company's wholly-owned subsidiaries. To comply with that requirement, if the company acquires a new wholly-owned subsidiary, it may need to ensure that the new wholly-owned subsidiary becomes a guarantor after its acquisition. This means that if

the acquisition of Coles does occur, then the company is obliged to procure that, after the acquisition is completed, Coles and a number of its wholly owned subsidiaries become guarantors by acceding to a guarantee deed poll. The bulk of the company's existing subsidiaries would already be guarantors to this deed poll.

Corporations Act Requirements

The accession to the guarantee by Coles and its subsidiaries would constitute financial assistance for the acquisition of shares in Coles. If the proposed acquisition occurs, the company will become the holding company of Coles and Coles' subsidiaries. As the company will be a listed holding company, section 260B(2) of the Corporations Act 2001 (Cth) requires that the financial assistance be approved by a special resolution of the members of the company. It is a technical requirement of the Act that such a resolution is required in this situation even though it is the company (through a subsidiary) making the acquisition and is therefore benefiting from the grant of the financial assistance for the acquisition, and even though the financial assistance is clearly in the best interests of the company and its shareholders.

The proposed financial assistance comprises Coles and the subsidiaries signing accession deeds acceding as guarantors to a guarantee deed poll granted by the company and certain of its wholly-owned subsidiaries as guarantors. They will accede after the acquisition of Coles is completed.

Facility Agreement and Guarantee Deed Poll

Under the guarantee deed poll the guarantors guarantee the obligations of the company and each other guarantor under the Facility Agreement and any other document specified as being a guaranteed document under the Facility Agreement. The funds provided under the Facility Agreement will fund the cash component of the acquisition of Coles and related costs, refinance existing debt facilities of Coles and its subsidiaries, refinance other existing facilities of the company (including facilities used to acquire shares in Coles and to make other acquisitions) and will be used for general working capital requirements.

It is a requirement of the Facility Agreement that Coles and the subsidiaries give the financial assistance. In the view of the directors, such a requirement was a reasonable and necessary part of obtaining finance on the most favourable terms. Obtaining a facility of this nature without that requirement would have been very difficult, and would have resulted in funding being obtained on terms which would have been more restrictive and expensive.

If Coles and the relevant subsidiaries do not give the financial assistance (by entering into guarantees) within a specified period then it would be necessary for the company to refinance the facility or to renegotiate the Facility Agreement, in each case on significantly more restrictive and expensive terms. Failure to do so would be a default under the Facility Agreement and allow the lenders to terminate the facilities and require immediate repayment of the amounts lent.

Effect on Company

The proposed financial assistance will benefit the company, enabling it to comply with the Facility Agreement and to raise funds under it on the most favourable terms available.

The proposed financial assistance will have no adverse effects on the company and is consistent with its practice in previous and existing borrowing arrangements.

The Board has unanimously approved this statement and recommends shareholder approval of the accompanying resolution. The Board considers the resolution to be a formal and technical requirement only.

Item 3(b) – Changes to the Constitution

It is proposed that the company's Constitution be amended to allow for direct voting. Direct voting is designed to enhance shareholder participation by allowing shareholders to cast their votes for a meeting by lodging a direct vote without the need to attend the meeting.

The proposed amendments will authorise the directors to approve direct voting for a meeting and adopt and vary the rules to be applied in relation to direct voting at meetings. It is proposed that, for each meeting at which direct voting has been approved, shareholders would receive a "Direct Voting" form and instructions in relation to how the shareholder can choose to exercise a direct vote.

The following key aspects of direct voting are proposed:

- Direct voting will allow a shareholder to lodge a vote directly with the company without having to attend the meeting or relying on another person (as a proxy for the shareholder) to exercise the shareholder's vote at the meeting.
- A shareholder who submits a direct vote will have their votes counted on a show of hands (as one vote for all shares held) and on a poll (as one vote for each share held).
- A shareholder who has lodged a direct vote for a meeting will still be able to attend and take part in the meeting. If the shareholder wishes to attend the meeting and vote, the shareholder's direct vote (as previously submitted) will be taken to be revoked and the direct votes will not be counted.
- Direct voting is intended to be an additional option for a shareholder. Depending on the shareholder's circumstances, the shareholder can choose to attend the meeting in person, lodge their vote(s) by direct voting, or appoint a proxy or attorney (or body corporate representative, in the case of a corporate shareholder).

The current Constitution has been marked-up to show the proposed changes and will be tabled at the meeting by the Chairman.

A copy of the marked-up Constitution is available from Wesfarmers Limited's website (www.wesfarmers.com.au). You can also request a copy of the marked-up Constitution by emailing the Company Secretary (info@wesfarmers.com.au).



All correspondence to:
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 558 062
 (outside Australia) 61 3 9415 4631
 Facsimile 61 8 9323 2033
 www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



Appointment of Proxy

I/We being a member/s of Wesfarmers Limited and entitled to attend and vote hereby appoint:



the Chairman
of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Wesfarmers Limited to be held in the Grand Ballroom, Burswood Convention Centre, Great Eastern Highway, Burswood, Western Australia on Thursday, 15 November 2007 at 2.00pm (Perth time) and at any adjournment of that meeting.

IMPORTANT: FOR ITEM 2(c) BELOW



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on item 2(c) below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on item 2(c) and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of item 2(c).

Voting directions to your proxy - please mark to indicate your directions

Item	For	Against	Abstain*	Item	For	Against	Abstain*
2(a)(i) Re-election of Mr Colin Carter as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2(b) Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(a)(ii) Re-election of Mr James Graham as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2(c) Increase in Remuneration Pool for Non-executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(a)(iii) Re-election of Mr David White as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3(a) Financial Assistance Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(a)(iv) Election of Mr Anthony (Tony) Howarth as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3(b) Changes to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Securityholder 1

Sole Director and
Sole Company Secretary / Individual

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

In addition to signing the Proxy Form in the above box(es), please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /



HOW TO COMPLETE THE PROXY FORM

1. Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'X') should advise your broker of any changes. **Please note you cannot change ownership of your securities using this form.**

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, please mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- b) return both forms together in the same envelope.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received not later than 48 hours before the time for holding the meeting (that is, by 2.00 pm (Perth time) on Tuesday, 13 November 2007). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

IN PERSON Share Registry – Computershare Investor Services Pty Limited, Level 2, 45 St George's Terrace, Perth WA 6000 Australia

BY MAIL Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001 Australia

BY FAX (08) 9323 2033 (within Australia) or (+ 61 8) 9323 2033 (outside Australia)

Members can also submit their proxy voting instructions online at www.computershare.com/au/proxy/wes. To use this online facility, you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode. You will be taken to have signed or authenticated your proxy form if it is submitted in accordance with the instructions on the internet site. Proxies lodged through the online facility must be received by 2.00 pm (Perth time) on Tuesday, 13 November 2007.



Wesfarmers

2007 Shareholder Review

Results summary

for the year ended 30 June

		2007 AIFRS	2006 AIFRS
Key financials			
Revenue (excluding the sale of ARG in 2006)	\$m	9,754	8,859
Profit before net interest and tax (excluding the sale of ARG in 2006)	\$m	1,220	1,313
Profit after tax (including the sale of ARG in 2006)	\$m	786	1,048
Profit after tax (excluding the sale of ARG in 2006)	\$m	786	869
Dividends	\$m	865	813
Total assets	\$m	12,076	7,430
Net borrowings	\$m	4,989	1,458
Shareholders' equity	\$m	3,503	3,166
Capital expenditure on property, plant and equipment	\$m	680	615
Depreciation and amortisation	\$m	345	283
Key share data			
Earnings per share	cents	210.5	284.0
Earnings per share (excluding the sale of ARG in 2006)	cents	210.5	235.6
Dividends per share	cents	225.0	215.0
Net tangible assets per share	\$	2.11	4.59
Operating cash flow per share	\$	3.41	2.99
Key ratios			
Return on average shareholders' equity (excluding the sale of ARG in 2006)	%	25.1	31.1
Gearing (net debt to equity)	%	143.6	46.1
Gearing (net debt to equity)#	%	83.5	46.1
Interest cover (cash basis)	times	8.7	13.8
Interest cover (cash basis)#	times	10.6	13.8

#excludes borrowings to fund purchase of the shareholding in Coles Group Limited.

Our primary objective is to provide a satisfactory return to shareholders

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Performance highlights

OPERATIONAL HIGHLIGHTS

- Acquired a significant shareholding in Coles Group Limited
- Acquired leading insurance brokers OAMPS (Australia) and Crombie Lockwood (New Zealand)
- Completed construction of \$360 million Curragh North conveyor and coal handling system
- Good progress on expansion of CSBP's ammonium nitrate facility
- Commenced construction of LNG plant at Kwinana, Western Australia
- Acquired Coregas, a major producer and distributor of industrial and medical gases
- Acquired Bullivants, a leading supplier of materials handling, lifting and rigging equipment

FINANCIAL HIGHLIGHTS

- Revenue of \$9.8 billion, up 10.1 per cent from \$8.9 billion
- Profit of \$786.3 million
- Full-year dividend up 4.7 per cent to \$2.25 per share
- Operating cash flow up 14.3 per cent to \$3.41 per share
- Home improvement division earnings up 25.7 per cent to \$528.4 million
- Return on equity of 25.1 per cent

Net profit (\$m)*

2007

\$786m

■ AGAAP ■ AIFRS



Earnings per share (cents)*

2007

210.5 cents

■ AGAAP ■ AIFRS

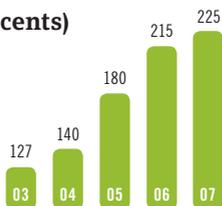


*excludes earnings from the sale of the Girrah coal deposit in 2003, the sale of Landmark in 2004 and the sale of ARG in 2006.

Dividends per share (cents)

2007

225 cents



Operating cash flow per share (cents)

2007

341 cents



Chairman's letter to shareholders

Your Board is confident that we are ready to take advantage of the many opportunities ahead of us. In every sense, we are excited about the future.



Dear Shareholder,

On behalf of the Board, I am delighted to present the Wesfarmers 2007 Shareholder Review.

It has been a very busy year for the company with a number of significant acquisitions. These included leading insurance brokers OAMPS and Crombie Lockwood; the medical and industrial gases producer and distributor Coregas (formerly Linde Gas); and Bullivants, Australia's leading supplier of lifting and rigging equipment.

In April 2007, Wesfarmers acquired a major stake in Coles Group Limited and in September 2007 the Coles Board unanimously recommended Wesfarmers' enhanced proposal to acquire Coles Group Limited by way of a scheme of arrangement.

In addition, a number of major investment projects were completed or were well progressed at year end. These included the completion of the 20 kilometre conveyor and coal handling system at the Curragh coal mine in Queensland and substantial progress on construction of CSBP's ammonium nitrate expansion and Wesfarmers Energy's new liquefied natural gas (LNG) plant, both at Kwinana in Western Australia.

The increased level of activity during the year resulted in a significantly heavier workload for the company's dedicated team of employees. I would like to take this opportunity to thank them sincerely for their loyalty and tremendous efforts over the past 12 months.

I would also like to extend a personal vote of thanks to my fellow directors for their hard work and tireless contribution. I have greatly valued their support and commitment to our objective of delivering a satisfactory return to our shareholders.

For more details on the company's activities during the year, including the proposal to acquire Coles, I encourage you to read the review by our Managing Director, Richard Goyder, and the operational review that follows.

The Board declared a fully-franked final dividend of \$1.40 per share (last year \$1.50) for the year ended

30 June 2007, taking the full-year fully-franked dividend to \$2.25 per share compared to last year's \$2.15. The total dividend for the year represents 110 per cent of net profit after tax. The company also reinstated the dividend investment plan during the year, providing shareholders with the ability to invest all or a portion of their dividend entitlements in additional Wesfarmers shares.

Lou Giglia retired as a director in November 2006 after 35 years distinguished service. We thank him for his outstanding contribution. In July 2007, the Board announced the appointment of Tony Howarth as a non-executive director. Tony has more than 30 years experience in the banking and finance industry and his appointment will further strengthen the Board's level of commercial expertise. I would like to take this opportunity to welcome Tony to the Board.

The Board continues to review its corporate governance policies and procedures to ensure it fulfils its obligations and meets the expectations of stakeholders.

The pursuit of sustainable outcomes is a major driver of a number of initiatives to improve the performance of the group's businesses and these are summarised on pages 13 to 15 of this review. The company's Sustainability Report, which will be released in November 2007, will provide a detailed description of the company's performance during the year in the areas of workplace safety, environmental impacts and community engagement.

Your Board is confident that we are ready to take advantage of the many opportunities ahead of us. In every sense, we are excited about the future.

Yours sincerely,

A handwritten signature in black ink, which appears to read 'Trevor Eastwood'. The signature is fluid and cursive, written over a light background.

Trevor Eastwood AM

Chairman

Managing Director's review

We are really pleased with the growth prospects of each of our businesses.



THE YEAR AT A GLANCE

In my comments last year I referred to the Wesfarmers commitment to long term thinking and decision-making and its likely origins in our rural past.

At the risk of repetition, it is hard to imagine a year in which that fundamental principle has been more important than the 12 months we are reviewing in this report. That is particularly the case in the context of our proposal to acquire Coles Group Limited, to which I will return.

At Wesfarmers, we faced a year in which we expected the group's profit would decline because of the fall in export coal prices. In those circumstances, we had to work even harder across all our businesses and concentrate on what was within our ability to directly manage and influence.

The net profit for the year of \$786.3 million, a decline of 9.6 per cent on the previous year when the profit from the sale of our rail interest is excluded, is a good result. With a more than 40 per cent drop in earnings from coal because of the lower prices, the rest of the group rallied, led by an absolutely outstanding performance from the Bunnings home improvement division. Bunnings' achievement of a 16.1 per cent increase in trading earnings and underlying store-on-store cash sales growth of more than 10 per cent is a tribute to the skill and hard work of the more than 24,000 people employed in that business across Australia and New Zealand.

Despite the price decline, the coal division remained our second main contributor to group profit with an increase in sales from the Curragh mine in Queensland and our 40 per cent-owned Bengalla mine in the Hunter Valley but a decline at the Premier mine in Western Australia. Both Curragh and Bengalla remain affected by infrastructure constraints but both are actively investigating expansion plans.

We were somewhat disappointed in the performance of the insurance division which was affected by higher than expected claims related to severe weather events and by strong competition. Wesfarmers Federation Insurance, our original entry to the insurance sector, had a record year despite unfavourable seasonal conditions. Recent acquisitions, particularly the OAMPS and Crombie Lockwood purchases, performed well and will play a more significant part in the 2007/08 result.

The industrial and safety division benefited from a restructure and improved its customer service to better-than-competitor benchmark levels. The division recorded a significant lift in earnings and all of its businesses are looking forward to continuing growth.

Revenue from the CSBP chemicals and fertilisers division was down but profits were up due to improved returns from fertilisers, ammonium nitrate and an asset sale. The fertilisers uplift was achieved despite another poor start to the season in Western Australia.

The new energy division, created with the separation in September 2006 of the gas and power generation businesses from the coal assets, showed earnings growth of more than 50 per cent with a part-year boost from the Coregas industrial and medical gases business, acquired in February 2007, and improved performance from the other businesses.

We continue to benefit from our involvement in Gresham Partners and their private equity activities and from our plantation pine sawmilling joint venture, Wespine. In 2006/07, there was a significant contribution from our investment in the Bunnings Warehouse Property Trust.

As always, we maintain an active replacement and expansion capital expenditure programme. During the year we exceeded the 2005/06 record by outlaying \$680 million and we have budgeted more than \$800 million for investment in existing businesses in 2007/08, with more than half allocated to growth assets.

STRATEGIC APPROACH

The four key strategies that we follow to achieve our objective of satisfactory shareholder returns were all relevant in the year under review.

The first – to strengthen existing businesses through operating excellence and satisfying customer needs – has particular application to the way in which Bunnings and the industrial and safety businesses have lifted performance to deliver such good results. It is evident also in the way in which improved cost containment and margin management in fertilisers saw that business defy unfavourable conditions and produce a better outcome.

Our second strategy is to secure growth opportunities through entrepreneurial initiative. We are really pleased with the growth prospects of each of our businesses.

Bunnings will continue to roll-out new stores, refurbish existing ones and, importantly, add to its product and service range. Our coal division is undertaking feasibility studies with a view to increasing production at the Curragh and Bengalla mines. During the year we significantly boosted the prospects for the insurance division through the acquisition of OAMPS and Crombie Lockwood.

The industrial and safety division acquired the Bullivants lifting business which is performing well, as is the new Queensland distribution centre. CSBP has nearly completed the 235,000 tonne ammonium nitrate expansion at Kwinana and is also looking at increasing production of sodium cyanide for the Boddington gold mine project and of ammonium nitrate at our QNP joint venture in Queensland. In the energy division we have integrated the Sydney-based Coregas business, and construction is well under way on the 175 tonne-per-day liquefied natural gas production facility at Kwinana to provide LNG for the heavy duty vehicle and remote area energy markets.

The third strategy – to renew the portfolio through value-adding transactions – has seen us devote substantial resources to work on the Coles offer which is still in progress and to which I will refer in more detail a little later.

Our fourth strategy – to ensure sustainability through responsible long-term management – is covered in more detail later in this report and even more comprehensively in the separate report which will be available at the time of the annual general meeting.

Wesfarmers remains active in the pursuit of sustainable outcomes. New initiatives by Bunnings on water conservation and climate change continue its industry-leading role. They follow the plastic bag reduction programme that has been so successful in Australia and is now operating in Bunnings' New Zealand stores

and the attention to supply chain issues on wood and wood products.

At the parent company level, we commissioned an external report on greenhouse risks and opportunities that will provide a basis for future action across the group. In a submission to the Prime Minister's Task Group on Emissions Trading we supported the introduction of a truly global scheme as a contribution to reducing atmospheric greenhouse gases.

Sustainability is a multi-faceted concept, encompassing amongst other things the environment, the way in which we treat our employees, ethical business conduct and the community contributions we make. One of these aspects, the attraction, development and retention of quality people, is becoming an absolutely key issue in the context of ongoing strong economic growth. I believe it is likely to be the biggest single challenge facing public companies over the next decade.

Wesfarmers has always aspired to be an employer of choice and that is linked to remuneration we offer and the sort of workplaces we provide. But a crucial further element is that increasingly people are factoring in the reputation enjoyed by a potential employer. That is where a genuine and demonstrable commitment to being a sustainable company plays such an important part, especially for those skilled young people with wide choice in the job market.

COLES

On 3 April 2007, Wesfarmers announced the acquisition of a significant shareholding in Coles Group Limited and an indicative proposal to acquire all the shares in that company. On 2 July, Wesfarmers and Coles reached agreement on the terms of a scrip and cash proposal which received the support of the Coles Board.

That recommendation was reiterated by Coles on 5 September (subject to there being no superior proposal) when our companies jointly announced agreement on an enhanced offer.

At the time of writing this review, the transaction was incomplete. We look forward to finalisation in November 2007.

Coles is a great Australian company with a set of irreplaceable quality business assets and more than 160,000 dedicated employees. Our proposed acquisition is expected to create value for our shareholders. As suggested at the start of these remarks, our approach on Coles is entirely consistent with the long-term focus that has been central to the success Wesfarmers has enjoyed.

Extensive details of our plans to improve the performance of Coles were released publicly on 16 August 2007 and they, along with all other significant statements we have

made on the transaction, are available on our website at www.wesfarmers.com.au.

I want to take this opportunity to express my sincere thanks to the large team from the Wesfarmers corporate office and from Bunnings and our other divisions, for their efforts that have been sustained over many gruelling months and have involved, in many cases, extraordinarily long working hours.

FINANCE

Our balance sheet remains in good shape. The ratio of net debt to equity at 30 June 2007 was 143.6 per cent. Excluding the borrowings of \$2.1 billion to fund the shareholding in Coles, the ratio would be 83.5 per cent. Our cash interest cover is a healthy 8.7 times or 10.6 times with borrowings associated with the Coles acquisition excluded.

MANAGEMENT

Bob Buckley, a long-standing and highly valued Wesfarmers employee, retired as Managing Director of the insurance division at the end of the financial year. He has been replaced by Robert Scott who was appointed Deputy Managing Director in February 2007. On behalf of the company I extend my thanks to Bob Buckley for his excellent service as I do to the Assistant Company Secretary, Paul Gardiner, who retired in March 2007 after a long and distinguished career with Wesfarmers.

CONCLUSION

As is always the case, the company's performance to which I refer in these brief comments is attributable in part to the excellent assets we own but, in my view most particularly, to the efforts of our more than 30,000 employees. I want to express the confidence of the Board and senior management in the quality of our employees and to convey to them our appreciation for their efforts during the year. My thanks also to the Board and to my senior executive colleagues for the great support given over the past 12 months.

Looking ahead, we can expect a further reduction in coal revenues due to lower prices for the first nine months of 2007/08 but prospects are better beyond that time. All other divisions should make an increased contribution.

The outcome of the Coles transaction will be known relatively shortly after the publication of this report. We will keep shareholders fully informed of developments as they occur.



Richard Goyder
Managing Director

12 MONTHS ACQUISITION TIMELINE

December 2006

18 December

OAMPS

Acquisition of leading Australian insurance broker.

19 December

Bullivants

Acquisition of leading supplier of materials handling, lifting and rigging products and services.

February 2007

1 February

Coregas (formerly Linde Gas)

Acquisition of significant participant in the Australian industrial gas market.

26 February

Crombie Lockwood

Acquisition of leading New Zealand insurance broker.

April 2007

3 April

Coles Group

Acquisition of a major shareholding in Coles Group.

July 2007

2 July

Coles Group

Coles Board recommends Wesfarmers' offer to acquire Coles shares.

September 2007

3 September

Australian Vinyls Corporation

Acquisition of the only manufacturer of poly vinyl chloride in Australia.

5 September

Coles Group

Coles Board recommends enhanced Wesfarmers' offer to acquire Coles shares.

Review of operations

From our origin in 1914 as a Western Australian farmers' co-operative, Wesfarmers Limited has grown into one of Australia's largest public companies. We operate through a portfolio of diversified businesses currently focused in Australia and New Zealand. These activities comprise interests in home improvement products and building supplies, coal mining, gas production and distribution, industrial and safety product distribution, chemicals and fertilisers manufacture and insurance. We also have interests in private equity and other activities.

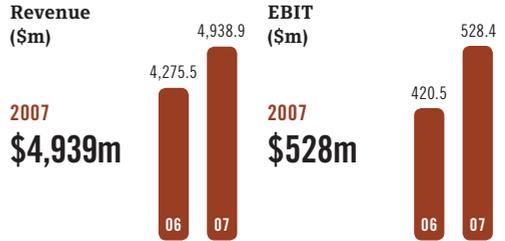
Contribution to group EBIT*

Home improvement

Employees: 24,000



*before corporate overheads and consolidation adjustments



Activities

- Retailer of home improvement products and building materials
- Servicing project builders and the housing industry

Year in brief

- 25.7 per cent increase in earnings
- 16.1 per cent increase in Bunnings' trading EBIT
- 13.8 per cent increase in cash sales
- 13 new warehouse stores opened, 31 upgraded or refurbished
- Improved business effectiveness and efficiency
- Strong improvements in product range development
- A network of 11 stand-alone trade distribution sites is now in place
- Phase one of inventory and business systems upgrade completed

Future directions

- Continue to open between 10 to 14 warehouse stores per year
- Continue with store network refurbishment programme
- Enhance and expand products and services offered
- Expand trade business
- Complete the upgrade of business systems
- Pursue further business improvement strategies

Contribution to group EBIT*

Coal

Employees: 660



Contribution to group EBIT*

Insurance

Employees: 3,000



Revenue (\$m)

2007
\$1,134m



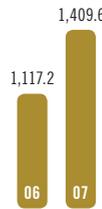
EBIT (\$m)

2007
\$338m



Revenue (\$m)

2007
\$1,410m



EBIT (\$m)

2007
\$120m



- Operating and developing coal mines in Queensland (Curragh) and Western Australia (Premier Coal); 40% interest in New South Wales coal mine (Bengalla Joint Venture)
- Supplier of metallurgical coal to export markets and steaming coal to both domestic and export markets

- Provision of general insurance products to select market segments in Australia and New Zealand under Wesfarmers Federation Insurance and Lumley brands
- Insurance and financial services distribution via OAMPS in Australia and UK, and Crombie Lockwood in New Zealand
- Specialist risk placement via underwriting agencies in Australia and the UK
- Development of general insurance software

- Coal earnings down 41.5 per cent
- Continued growth in metallurgical coal sales
- Production of coal limited by infrastructure constraints and the upgrade of Curragh Coal Handling and Preparation Plant
- Completion of Curragh North materials handling project
- Premier Coal sales volumes reduced in line with long-term supply to Verve Energy
- Construction completed on char demonstration plant
- Commenced Bengalla expansion study
- Active in coal industry support of clean coal technologies

- Revenue growth achieved over last year despite a difficult year with softening insurance market and increased competition
- Significant Event claims – Newcastle and Victorian floods impacted claims expenses and year end results
- Continued acquisition of a number of niche distribution portfolios in the broker market
- Acquired OAMPS, leading broker operating in Australia and UK
- Acquired Crombie Lockwood, leading broker operating in New Zealand

- Strong business sustainability commitment
- Strong export market fundamentals and customer demand
- Continued export production and sales growth from Curragh
- Constrained export coal chains
- Low emissions and other value-adding technology support and development
- Positioned for future growth

- Earnings likely to continue to be constrained by competitive pressures
- Maintain business focus in selected market segments
- Continue to seek opportunities for profitable growth via acquisition
- Growth through the development of insurance and wealth creation products

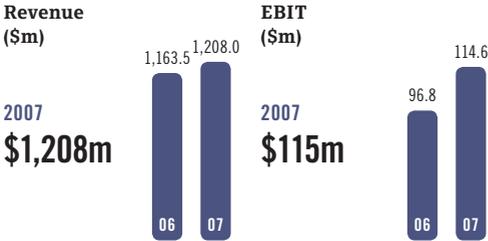
Contribution to group EBIT*

Industrial and safety

Employees: 3,200



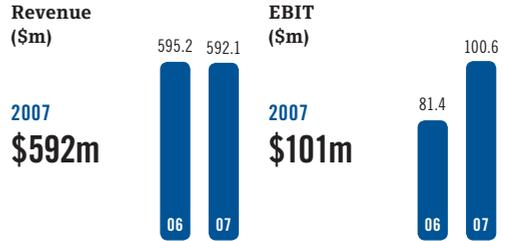
*before corporate overheads and consolidation adjustments



Contribution to group EBIT*

Chemicals and fertilisers

Employees: 618



Activities

- Supply of engineering products and industrial consumables, safety products and training services, packaging, materials handling and lifting products and services through a portfolio of leading distributors across Australia and New Zealand
- Servicing industry and government through extensive national branch networks and online channels

- Manufacture and marketing of chemicals for mining, mineral processing and industry
- Manufacture and marketing of broadacre and horticultural fertilisers
- Provider of soil and plant testing and agronomy advisory services

Year in brief

- 18.3 per cent increase in earnings
- 3 percentage points lift in return on capital to 15.6 per cent
- Acquired Bullivants, Australia's leading supplier of material handling, lifting and rigging products and services
- Division restructuring largely complete
- Product range rationalised by over 50 per cent
- Delivery In Full On Time improved 10 percentage points through upgrades to logistics, systems and distribution networks
- Global Sourcing Office established in China

- Chemicals business earnings adversely impacted by planned and unplanned ammonia plant shut downs
- Fertiliser volumes reduced due to late seasonal rainfall, however, improved earnings resulted from cost containment
- Expansion of CSBP's ammonium nitrate facility at Kwinana, Western Australia, progressing on schedule. The project will increase production capacity by 235,000 tonnes per annum
- Record production and financial contribution from Queensland Nitrates joint venture
- Divestment of chlor-alkali plant

Future directions

- Continue to target higher growth sectors, extensions to networks and ranges of products and services
- Increase sales through improved service, delivery performance and value proposition
- Improve metropolitan sales penetration
- Complement organic growth by acquisitions

- Capitalise on strong chemical demand from the resources sector
- Enhance fertiliser sales volumes through market focused customer offer
- Pursue market growth and product diversification opportunities
- Commission duplicate ammonium nitrate facility

Contribution to group EBIT*

Energy

Employees: 900



Contribution to group EBIT*

Other activities



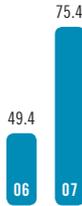
Revenue (\$m)

2007
\$463m



EBIT (\$m)

2007
\$75m



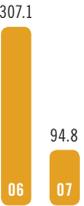
Revenue (\$m)

2007
\$8m



EBIT (\$m)

2007
\$95m



- Production, marketing and distribution of liquefied petroleum gas (LPG) and liquefied natural gas (LNG)
- Manufacture, marketing and distribution of industrial and medical gases
- Power generation for remote towns and resource projects

Wespine - 50 per cent interest in a softwood mill at Dardanup, Western Australia

Gresham - 50 per cent interest in the investment bank, Gresham Partners; plus interests in Gresham's private equity funds

Bunnings Warehouse Property Trust - 22.6 per cent interest in the property trust which mainly owns Bunnings Warehouses tenanted by Bunnings Group Limited

- Earnings before interest and tax were up by 52.6 per cent
- Completed \$500 million acquisition of Coregas, a major national producer and distributor of industrial, medical and scientific gases
- \$138 million vertically integrated LNG project commenced
- Kleenheat Gas delivered slight volume growth in Kwik-Gas cylinder exchange and autogas markets
- Wesfarmers LPG increased earnings and production of LPG
- enGen continued expanding through construction of new power stations in regional Western Australia

Wespine - Earnings down 15.9 per cent

Completed project to improve yields and quality

Commenced project to expand production capacity

Gresham - Earnings of \$2.5 million pre-tax

One divestment and one acquisition made by Gresham's private equity funds

Bunnings Warehouse Property Trust -

36.3 per cent increase in pre-tax contribution

- Strong business sustainability focus
- Develop new LNG markets and pursue LPG growth products
- Increased role of industrial and medical gas segments
- Expand power generation activities
- Productivity and cost improvement focus

Wespine - Complete project to expand production capacity

Gresham - Divestment of remaining assets of Private Equity Fund 1 over next few years; new investments by Private Equity Fund 2

Bunnings Warehouse Property Trust - Acquire additional properties

Five year financial history

Wesfarmers Limited and its controlled entities

	AIFRS 2007	AIFRS 2006	AIFRS 2005	AGAAP 2004	AGAAP 2003
ALL FIGURES IN \$000 UNLESS SHOWN OTHERWISE					
SUMMARISED PROFIT AND LOSS					
Sales revenue	9,666,350	8,818,291	8,101,112	7,441,539	7,425,836
Other revenue	87,363	40,510	57,519	965,953	327,538
Total revenue	9,753,713	8,858,801	8,158,631	8,407,492	7,753,374
Profit before depreciation, net interest paid and income tax	1,565,217	1,597,363	1,222,808	1,161,558	1,065,379
Depreciation and amortisation (ex goodwill)	(344,748)	(283,467)	(188,861)	(193,848)	(206,240)
Net interest paid	(115,501)	(81,747)	(67,313)	(50,483)	(65,266)
Income tax expense	(318,481)	(362,713)	(264,797)	(267,062)	(226,283)
	786,487	869,436	701,837	650,165	567,590
Outside equity interests	(149)	-	-	4,535	290
Operating profit after income tax before goodwill amortisation	786,338	869,436	701,837	654,700	567,880
Goodwill amortisation	-	-	-	(85,536)	(85,734)
Operating profit after income tax attributable to members of Wesfarmers Limited	786,338	869,436	701,837	569,164	482,146
CAPITAL AND DIVIDENDS					
Ordinary shares on issue (number) (thousands)	388,069	378,042	378,042	376,354	376,536
Paid up ordinary capital	2,255,958	1,901,522	1,901,164	2,345,633	3,159,466
Dividend per ordinary share (cents fully franked)	225	215	180	140	127
FINANCIAL PERFORMANCE BEFORE GOODWILL AMORTISATION					
Earnings per ordinary share (weighted average) (cents)	210.5	235.6	192.0	174.2	150.8
Earnings per ordinary share growth	-10.7%	22.7%	10.2%	15.6%	9.1%
Return on average ordinary shareholders' funds	25.1%	31.1%	25.4%	18.5%	15.8%
Income tax expense (effective rate)	28.8%	29.4%	27.4%	29.1%	28.5%
FINANCIAL PERFORMANCE AFTER GOODWILL AMORTISATION					
Earnings per ordinary share (weighted average) (cents)	210.5	235.6	192.0	151.5	128.0
Earnings per ordinary share growth	-10.7%	22.7%	26.8%	18.3%	10.4%
Return on average ordinary shareholders' funds	25.1%	31.1%	25.4%	16.2%	13.3%
Net interest cover - cash basis (times)	8.7	13.8	12.4	15.8	14.2
Income tax expense (effective rate)	28.8%	29.4%	27.4%	39.5%	32.2%
FINANCIAL POSITION AS AT 30 JUNE					
Total assets	12,076,249	7,430,225	7,152,769	7,271,400	6,418,102
Total liabilities	8,573,115	4,264,226	4,410,568	3,940,875	2,653,025
Net assets	3,503,134	3,165,999	2,742,201	3,330,525	3,765,077
Outside equity interests in controlled entities	201	52	52	(2,087)	6,597
Shareholders' equity attributable to members of Wesfarmers Limited	3,502,933	3,165,947	2,742,149	3,332,612	3,758,480
Net tangible asset backing per ordinary share	\$2.11	\$4.59	\$3.47	\$4.94	\$5.95
Net financial debt to net tangible assets	625.1%	86.0%	135.1%	81.5%	39.7%
Net financial debt to equity	143.6%	46.1%	62.9%	45.5%	23.7%
Total external liabilities/total assets (excluding project financing)	71.0%	57.4%	61.6%	54.2%	40.3%
STOCK MARKET CAPITALISATION AS AT 30 JUNE (millions)	17,746	13,356	15,125	11,065	9,526

Excludes significant items: in 2003 - sale of Girrah coal deposit; in 2004 - sale of rural services business; and in 2006 - sale of ARG.

Sustainability

Wesfarmers' commitment to the pursuit of sustainable outcomes is a major part of its strategic approach.



Bunnings Team Member, Andrea Ronald, with a range of water saving products at the Box Hill warehouse, Victoria.

The company has four strategies that guide its progress towards achieving the corporate objective of providing a satisfactory return to shareholders.

One of these is to “ensure sustainability through responsible long-term management”.

The company takes the view that it will only be sustainable as a corporation if, in addition to continued financial success, it adequately addresses a range of other issues which are both significant in their own right and which feed back into financial outcomes. These include:

- the decent and principled treatment of a range of stakeholders, such as employees (including encouragement of workplace diversity), customers, suppliers and the broader community;
- maintenance of high standards of ethical conduct;
- provision of a safe and healthy working environment;
- respect for the physical environment in which the company's businesses operate;
- ensuring that internal knowledge of processes, expertise, products, customers and competitors is captured and shared within the group; and
- making a direct contribution to the community above and beyond the economic benefits flowing from well-run business activities.

STAKEHOLDER RELATIONS

The company's primary responsibility is, and always will be, to its shareholders, the people who, through a willingness to invest, place their confidence in the Board and employees to successfully manage the business operations. But in an era of increased focus on both government and corporate accountability, greater attention is being paid to the relationship between public companies and a broader group of stakeholders.

Wesfarmers does not believe there is a case for extra regulation aimed at ensuring listed entities formally take into account the interests of those other than shareholders who have an interest in the activities of the corporation. This would merely add to the already substantial compliance responsibilities faced by listed entities without any guarantee of making a material difference. One of the reasons for Wesfarmers' rejection of a legislated response is that, from its earliest days as a farmers' cooperative, the company has recognised the need for and desirability of fostering and maintaining good relations with a broad constituency of interests.

Foremost amongst this group are the company's employees. As the Managing Director noted in his overview remarks, the competition for talent has emerged as a major determinant of ongoing business success. The Wesfarmers group employs more than 30,000 people on a permanent and part time basis. To attract the best available skills, the company aims to be an employer of choice. Some of this relates to the terms and conditions offered but there are other important aspects contributing to the perception of a company in the employment marketplace.

These include the provision of safe working conditions, an environment where discrimination on any grounds is not tolerated and where openness is encouraged without fear of retribution. All the company's operating businesses have well-developed safety systems and the group's Code of Ethics and Conduct provides a framework for behaviour internally and externally, including specific protection for whistleblowers.

The main safety measurement used across the group is the lost time injury frequency rate (LTIFR). The LTIFR

is a mechanism which relates injuries that result in lost time to total hours worked, although businesses are encouraged to use other indicators of safety performance, such as the number of all workplace injuries. Unfortunately in 2006/07 the company's overall LTIFR increased from 9.5 to 10.5. Wesfarmers has a group-wide target of a 50 per cent annual reduction on the way to a zero outcome. Part of senior management remuneration is linked to safety performance.

Career development opportunities are another important aspect in enhancing the attractiveness of an employer. With the very great sector and geographic spread of the Wesfarmers' businesses, most training and development responsibility logically resides with the operational units. There are some group-wide programmes which supplement the business level activity.

A co-ordinated succession planning process monitors the progress of more than 100 of the group's most senior people with a view to identifying candidates for internal promotion as well as being part of a broader strategy to retain key people. A number of management development programmes are open to participants from across the group. The biggest group gathering of senior managers, the Best Practice Conference, is held about every two years. The last such event was in September 2006 with around 250 delegates coming together in Perth to hear and interact with internal and external speakers on the theme "Sustainable Success – Integrity, Implementation & Innovation".

With such a range of business operations there is a mix of arrangements covering terms of engagement and conditions of work. Wesfarmers recognises the right of individuals to negotiate in their own right or as part of a collective approach which may or may not involve third party participation. The company's aim always is to maximise flexibility at the workplace level with an emphasis on cooperation and mutually beneficial outcomes. Extensive use is made of enterprise bargaining agreements which are negotiated with

unions. Individual contracts under common law are also used and a relatively small number of Australian Workplace Agreements are in place.

THE ENVIRONMENT

Environmental responsibility is a major factor in the operations of each Wesfarmers-owned business. They are required to develop, implement and report on compliance with environmental policies and procedures relevant to their circumstances. Legal compliance is a minimum with businesses encouraged to set higher standards.

Compliance with environmental regulations across the many jurisdictions in which the company's businesses operate is monitored by the company's Audit Committee. This occurs as part of the process of the Committee's consideration of the annual stand-alone report covering all aspects of Wesfarmers' sustainability-related outcomes, which has been produced since 1999. Previously entitled the Social Responsibility Report, in 2007 it has been renamed the Sustainability Report to underline the holistic approach taken by the company. Any material breaches of either environmental or safety standards are disclosed in detail in this report which is published each November. Copies are available from the Public Affairs department (+ 61 8) 9327 4251 or can be downloaded from the website at www.wesfarmers.com.au.

With increased public and political focus during the year on climate change, Wesfarmers has continued to develop its position on this complex and important issue. An external greenhouse risks and opportunities assessment was commissioned and this will provide the basis for future action. It follows an earlier study which was considered by the Board in 2003. The Board received an update on the company's climate change responses at its planning session in May 2007.

Wesfarmers has for several years disclosed its greenhouse emissions through the sustainability reporting process and is well placed to meet government-imposed requirements to report emissions, expected to take effect in mid 2008. In addition, the company in 2007 was again a respondent to the Carbon Disclosure Project (CDP), providing information - which later is publicly released - on emissions and other aspects of climate change policies and responses. The CDP surveys major Australian and New Zealand corporations on behalf of a significant group of institutional investors with particular interest in this issue.

Wesfarmers also registered all of its businesses under the Commonwealth government's Energy Efficiency Opportunities programme. This exceeded the legislative



Rainwater collection tanks outside the Bunnings Box Hill warehouse, Victoria.

requirement on coverage of operational activity as this new compliance regime is seen as an opportunity for the company to make a contribution to a better environment and to reduce costs.

Bunnings increased its sustainability focus during the year with the announcement in May of new initiatives, costing \$8 million, related to water use and climate change. All existing warehouse stores in sub-tropical mainland Australia will be fitted with rain water harvesting systems with that water being used to irrigate outdoor nurseries and to flush toilets. It also adopted a goal of achieving carbon neutrality by 2015 or earlier and will make grants to help develop carbon-offset projects.

THE COMMUNITY

Companies make a contribution to the community in many different ways. Primarily, and by far the biggest positive impact a corporation can have on society, is to run its business or businesses successfully, thereby generating employment and adding to general prosperity by the flow-on benefits of its operations to employees, shareholders and suppliers and through the provision of high quality goods and services to customers.

As well as this, companies may choose to provide support in direct and indirect ways to give something back to the communities in which they operate.

Wesfarmers has a long history of acceptance of this approach. Each year the Board has the capacity to approve donations to community-benefiting organisations and causes of up to 0.25 per cent of pre tax profit. Areas to which company assistance is

currently directed include health care, conservation and the physical and mental wellbeing of young people.

During the year, Wesfarmers entered into a new partnership with the Leeuwin Ocean Adventure Foundation which uses Leeuwin II, Australia's biggest ocean-going tall ship, for leadership and team building programmes.

In addition to the support from Wesfarmers Limited, very significant amounts are provided by the company's operating businesses through donations, sponsorship and by raising money through access to facilities and employee involvement. More than \$6 million flowed to the community from Wesfarmers and the businesses in this way in 2006/07. Extra funds totalling more than \$65 million were raised thanks to the involvement of Bunnings in community-focused initiatives.

The company's nationally-recognised commitment to supporting the arts continued with Wesfarmers Arts contributing about \$550,000 to a range of leading performing and visual arts companies and organisations. The Commissions Series with the Perth International Arts Festival reached a conclusion with the premiere of the opera "The Love of the Nightingale", which has subsequently won several awards.

Members of the Curragh Mine Rescue Team who finished first overall in the Australasian Road Rescue Skills Challenge in Perth, Western Australia in June 2007. From left: Neal Quinlan, Greg Mitchell, Troy Martin, Derrick Gould, Roy McGregor and Keiran Ferguson.



Board of directors

A Trevor Eastwood AM, age 65

Non-executive Chairman (Independent)

Joined 1994 and was appointed Chairman in 2002. Trevor holds a Bachelor of Engineering degree from the University of Western Australia and completed the Advanced Management Program at the Harvard Business School in 1982. He commenced with the group as an employee of Westralian Farmers Co-operative Limited in 1963 and held a number of management positions in the group up to his retirement in 1992, including his final eight years as Managing Director of Wesfarmers. Trevor is also a director of The WCM Group Limited and was formerly the Chairman of West Australian Newspapers Holdings Ltd and was previously a director of Qantas Airways Limited.

B Richard Goyder, age 47

Managing Director (Non-independent)

Appointed 2002. Richard has a Bachelor of Commerce degree from the University of Western Australia and completed the Advanced Management Program at the Harvard Business School. He joined Wesfarmers in 1993 after working in various commercial roles at Tubemakers of Australia Limited. In 1999 Richard was appointed Managing Director of Wesfarmers Dalgety Limited (subsequently Wesfarmers Landmark Limited), until his appointment as Finance Director of Wesfarmers in 2002. He was appointed Deputy Managing Director and CFO of Wesfarmers in 2004 and assumed the role of Managing

Director and CEO in July 2005. Richard is a director of Gresham Partners Holdings Ltd, Wespine Industries Pty Ltd, Australian Business and Community Network, the Fremantle Football Club Limited and a number of Wesfarmers group subsidiaries. He is also a member of the Federal Government's Business Roundtable on Sustainable Development, the Business Council of Australia and the University of Western Australia Business School Advisory Board.

C Gene Tilbrook, age 56

Finance Director (Non-independent)

Appointed in 2002. Gene holds Bachelor of Science and Master of Business Administration degrees and a Diploma in Computing Science from the University of Western Australia. He completed the Advanced Management Program at the Harvard Business School in 1998. Gene joined Wesfarmers in 1985 and has held a number of commercial positions in its Business Development Department and at Wesfarmers Energy. He previously worked in corporate finance and in systems engineering.

Gene was Executive Director, Business Development before being appointed Finance Director in July 2005. He is a director of a number of Wesfarmers' subsidiaries, as well as Gresham Partners Holdings Ltd, Wespine Industries Pty Ltd and Air Liquide WA Pty Ltd. He was previously a director of Bunnings Property Management Limited, the responsible entity for the listed Bunnings Warehouse Property Trust.

He is a councillor of the Australian Institute of Company Directors (WA Division) and also a member of the boards of The UWA Perth International Arts Festival and St George's College Foundation Inc.

D Colin Carter OAM, age 64

Non-executive director (Independent)

Appointed 2002. Colin holds a Bachelor of Commerce degree from Melbourne University and a Master of Business Administration from Harvard Business School. He has had extensive experience advising on corporate strategy and corporate governance and his consultancy career has included major projects in Australia and overseas. He is currently a director of SEEK Limited and Foster's Group Limited and was previously a director of Origin Energy Limited. He is also Chairman of Indigenous Enterprise Partnerships, a member of the Board of The Cape York Institute, a Commissioner of the Australian Football League, and an adviser to, and former Vice President of, The Boston Consulting Group.

E Patricia Cross, age 48

Non-executive director (Independent)

Appointed 2003. Patricia holds a Bachelor of Science (Econ) with Honours from Georgetown University. She is a director of Qantas Airways Limited and National Australia Bank. Patricia has 25 years experience in international banking and finance, having served two years with the U.S. government, over 15 years in management and executive roles with Chase Manhattan Bank, Banque Nationale de Paris, National Australia Bank and 11 years as a director with organisations including the Transport Accident Commission and Suncorp-Metway Limited. She was previously a director of AMP Limited and Chairman of Qantas Superannuation Limited. Patricia also serves on a variety of not-for-profit and government advisory boards, including the Murdoch Children's Research Institute.



F Bob Every, age 62

Non-executive director (Independent)

Appointed 2006. Bob holds a Bachelor of Science degree and a Doctorate of Philosophy (Metallurgy) from the University of New South Wales and is a Fellow of the Australian Academy of Technological Sciences and Engineering. He is currently a director of Boral Limited, Iluka Resources Limited, and Sims Group Limited and was previously a director of OneSteel Limited. He was also the Chairman of the New Zealand based listed company Steel & Tube Holdings Limited. Other positions previously held by Bob include Managing Director of Tubemakers of Australia Limited, President of BHP Steel and Managing Director and CEO of OneSteel Limited.

G James Graham, age 59

Non-executive director (Non-independent)

Appointed 1998. James holds a Bachelor of Engineering in Chemical Engineering with Honours, a Master of Business Administration and is a Fellow of the Australian Academy of Technological Sciences and Engineering. In addition to his role as Managing Director of Gresham Partners Limited, James is also Chairman of Rabobank Australia Limited, Rabo Australia Limited, Rabobank New Zealand Limited, the Advisory Council of The Institute for Neuromuscular Research, Gresham Technology Management Limited and previously of the Darling Harbour Authority. He is also a director of Wesfarmers Federation Insurance Limited, Lumley General Insurance Limited, Australian International Insurance Limited and Riviera Group Pty Ltd. James is also a member of the Fundraising Committee for the

Australian Olympic Committee (NSW) for Beijing 2008 and a Trustee of the Gowrie Scholarship Trust Fund.

H Dick Lester, age 68

Non-executive director (Independent)

Appointed 1995. Dick is a graduate with Honours from Dookie Agricultural College, Victoria. He was Principal and CEO of Growth Equities Mutual Limited until he sold his interest in that organisation. He was an inaugural member of the Companies and Securities Advisory Committee established by the Federal Attorney General to advise the Australian Government on securities industries laws. Dick is actively involved in real estate investment and development in the Perth metropolitan area and regional Western Australia. He is a director of a number of unlisted companies and is Chairman of the Western Australian Institute for Medical Research Inc.

I Charles Macek, age 60

Non-executive director (Independent)

Appointed in 2001. Charles holds a Bachelor of Economics degree and a Master of Administration from Monash University. He is also currently a director of Telstra Corporation Limited and was previously a director of Living Cell Technologies Ltd and IOOF Holdings Ltd of which he was Chairman. Charles is Chairman of the Financial Reporting Council, Sustainable Investment Research Institute Pty Ltd and the Racing Information Services Australia Pty Ltd and was formerly the Chairman of the Centre for Eye Research Australia Limited. He is also a member of the New Zealand Accounting Standards Review Board.

J David White, age 59

Non-executive director (Independent)

Appointed 1990. David holds a Bachelor of Business degree from Curtin University and is a fellow of CPA Australia. He is Chairman of the Wheatbelt Area Consultative Committee, a member and Treasurer of Parkerville Children and Youth Care (Inc) and a member of the Australian Institute of Company Directors. He was formerly the Treasurer of The Royal Agricultural Society of Western Australia (Inc).

K Tony Howarth AO, age 55

Non-executive director (Independent)

Appointed 2007. Tony is a Senior Fellow of the Financial Services Institute of Australia and has over 30 years experience in the banking and finance industry. He has held several senior management and board positions during his career, including Managing Director of Challenge Bank Limited, CEO of Hartleys Limited and a director of Alinta Limited. He is currently Chairman of Home Building Society Ltd, Mermaid Marine Australia Limited, and a director of AWB Limited. He is also Chairman of St John of God Health Care Inc. Tony is also involved in a number of community and business organisations including the Senate of the University of Western Australia, Chairman of the Committee for Perth Limited, a member of the Rio Tinto WA Future Fund and a director of Western Australian Community Foundation Limited, the Australian Chamber of Commerce and Industry and the Chamber of Commerce and Industry of Western Australia (Inc).



Director and executive remuneration

Compensation of key management personnel for the year ended 30 June 2007

Director remuneration		SHORT-TERM BENEFITS \$	POST EMPLOYMENT BENEFITS \$
C B Carter	Director (non-executive)	106,622	49,378
P A Cross	Director (non-executive)	113,615	42,385
T R Eastwood	Chairman (non-executive)	405,881	39,519
R L Every	Director (non-executive, appointed 1 February 2006)	159,210	15,123
T J Flugge	Director (non-executive, resigned 3 July 2006)	-	-
L A Giglia	Director (non-executive, resigned 1 November 2006)	16,027	35,436
R J B Goyder	Managing Director and Chief Executive Officer	2,401,783	263,000
J P Graham	Director (non-executive)	249,332	-
R D Lester	Director (non-executive)	111,403	59,597
C Macek	Director (non-executive)	156,177	14,823
D A Robb	Managing Director, Wesfarmers Energy and Executive Director (resigned 8 September 2006)	152,793	20,022
G T Tilbrook	Finance Director	1,442,934	311,400
D C White	Director (non-executive)	129,153	61,847
Total Director Remuneration		5,444,930	912,530
Executive remuneration			
T J Bowen	Managing Director, Industrial and Safety Division	866,078	278,569
R J Buckley	Chief Executive Officer, Insurance Division	690,824	396,422
T J Bult	Managing Director, Energy Division (appointed 11 September 2006)	558,723	145,391
S A Butel	Managing Director, Coal Division (appointed 11 September 2006)	603,520	252,291
P J C Davis	Chief Operating Officer, Home Improvement Division	1,050,545	419,418
J C Gillam	Managing Director, Home Improvement Division	1,352,524	477,977
K D Gordon	Managing Director, Chemicals and Fertilisers Division	807,042	280,077
Total Executive Remuneration		5,929,256	2,250,145

Note: (1) All directors and specified executives have held their position for the entire reporting period, unless otherwise specified

(2) James Graham's fees are paid to Gresham Partners for participation on the Boards of Wesfarmers Limited, Wesfarmers Federation Insurance and Lumley General Insurance. Of the short term benefits above, \$171,000 relates to the parent company only.

(3) Share based payments: Shares were allocated under the Wesfarmers Long Term Incentive Plan on 1 December 2006 at an allocation price of \$34.5650.

LONG -TERM BENEFITS \$	SHARE BASED PAYMENTS \$	TERMINATION BENEFITS \$	TOTAL \$
-	-	-	156,000
-	-	-	156,000
-	-	-	445,400
-	-	-	174,333
-	-	-	-
-	-	-	51,463
-	2,639,971	-	5,304,754
-	-	-	249,332
-	-	-	171,000
-	-	-	171,000
-	-	2,942,688	3,115,503
-	1,319,968	-	3,074,302
-	-	-	191,000
-	3,959,939	2,942,688	13,260,087
-	599,979	-	1,744,626
-	457,468	-	1,544,714
-	212,471	-	916,585
-	274,999	-	1,130,810
-	327,469	-	1,797,432
-	774,982	-	2,605,483
-	382,496	-	1,469,615
-	3,029,864	-	11,209,265



Wesfarmers

CORPORATE DIRECTORY

Wesfarmers Limited
ABN 28 008 984 049

Registered office

Level 11, Wesfarmers House
40 The Esplanade, Perth,
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Telephone: (+61 8) 9327 4211
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Email: info@wesfarmers.com.au

Executive directors

Richard Goyder
*Managing Director and
Chief Executive Officer*

Gene Tilbrook
Finance Director

Non-executive directors

Trevor Eastwood AM *Chairman*
Colin Carter OAM
Patricia Cross
Bob Every
Tony Howarth AO
James Graham
Dick Lester
Charles Macek
David White

Company Secretary

Linda Kenyon

SHARE REGISTRY

Computershare Investor Services
Pty Limited
Level 2, 45 St George's Terrace
Perth, Western Australia 6000

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Facsimile:
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International: (+61 8) 9323 2033
Website: www.computershare.com.au

www.wesfarmers.com.au

FINANCIAL CALENDAR*

Record date for final dividend	2 November 2007
Annual general meeting	15 November 2007
Final dividend paid	19 November 2007
Half-year end	31 December 2007
Half-year profit announcement	February 2008
Record date for interim dividend	February 2008
Interim dividend payable	March 2008
Year-end	30 June 2008

+ Timing of events is subject to change

ANNUAL GENERAL MEETING

The 26th annual general meeting of Wesfarmers Limited will be held at the Burswood Convention Centre, Great Eastern Highway, Burswood, Western Australia on Thursday 15 November 2007 at 2.00 pm.

WEBSITE

To view the 2007 annual report, shareholder and company information, news announcements, background information on Wesfarmers' businesses and historical information, visit Wesfarmers' website at www.wesfarmers.com.au

Dear Shareholder,

ANNUAL REPORTS LEGISLATION CHANGE

Recent amendments to the Corporations Act 2001 have changed the obligations of companies regarding the provision of annual reports to shareholders.

Shareholders will no longer automatically receive a printed copy of the annual report. The default option for receiving annual reports will now be via the company's website at www.wesfarmers.com.au.

You may choose the form of report that meets your needs

Shareholders may elect:

- to receive by mail, free of charge, the annual report or shareholder review; or
- to receive notification by email when these reports are available on our website.

To make your election please complete the form set out on the back of this letter and return it to our share registry; Computershare Investor Services, GPO Box 2975, Melbourne, Victoria 3001 Australia.

Alternatively, you can make your election online by visiting www.investorcentre.com/au.

Other shareholder communications

Please note that regardless of your election, other shareholder communications, including the Notice of Meeting for the annual general meeting and proxy form, will continue to be sent to you by post.

If you do not wish to receive a copy of the annual report or shareholder review in the mail, nor do you require notification by email when these reports are available on the company's website, you do not need to do anything in response to this letter.

Should you require further assistance, please do not hesitate to contact our share registry on 1300 850 505 (within Australia) or +613 9415 4000 (outside Australia).

Yours sincerely,



LINDA KENYON
COMPANY SECRETARY

