



Wesfarmers



Investor Briefing

15 May 2007

InterContinental Hotel, Sydney



Richard Goyder
Managing Director, Wesfarmers Limited



Agenda



9:15	Industrial & Safety
9:50	Chemicals & Fertilisers
10:25	Morning Tea
10:45	Insurance
11:25	Coal
12.00	Energy
12:35	Lunch
1:10	Home Improvement
2:00	Other Businesses and Capital Management
2:30	Q&A





Philosophy Based On A Single Focus

Satisfactory Return To Shareholders



The Wesfarmers Business Model



- Divisional decision-making
 - “Business as usual”
 - Continued focus on profitable growth
- Established skills in acquisition evaluation, execution and integration
- Efficient capital management
 - Ability to raise capital without the need to divest
- Integrated group management systems
 - Corporate Planning, Succession Planning, Risk Management



Management Team



Managing Director & CEO

Richard Goyder

Finance Director

Gene Tilbrook

Divisional Managing Directors

Home Improvement

John Gillam

Coal

Stewart Butel

Insurance

Bob Buckley / Rob Scott

Industrial & Safety

Terry Bowen

Chemicals & Fertilisers

Keith Gordon

Energy

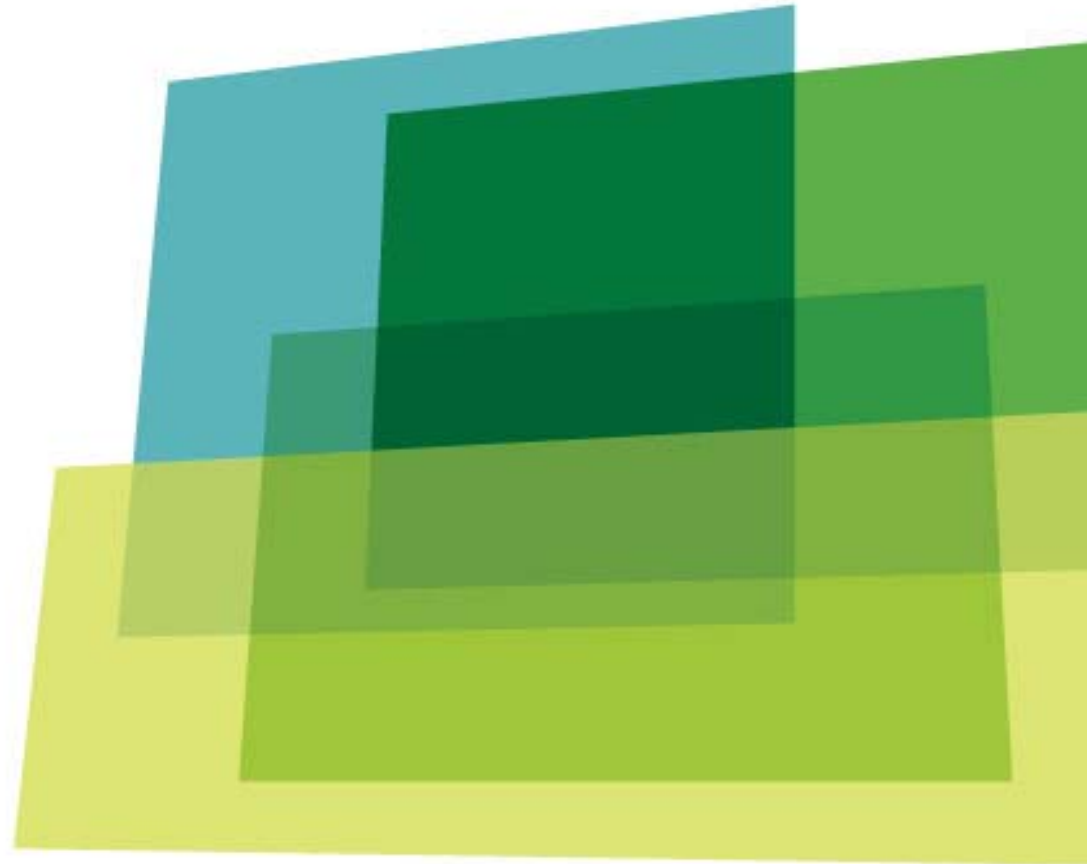
Tim Bult





Industrial & Safety

Terry Bowen



Our business portfolio (1)

Industrial and safety product supply and services

Australia: Core business & 4 National Specialists



Blackwoods

Core business, MRO “All your workplace needs” (#1)



**Protector
Alsafe**

Safety Specialist (#1)



Bullivants
HANDLING SAFETY

Materials Handling, Lifting, Rigging Specialist (#1)



mullings
FASTENERS

Fasteners Specialist (#2)



**MOTION
INDUSTRIES**

Power Transmission & Bearings (#4)

MRO: Maintenance, Repair and Operating



Our business portfolio (2)

Industrial and safety product supply and services

New Zealand: 4 National Specialists

Blackwoods Paykels

NZ'S LARGEST RANGE OF ENGINEERING SUPPLIES AND TECHNICAL SERVICES

General MRO, Hose & Conveyor Specialist (#1)



Safety Specialist (#1)



Safety Specialist (#2)

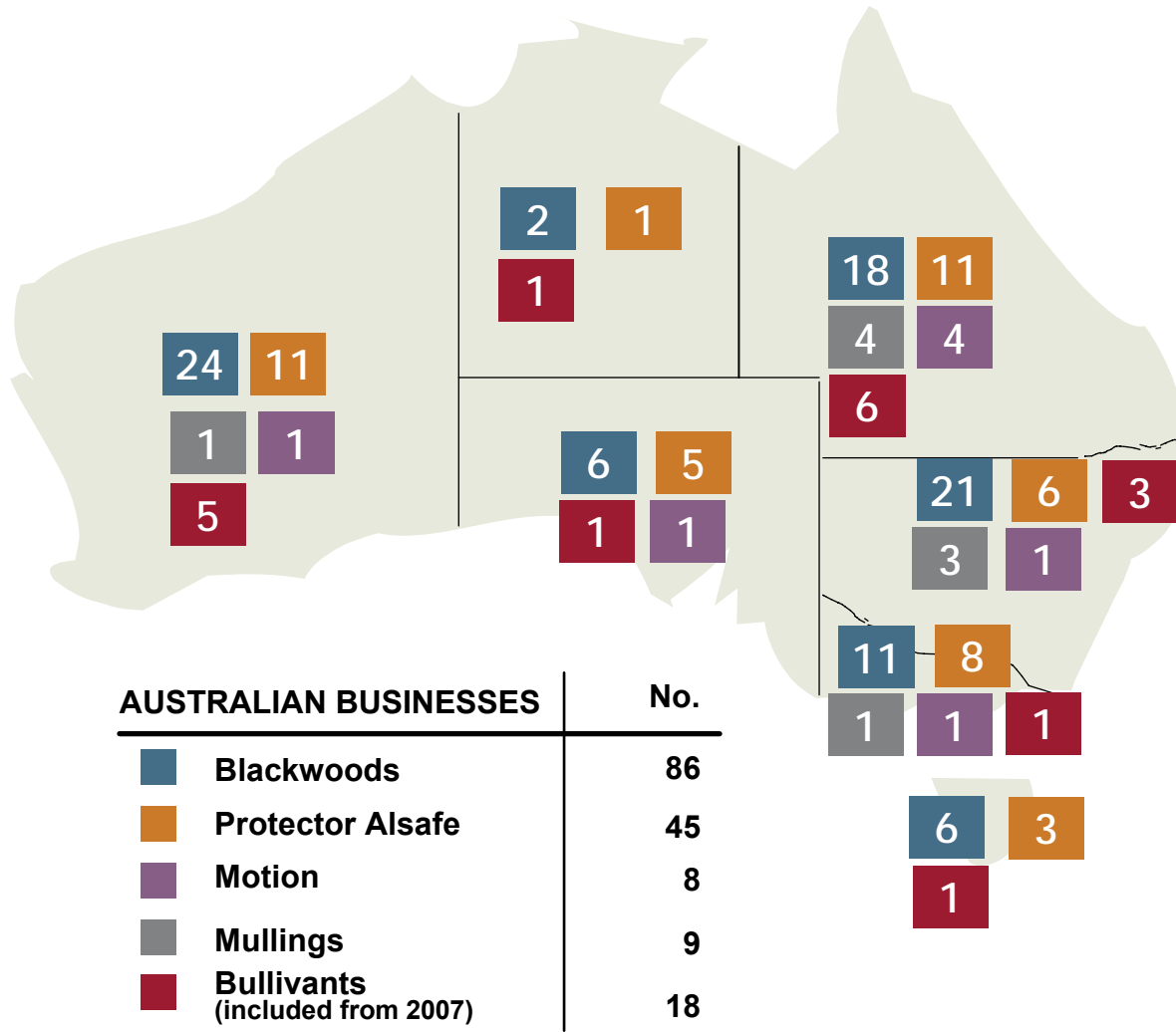


Packaging & Hygiene Specialist (#1)

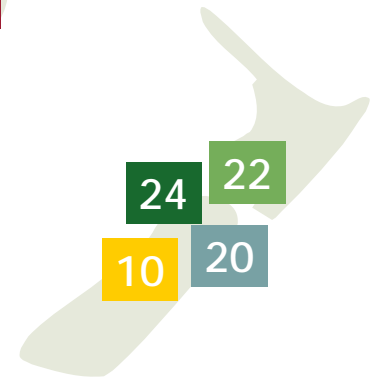


MRO: Maintenance, Repair and Operating

A total of 242 branch locations 166 in Australia, 76 in New Zealand



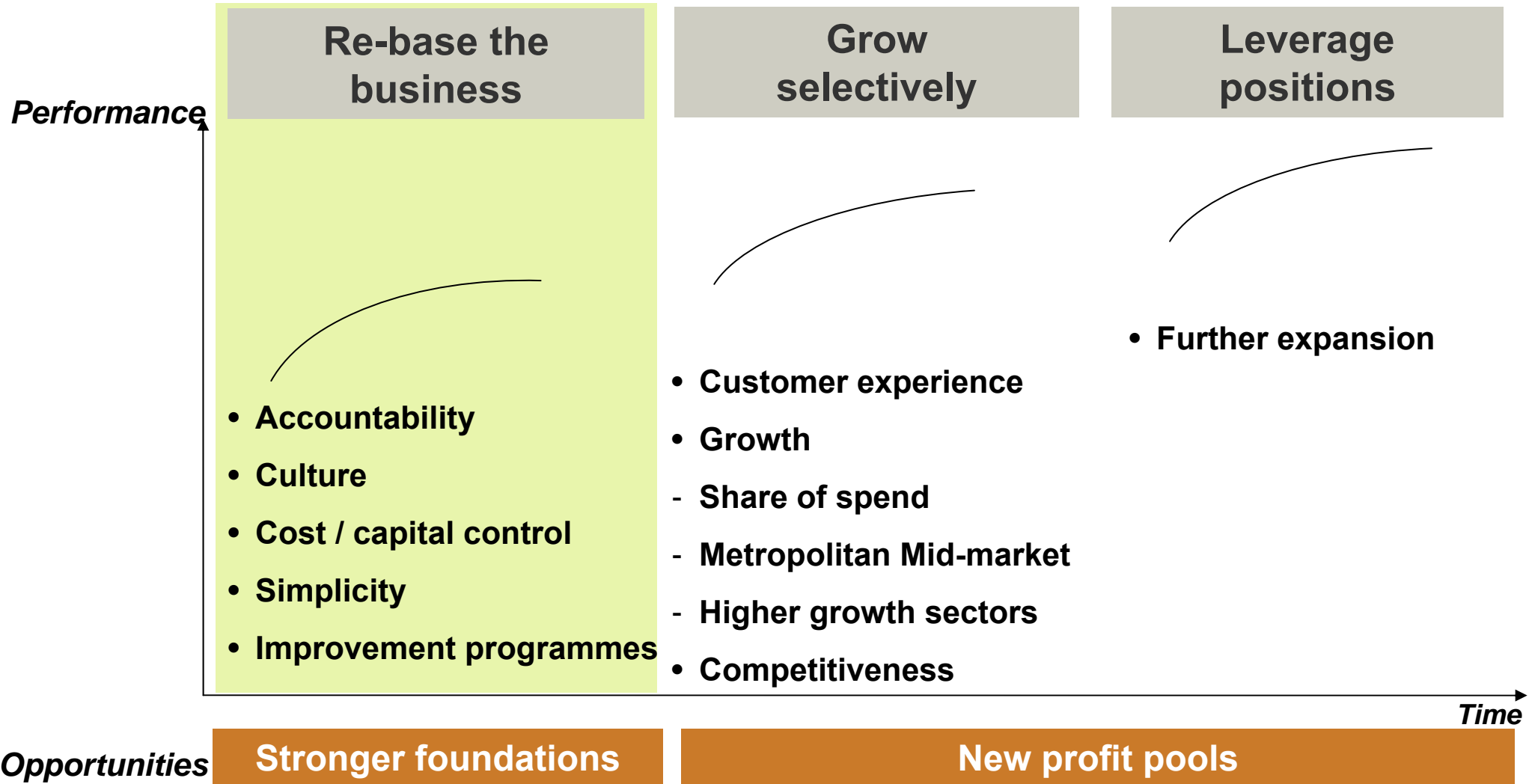
NEW ZEALAND BUSINESSES		No.
NZ Safety	24	
Protector Safety	22	
Blackwoods Paykels (NZ)	20	
Packaging House	10	



As at 1 May 2007



Focus over last 12 months



Re-base the business: Restructuring largely complete



Strategic Initiatives	Progress	Achievements
<p>Reposition businesses</p> <p>&</p> <p>Rapidly reduce the capital base</p>	<p>✓</p> <p>WIP</p> <p>✓</p> <p>(ongoing)</p>	<p><i>Accountability for results</i> National business units Specialists reorganised, expertise enhanced Leadership team strengthened Group Support Services reinforced and relocated New Business Development team – Bullivants acquisition</p> <p><i>Culture</i> Safety programme / investments: Lost Time Injuries YTD 40% lower New Performance Management system: KPIs / reporting / rewards Staff retention improved</p> <p><i>Cost and capital control</i> Efficiency savings: >300 non-sales employees (10%) 30 small under-performing locations closed \$80 million / 23% capital reduction (excl. goodwill and Bullivants)</p>



Bullivants added to the portfolio



- #1 Materials Handling, Lifting & Rigging Specialist in Australia
- 18 branches, 300 staff

Acquisition

- Acquired mid December 2006 from RMB Private Equity and Management

Integration

- Smooth integration into WIS portfolio

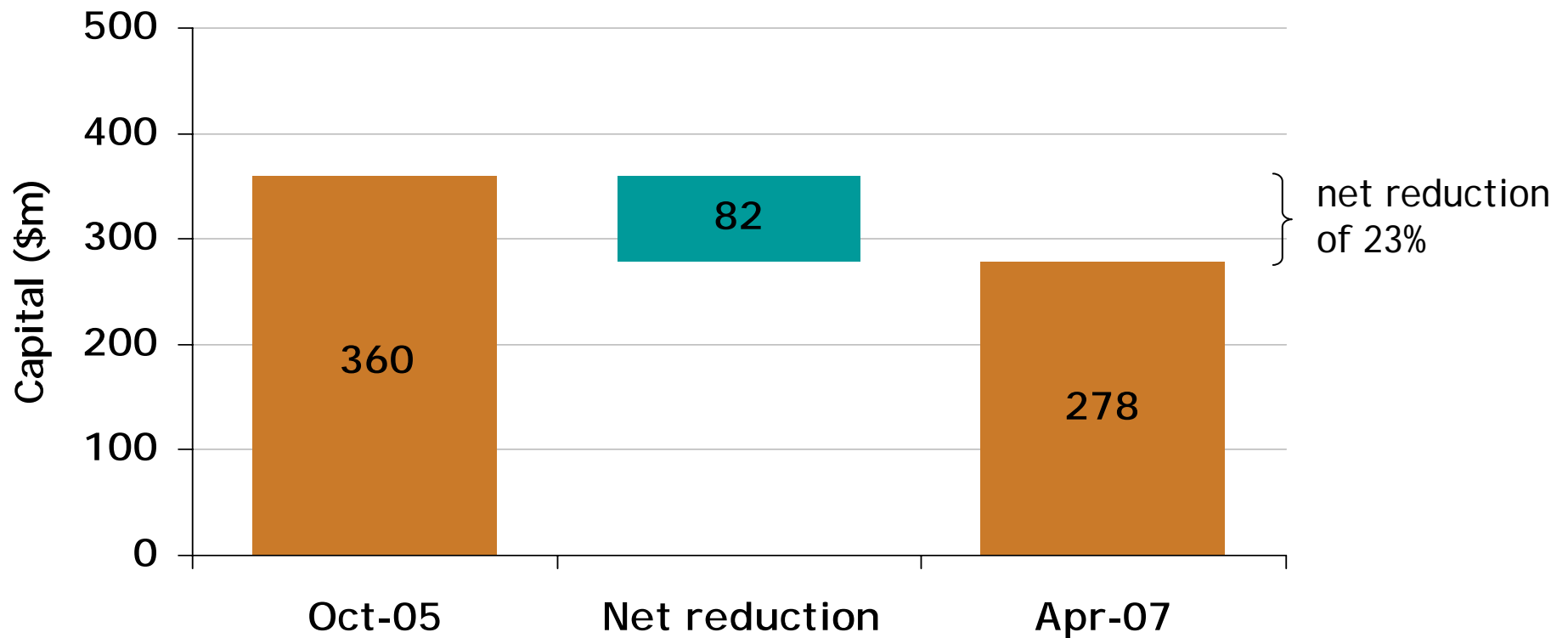
Synergies

- Integrated supply with Blackwoods
- Sourcing benefits



Better capital management

Capital excluding Goodwill and Bullivants



Working Capital management & Property programme



Re-base the business: Improvement initiatives well underway

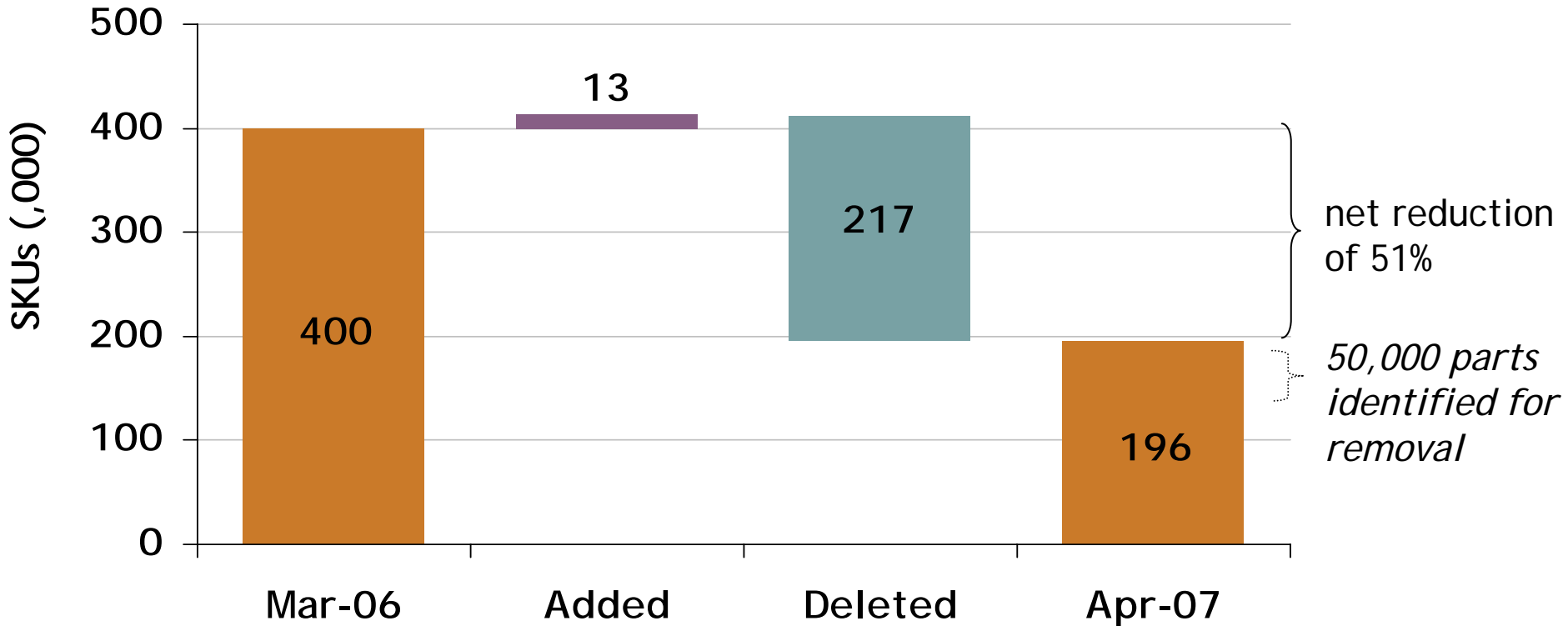


Strategic Initiatives	Progress	Achievements
Redesign the sales & logistics model	✓ (ongoing)	<i>Simplification (category management)</i> 50% range depth rationalisation, focus on preferred suppliers
	WIP	<i>Supply Chain efficiency</i> New state-of-the-art Distribution Centres New facilities: 17 branches new or relocated, remainder being relocated Delivery In Full On Time (DIFOT) improvement >10%
	WIP	<i>Merchandising excellence</i> Shanghai Global Sourcing Office Increased sourcing and category management resources & capabilities
	WIP	<i>Sales development</i> New pricing systems 50 additional sales resources, improved incentives Stronger sales & contract processes, key contracts won New catalogues, targeted merchandising, branding, advertising
	WIP	<i>Unique service offering</i> Launched Protector Alsafe OH&S training services



Simplification

Range depth rationalisation



Very positive impact on service delivery
No negative sales impact
Creates room for range extension in Distribution Centres



New state-of-the-art facilities

Blackwoods Queensland Distribution Centre



From...



...to



All Distribution Centres being progressively relocated or upgraded



Packaging House -
New Zealand



Protector Alsafe -
Queensland



Blackwoods - Victoria



Facility upgrades to better serve customers (1)

Blackwoods Dandenong branch, Victoria

From...



...to



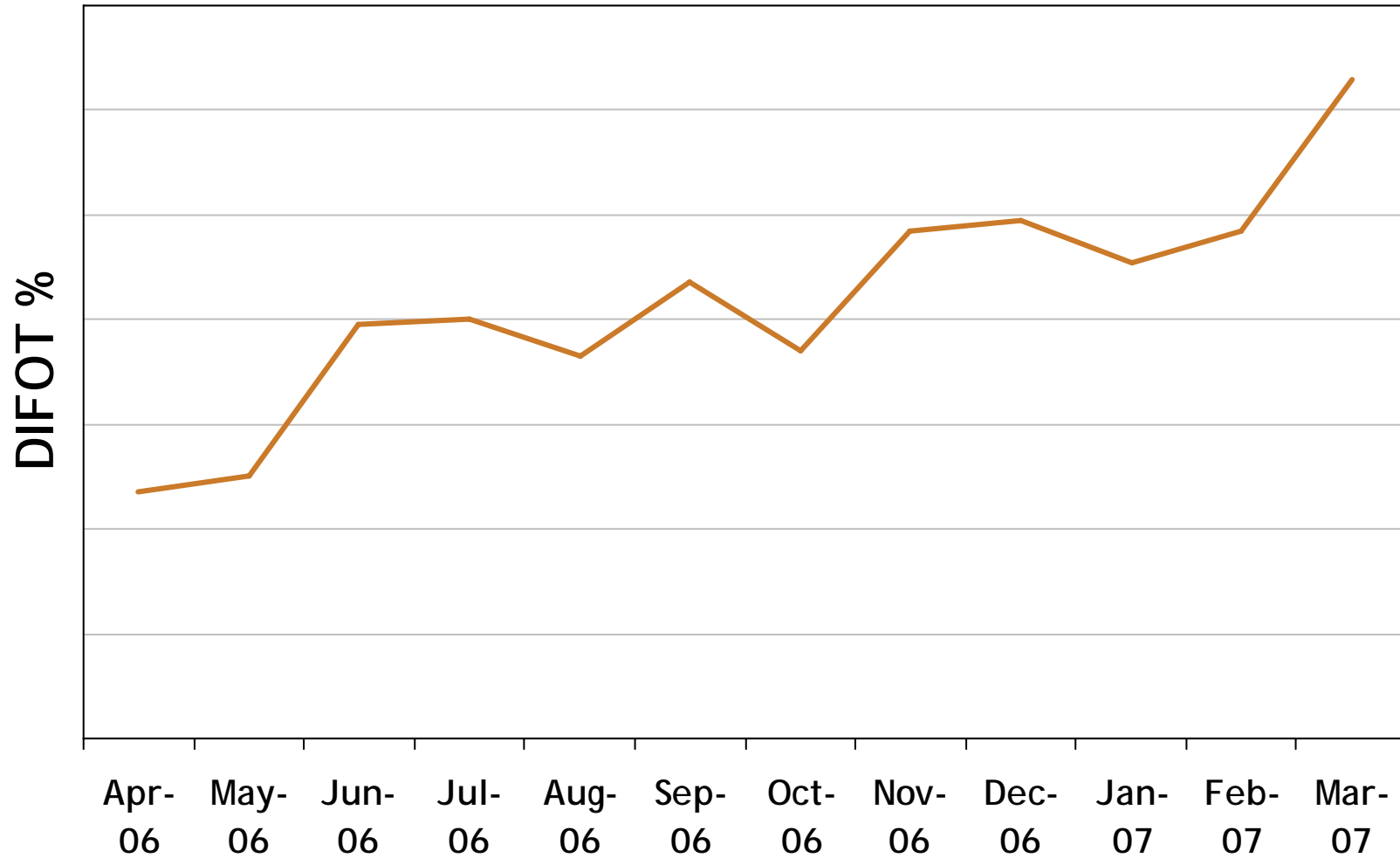
Facility upgrades to better serve customers (2)

Blackwoods Townsville branch, Queensland



Improved delivery performance

Focus on a better customer experience

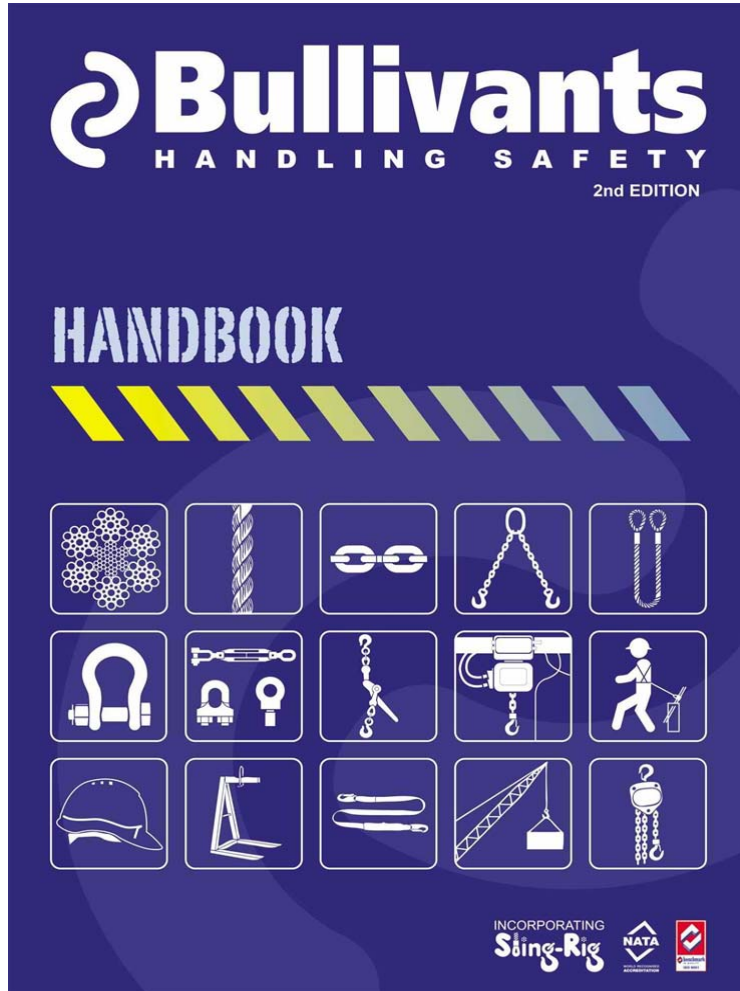


DIFOT: Delivered in Full and On Time

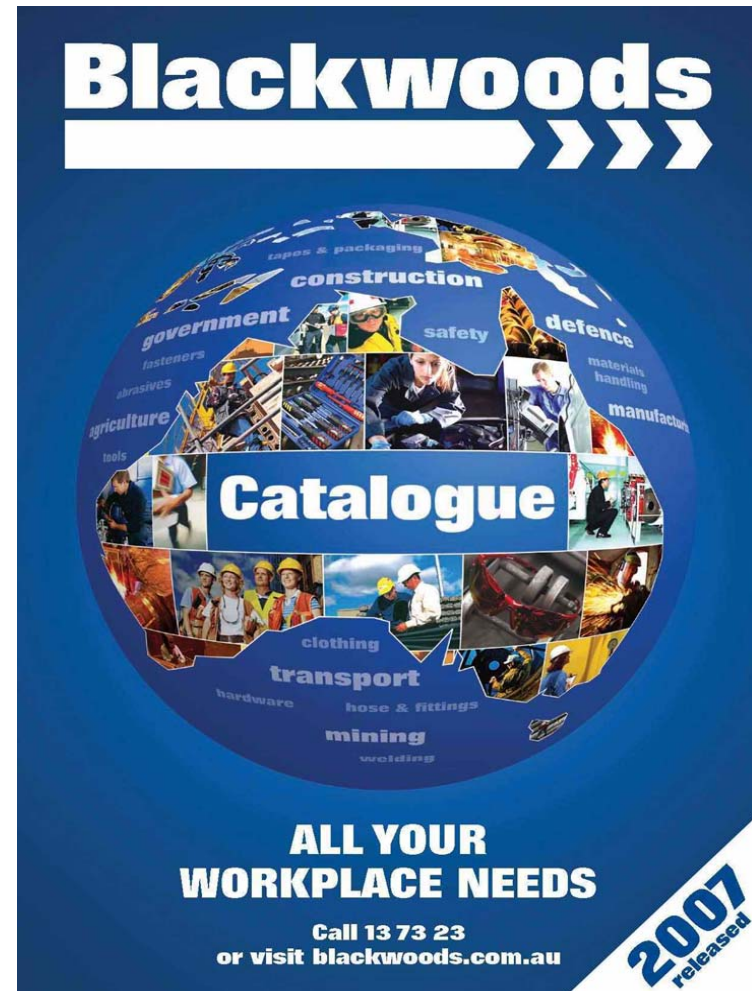


New catalogues

Bullivants – April 2007

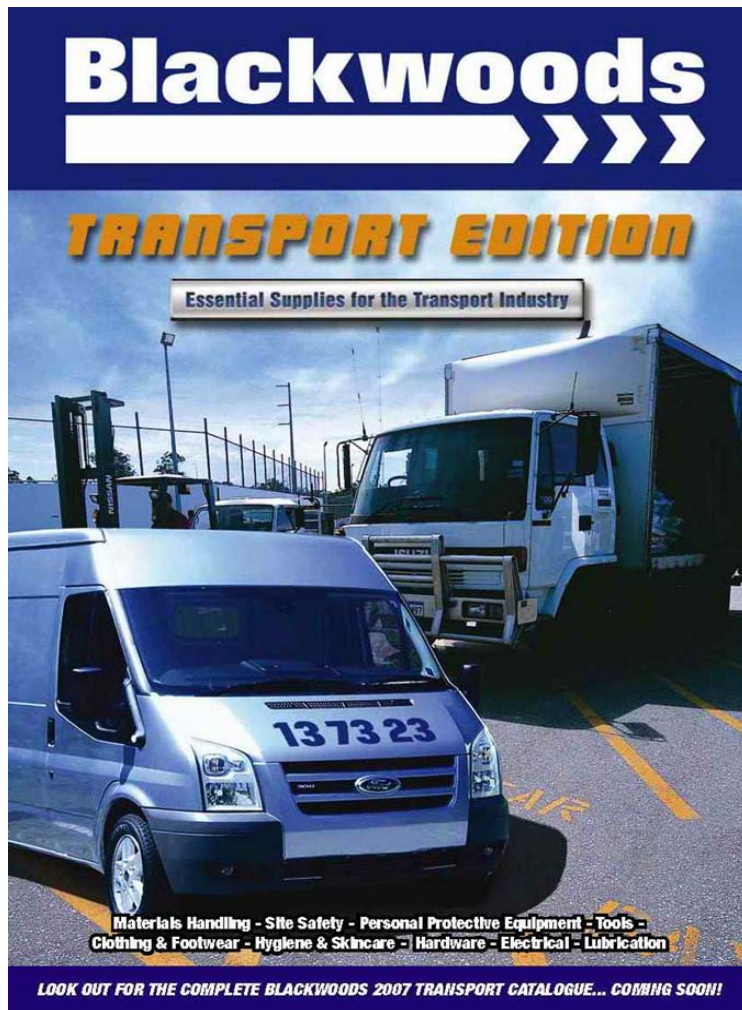


Blackwoods – June 2007



Targeted merchandising

Industry (e.g. Transport)



Blackwoods
▶▶▶

TRANSPORT EDITION

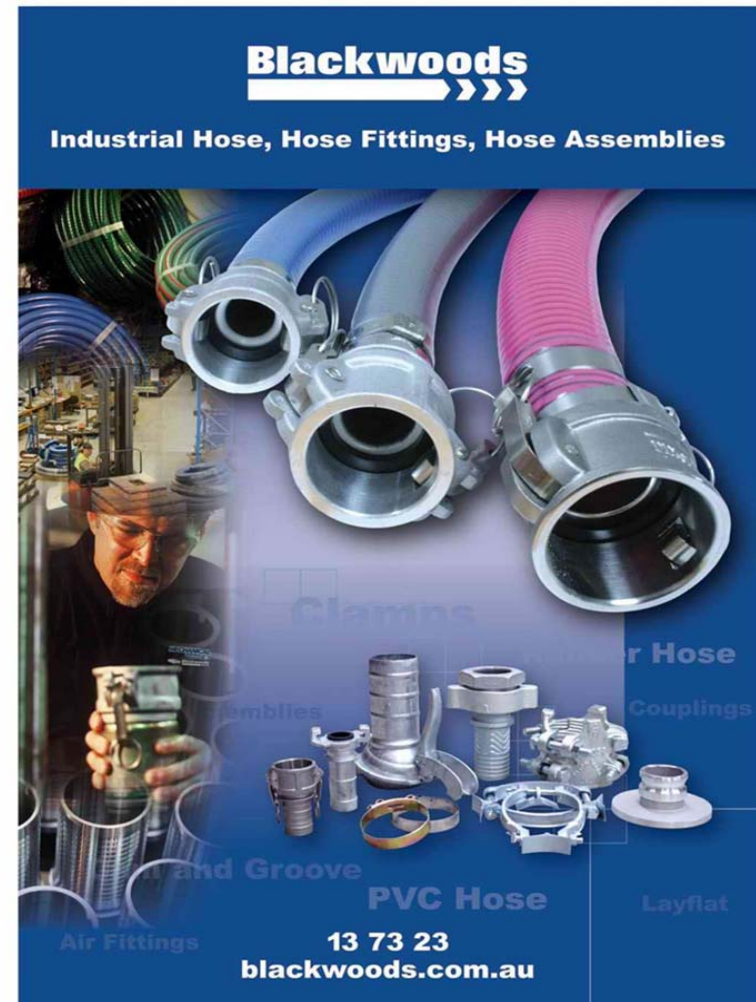
Essential Supplies for the Transport Industry

1373 23

Materials Handling - Site Safety - Personal Protective Equipment - Tools -
Clothing & Footwear - Hygiene & Skincare - Hardware - Electrical - Lubrication

LOOK OUT FOR THE COMPLETE BLACKWOODS 2007 TRANSPORT CATALOGUE... COMING SOON!

Products (e.g. Hose & Fittings)



Blackwoods
▶▶▶

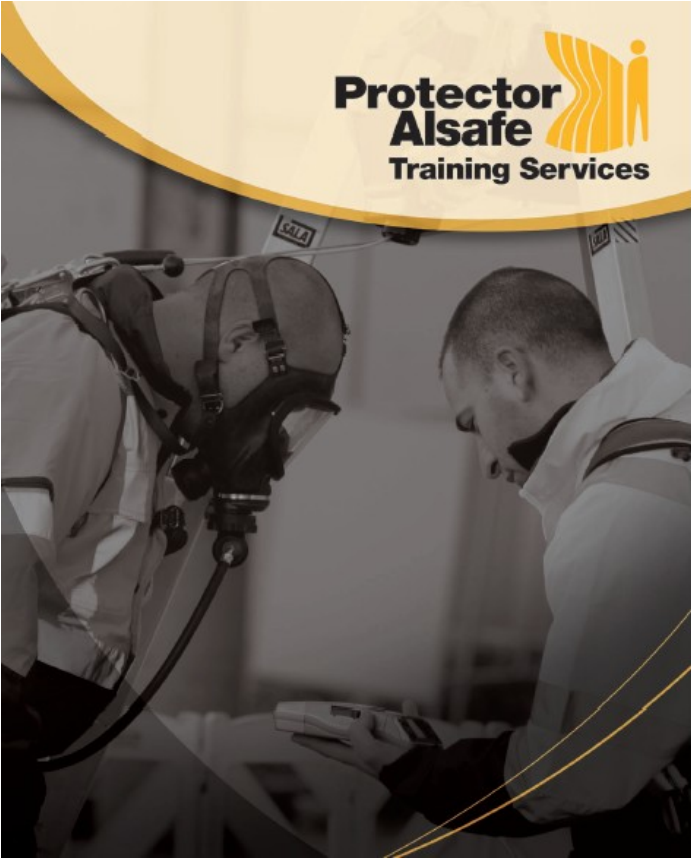
Industrial Hose, Hose Fittings, Hose Assemblies

Clamps
Hose
Couplings
PVC Hose
Layflat
Air Fittings

13 73 23
blackwoods.com.au

New services Protector Alsafe

National Accredited Training



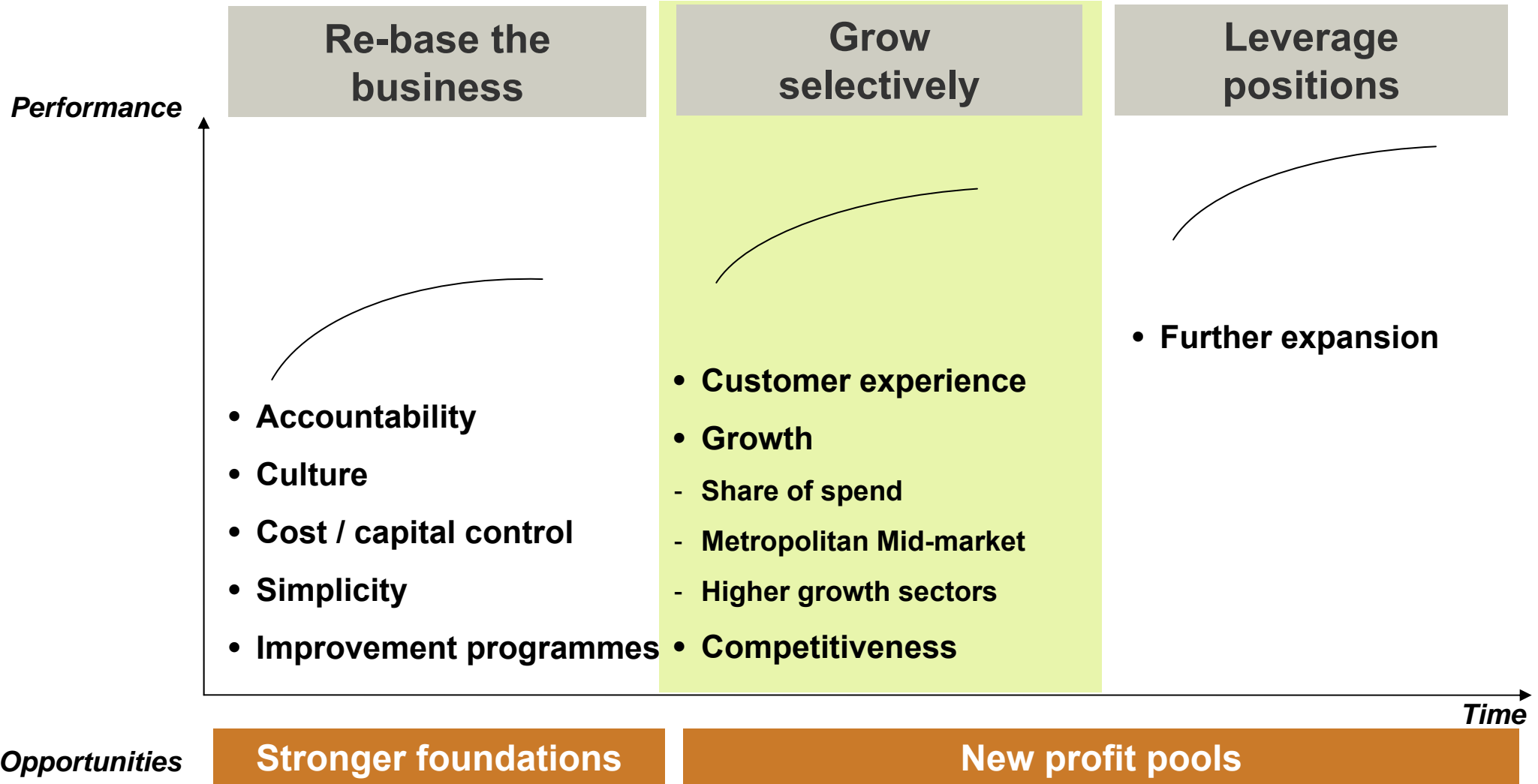
Web Services



Deliveries



Stronger platform for growth



Growth strategies underway (1)



Opportunities

Strategic Initiatives

Customer experience and Share of spend

Provide the best service

- attract, train and retain the best: technical and industry expertise
- facility upgrades

Further improve delivery performance

- supply chain efficiency - simplicity, availability, timeliness

Enhance value propositions

- promote “All your workplace needs”, single delivery
- expand services: testing, store management, shutdown support...
- expand e-business to reduce customer costs
- integrated supply across businesses



Growth strategies underway (2)



Opportunities	Strategic Initiatives
Metropolitan Mid-market penetration	Improve small customer targeting while lowering cost to serve <ul style="list-style-type: none">• sales force growth and effectiveness• competitive pricing• website upgrades• greater brand visibility
Target higher growth sectors	Expand networks Introduce new product ranges & services Review acquisition opportunities in highly fragmented market
Further increase competitive position	Further improve sourcing, range and supplier management Further reduce cost to serve Embed capital management excellence



Outlook



Despite mixed market conditions...

- New Zealand and manufacturing conditions remain difficult
- QLD/WA continued demand from resources and infrastructure

and a competitive environment...

- commoditisation in safety
- ongoing margin pressure
- scarcity of skilled labour

...leverage simpler, leaner and more competitive foundations to grow

- continued growth in Blackwoods
- improved position of Specialists
- ongoing review of acquisition opportunities

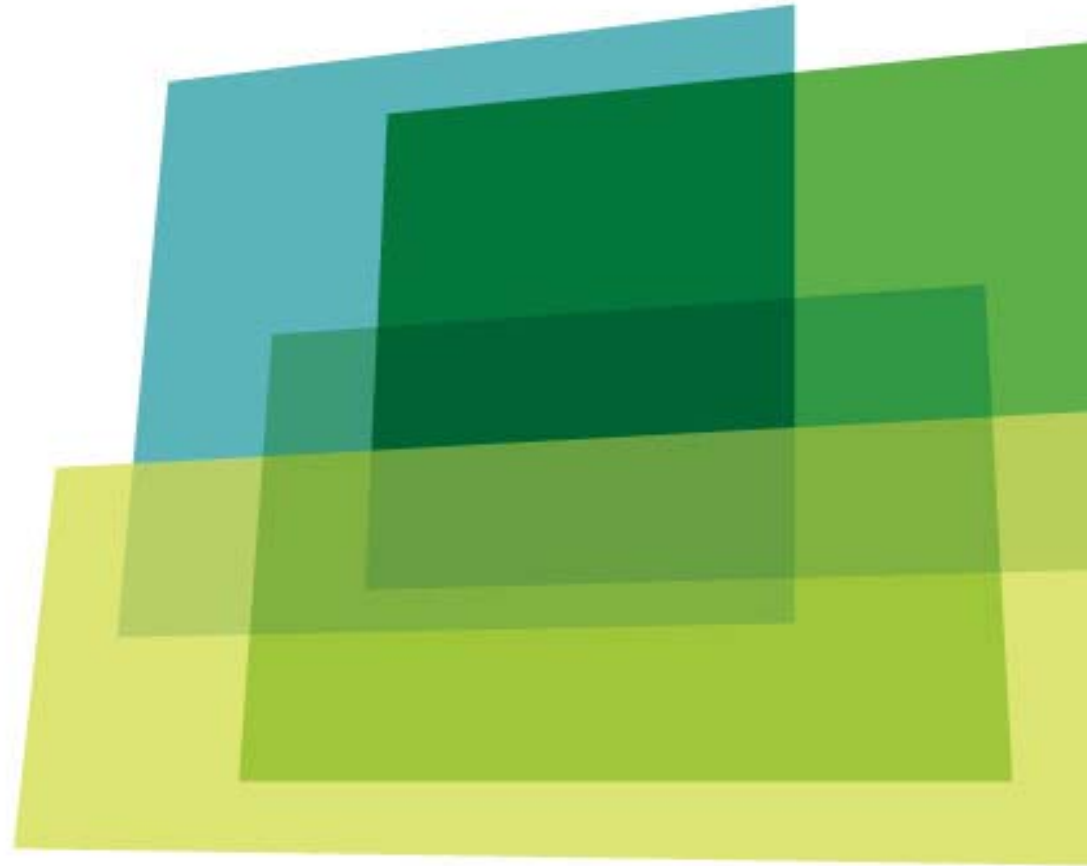


2007/08 Priorities

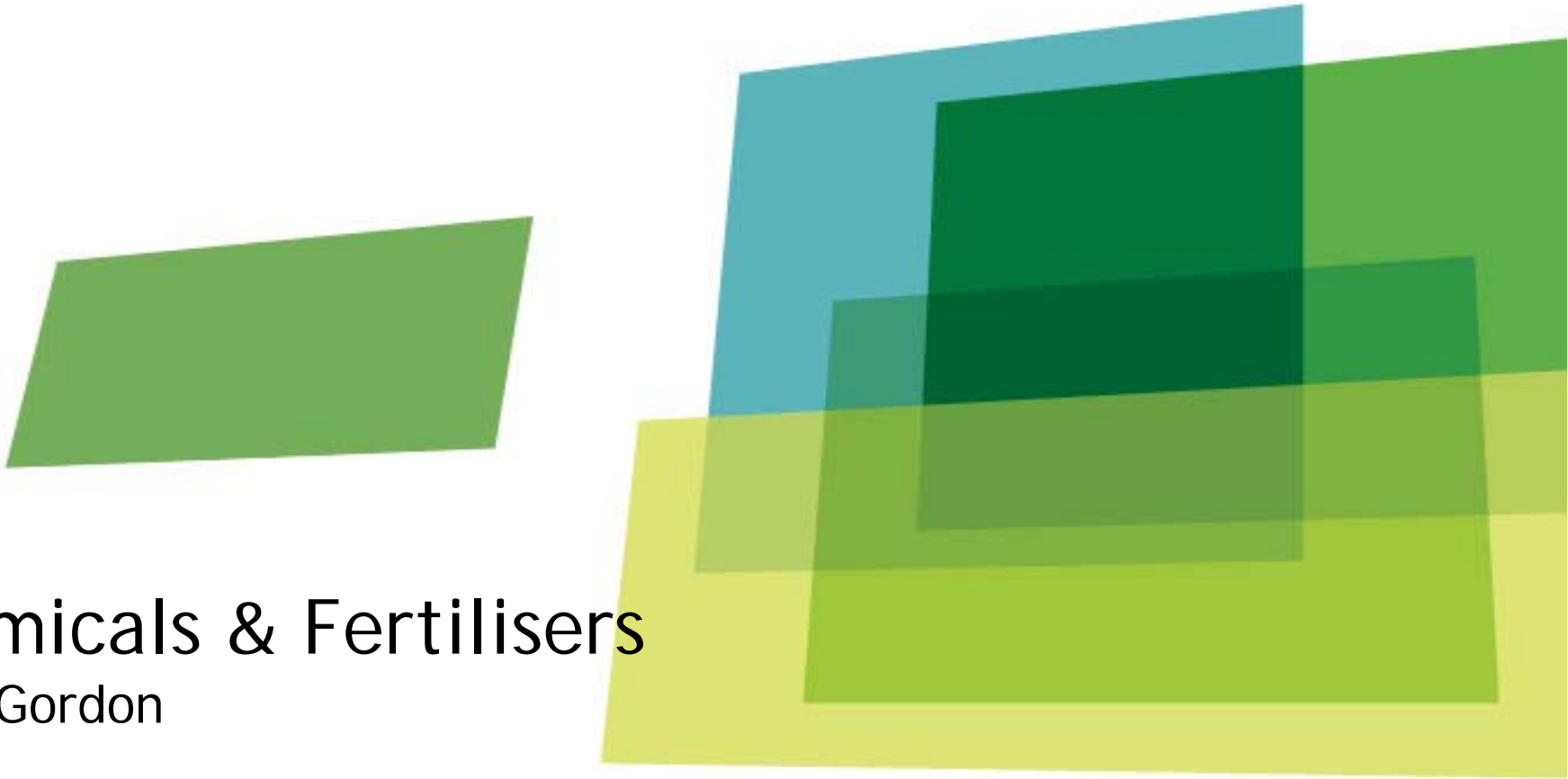


- Simplicity
- Profitable growth
- Customer experience
- Preferred suppliers
- Cost and capital discipline
- Positive culture – safety, performance, service and growth





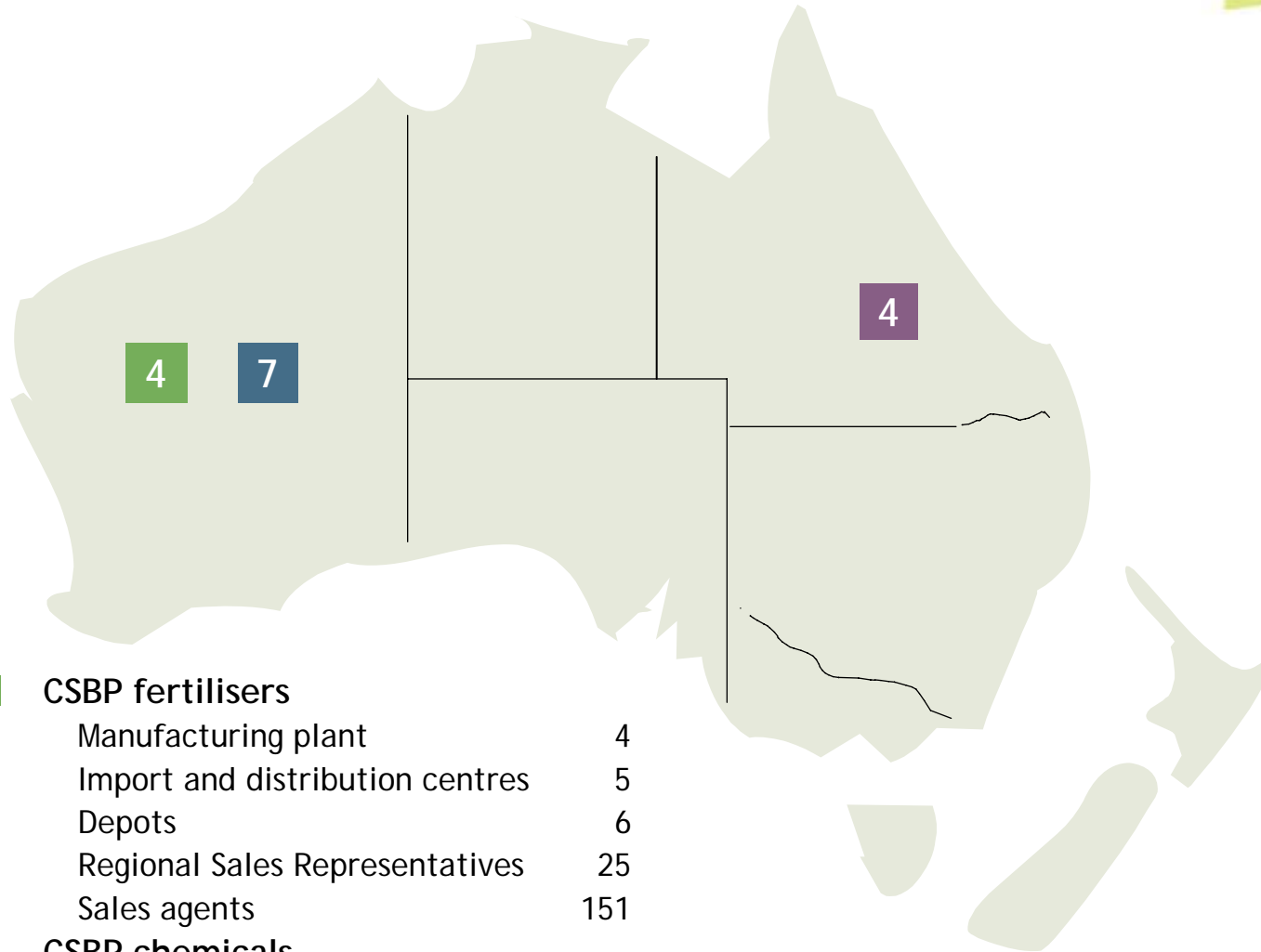
Questions



Chemicals & Fertilisers

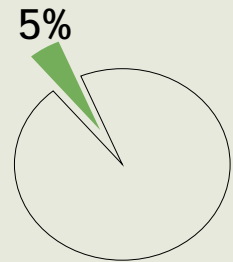
Keith Gordon

Chemicals & Fertilisers - Locations



■	CSBP fertilisers	
	Manufacturing plant	4
	Import and distribution centres	5
	Depots	6
	Regional Sales Representatives	25
	Sales agents	151
■	CSBP chemicals	
	Manufacturing plants	7
■	QNP (50%)	
	Manufacturing plants	4

EBIT CONTRIBUTION (1H07)



600 employees

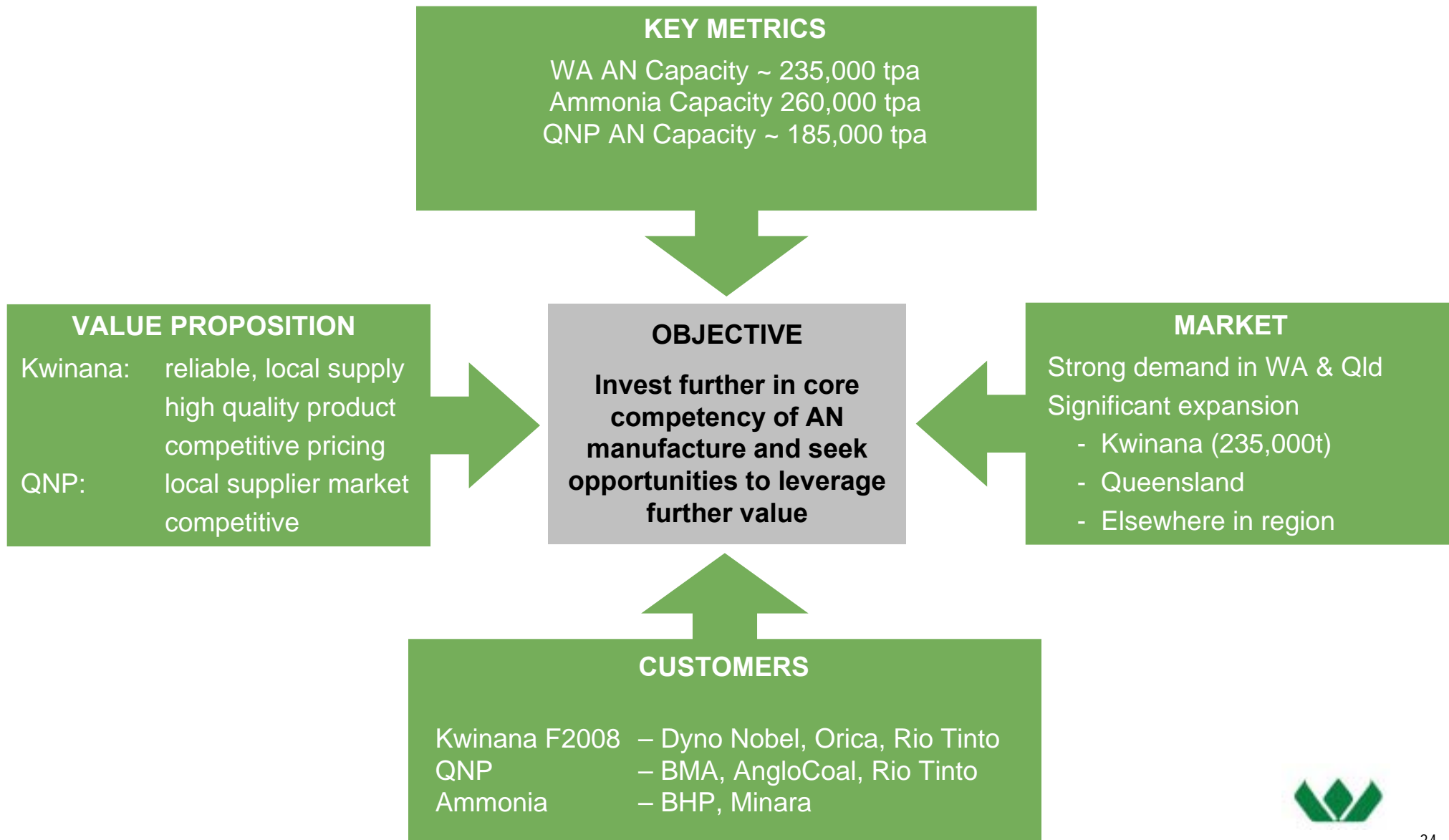
360 chemical customers

2 major fertiliser distributors servicing over 5,000 farmers

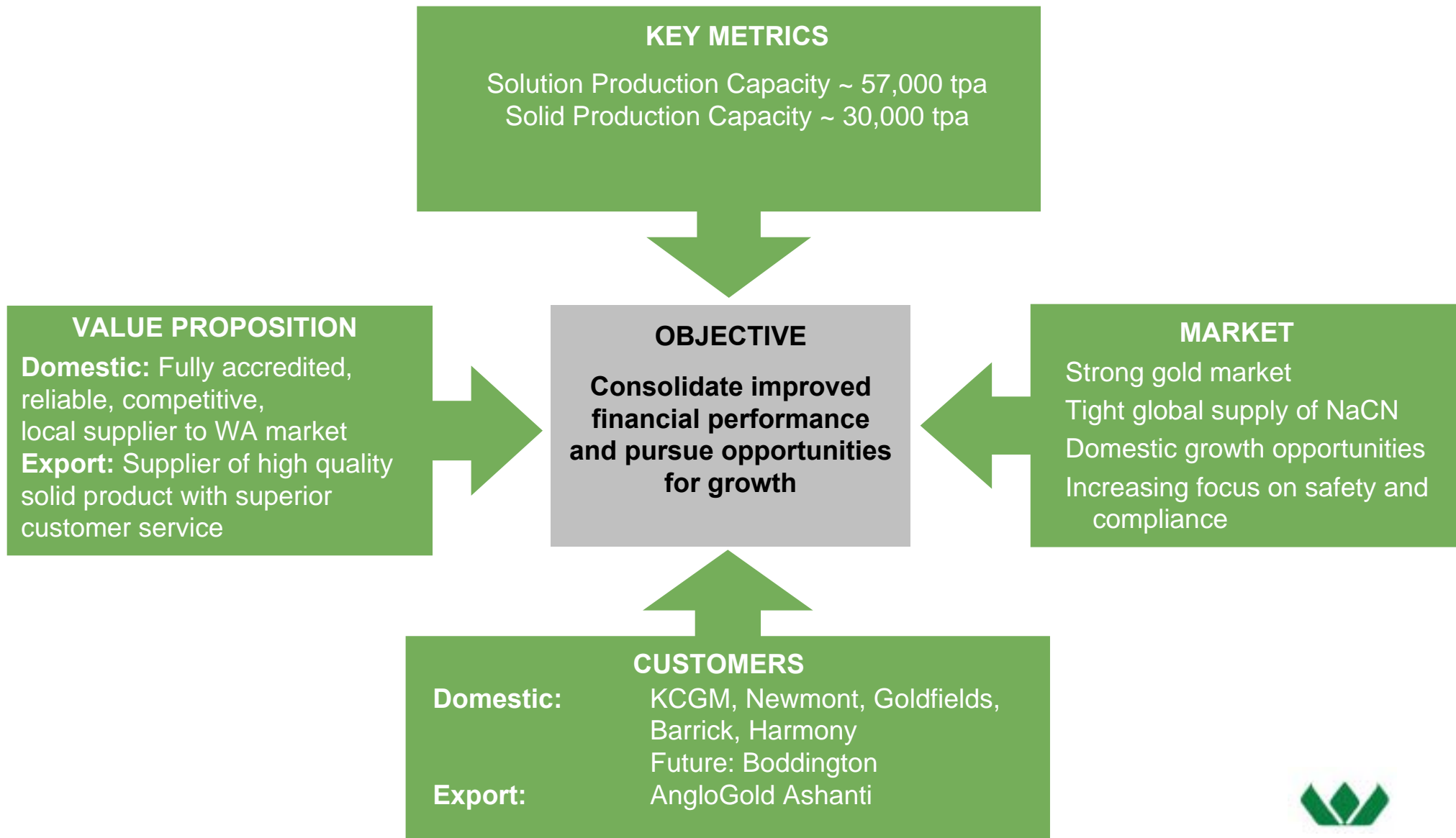
11 operational manufacturing plants



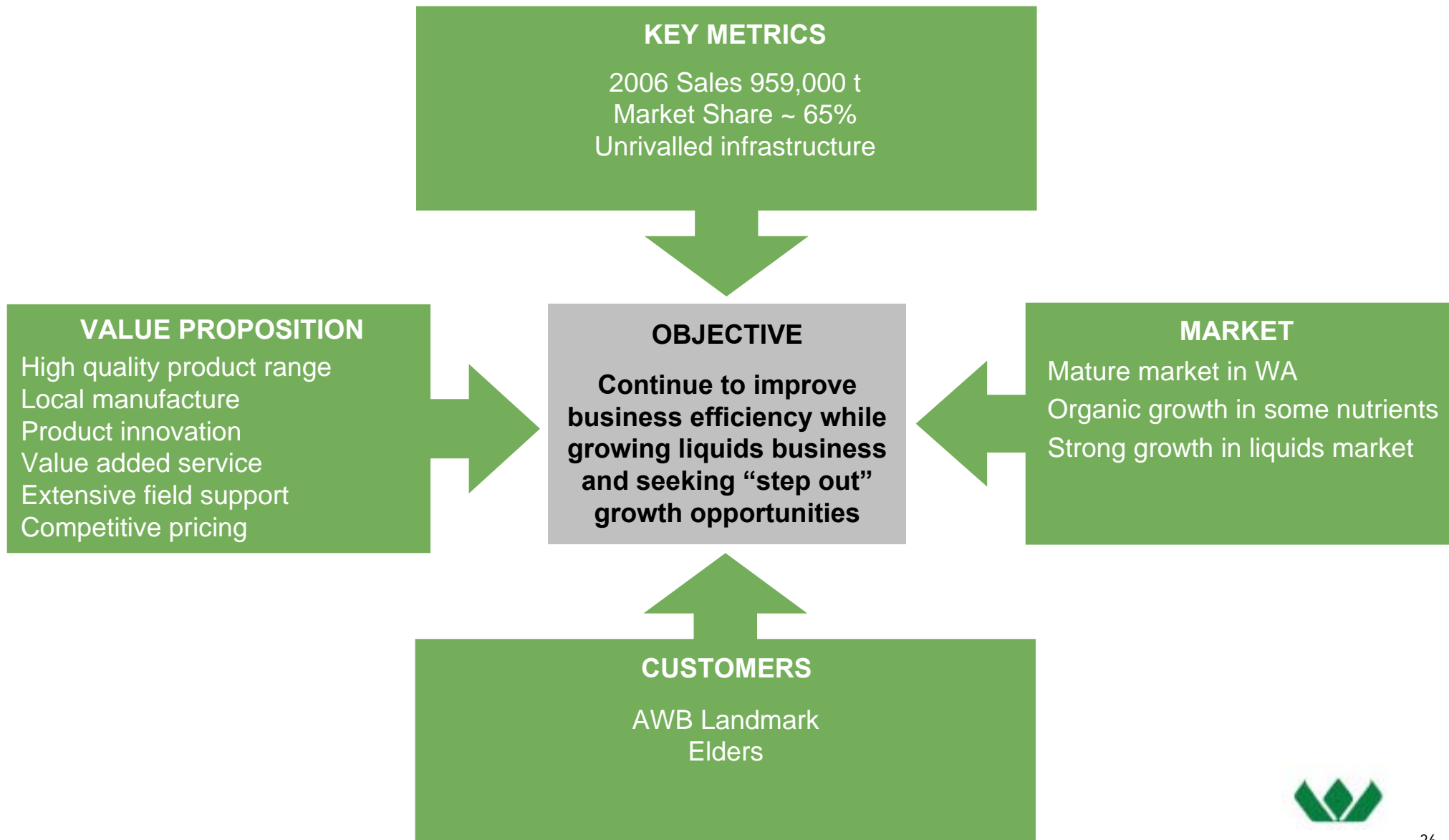
Major supplier of ammonia and ammonium nitrate to resources sector



Major supplier of sodium cyanide to gold producers in Australia and overseas

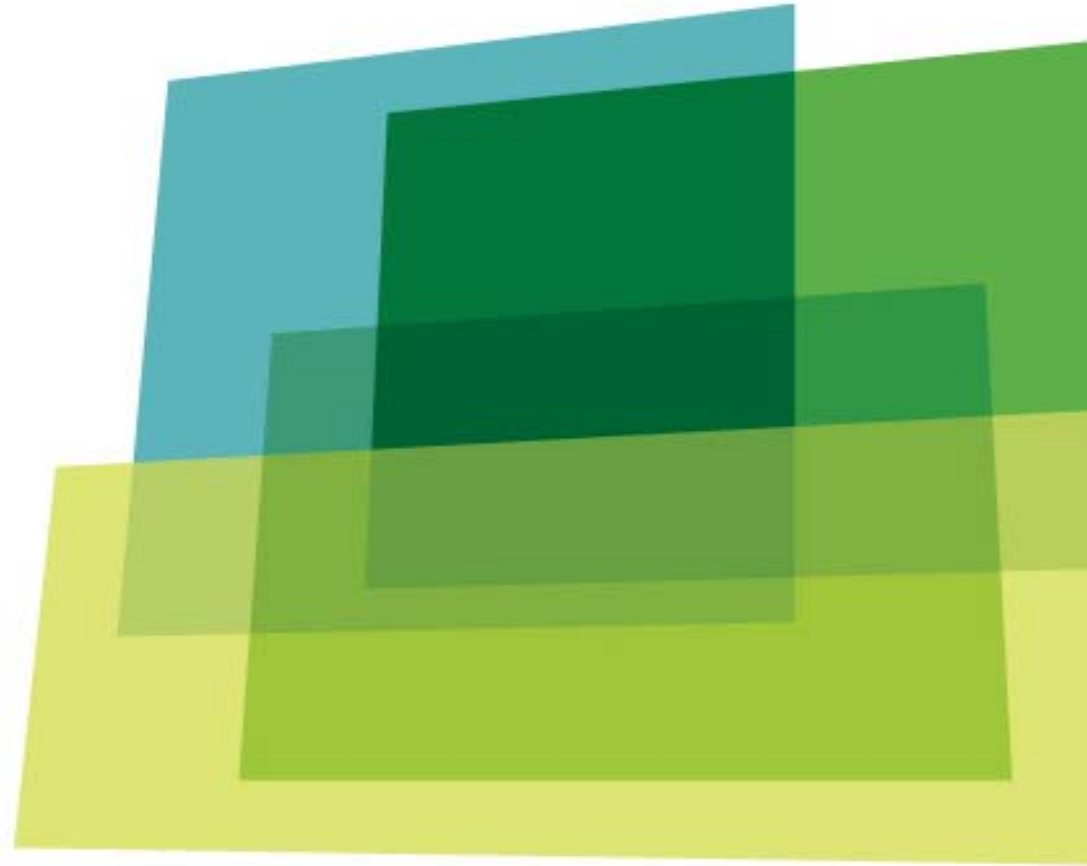


Key supplier of fertilisers to rural sector





Chemicals



Expansion of Kwinana ammonium nitrate capacity driving future growth

- Growing demand from iron ore industry for AN explosives
- Liquid fertiliser market continues to grow
- Kwinana AN expansion to increase capacity by 235,000 tpa
 - Duplicate NA/AN; replacement prill tower
- Construction issues
 - Labour cost and availability
 - Materials costs
 - Off site fabrication
- Capex ~ \$310 million
- Commissioning first half FY08



Ammonia performance affected by shutdowns, QNP performing well

Ammonia

- Planned maintenance shutdown of ammonia plant completed in August 2006
- Unplanned shutdown of ammonia plant in April 2007

QNP

- Strong plant performance
- Limited imports to “top-up” production



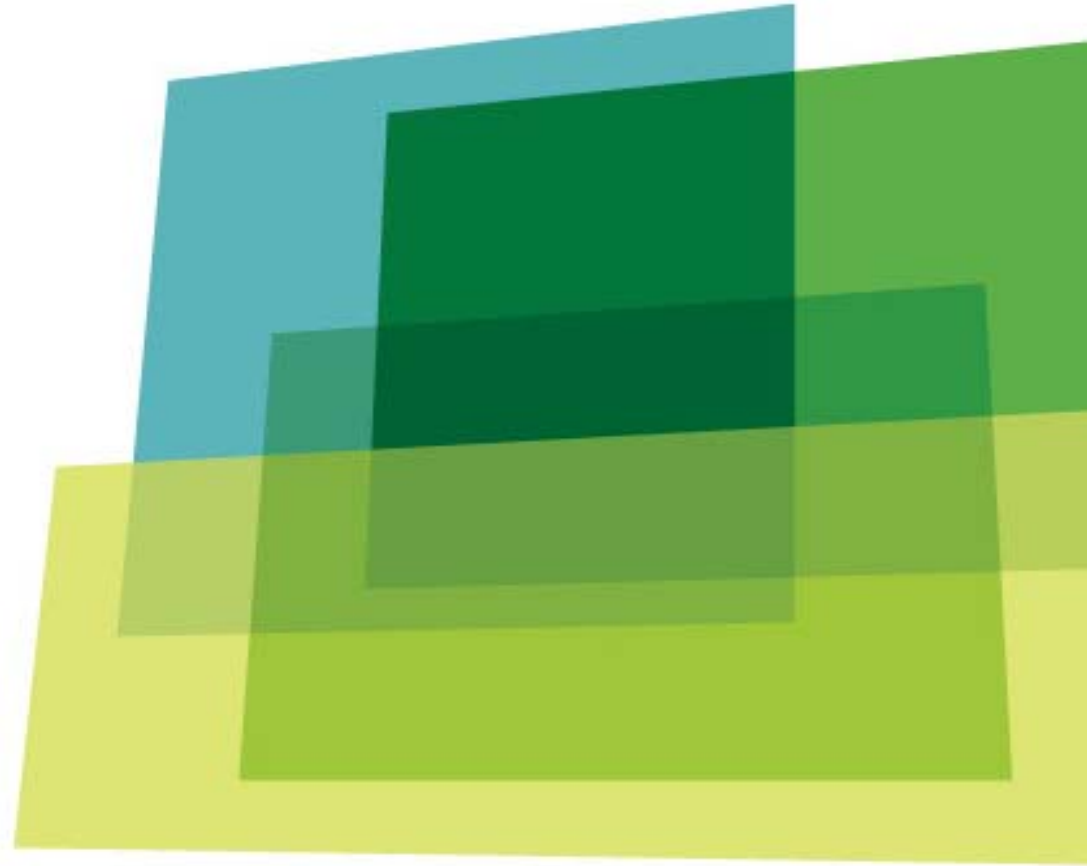
Sodium cyanide - Improved financial performance and further growth prospects

- Demand strong due to gold activity driven by commodity prices
- Tight global market for sodium cyanide
- Increasing customer focus on safety and compliance
 - AGR transport system accredited under ICMI
- Opportunity to increase sodium cyanide solution sales
 - Boddington project to be commissioned in 2008/09
 - Will require debottlenecking of solution plant
- Focus on solid plant reliability
- Consolidate business performance
 - Exposure to caustic price volatility
 - Removal of consignment stock





Fertilisers



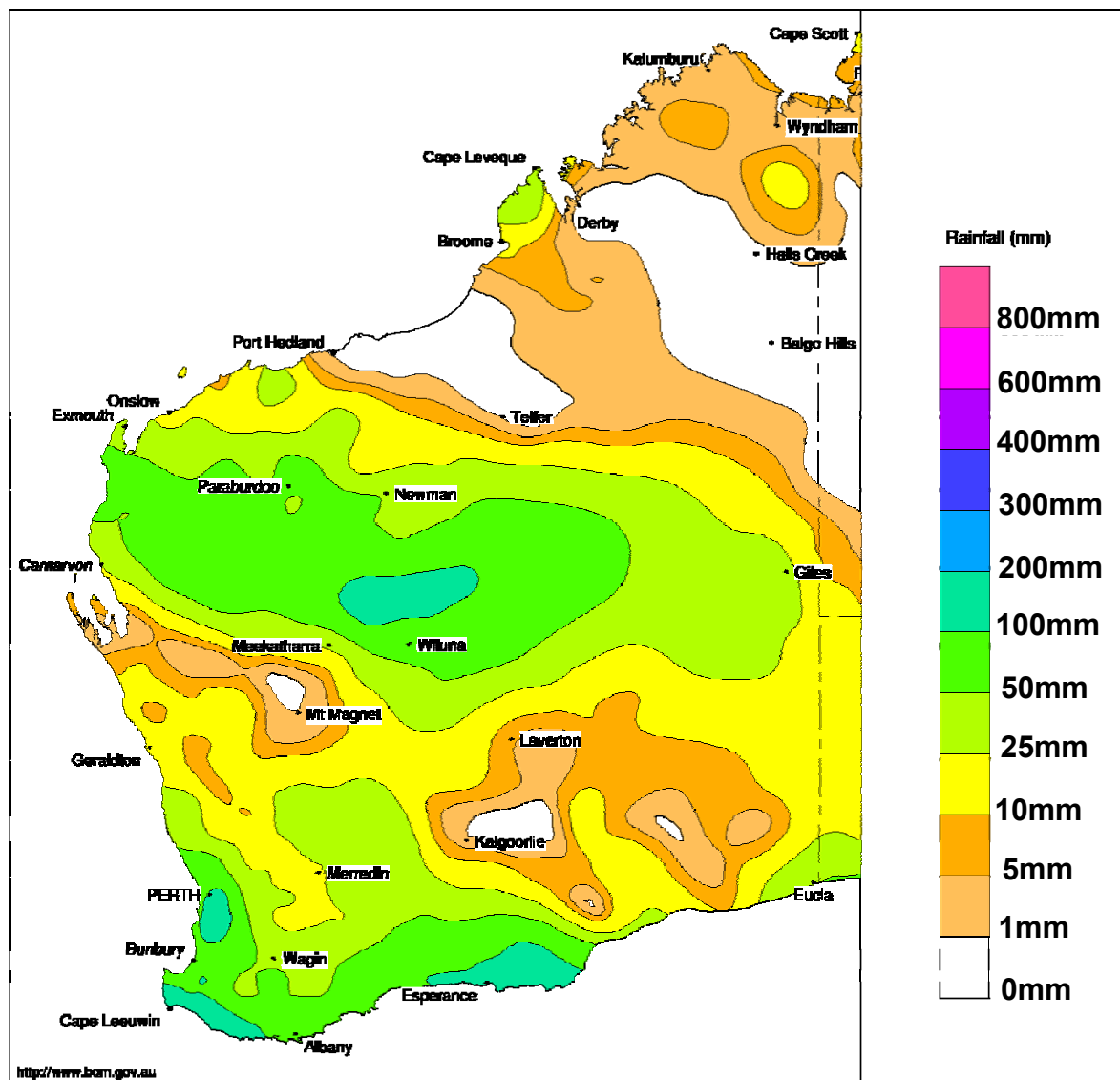
Fertiliser business tied to seasonal conditions and rural outlook

- Difficult seasonal conditions give further impetus to improve business quality:
 - Market share maintained throughout seasonal fluctuations
 - Pursuing liquids growth strategy
 - Business efficiency a key priority
 - Fixed v variable expenses a focus
- 2005/06 sales affected by drought
- 2006/07 harvest sales affected by lower back loading – greater reliance on seasonal break
- Summer rainfall in southern areas
- Promising opening rains in many agricultural areas
- Performance in May / June critical to full year result

Month	June 2004	June 2005	June 2006
WA Sales (t)	188,191	125,745	97,924



WA Rainfall 1 April - 9 May



<http://www.bom.gov.au>

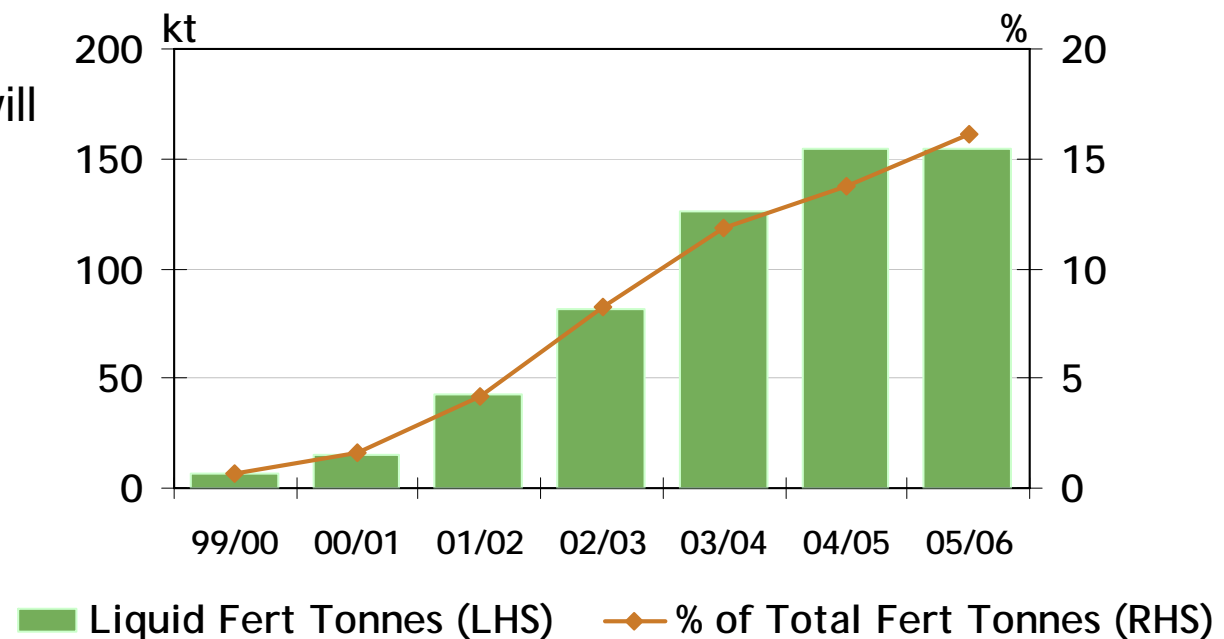
© Commonwealth of Australia, 2007, Australian Bureau of Meteorology

Issued: 09/05/2007



Liquid fertilisers increasingly important

- Sales in 2005/06 were slightly higher than in 2004/05
- Percentage of total sales continued to increase
- Sales in 2006/07 depend on seasonal conditions
- Investment in infrastructure in regional areas
- A manufacturing position following the AN expansion will provide:
 - Flexibility
 - Assured product quality
 - Competitive advantage



Fertiliser focus

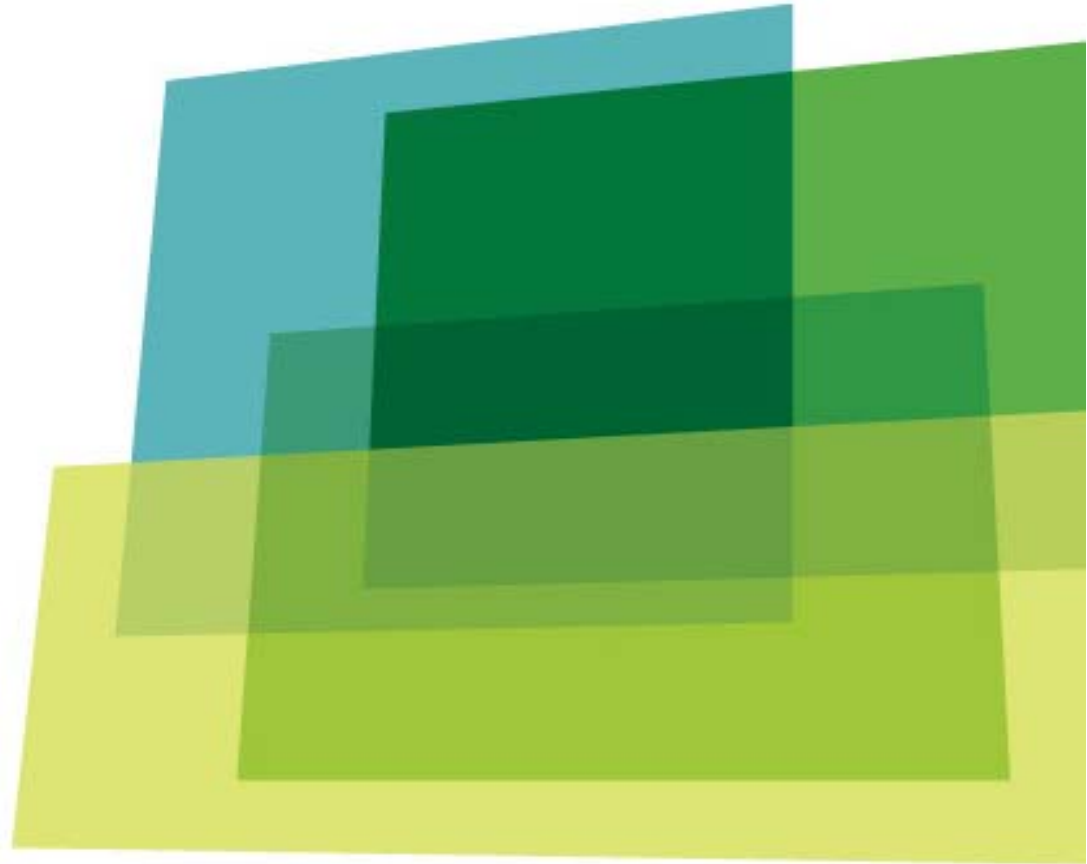
Intent is to structure business to enable satisfactory earnings throughout the cycle by:

- Maintaining our market-focused customer offer
- Ensuring we are competitive to maintain share
- Focussing on our expenses and stock management
- Move further towards a variable cost structure where appropriate





Strategies



Progress on our chemical strategies

Strategic initiatives		Comments
Maintain and grow AN business	2005/2006	Commenced AN expansion at Kwinana, increasing capacity to 470 ktpa
	2006/2007	Completed ammonia plant shutdown Renegotiated gas transmission arrangements Evaluation of Queensland options
	2007/2008	Commission AN2
Improve performance of sodium cyanide business; seek growth	2005/2006	Improved contribution and ROC Increased sales volumes
	2006/2007	Further manufactured volume growth Removal of consignment stock Pursuing domestic growth opportunities
	2007/2008	Finalise supply arrangements for Boddington Commence debottlenecking of plant
Review position in industrial chemicals	2006/2007	Completed exit from chlor-alkali business



Progress on our fertiliser strategies

Strategic initiatives	Comments	
Continue to develop liquid fertilisers	2005/2006	Completed storage upgrade at Kwinana Continued product development programme Freight capacity increased Sales volume maintained
	2006/2007	Increased regional storage Expanded regional formulation facilities Extended product development activity
	2007/2008	Commence local manufacture of liquids Extend product range
Optimise cost and capital	2005/2006	Expenses managed tightly Working capital above budget due to drought
	2006/2007	Focus on expense reduction strategies Investigate opportunities to make cost base more variable
	2007/2008	Continue cost/capital focus Implement initiatives



Chemicals & Fertilisers



2005/06 Strategic initiatives	Performance against Strategic initiatives	Comments
Identify and evaluate growth opportunities	WIP	Operating in sectors undergoing significant change globally Dedicated business development team
Develop improved capabilities	✓	Greater investment in training Upgrade competency management system Established new compliance team Improved commercial capability
Sustainability	✓	Developed sustainability concept Continued management of legacy issues Regulatory compliance
Recruit and retain high performing employees	WIP	Cultural development Flexible work policies “Fit for work” support



Outlook

- **Chemicals**

- Continued strong demand from resource sector
- AN expansion project progressing well
- Growth prospects in sodium cyanide business

- **Fertilisers**

- Seasonal factors in next two months critical to 2006/07 result
- Drive further development of liquid fertiliser market

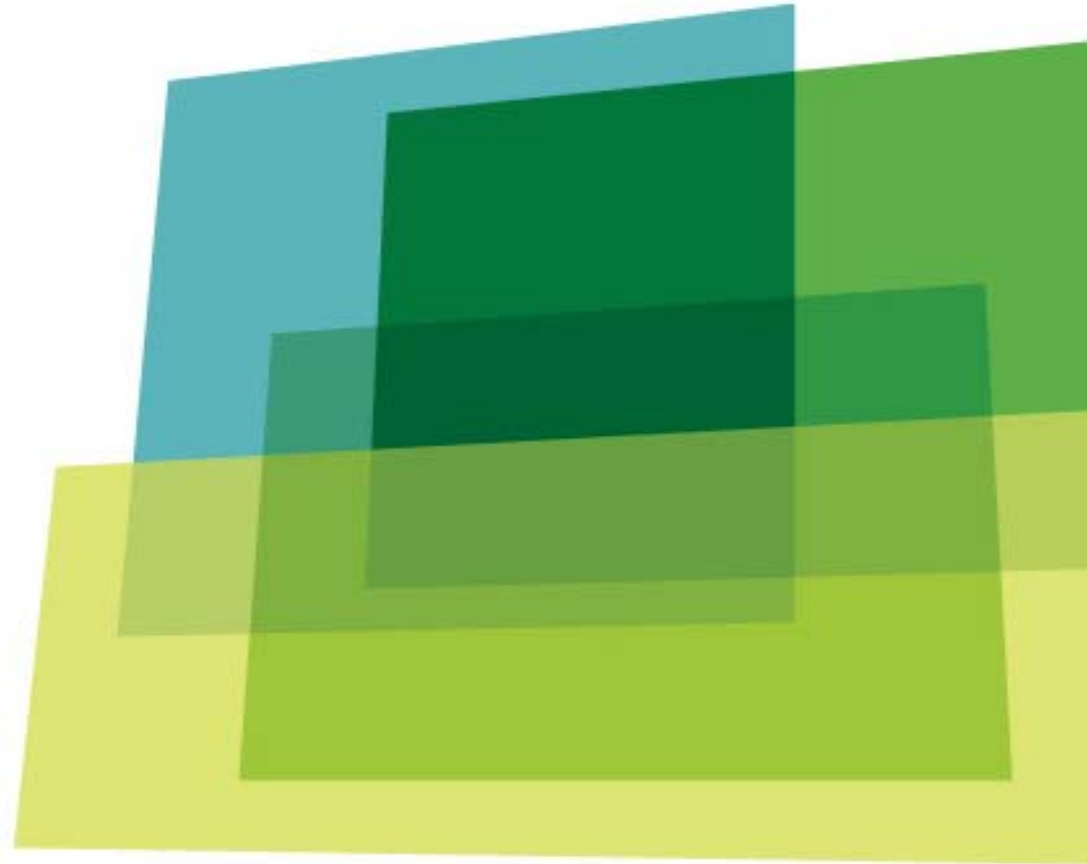
- **CSBP**

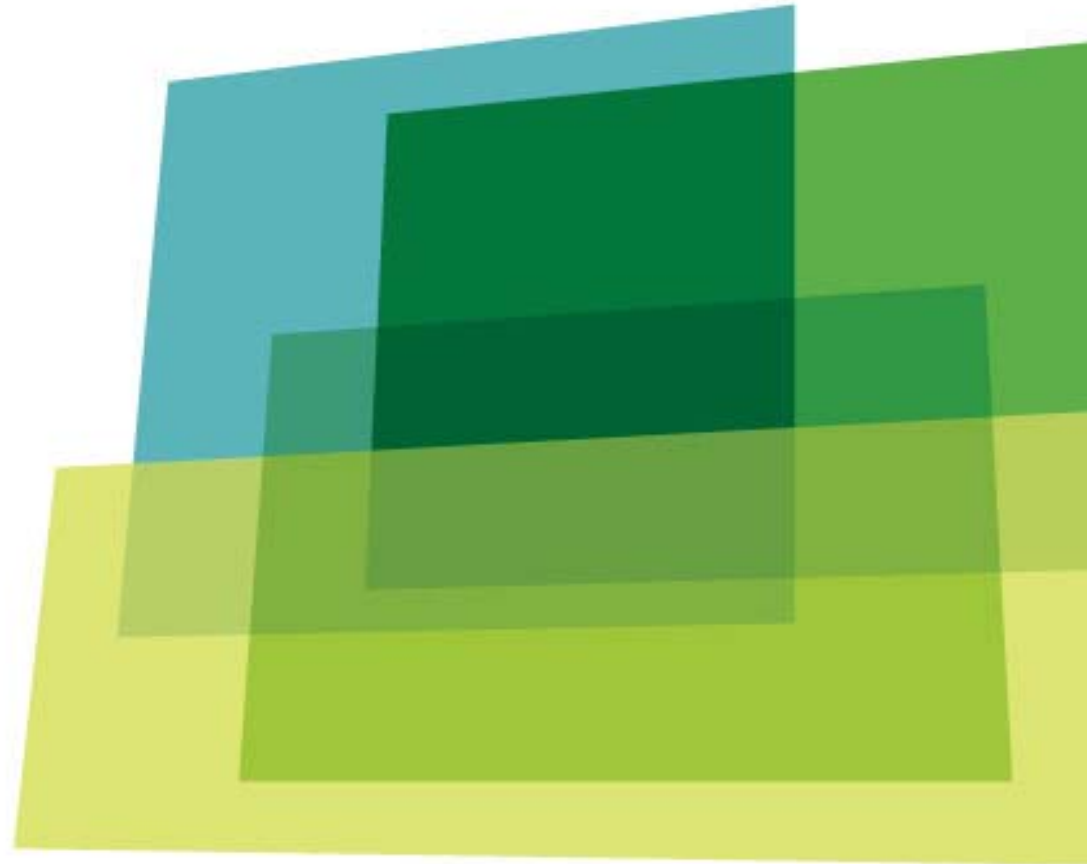
- Identify and pursue opportunities for growth
- Continue to focus on safety and our people





Questions



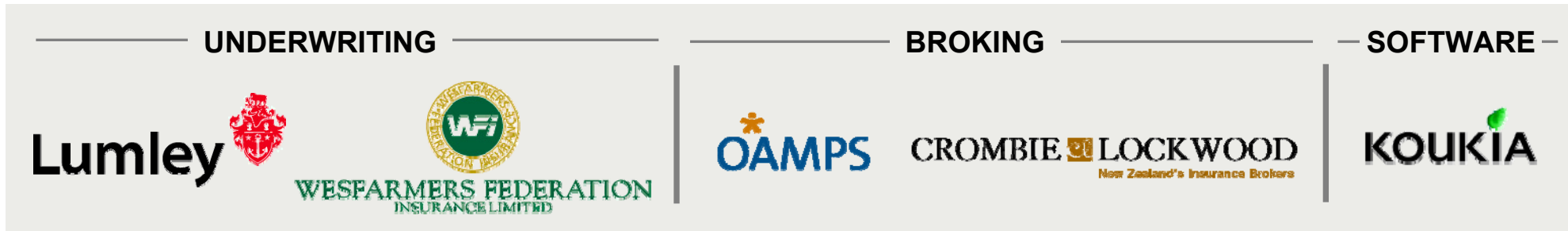


Insurance

Bob Buckley

Rob Scott

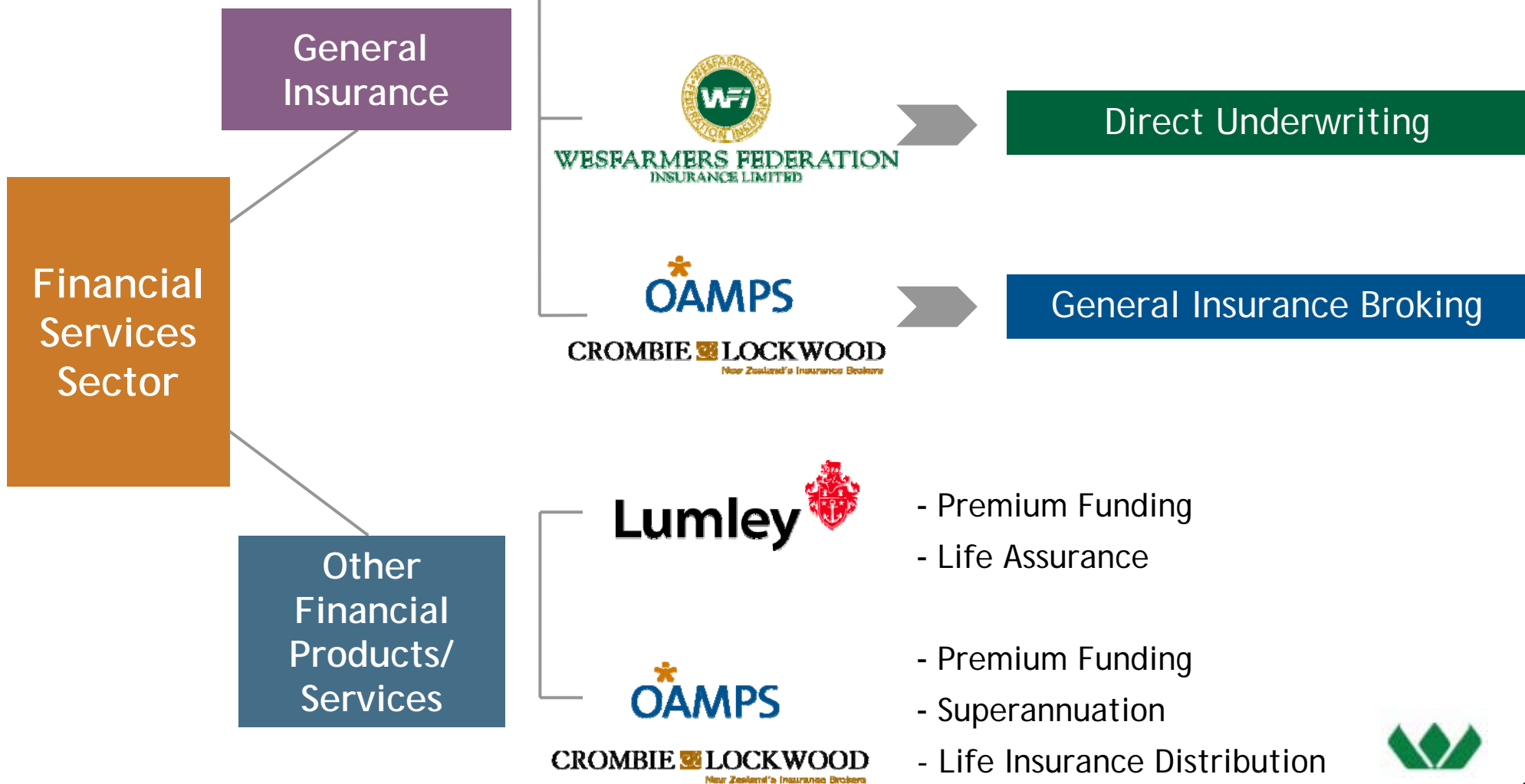
WID overview



- Three underwriting businesses – GWP of \$1.3 billion
- Three insurance broking businesses – GWP of \$0.9 billion
- 200,000 direct customer relationships (broking and WFI)
- Around 3,000 employees (Aust: 2,150; NZ: 760; UK: 74)
- 150 branches







WID engagement in the Financial Services sector



WID participation across the general insurance value chain



	Advice & Placement	Policy & Claims Administration	Assessing & Accepting Risk	Carrying Risk
				
				
				
				



WID growth opportunities

- Organic growth through business initiatives
- Extend into related growth areas
 - Maintain focus on specialty skills and capabilities
- Continued participation in the consolidation of the insurance broking market (Australia, New Zealand and UK)
- Evaluate acquisition opportunities that satisfy investment hurdles
 - Insurance broking
 - Underwriting agencies
 - General insurance
 - Related financial services



Soft cycle continues



Business Environment	Details
Competitive conditions in Australia	Strong reported profits from insurers assisted partly by significant reserve releases Commercial lines margins under pressure
Soft pricing continuing in New Zealand	New entrants Competitors aggressively targeting market share
Drought continues to affect rural Australia	Impact on crop insurance revenue Lower investment in new assets limiting premium growth
Industry consolidation continues	Suncorp / Promina merger QBE's 15% stake in Austbrokers Steadfast / QBE / Allianz alliance Consolidation of insurance distributors (broking and agencies)

Business performance... the year so far



Business Unit	Details
Lumley Australia	Higher incidence of claims and several weather related events have increased loss ratios Lower reinsurance levels resulting in higher net retentions
Lumley New Zealand	Modest GWP growth in a highly competitive market Margins, particularly motor, under pressure
WFI	Flat revenue growth impacted by a competitive market and drought Insurance margin up on prior year
OAMPS	Australian operations impacted by premium discounting Client retention strong albeit on lower rates UK operations performing well Several acquisitions completed recently
Crombie Lockwood	Integration progressing to plan Performing in line with expectations Acquisition of Law Mooney Williamson

Underwriting... targeting profitable growth and improving efficiencies



Opportunities / Initiatives	Details
Target profitable growth	Maintain technical rates Creation of tailored products and services Sales force efforts focussed on growth sectors Maintain key alliances and client relationships Business focus on specialty segments
Build technical capabilities and improve processes	EDI initiatives Sales support system for WFI agents
Acquisition opportunities	Continue to selectively evaluate underwriting and agency opportunities
Strengthen management capabilities	National manager communications Increased business development resources

Insurance Broking... integration and business improvement



Opportunities / Initiatives

Details

Integration of OAMPS underwriting and agency operations

Integration of AILL underwriting with Lumley proceeding to plan
Operational cost savings to be realised from 1 July 2007
Portfolio transfer expected to be completed in FY2008
Capital release following portfolio transfer

OAMPS integration

Modest synergies from the amalgamation of corporate functions
Integration costs in line with expectations
Appointment of new CEO, OAMPS Broking – Peter Blackmore
Detailed review of systems and processes underway

Business Improvement

Align processes across broking businesses
Strengthen specialist teams

Insurance Broking... new growth platforms



Opportunities

Details

Recent acquisitions

Crombie Lockwood (NZ), February 2007

Law Mooney Williamson (NZ), March 2007

Whicher Boylan & James (UK), March 2007

Widelands Insurance Brokers (Qld), April 2007

Further participation in industry consolidation

Expansion of business development capabilities

Target further acquisition opportunities in Australia, New Zealand and United Kingdom

WID represents attractive option for exiting brokers

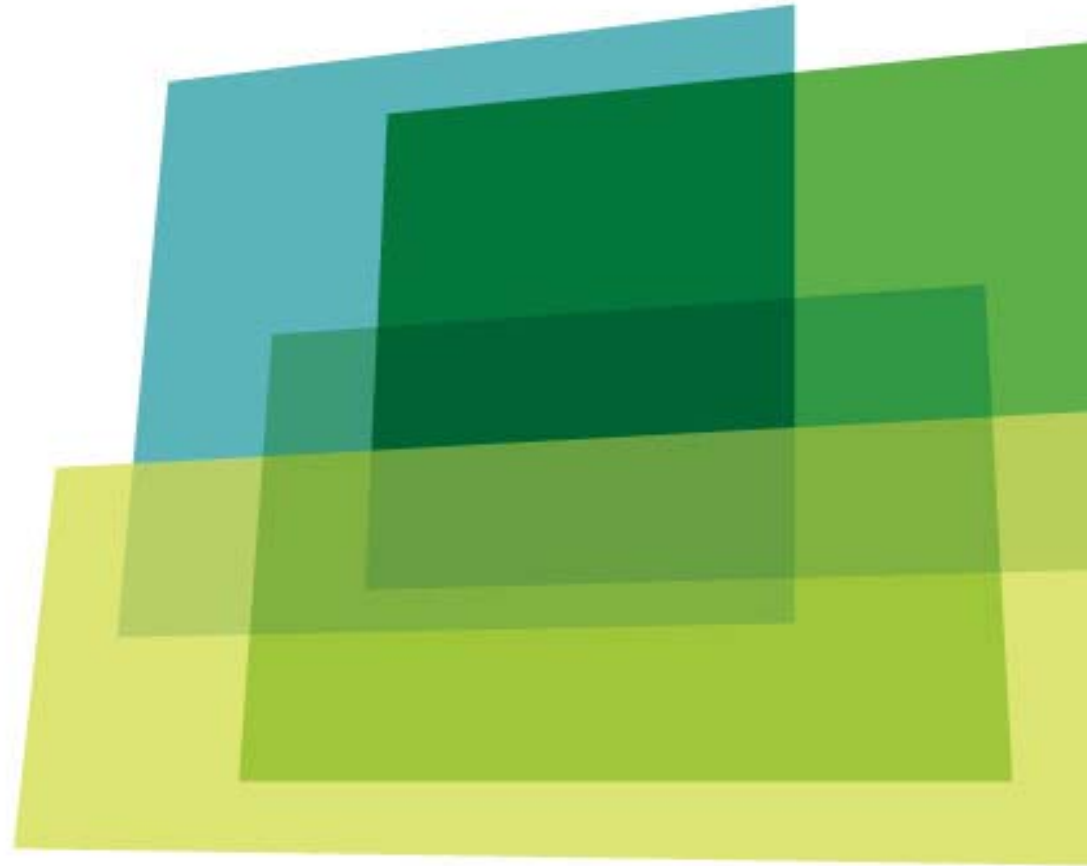
Highly selective approach – targeting successful businesses

Outlook



- Competitive market conditions continue
 - Business units experiencing high levels of competition and pressure on premium rates
 - Maintain disciplined underwriting
 - Investment in sales capability and new product offerings
 - COR heading toward long term average of low 90s (%)
- Increased claims experience
 - Decrease in insurance margin
- Compliance workload increasing resulting in higher costs
- Pressure on premium rates impacting insurance broking commission
- Acquisitions in insurance broking to contribute to earnings in 4Q 2006/07

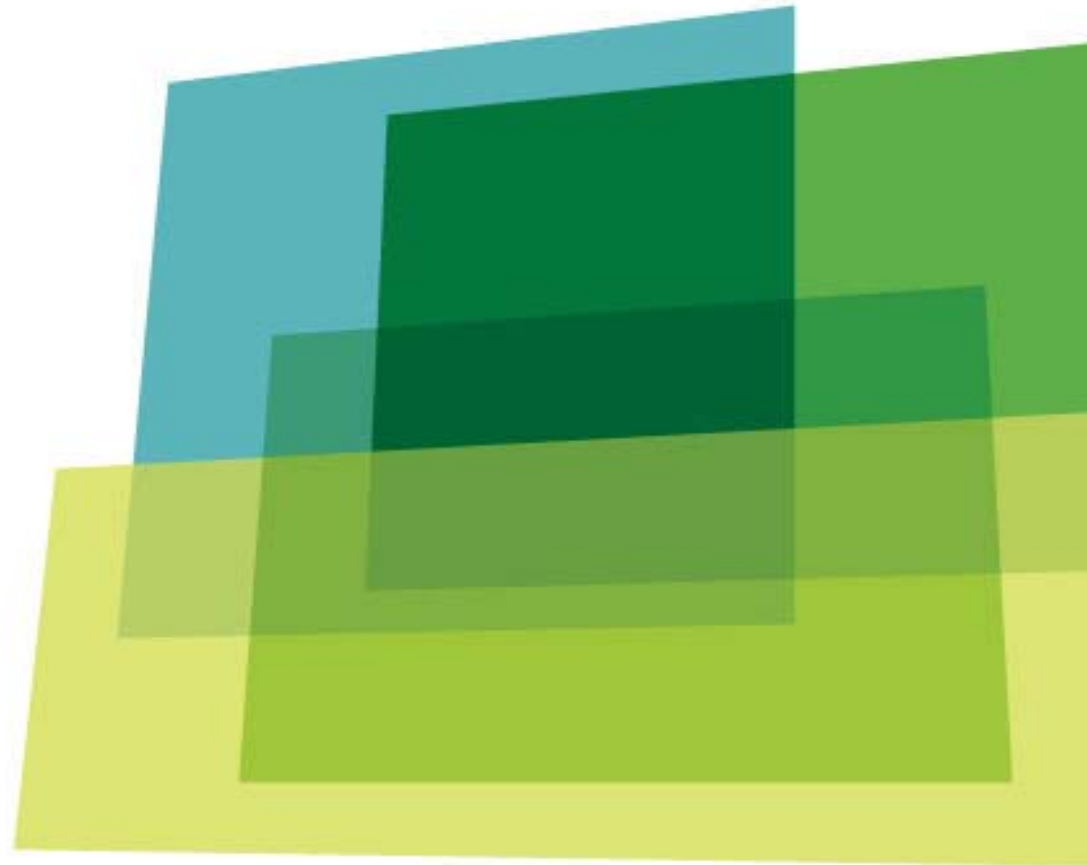




Questions



Coal
Stewart Butel



Wesfarmers Coal



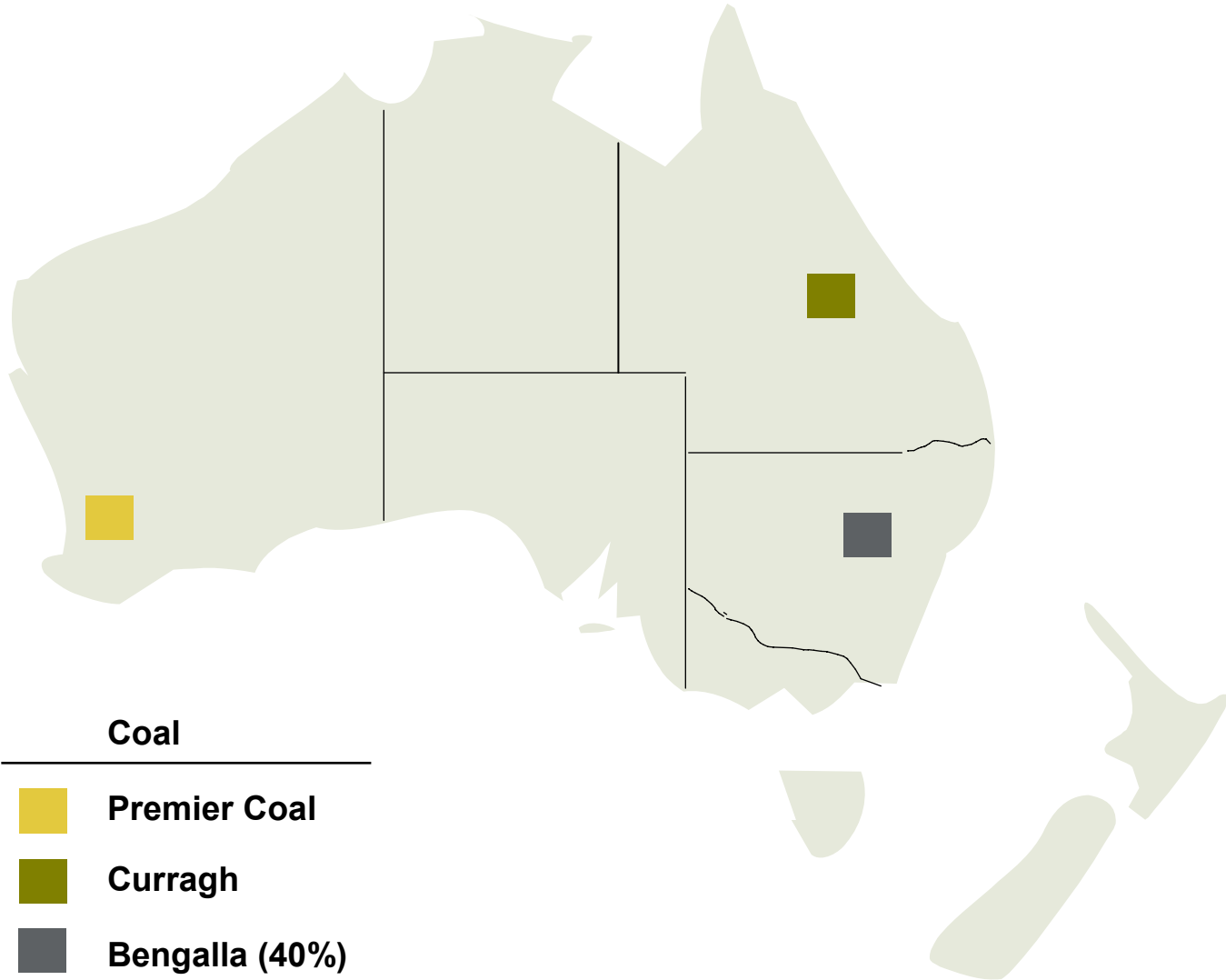
URRAGH

 **Premier Coal**

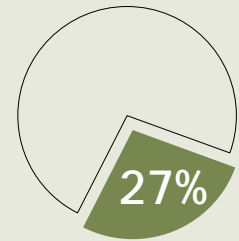

BENGALLA



Wesfarmers Coal - locations



EBIT CONTRIBUTION (1H07)



660 employees
3 coal mines
24 coal customers



Coal production

Mine	Beneficial Interest	Coal Type	YTD ended (^{'000 tonnes})	
			Mar-07	Mar-06
Premier, WA	100%	Thermal	2,399	2,842
Curragh, QLD	100%	Metallurgical	4,843	4,509
		Thermal	1,620	2,052
Bengalla*, NSW	40%	Thermal	1,746	1,813
Total			10,608	11,216

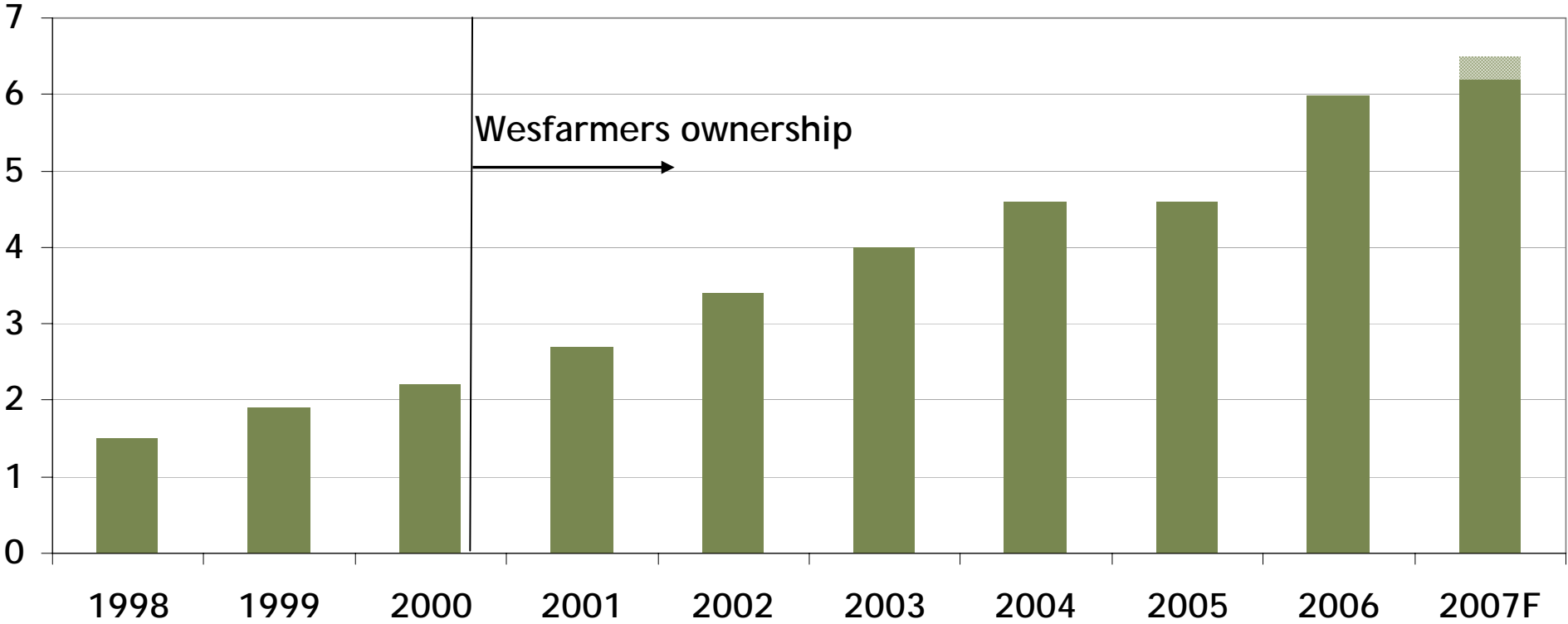
* Wesfarmers attributable production



Curragh metallurgical sales growth

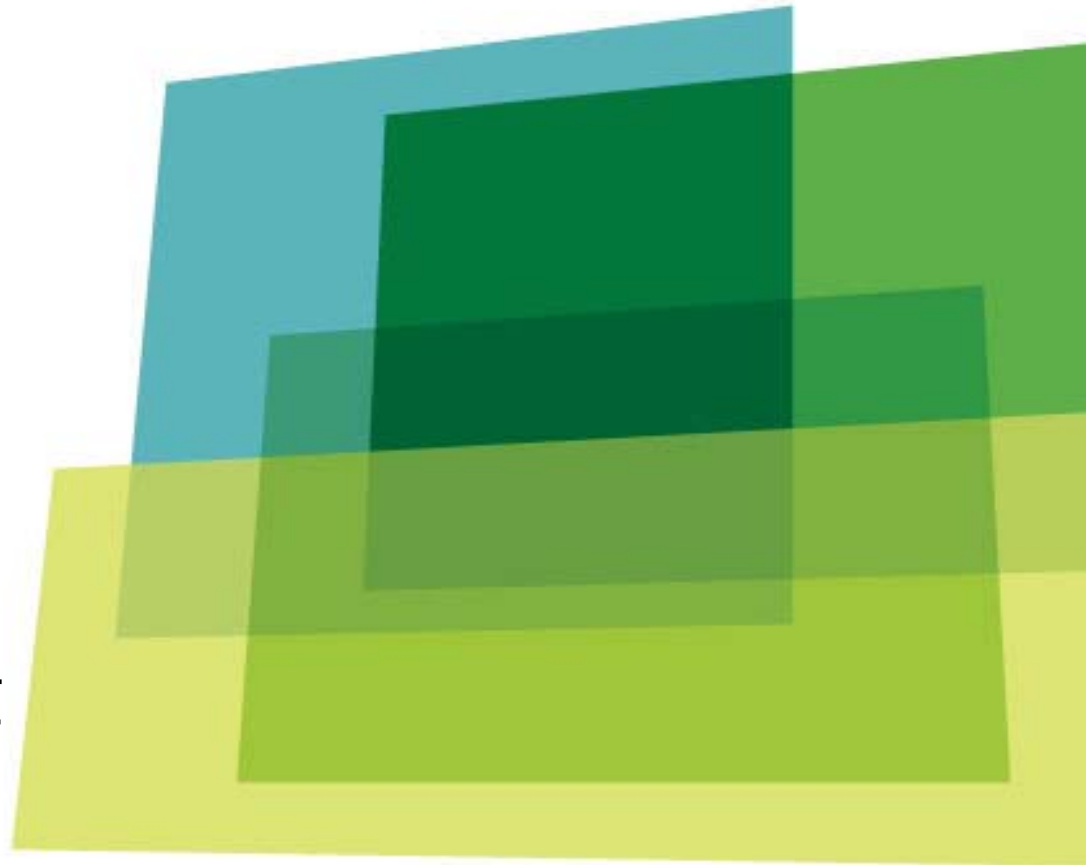


tonnes (m)





Business environment



Industry facing challenges...

- Constrained export coal chain
- Cost increases (opex and capex)
- Appreciating Australian dollar
- Industry consolidation
- Climate change

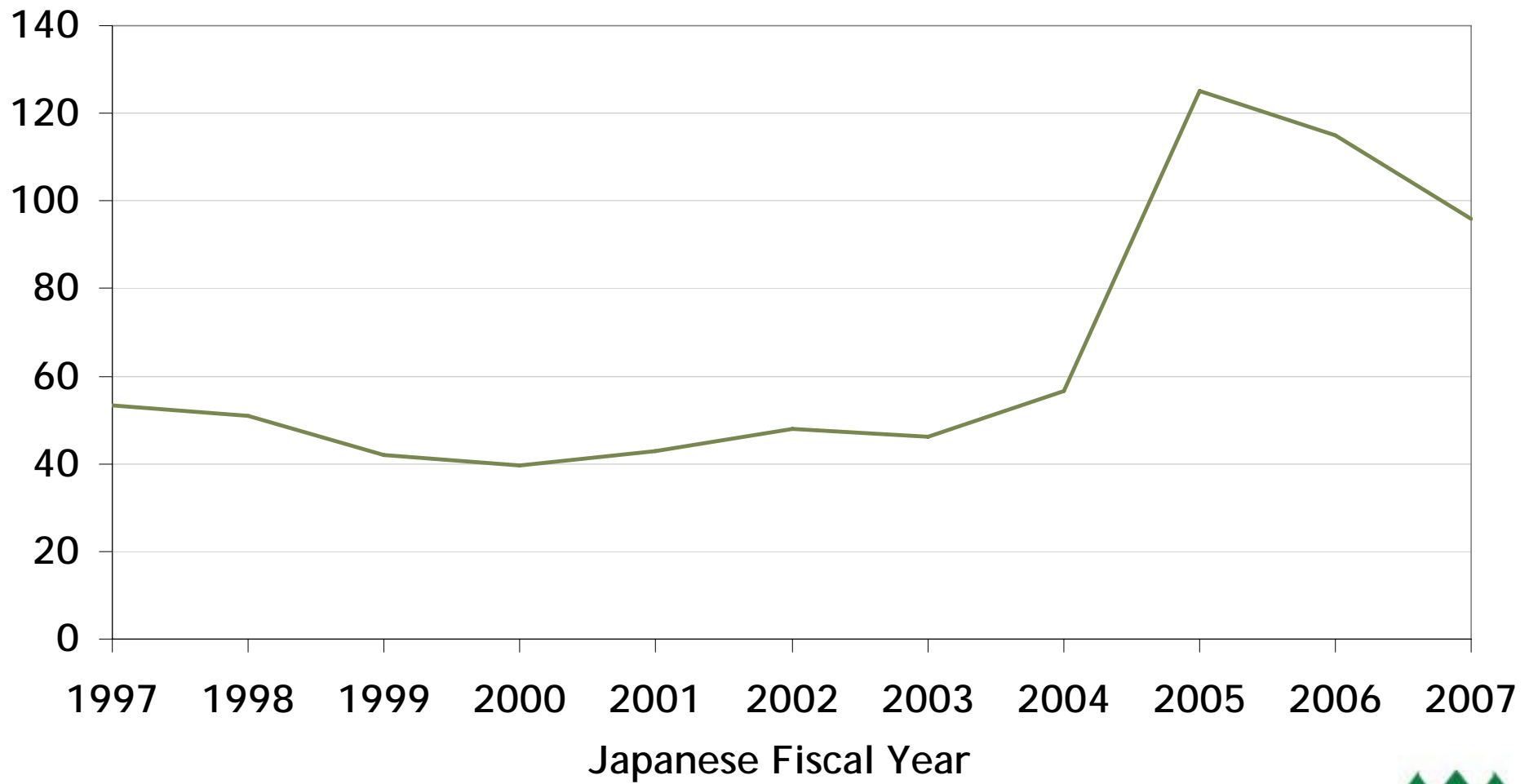
But....

- Strong market fundamentals and customer demand
- Continued Curragh export growth
- Positioned to capitalise when infrastructure constraints lifted



Metallurgical coal prices Australian hard coking coal to Japan

US\$/Tonne (Nominal) FOB Australia



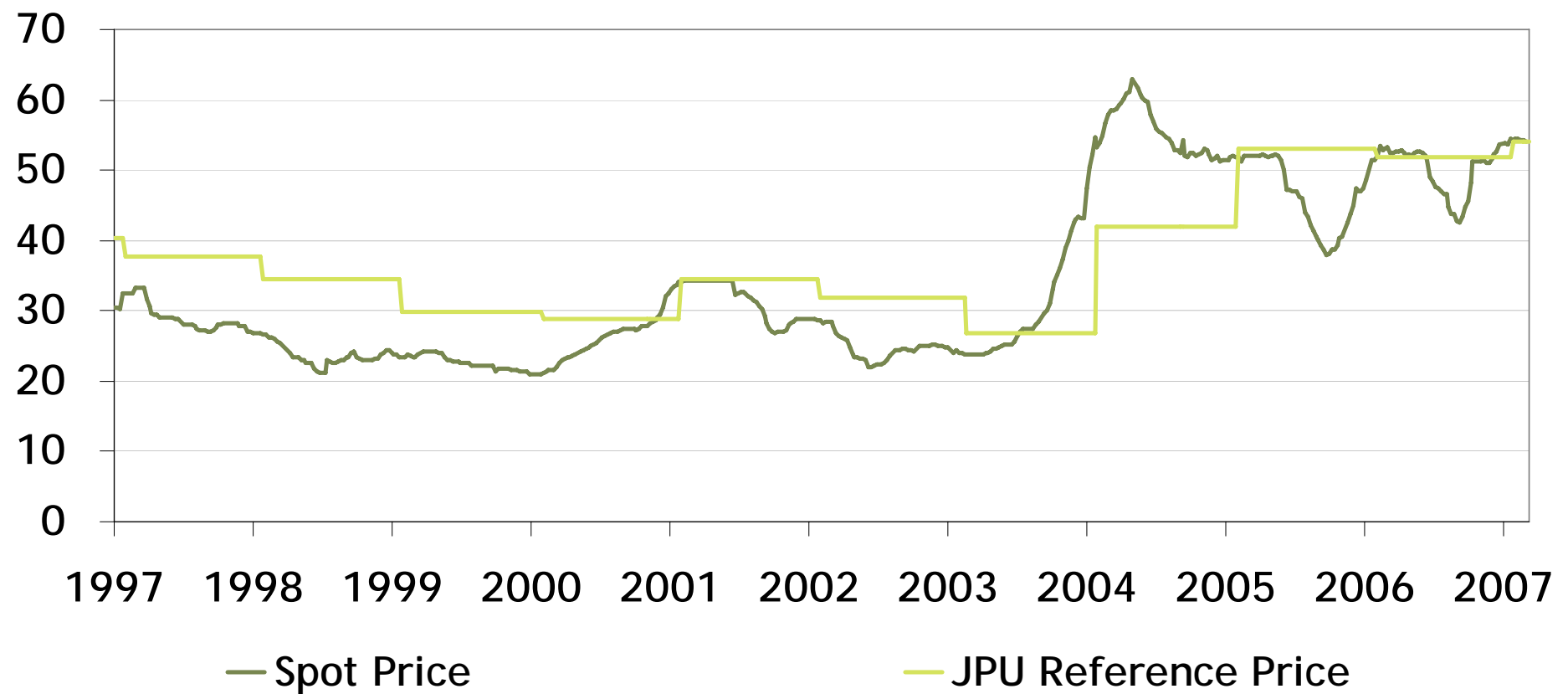
Source: Barlow Jonker



Thermal coal prices

Australian thermal coal to Japan

US\$/Tonne (Nominal) FOB Australia

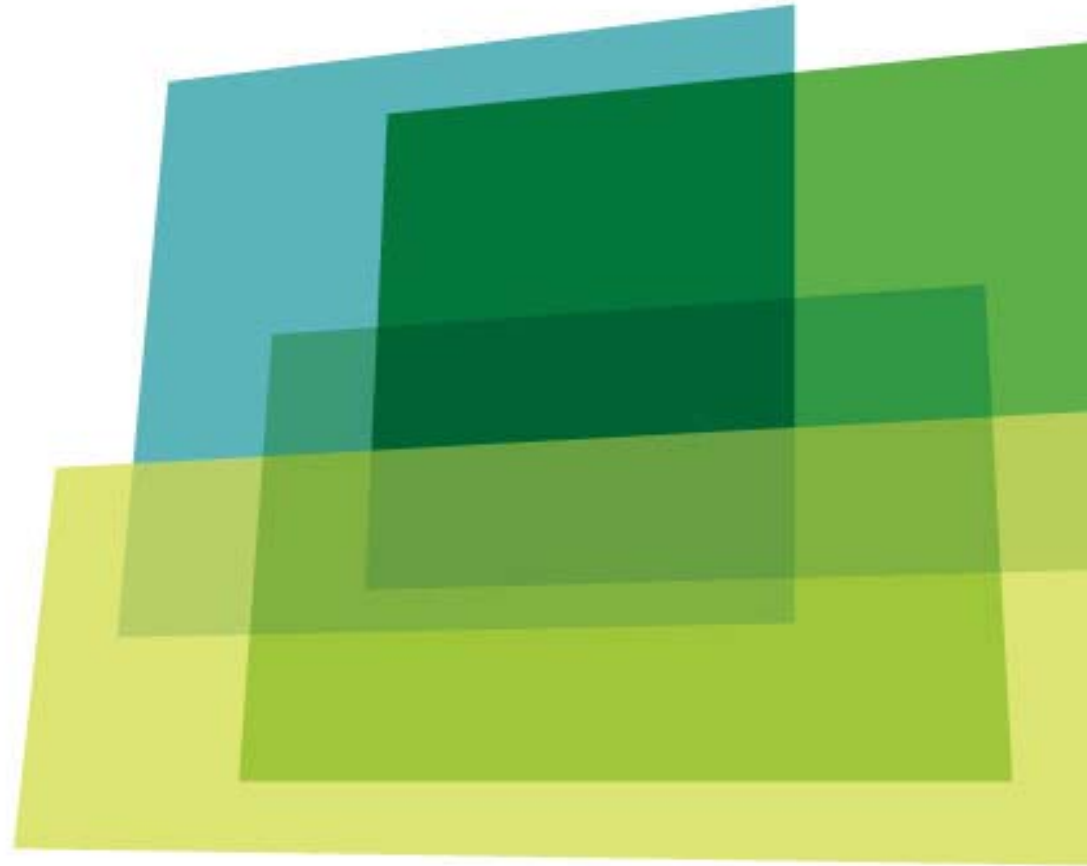


Source: Barlow Jonker





Strategies



Coal strategies



Opportunities / Challenges	2006/07 Strategic initiatives
Strong export customer demand	Maximise export sales Long-term export contracts in place Optimise sales mix Export price relativity
Cost pressures	Cost reduction programmes
Infrastructure constraints	Closely monitor and capture opportunities to export as soon as capacity becomes available
Increase coal production	Curragh North Materials Handling Project completion Bengalla Development Consent approval Char plant operation
Extend product and market reach	Evaluate acquisitions that offer economies of scale or downstream benefits
Sustainability	Coal21 Safety and environmental performance



Coal strategies



Opportunities / Challenges

2006/07 Strategic initiatives

Strong export customer demand

Maximise export sales
Long-term export contracts in place
Optimise sales mix
Export price relativity

Cost pressures

Cost reduction programmes

Infrastructure constraints

Closely monitor and capture opportunities to export as soon as capacity becomes available

Increase coal production

Curragh North Materials Handling Project completion
Bengalla Development Consent approval
Char plant operation

Extend product and market reach

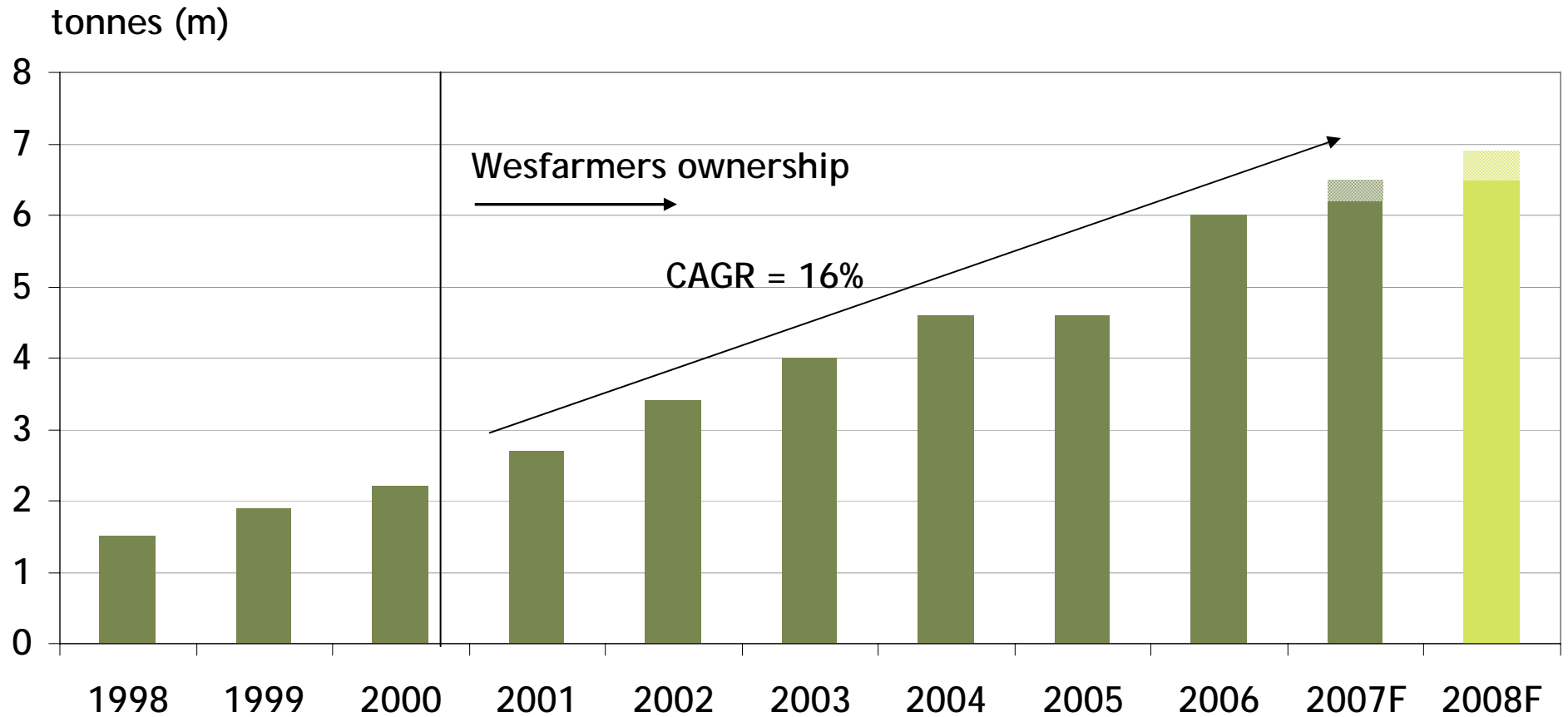
Evaluate acquisitions that offer economies of scale or downstream benefits

Sustainability

Coal21
Safety and environmental performance



Curragh metallurgical sales growth



Curragh metallurgical sales

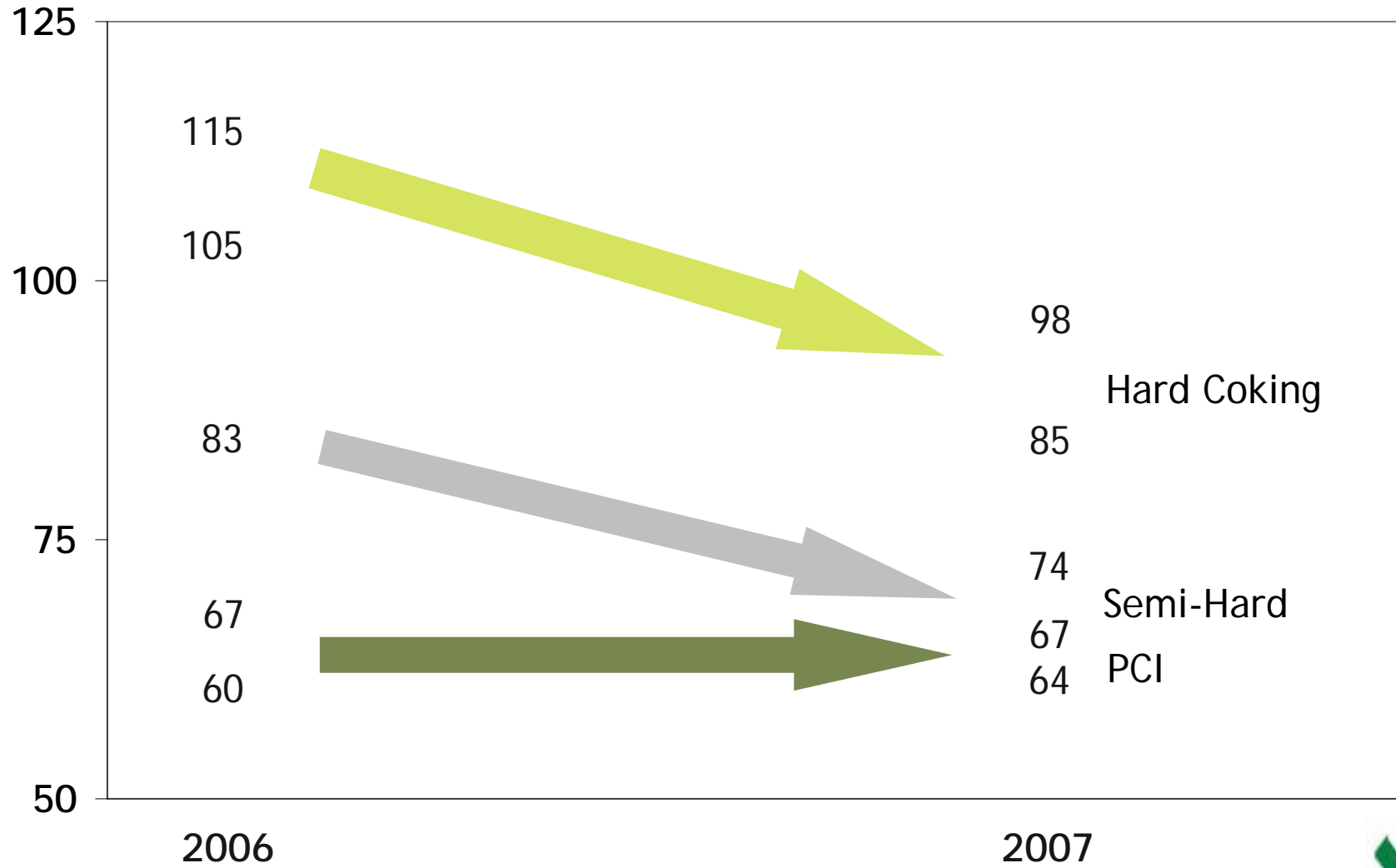
Contract duration 2007/08

- Contract negotiations for FY 2008 have concluded
- 92% of contracts are 3 to 5 year terms
- Total export volume weighted average price decline of 13.6%
- PCI price increase
- Price movements in line with publicly-reported settlements
- Hard coking coal prices maintaining market price relativity



Metallurgical coal prices

US\$ / Tonne FOB

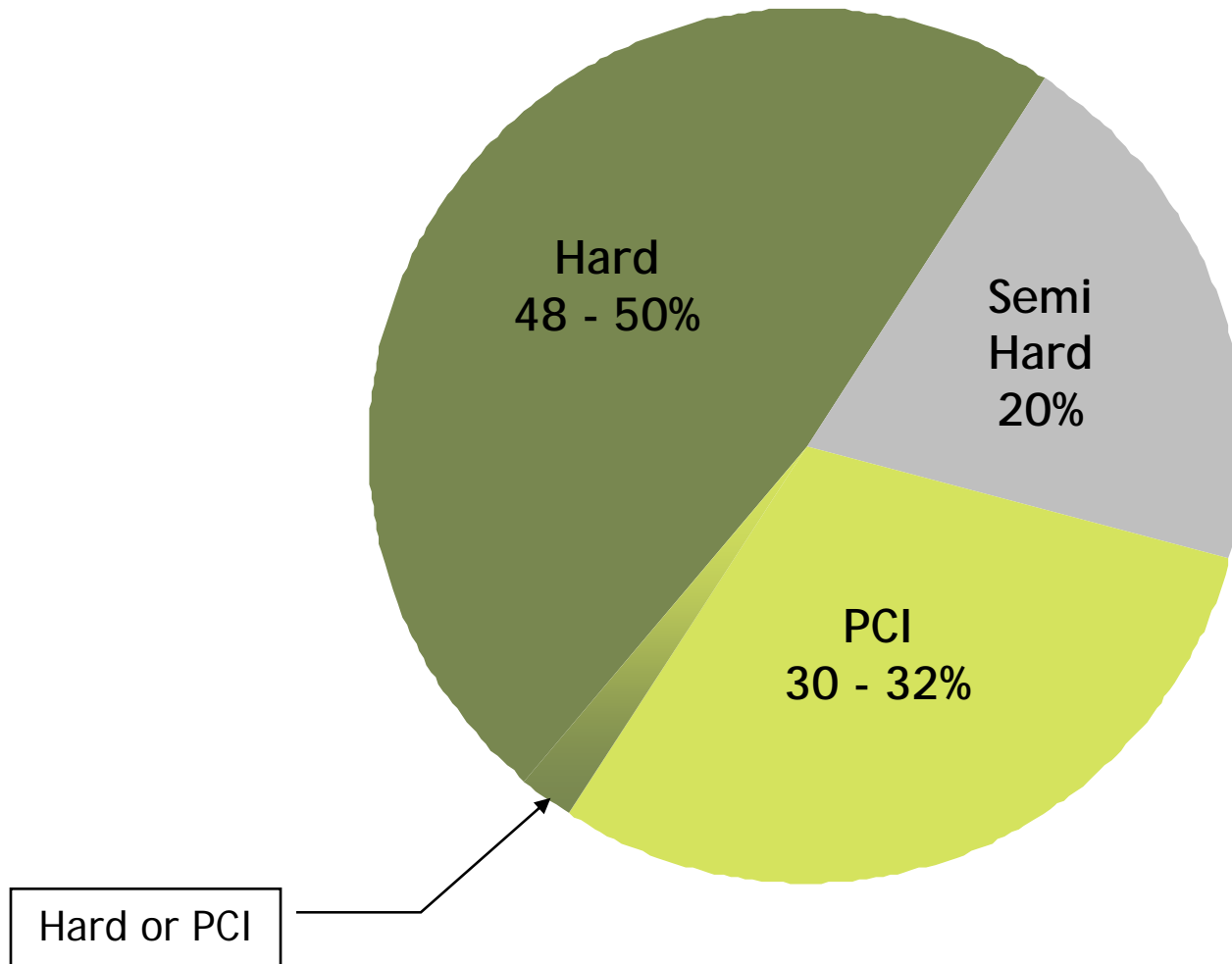


Source: Tex Report



Curragh metallurgical sales mix

2007/08 estimate 6.5 to 6.9 million tonnes



Coal strategies



Opportunities / Challenges	2006/07 Strategic initiatives
Strong export customer demand	Maximise export sales Long-term export contracts in place Optimise sales mix Export price relativity
Cost pressures	Cost reduction programmes
Infrastructure constraints	Closely monitor and capture opportunities to export as soon as capacity becomes available
Increase coal production	Curragh North Materials Handling Project completion Bengalla Development Consent approval Char plant operation
Extend product and market reach	Evaluate acquisitions that offer economies of scale or downstream benefits
Sustainability	Coal21 Safety and environmental performance



Curragh production costs

Year ending March 2007 vs year ending March 2006

- Bottom quartile industry cost curve position maintained
- Costs industry-wide increased some 20% in 2006 compared with 2005

	Increase
Total cash production cost *	11%
Total production volume	2%
Cash production cost per product tonne *	9%

* excludes Stanwell rebate



Cost reduction programme - Curragh

- Curragh North coal conveyor operation
 - completion of truck haulage
 - operational cost savings
- Rail and port upgrades
 - demurrage
- Curragh North pre strip
- Maintenance contract labour in-house
- CHPP improvements / upgrades
 - yield, throughput
- Truck replacement programme
- Dragline upgrades
- Business Improvement Projects



Coal strategies

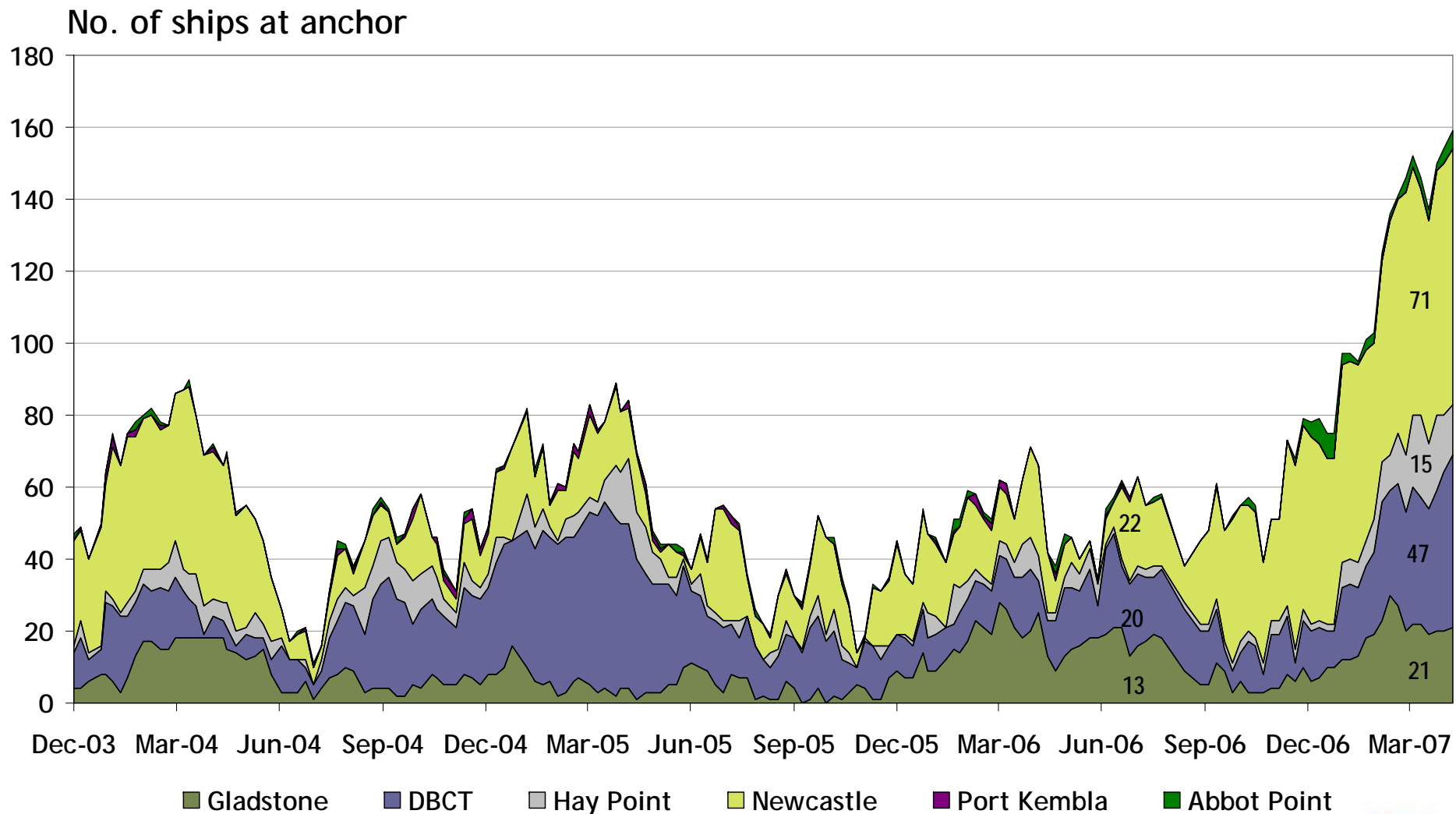


Opportunities / Challenges	2006/07 Strategic initiatives
Strong export customer demand	Maximise export sales Long-term export contracts in place Optimise sales mix Export price relativity
Cost pressures	Cost reduction programmes
Infrastructure constraints	Closely monitor and capture opportunities to export as soon as capacity becomes available
Increase coal production	Curragh North Materials Handling Project completion Bengalla Development Consent approval Char plant operation
Extend product and market reach	Evaluate acquisitions that offer economies of scale or downstream benefits
Sustainability	Coal21 Safety and environmental performance



Coal Port Congestion

East Coast Australia as at 20 April 2007



Source: Transcoal, McCloskey



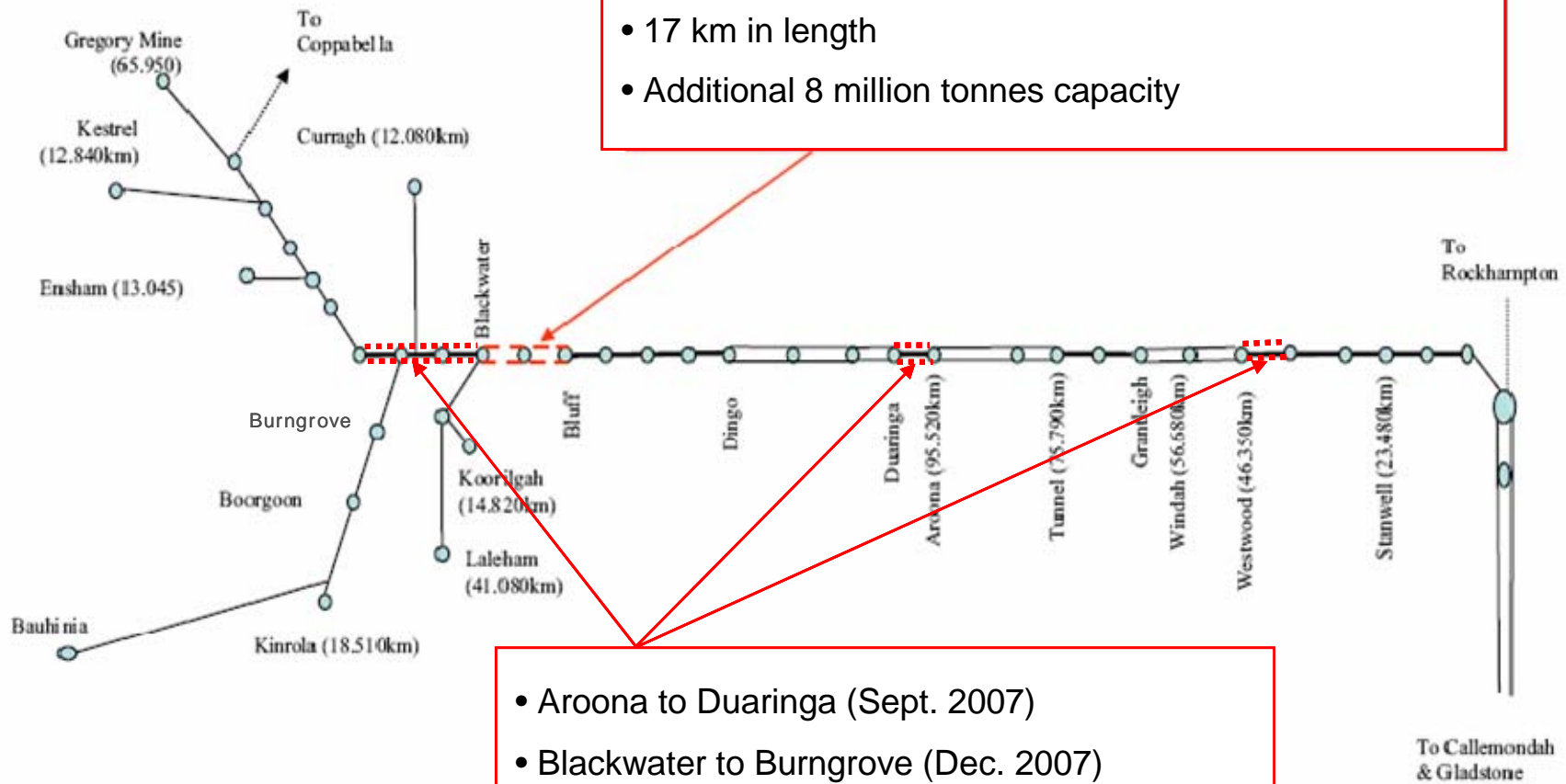
Gladstone Coal Delivery System (GCDS)

Performance update

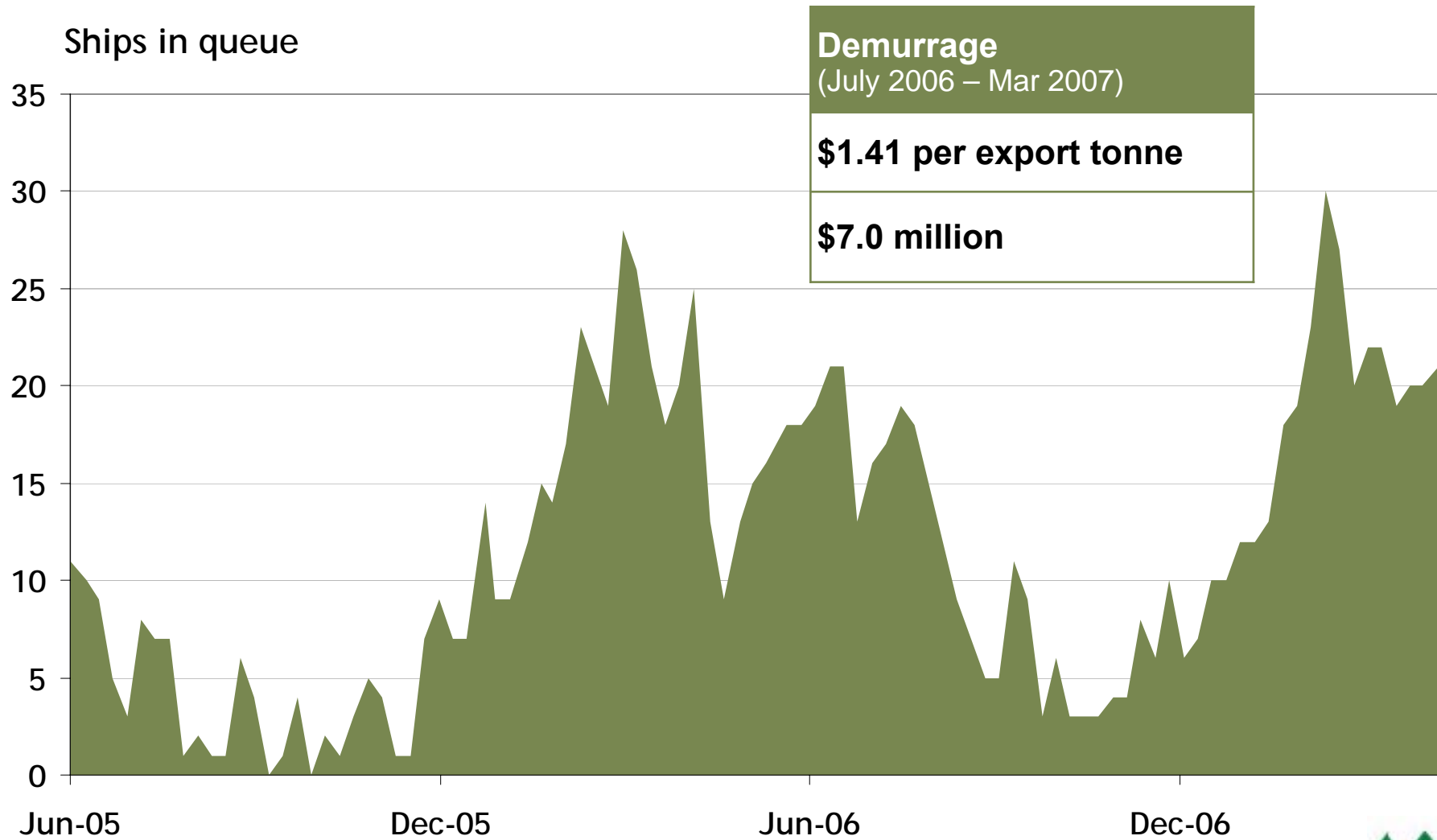
- Rail and port system constraints ongoing
 - performance at around 93 per cent of contract
- Capital works dates unchanged
 - port third dump station completed November 2006
 - third ship loader (April 2007)
 - fourth berth (July 2007)
 - rail track duplication Blackwater to Bluff (July 2007)
 - ongoing track upgrades through 2007 and 2008
- Curragh contracted GCDS capacity at 7.0mtpa
 - 7.5mtpa from July 2007
 - continued rail constraint in 2007/08



Rail track duplication construction



Curragh demurrage - Gladstone

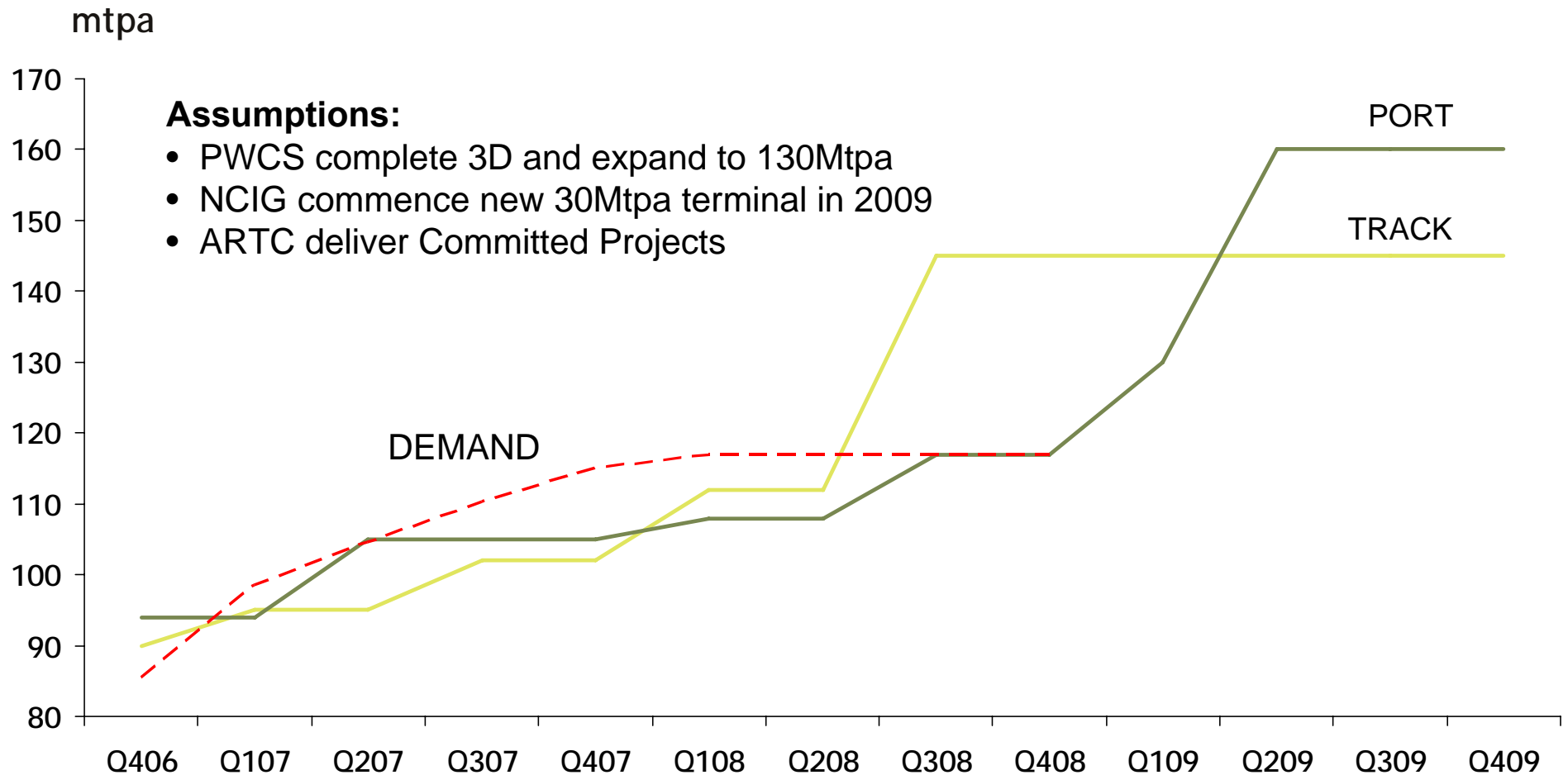


Newcastle Coal Delivery System Performance update

- Restricted system capacity in late 2006
- Vessel queues currently 70+ ships
- High shipping demurrage and delay
- PWCS expansion complete
- Track upgrades ongoing
- Reintroduction of Capacity Balancing System for coal chain
- Major cut backs in shipping volumes for 2007, 2008, 2009



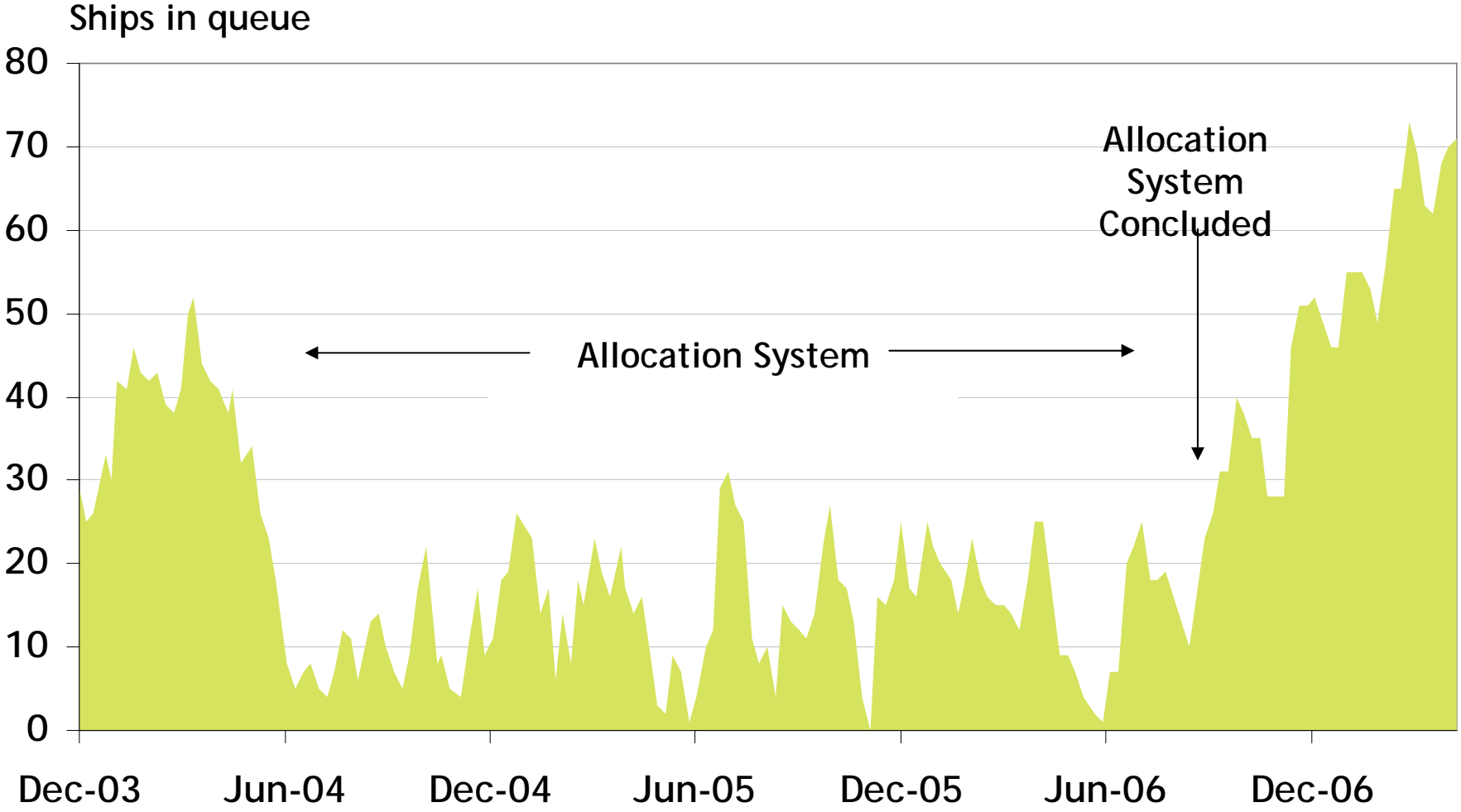
Newcastle export infrastructure



Source: Hunter Valley Coal Chain Logistics Team



Newcastle Port Vessel Queue



Coal strategies



Opportunities / Challenges	2006/07 Strategic initiatives
Strong export customer demand	Maximise export sales Long-term export contracts in place Optimise sales mix Export price relativity
Cost pressures	Cost reduction programmes
Infrastructure constraints	Closely monitor and capture opportunities to export as soon as capacity becomes available
Increase coal production	Curragh North Materials Handling Project completion Bengalla Development Consent approval Char plant operation
Extend product and market reach	Evaluate acquisitions that offer economies of scale or downstream benefits
Sustainability	Coal21 Safety and environmental performance



Curragh North development

- Mine development completed December 2005
- First coal on conveyor March 2007
- Project completed on budget at \$360 million
- Cash operating cost savings



Bengalla expansion

- Development consent approval granted
- Potential expansion from 8.7 to 10.7mtpa ROM
- Expansion timing dependent on infrastructure constraints



Premier Char Plant development

- R&D demonstration plant
- 50,000 tonnes per year
- Start up commissioning
- Focus on operational improvement and market development



Coal strategies



Opportunities / Challenges	2006/07 Strategic initiatives
Strong export customer demand	Maximise export sales Long-term export contracts in place Optimise sales mix Export price relativity
Cost pressures	Cost reduction programmes
Infrastructure constraints	Closely monitor and capture opportunities to export as soon as capacity becomes available
Increase coal production	Curragh North Materials Handling Project completion Bengalla Development Consent approval Char plant operation
Extend product and market reach	Evaluate acquisitions that offer economies of scale or downstream benefits
Sustainability	Coal21 Safety and environmental performance



Coal strategies

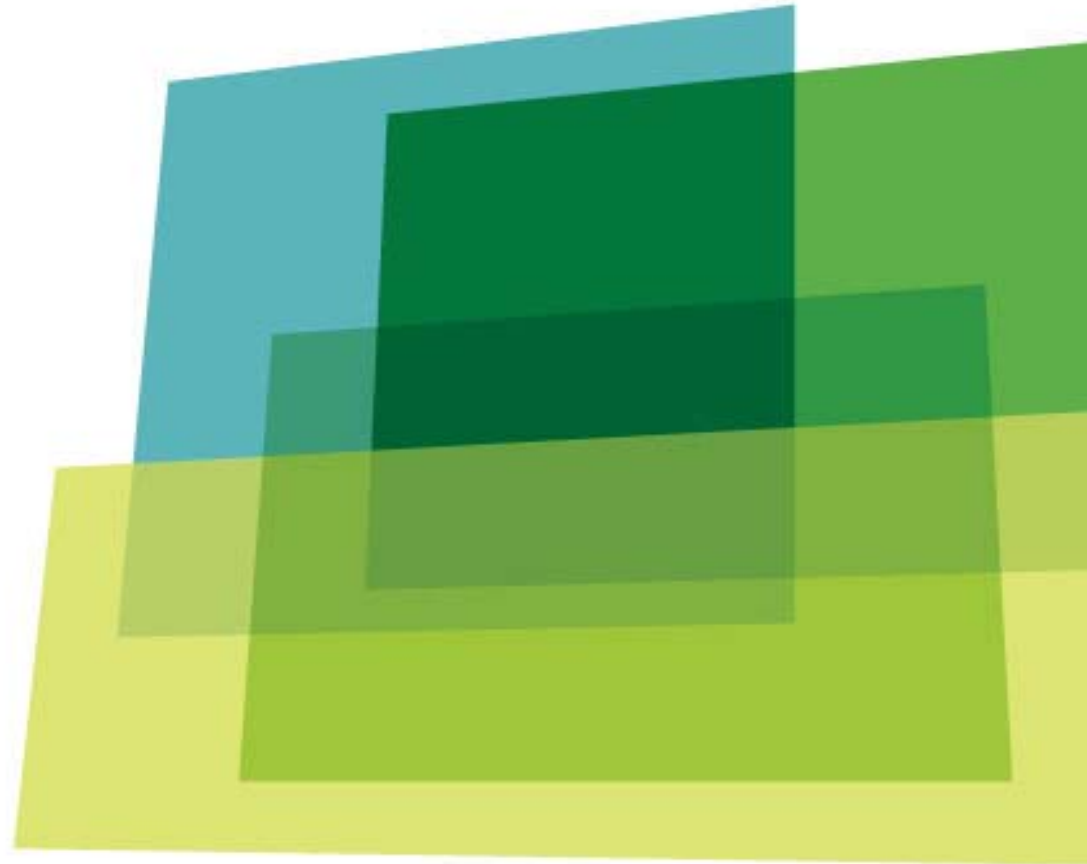


Opportunities / Challenges	2006/07 Strategic initiatives
Strong export customer demand	Maximise export sales Long-term export contracts in place Optimise sales mix Export price relativity
Cost pressures	Cost reduction programmes
Infrastructure constraints	Closely monitor and capture opportunities to export as soon as capacity becomes available
Increase coal production	Curragh North Materials Handling Project completion Bengalla Development Consent approval Char plant operation
Extend product and market reach	Evaluate acquisitions that offer economies of scale or downstream benefits
Sustainability	Coal21 Safety and environmental performance





Outlook



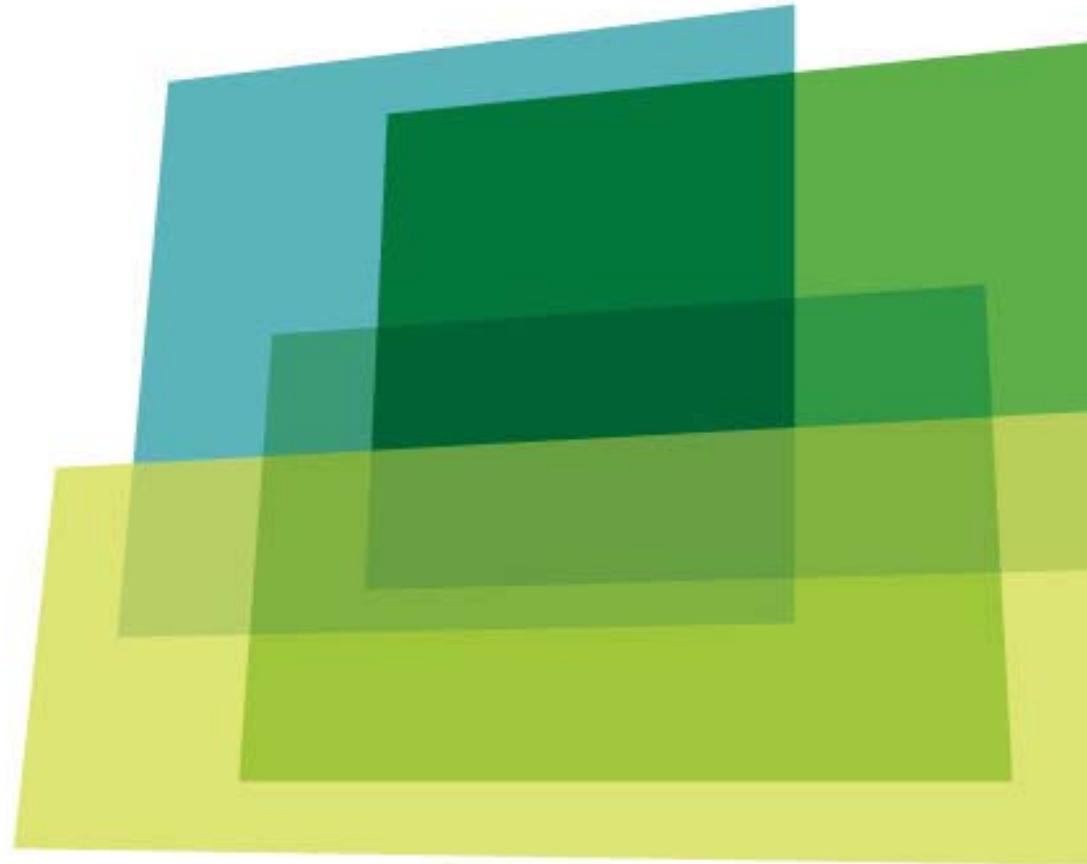
Coal outlook

- Continued Curragh growth
- Curragh metallurgical sales 6.2 to 6.5mt in 2006/07
- Constrained export coal chains
 - Newcastle
 - Gladstone
- Ongoing industry cost pressures
- Curragh metallurgical sales 6.5 to 6.9mt in 2007/08
- Strong market fundamentals and customer demand



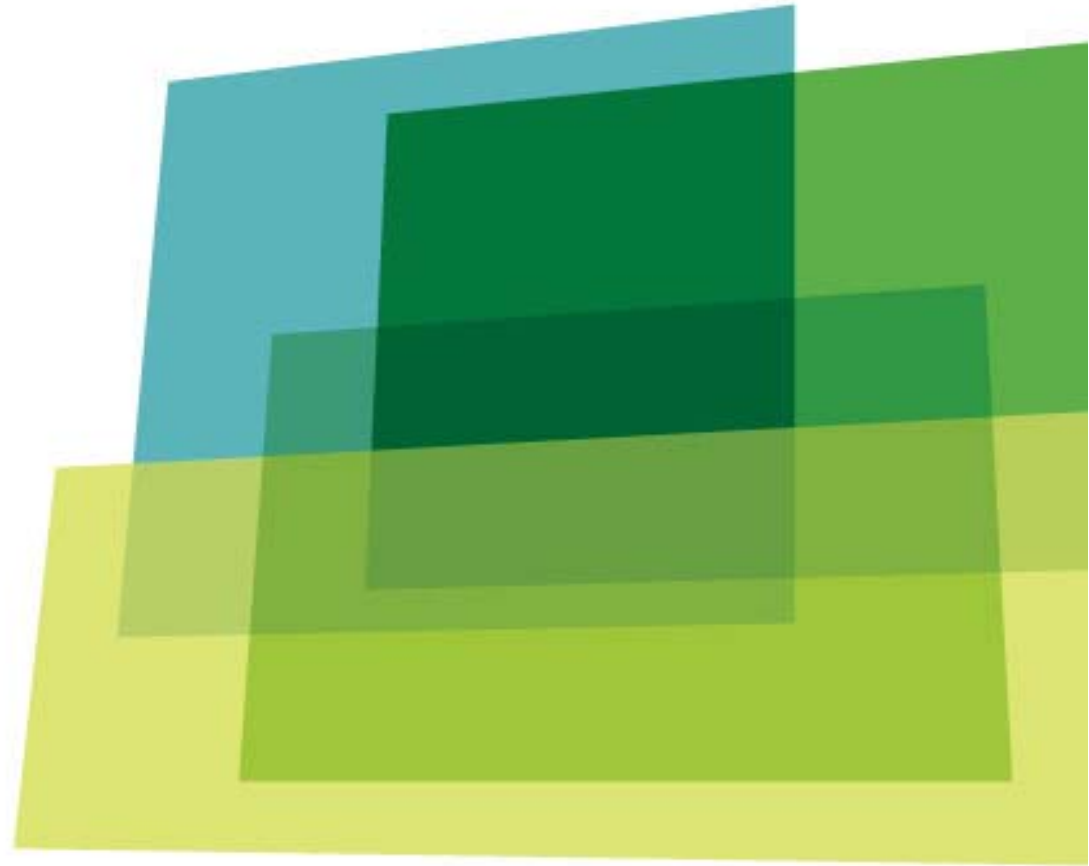


Questions





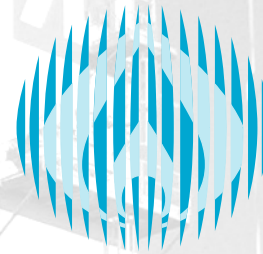
Energy
Tim Bult



Wesfarmers Energy



enGen
energy generation



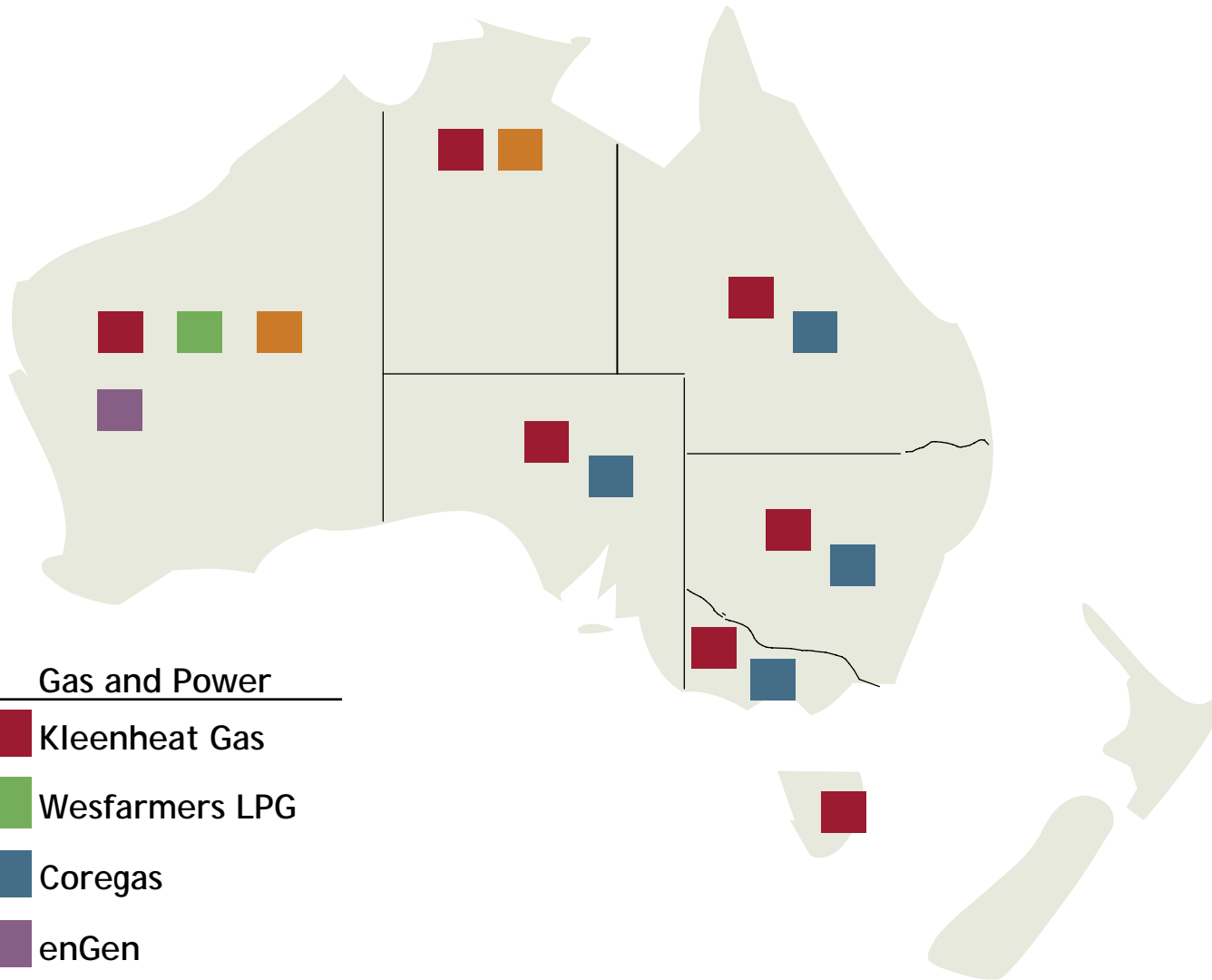
WESFARMERS LPG








coregas



Wesfarmers Energy

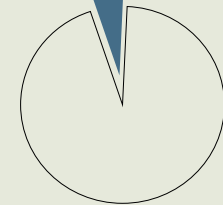


Gas and Power

-  Kleenheat Gas
-  Wesfarmers LPG
-  Coregas
-  enGen
-  Air Liquide WA

EBIT CONTRIBUTION (1H07)

6%



900 employees

1,436 gas locations

274,000 gas customers

18 remote power stations

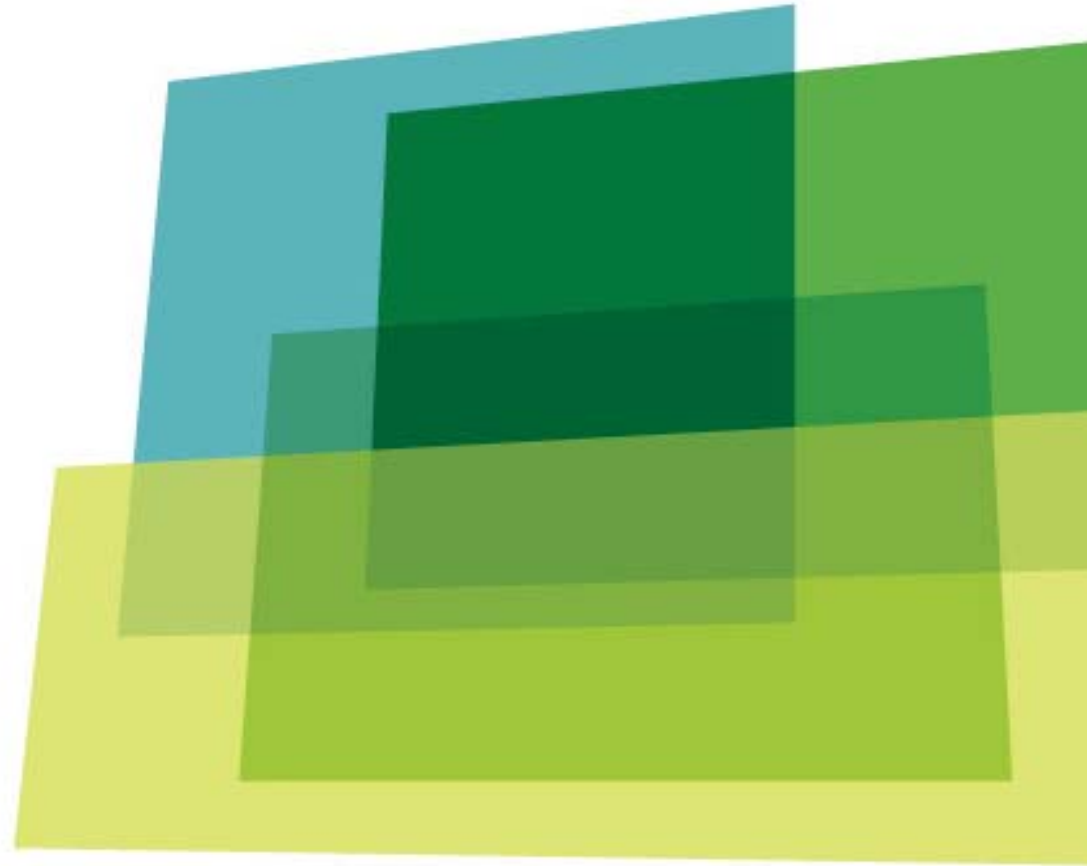
3 air separation units

1 hydrogen plant





LPG



LPG - production

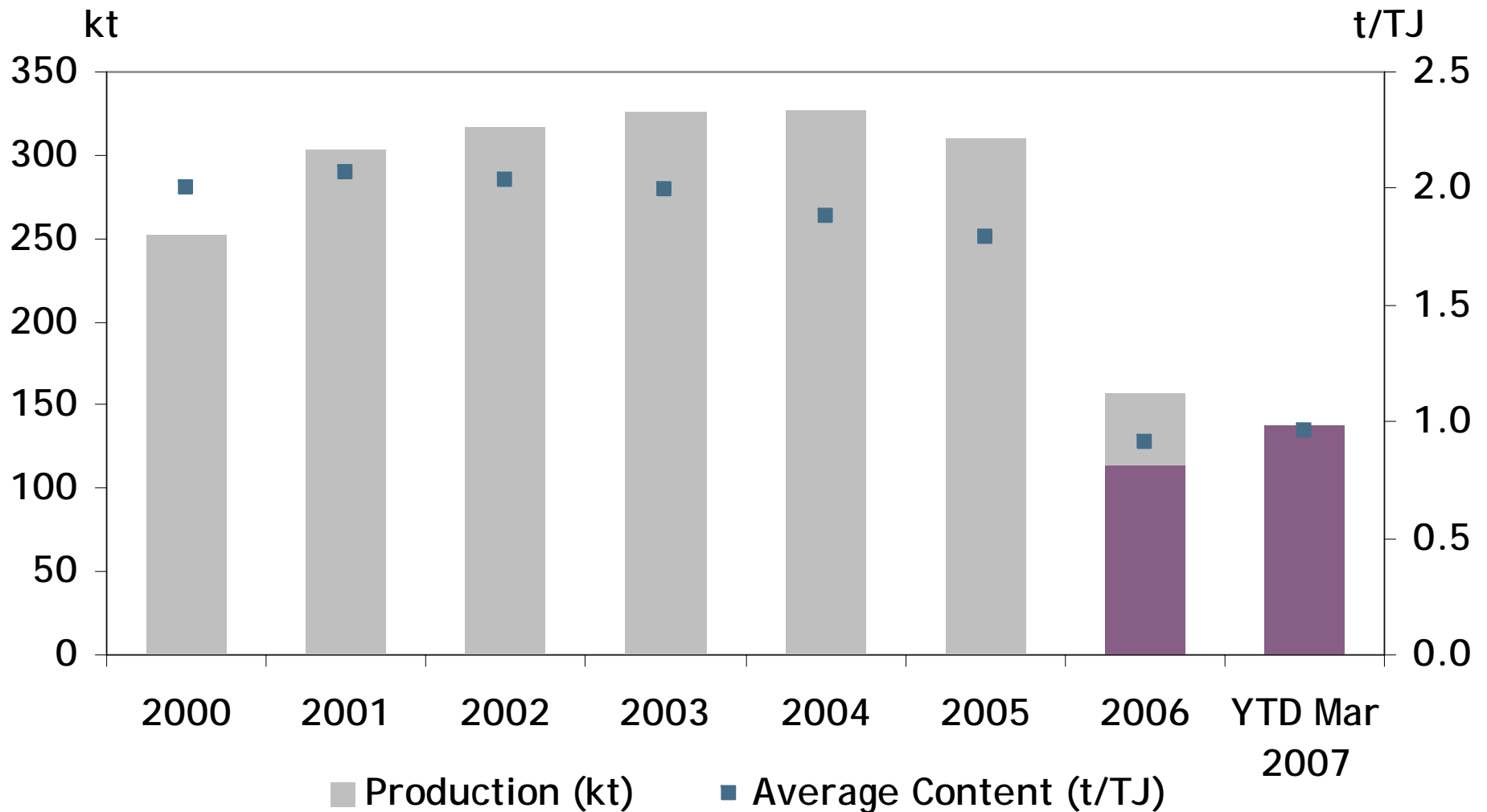
- Continuing satisfactory operations
- LPG content remains uncertain
- Domestic volumes significantly above last year
- Export volumes are lower in second half
- Evaluate options to:
 - enhance certainty and / or production
 - optimise LPG export value



WESFARMERS LPG



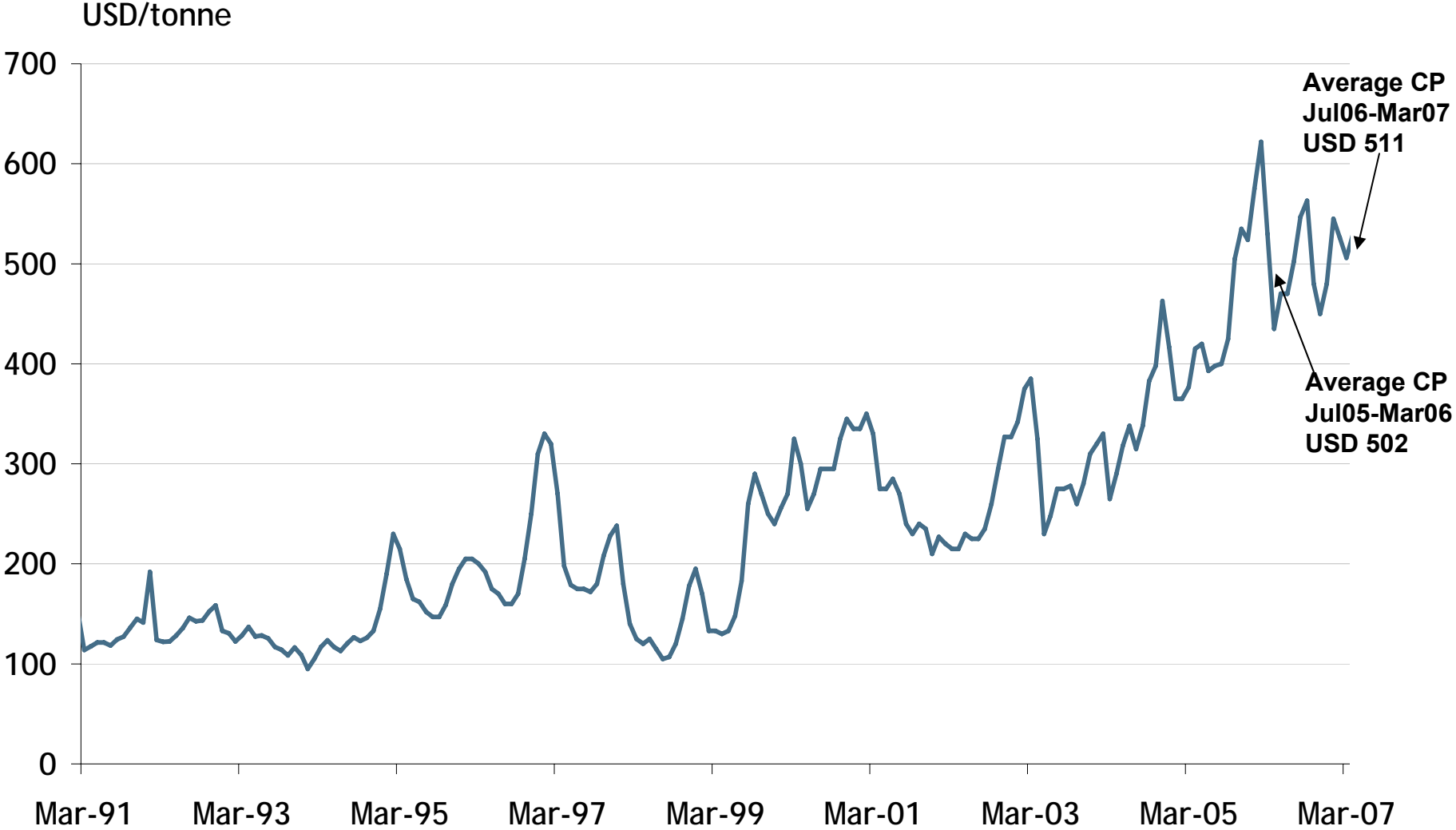
LPG Production and Content



WLPG production 20.7% above pcp



Record high world LPG prices



Continued cost pressure on Kleenheat



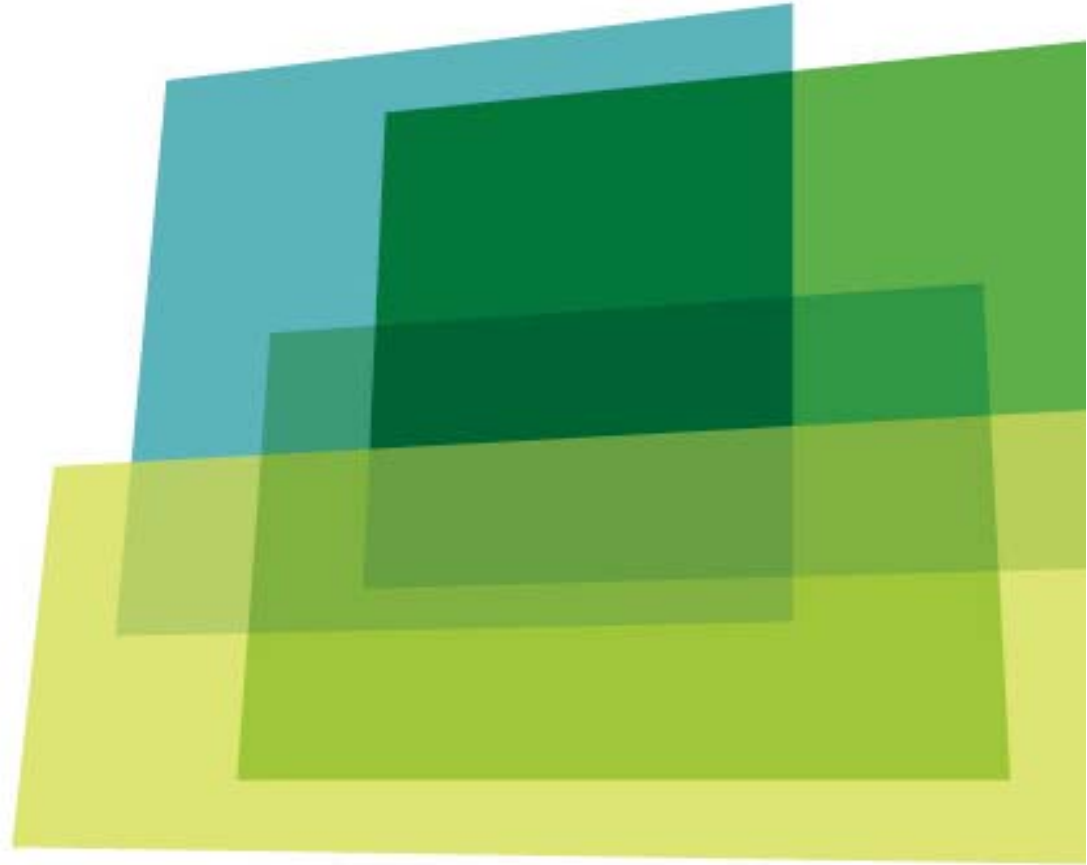
LPG - sales and distribution

- Improved business performance
- However volume pressure in
 - Bulk
 - Traditional cylinders
- Complete implementation:
 - Territory Business Model
 - Reduce “controllable” costs
- Develop growth products
 - Kwik-Gas & Autogas

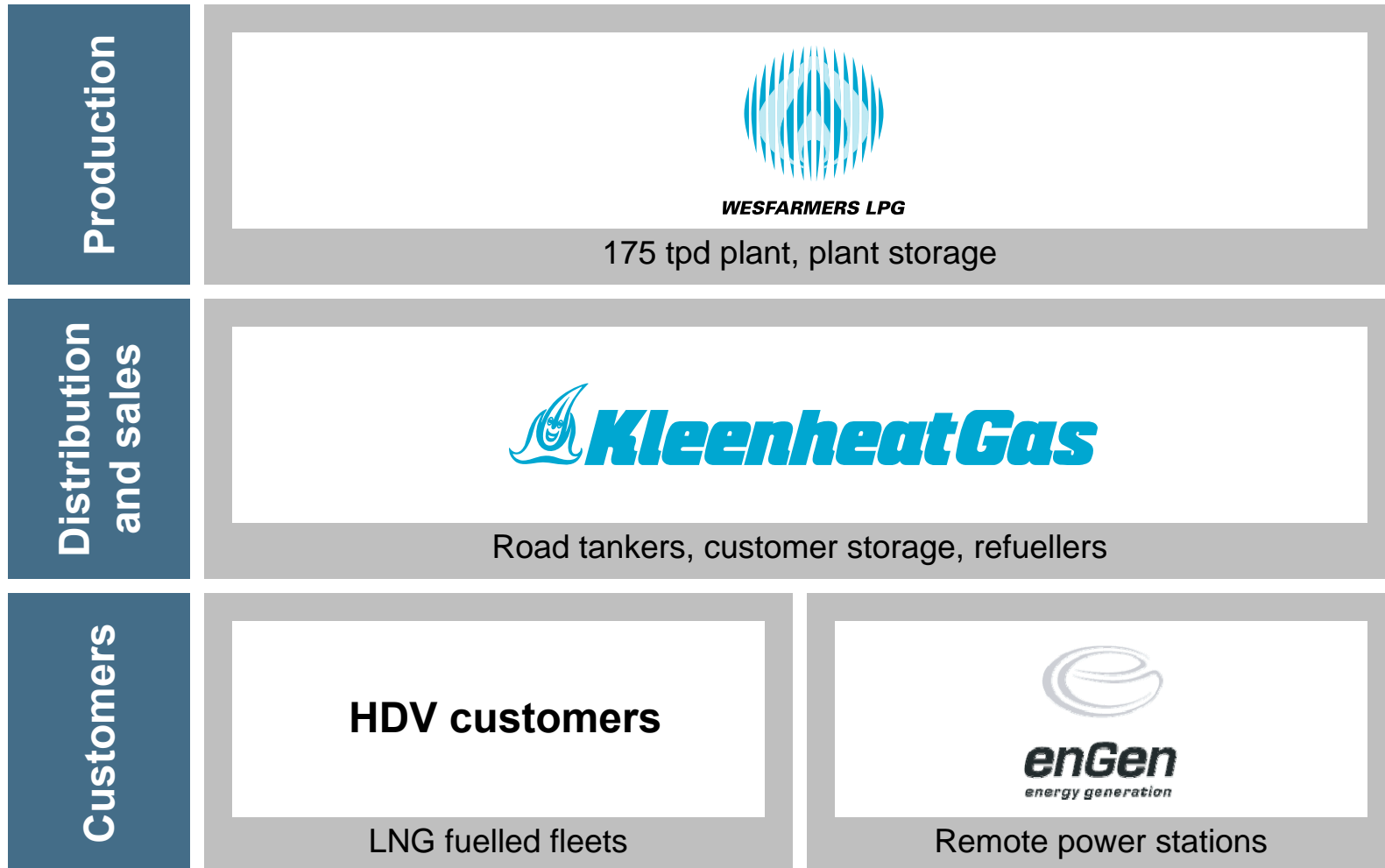




LNG



Kwinana LNG Project - \$138m vertically integrated project



Kwinana LNG Project

- Project under implementation
- On schedule for completion first quarter 2008
- Continued strong safety performance and focus
- Plant foundations well advanced



Kwinana LNG Project

- First consignment of storage vessels received
- Road tanker manufacture on schedule
- HDV customer conversion progressing
- Engineering and procurement for power stations in progress
- Overall some schedule pressure but project remains on track



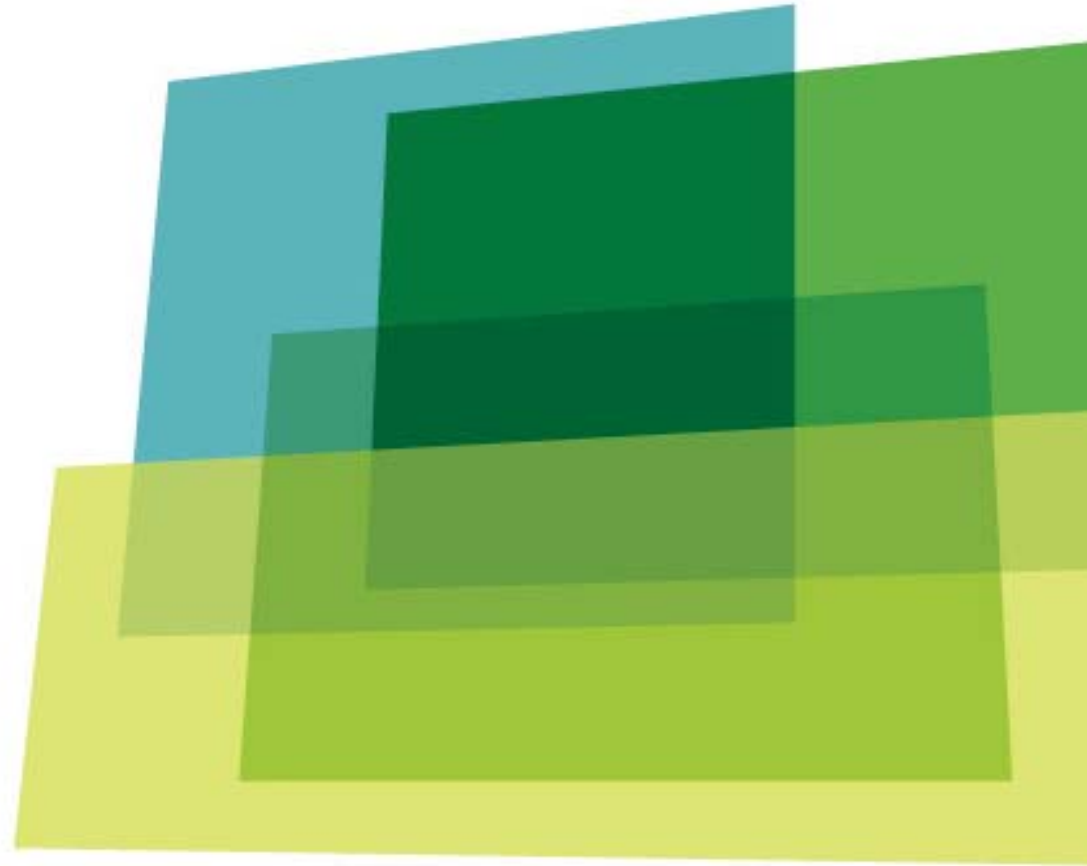
LNG - Future Growth

- Evaluating similar projects on East Coast
- Focus on Adelaide – Melbourne – Sydney – Brisbane HDV's
- Integrated projects involving:
 - gas procurement
 - LNG plant construction / operation
 - LNG sales & distribution

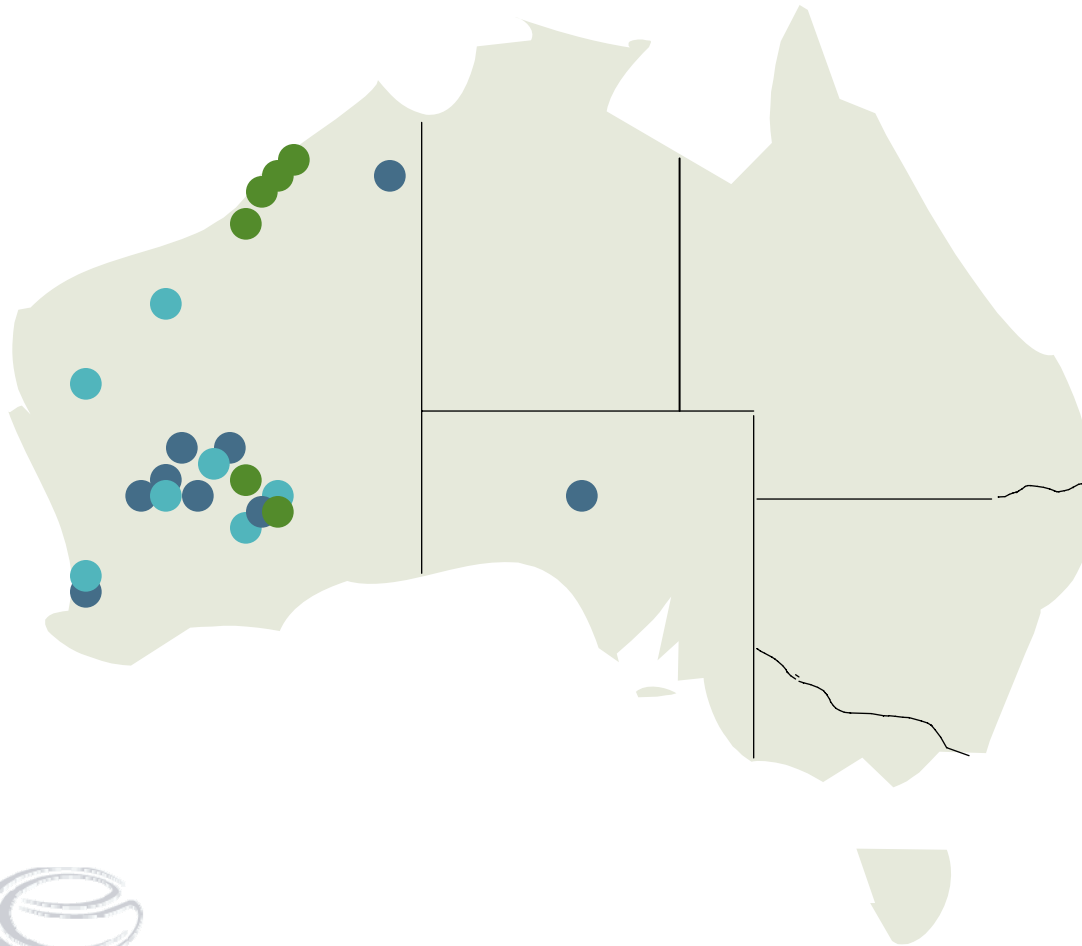




Power generation



Power generation - locations



- Power stations
- Built / expanded in 15 months to March 2007
- Contracted to be built / expanded

18 remote power stations
6 to be built / expanded
100 MW generation capacity

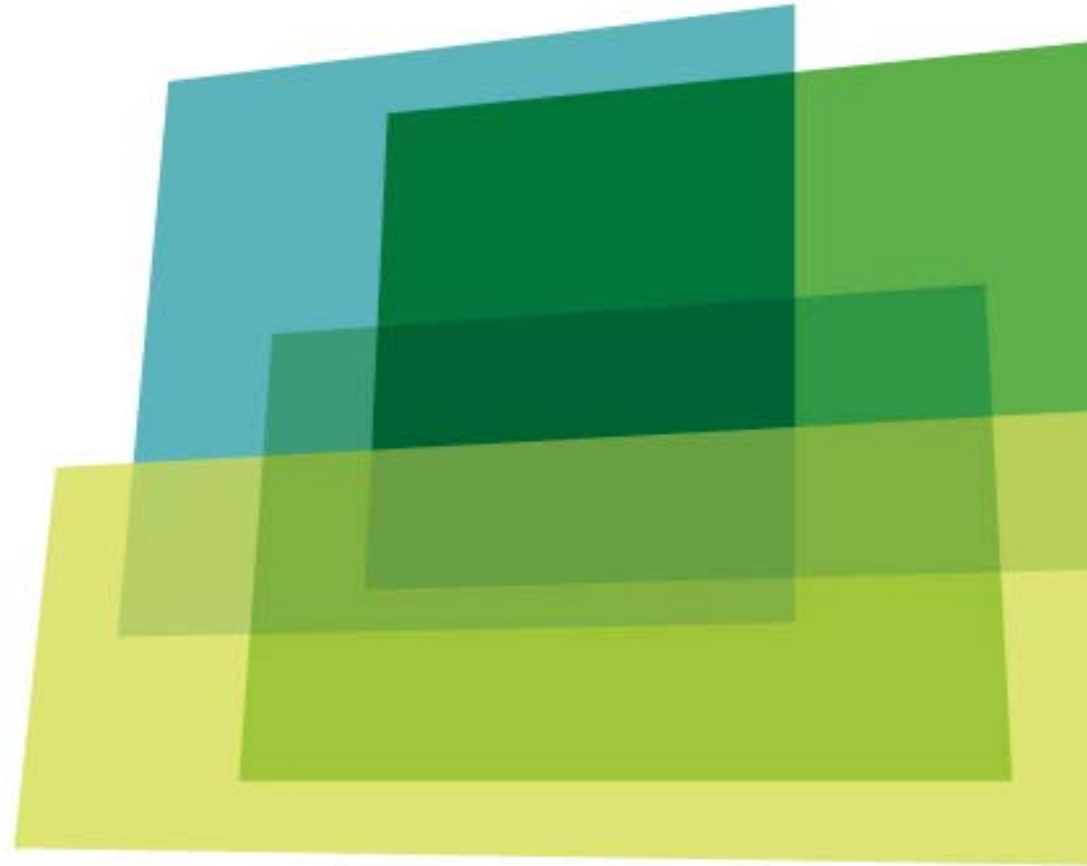
Power generation

- enGen delivered new / expanded power stations in 2006/07:
 - Warmun
 - Nicholson Road Pump Station
- Deliver new WA power stations:
 - 4 power stations for the Aboriginal & Remote Communities Power Supply Project
 - Sunrise Dam and Darlot gold mines as part of LNG project





Industrial gases

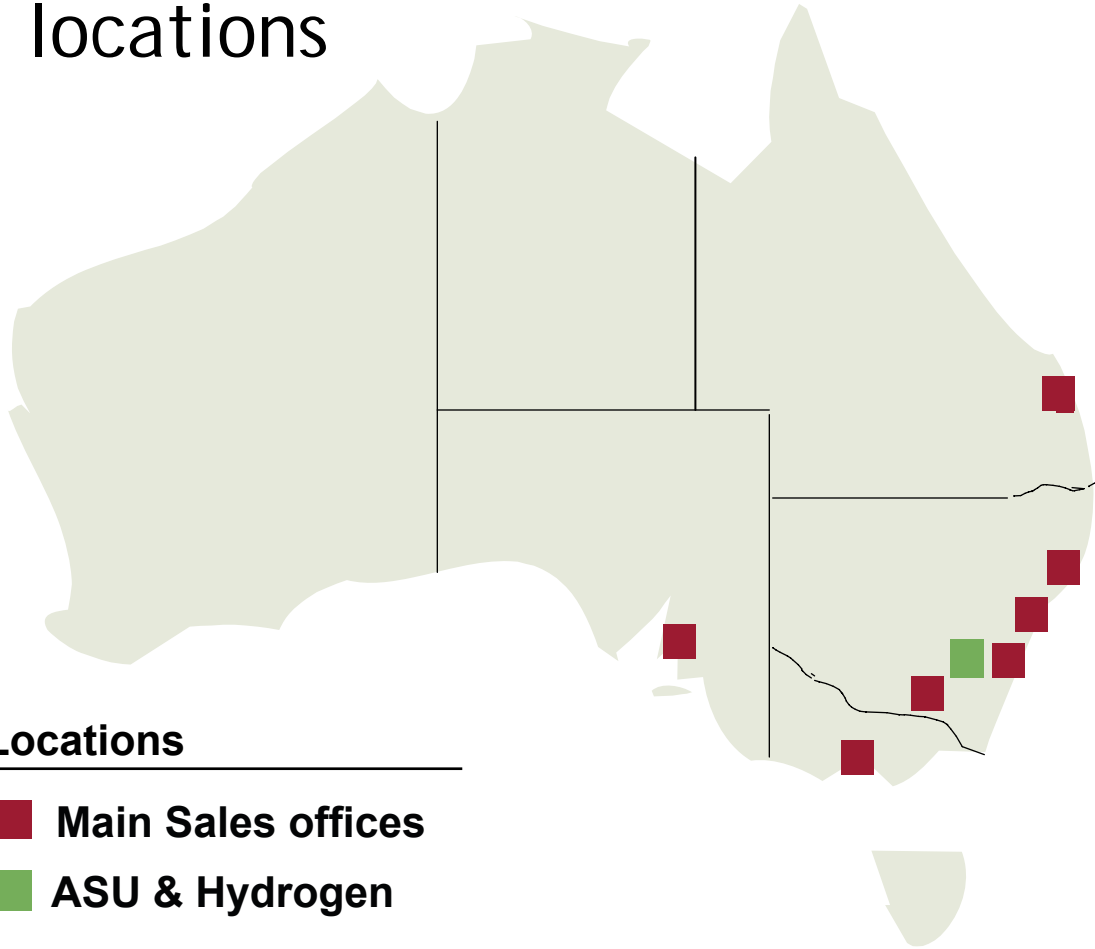


Industrial gases: ALWA

- Production
 - Planned upgrade of Kwinana ASU1
 - Continuous evaluation of other project opportunities
- Sales and distribution
 - Grow the existing gas business
 - Through increased focus on mining, oil and gas and specialty gases



Industrial gases: Coregas locations



Locations

- Main Sales offices
- ASU & Hydrogen

180 employees
1 air separation unit
1 hydrogen plant
7 main sales offices
6 production and filling
110 depots and distributors



Industrial gases: Coregas

Acquisition process

- Business with good cash flow and growth potential
- Opportunity arose from Linde/BOC global merger
- Proactive approach to vendor
- Due diligence commenced in mid 2006
- Acquisition completed on 1 February 2007
- Purchase price approx \$500 million
- Re-branded Coregas
- Integration progressing well



Industrial gases: Coregas cont...

Key Activities

- Production, distribution and marketing of industrial and medical gases on Australia's east coast
 - Major supplier of:
 - oxygen;
 - nitrogen; and
 - argon
- to BlueScope's Port Kembla steel works

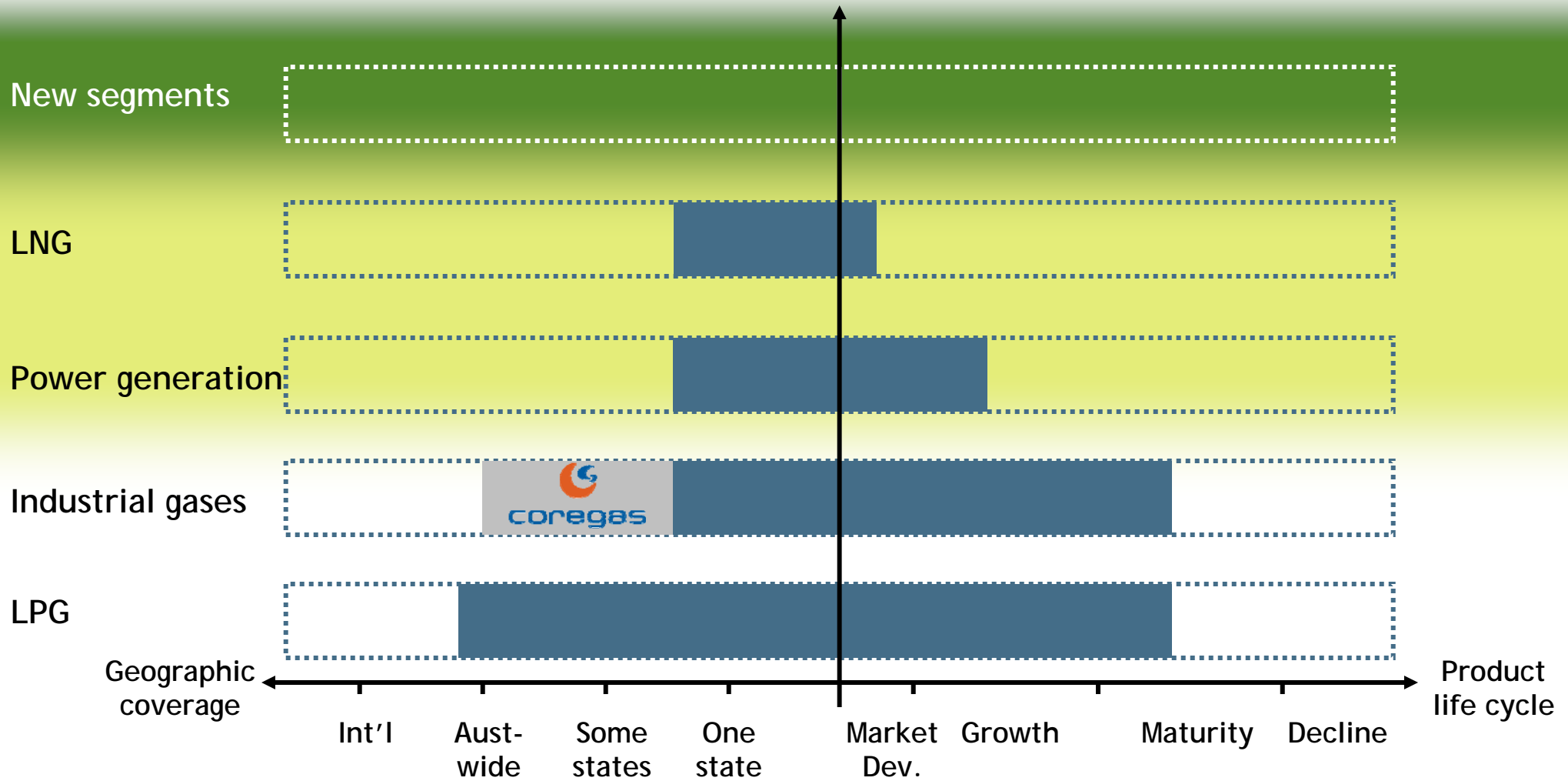


Industrial gases: Coregas cont...

- Production
 - Broaden supply self sufficiency
 - Liquid nitrogen
 - Acetylene
 - Other
- Sales
 - Continue to focus on core customer segments
 - Pursue other market expansion opportunities



Energy's growth platform



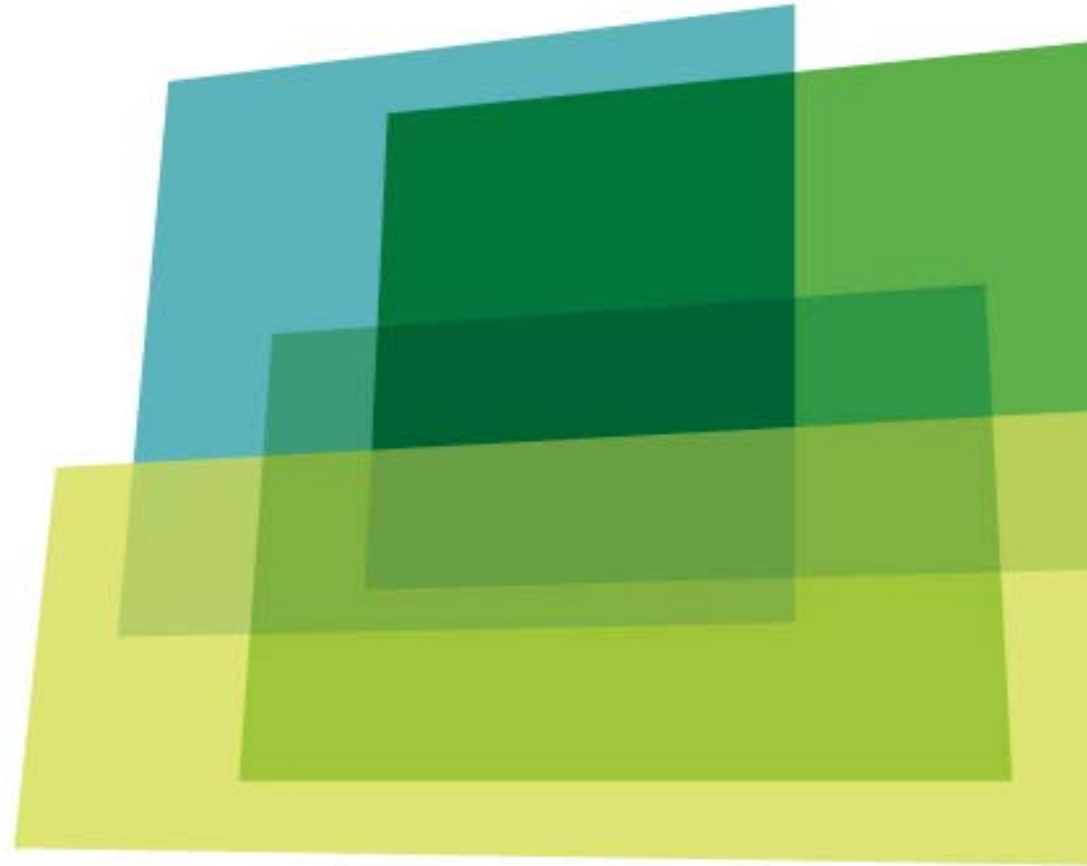
Outlook

- Energy earnings YTD ahead of last year
- Outlook dependent on Saudi CP and LPG content
- Compared to first half, second half results will be impacted by
 - reduced export sales & LPG seasonality
 - Coregas part year contribution
- Pursue sustainable business improvement
- Continue development on existing projects
 - Remote power stations
 - \$138 million LNG project
 - Coregas integration and growth
- Pursue future growth in existing and new segments





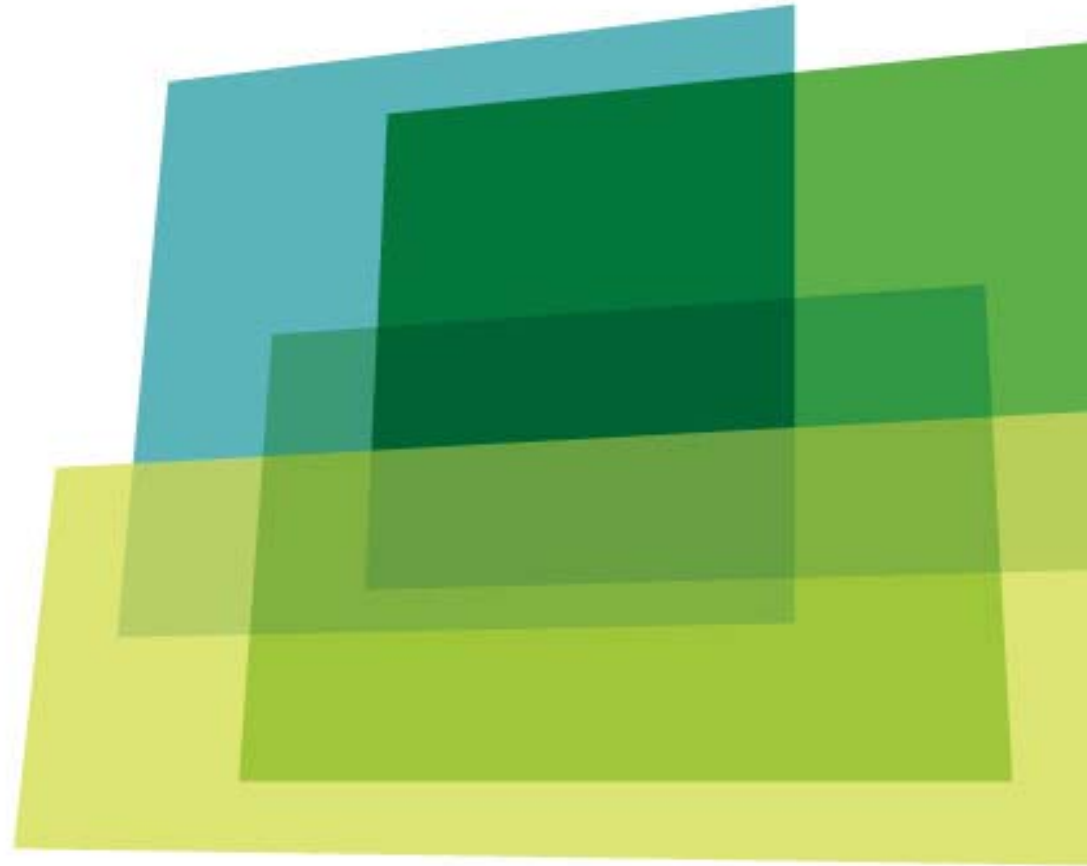
Questions





Home Improvement

John Gillam





Agenda

- Background
- Trading Results
- Strategies
- Other Activities
- Outlook



Background



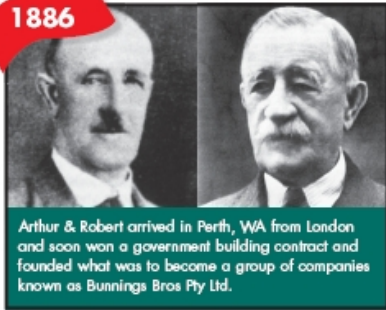
WIDEST RANGE
LOWEST PRICES
BEST SERVICE



History



1886



Arthur & Robert arrived in Perth, WA from London and soon won a government building contract and founded what was to become a group of companies known as Bunnings Bros Pty Ltd.

1897



In 1897 the brothers purchased their first sawmill in the south west of Western Australia.

1952

Bunnings

Bunnings became a public company and expanded into retail to take advantage of strong building activity. The company grew and purchased several competitors in WA.

1993



The Victorian operations of James McEwans Ltd was purchased by Bunnings...

1994



The first Bunnings Warehouse store opens in Sunshine in Victoria.

1994



Wesfarmers Limited
ABN 28 008 984 049

The same year, Wesfarmers Limited, one of Australia's largest public companies acquired Bunnings.

1994



...And then there were more...

2001



BENCHMARK Hardwarehouse
BUILDING SUPPLIES

The Howard Smith group was purchased by Wesfarmers – the vast BBC Hardware network also included Hardwarehouse stores and Benchmark stores in New Zealand. This allowed the first Bunnings Warehouse stores to be introduced into New Zealand.

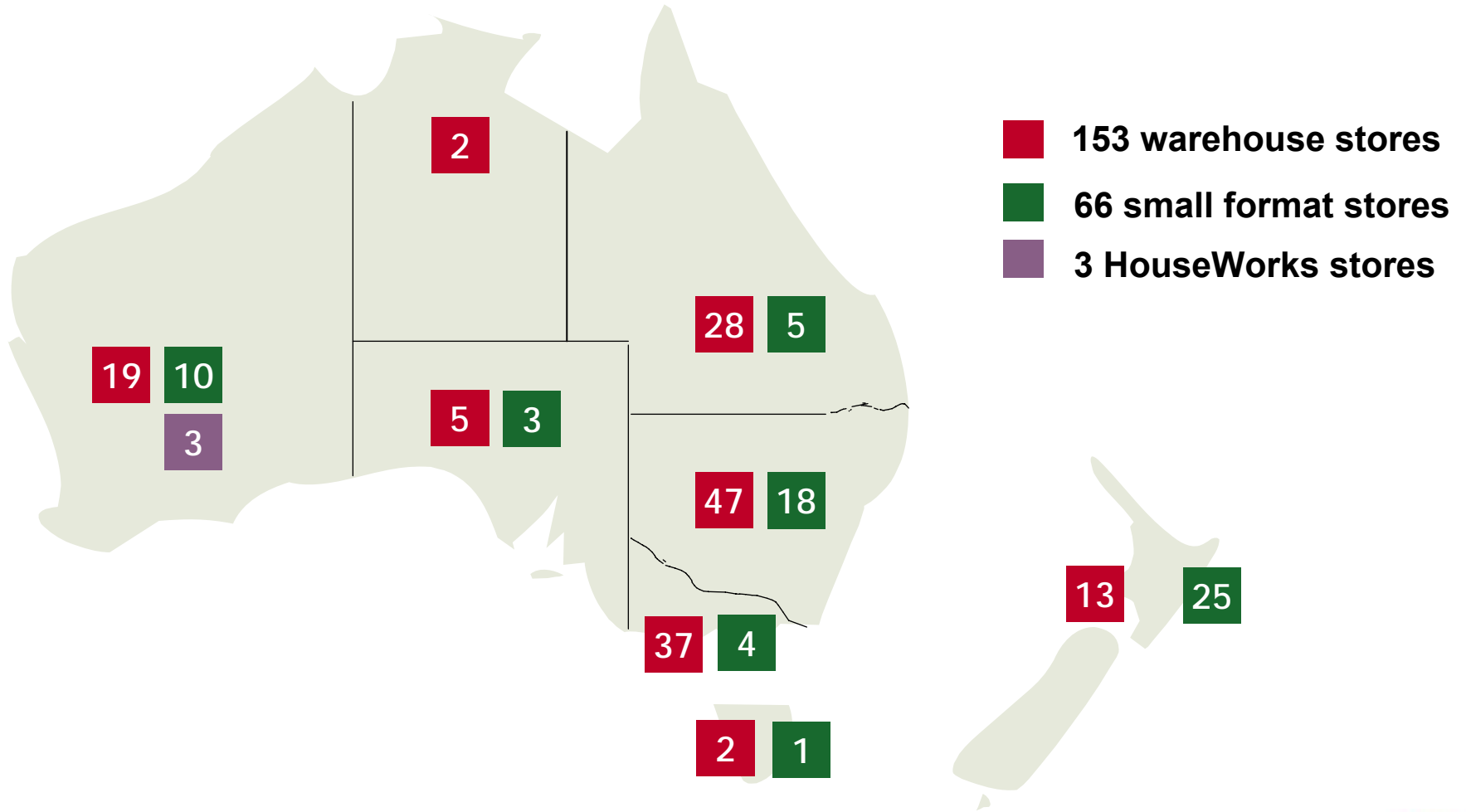
Today



Bunnings continues to expand. More Bunnings Warehouse stores to be opened throughout Australia and New Zealand for many years to come.



Store Network at April 2007



Excludes Trade Operational Sites



Store Network Movements



	Open at Dec 2006	Opened	Closed	Open at April 2007	Under development
Bunnings Stores					
Warehouse format	147	6	-	153	11
Smaller format	68	-	2	66	-
Bunnings trade operations					
Distribution Centres	7	1	-	8	-
Trade focused stores	3	-	-	3	-
Frame & Truss plants	8	-	-	8	-
HouseWorks Stores	3	-	-	3	-
WA Salvage Stores	1	-	1	-	-



Home Improvement Performance Summary



Half Year ended 31 December (\$m)	2006	2005	↑ %
Revenue	2,470.5	2,215.5	11.5
EBIT	269.7	220.9	22.1
ROC (R12 %)	25.1	22.8	10.2
Safety (R12 LTIFR)	14.0	10.5	
Trading Revenue* (\$m)	2,448.0	2,198.6	11.3
Profit from disposal of property (\$m)	9.1	3.0	203.3
Trading EBIT*	255.1	216.0	18.1
Trading EBIT / Trading Revenue (%)	10.4	9.8	6.0

* Excludes property and other non-trading items



Home Improvement First Half Highlights



- 14.1% cash sales growth
 - store on store cash sales growth of 10.3%
- 3.0% lift in trade sales
- 5 warehouse and 3 small format store openings
 - plus 17 store upgrades
- Good traction on key merchandising and operational strategies
- Solid business effectiveness and efficiency gains



Trading Update - 4mths to April



- 8.8% cash store-on-store growth
 - Good performance in all regions
 - Continued lift in both customer numbers and average sale
 - Cycling against a strengthening comparative period
- Trade market conditions remain tight
 - Tough conditions in key housing construction markets
 - Increasing momentum in business



Strategies

1. Profitable sales growth
2. Improving customer service
3. Innovation & improvement of the offer
4. Team member performance
5. Business improvements to lower costs



Strategies



1. Profitable sales growth

- **Range**
 - Format and innovation driving **WIDEST RANGE**
 - Expanding market size
- **Price**
 - Strong cost focus delivering **LOWEST PRICES**
 - Productivity loop
- **Service**
 - Best people and services providing **BEST SERVICE**

Strong focus on “driving the basics”



Strategies



1. Profitable sales growth (cont'd...)

- Warehouse store rollout continues
 - 10 to 14 warehouse stores openings per year
 - Opportunistic openings of small format stores
 - Adapting warehouse format for inner urban areas
 - Construction commenced at Hawthorn
- Good progress in 2006/07 warehouse rollout programme
 - 11 currently open, full year target 13
- New store acquisitions performing in line with expectations



BEFORE



Mitre 10 Mega in Modbury (Adelaide) was acquired by Bunnings in January 2007.

These pictures show the differences following the conversion to Bunnings Warehouse.



AFTER

BEFORE



Mitre 10 Mega in Modbury (Adelaide) was acquired by Bunnings in January 2007.

These pictures show the differences following the conversion to Bunnings Warehouse.



AFTER

Strategies



1. Profitable sales growth (cont'd...)

- 2 distinct trade market segments
 - store network servicing pick-up “tradie” business
 - DC’s servicing large volume delivered-to-site “builder” business
- 11 trade specific sites now open
- Strategic direction gaining traction
- Modest positive top & bottom line growth trends



Strategies



2. Improving customer service

- Major focus within business
- Effectiveness of in-store processes lifting
 - Redeploying reduced administration hours to customer service
- Good progress on new labour scheduling system
- Rollout in 2nd half of 2007



Strategies



3. Innovating and improving our offer

- Strong range management direction
- Lifting offer through accelerated upgrades and refits
 - Touching around 20% of the total store network
 - Reducing sales disruption and one-off costs



Strategies



3. Innovating and improving our offer (cont'd...)

- Strong range management direction
 - New ranges expanding market size
 - Promising growth in areas of low-share
 - Flooring, lighting, plumbing, kitchens
 - Widening and re-shaping offer in existing ranges
 - Good progress in “special orders”
- Focusing on making housing more affordable



“Build your own kitchen from only \$1,998”



Bunnings has a range of Flatpack Kitchens to suit your style and budget. You can mix and match different colours and designs to find the perfect fit for your home, plus our modular, self-install system helps keep the price of your kitchen down low.

We can give you all the advice you need and prices start from only \$1,998. Installation available, see in store for details. *Some styles not available in all stores but can be ordered in. To order visit our Special Orders desk in store. Cinks, tapware and appliances extra.

BUNNINGS warehouse

LOWEST PRICES ARE JUST THE BEGINNING...

“We’ve now got carpet”



Full carpet measure, quote and installation service

• New Box Hill Warehouse flooring department • All your flooring needs under one roof



<p>Wirooro 100% Wool Tweed Heavy Duty Domestic. 12 Months</p> <p>\$3142 <small>per sqm</small></p>	<p>Wirooro 100% Polyester/wool Blend Heavy Duty Residential Heavy Duty. 12 Months</p> <p>\$1363 <small>per sqm</small></p>	<p>Wirooro 100% Polyester/wool Blend Heavy Duty Residential Heavy Duty. 12 Months</p> <p>\$2596 <small>per sqm</small></p>	<p>BOX HILL</p> <p>PR: 8578 0900</p>
<p>Alto Tactical Polyester/wool Blend Heavy Duty Domestic. 12 Months</p> <p>\$2175 <small>per sqm</small></p>	<p>Calais Loop Pile 10 Year Warranty. 12 Months</p> <p>\$954 <small>per sqm</small></p>	<p>Maylak High Traffic Heavy Duty Domestic and Retail. 12 Months</p> <p>\$1995 <small>per sqm</small></p>	

BUNNINGS warehouse

LOWEST PRICES ARE JUST THE BEGINNING...

Strategies



4. Team member performance

- Lifting investment in development programmes
- Supporting improved performance
 - Product and technical knowledge
 - Ongoing in-store i-learning investment
 - Core management skills
- Continuing strong safety programme



Strategies



5. Business improvements to lower costs

- Systems upgrade project well advanced
 - Phase 1 financials and inventory now live
 - Warehouse management system rollout underway
 - Phase 1 work in-line with cost expectations
 - Phase 2 preparation underway
 - Good progress on new labour scheduling system, rollout late 2007
 - Oracle Financials being implemented in NZ
 - Developing an on-line recruitment capability



Strategies



5. Business improvements to lower costs (cont'd...)

- Continued supply chain enhancements
- Better business disciplines providing positive benefits
 - Ongoing stock management and shrinkage improvements
- Achieving a lower cost of doing business
 - Supports pricing objective for customers
 - Positive outcome on property tender/ lease structure
- Positioning business for climate change



Other Activities



WA Salvage

- WA Salvage network closed
 - Remaining lease assignments progressing
 - EBIT impact of approx. \$5.2m taken-up in Dec 06

HouseWorks

- Affordable, contemporary homewares, furniture & lighting offer
 - 3 stores operating and 4th committed for late 2007
 - Offer still evolving



Outlook

- **Maintaining strong focus on core retail drivers**

- Range, price and service

- **Continued network development**

- Busy agenda, new stores, upgrades and refits

- **Reducing the cost of doing business**

- **Strong focus on improving customer service**

- **Improved retail trading conditions**





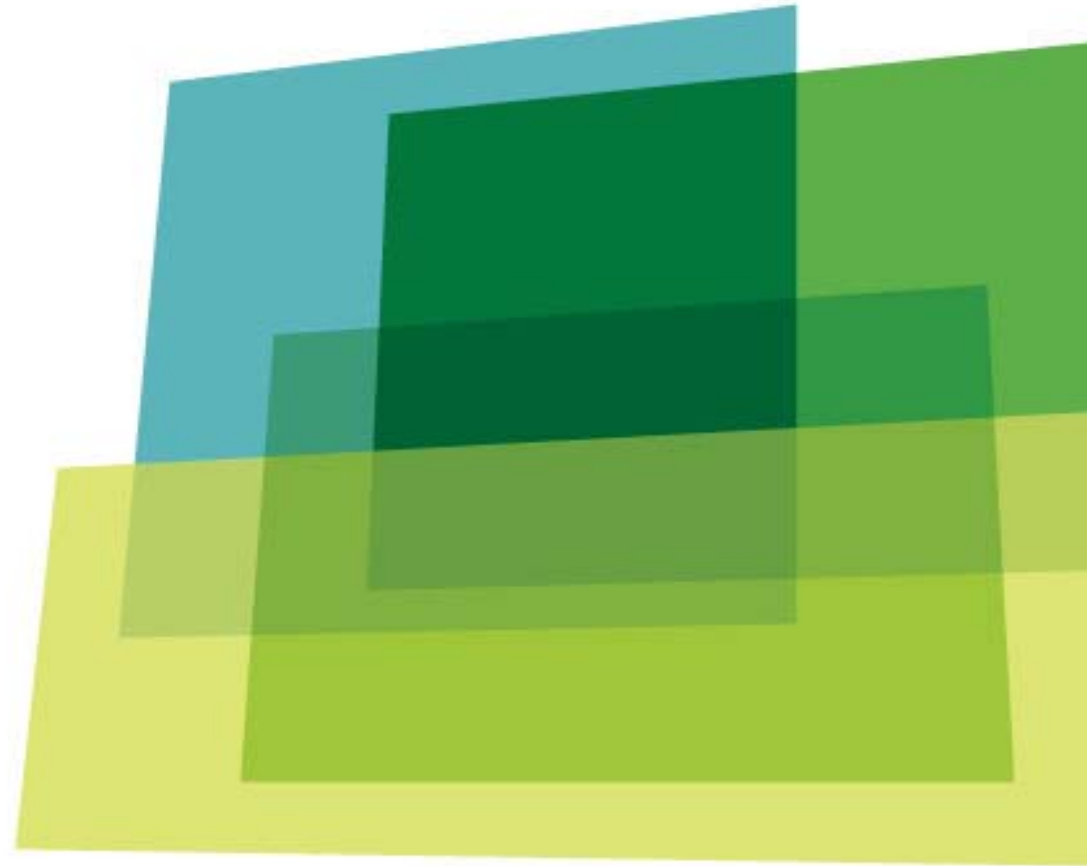
Questions





Other Businesses

Gene Tilbrook



Wespine (50% owned)



Strategic Issues

Strategies and Achievements

Long term, consistent supplies

- Seeking supply arrangements post 2012

Regional competitiveness

- Increasing sawmill capacity by 15% to 430,000 m³ pa; commissioning Q1 07/08
- Tuning new dry mill
- Evaluating growth opportunities

Safe, stable workforce

- Continuing recruiting and training programmes



Gresham Private Equity

Fund 1

- Raywood divested
- Current investment \$29m
- Exits expected over next several years

CURRENT INVESTMENT PORTFOLIO

Norcros

UK Building Products

NORCROS

Riviera

Ocean Cruisers



Gresham Private Equity



Fund 2

- Wesfarmers' current commitment \$161m; Capital invested \$74m
- GEON expanding by acquisition
- Revaluations will be to Wesfarmers' earnings

CURRENT INVESTMENT PORTFOLIO

Noel Leeming

*electrical retailer
(New Zealand)*



Australian Pacific Paper Products

*manufacturer & distributor
of disposable nappies (Australia)*



GEON

(Pacific Print Group)

*leading commercial printing
business (NZ + Aust)*



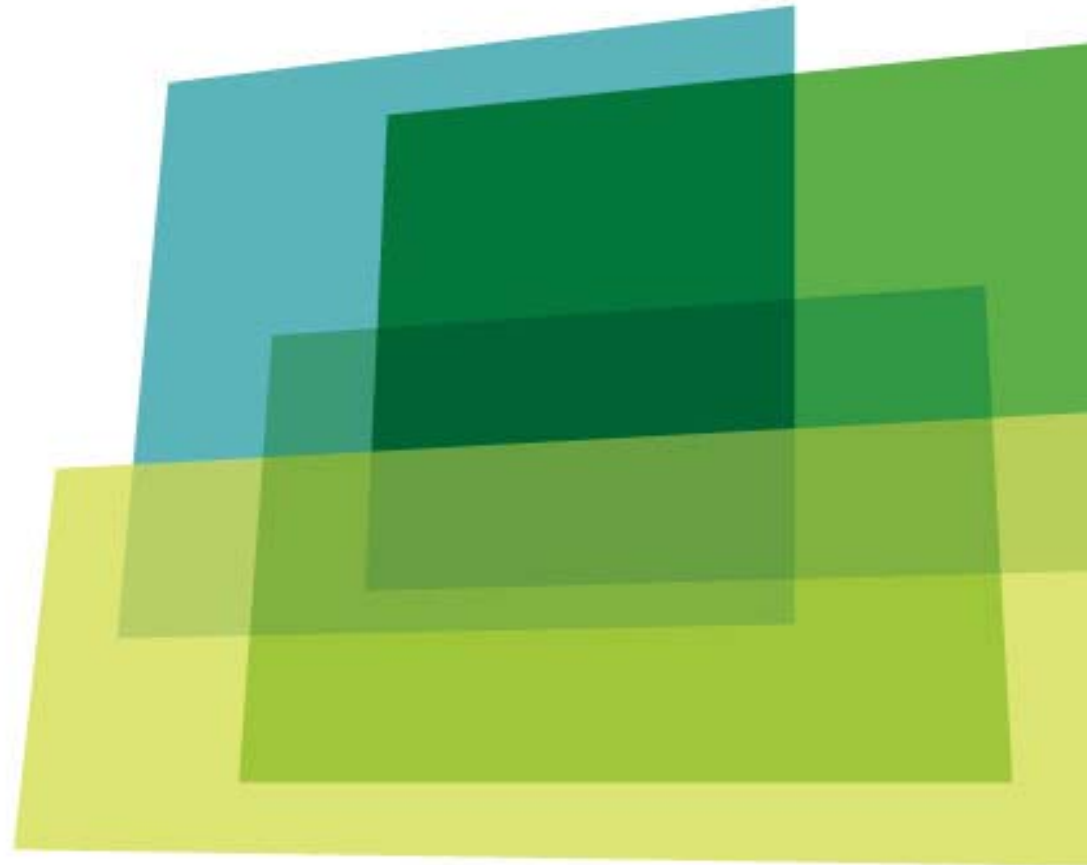
Witchery

women's fashion apparel





Capital Management



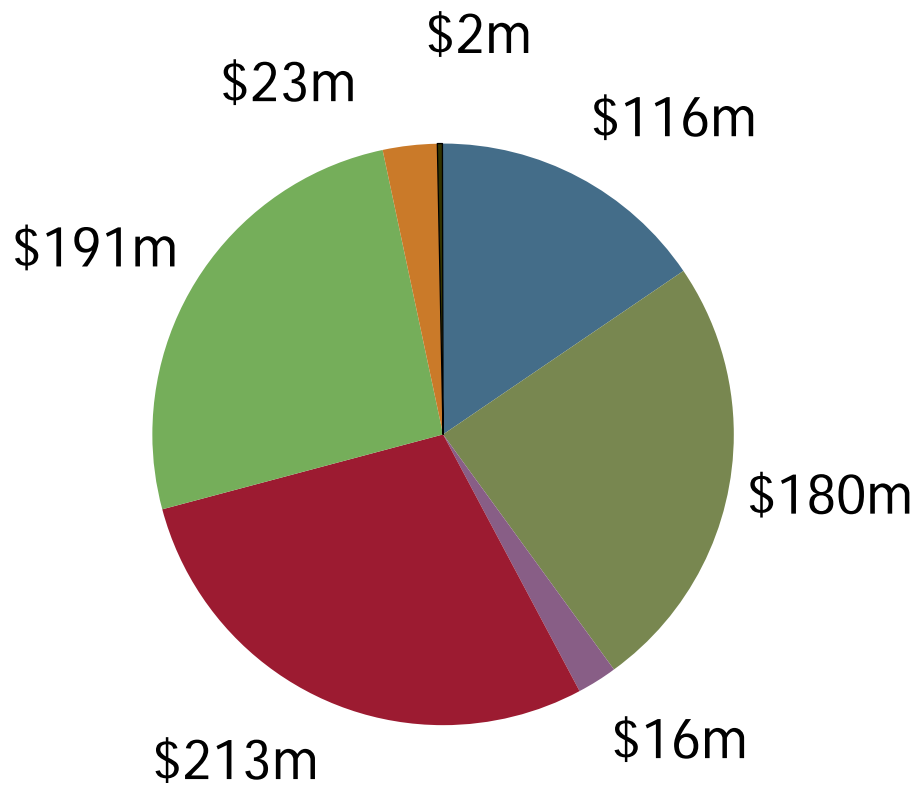
Capital Management

- Acquisitions have taken the ND:E ratio to the high end of preferred range
- Underwritten DIP in March, \$322m at \$35.19 per share (2% disc.)
- Cash flow cover remains strong
- If further acquisitions are made and capital expenditure continues strongly, additional equity will be raised
- If Coles acquired, scrip for scrip → maintaining balance sheet and appropriate cashflow cover
- Focus is on capital structure to give flexible funding requirements



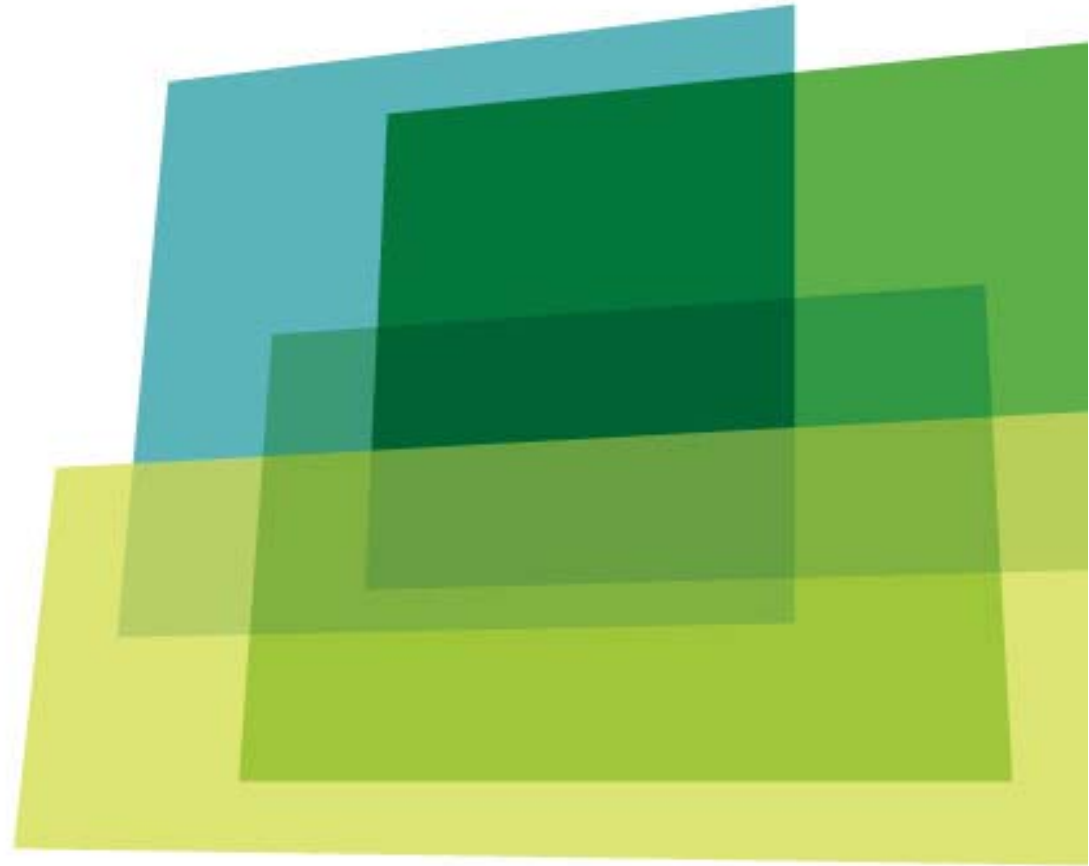
2006/07 Capital Expenditure Estimate

\$741m



- Energy
- Coal
- Insurance
- Home Improvement
- Fertilisers & Chemicals
- Industrial & Safety
- Other





Questions

Q & A

Richard Goyder
Managing Director, Wesfarmers Limited

Gene Tilbrook
Finance Director, Wesfarmers Limited





Wesfarmers

For all the latest news visit

www.wesfarmers.com.au