Wesfarmers

Investment Conference Discussion Pack

Credit Suisse Asian Investment Conference

Hong Kong

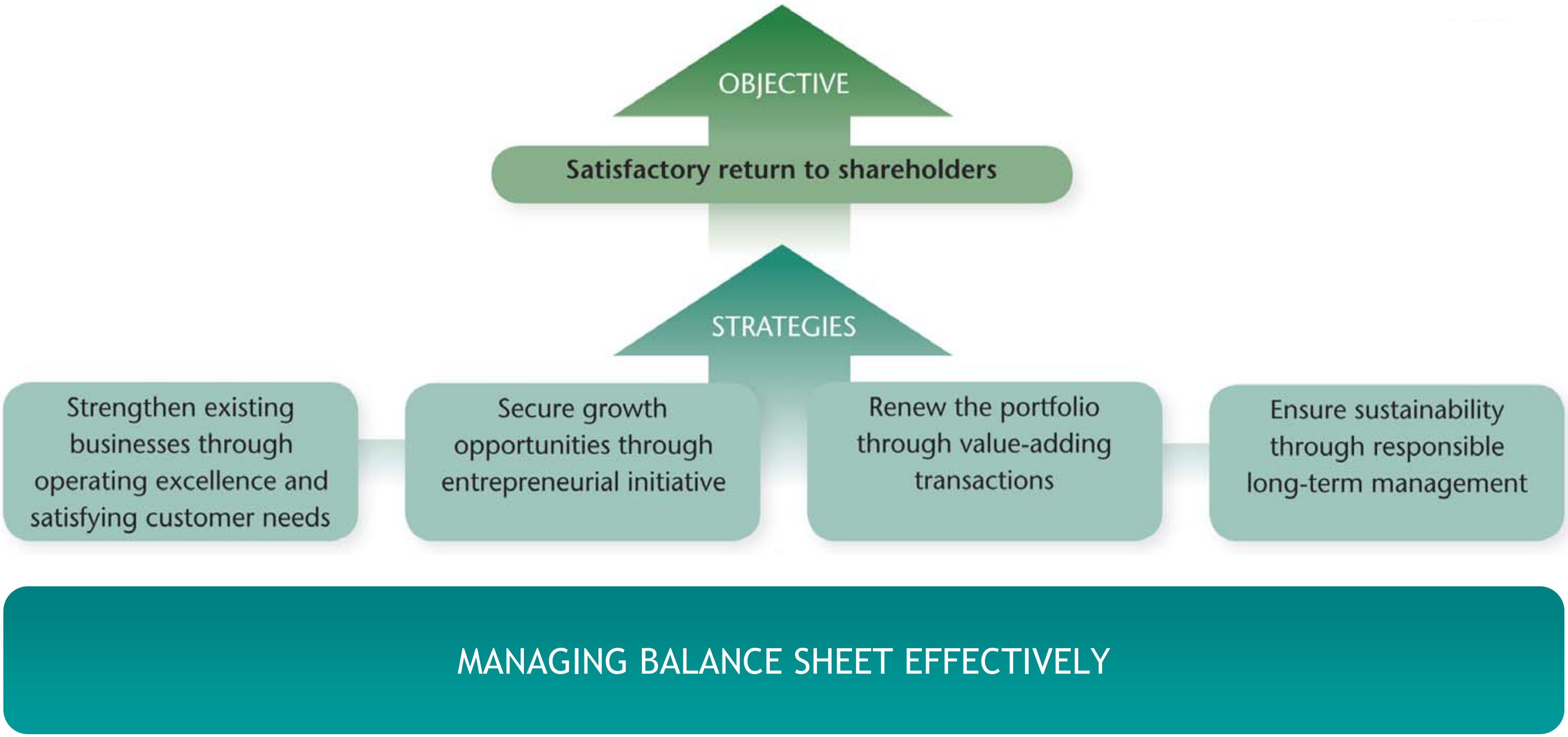
March 31 – April 3, 2008

Index

Philosophy, Performance and Direction

Wesfarmers

Long-term, consistent strategies



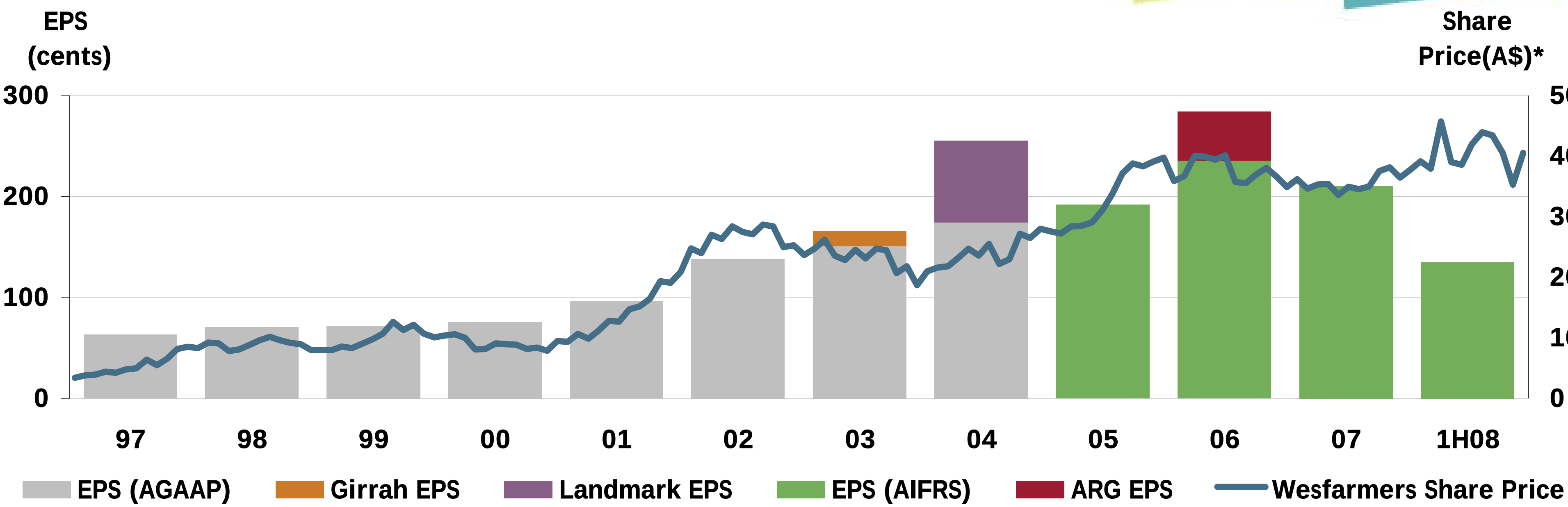
Key Attributes

	Growth Opportunities	Quality Assets	Earnings Improvement
Home Improvement & Office Supplies	• Continued store roll-out; Range expansion	• National store networks; Leading in sectors	• 1H08 Cash comp of 12.2%; 5 year EBITA CAGR of 12.6% p.a.
Coles	• Network investment	• National store networks; Strong brands	• 5 year turnaround; Overhead reductions; Supply Chain investment
Target	• Merchandising; Store roll-out programme	• 268 store network; Strong brand	• 1H08 Sales comp of 3.1%; Continuation of strong performance
Kmart	• Strategic review now complete; Retain with investment programme	• Store network; Strong brand	• Upside potential

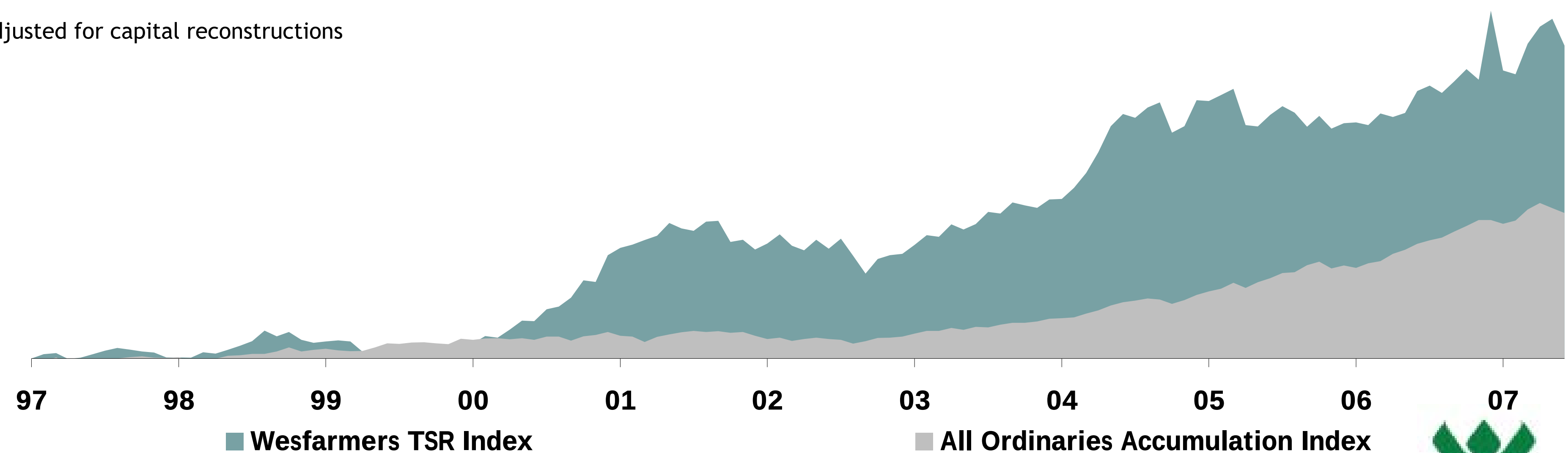
Key Attributes

	Growth Opportunities	Quality Assets	Earnings Improvement
Resources	• Strong demand; Curragh & Bengalla feasibility studies	• Sizeable production capacity; Consistent quality, low costs	• Maintaining lowest quartile cash cost production of export coal
Insurance	• Broker consolidation; Extension into related areas	• Diverse mix of businesses; 200,000 direct customer relationships	• 5 year EBITA CAGR of 46.2% p.a.
Industrial & Safety	• Targeted sales to existing customers & new customer segments & sectors	• #1 or #2 in most markets; Blackwoods extensive branch network	• Margin & expense control; Improved supply chain; Working capital reduction
Chemicals & Fertilisers	• AN and Sodium Cyanide expansions; New market expansion e.g. AVC	• Sole WA producer of AN; 65% WA fertiliser market, unmatched infrastructure	• Improved AN contribution; Working capital & expense management
Energy	• Construction of LNG plant	• LPG vertical integration; Industrial gas, LNG and power production facilities	• Coregas full year contribution; LNG earnings in 2008/2009

A history of strong returns



* Adjusted for capital reconstructions



Sustainability

Sustainability

Financial performance

- All our actions are directed towards satisfying our corporate objective of providing a satisfactory return to shareholders. To be sustainable, Wesfarmers must continue to achieve high standards of financial performance thereby allowing us to make the most meaningful contribution possible to the community through wealth generation and employment creation

Safe and rewarding workplaces

- Attraction and retention of skilled and committed employees is one of our key priorities. We have an obligation to provide safe workplaces, to treat our people with decency and respect and provide them with opportunities for interesting and rewarding career paths. Each business unit is set a target of reducing its lost time injury frequency rate by 50 per cent a year on the path to zero. Remuneration of some senior staff is linked to achievement of safety targets

Good value products and services

- Central to our business success is to maintain a reputation for quality and value across the range of our diversified suite of operations. We seek to apply the same principles and standards to delivering export coal as we would to dealing with clients in the insurance businesses and catering to the needs of our now much-expanded retail customer base.

Respect for customers and suppliers

- Retention of high levels of satisfaction in both these groups is essential if we are to continue to succeed. Extensive customer feedback systems are maintained in the retail operations.

Sustainability

Environmental responsibility

- Our diverse range of businesses expose us to a number of challenging or potentially challenging environmental issues, including waste disposal, contamination and greenhouse gas emissions. We set legal compliance as a minimum and seek to exceed that wherever possible.

Ethical dealings

- Respect for the letter and the spirit of the law is paramount. There are codes of ethics and conduct in place at both Group and business unit level, as well as for the Board of Directors. Every year hundreds of our employees participate in detailed seminars covering obligations under the Trade Practices Act in Australia and consumer protection legislation in New Zealand.

Community contribution

- We believe the company benefits from having a reputation as a good corporate citizen. We have a significant programme of support for community-focused organisations and causes which the Board contributes up to 0.25 per cent of before tax profits each year. In 2006/2007 this amounted to A$6.6 million with another $5.7 million attributable to fundraising activities of our Bunnings Home Improvement division.

Wesfarmers is a member of the Dow Jones Sustainability World Indexes for 2007, rating it in the top 10 per cent of companies assessed worldwide against economic, environmental and social criteria

Sustainability

Sustainability reporting

- Voluntarily publicly reporting on sustainability issues since 1998/99. The stand-alone Sustainability Report is published to coincide with the company's Annual General Meeting. The 2007 report runs to more than 90 pages of very detailed information on our environmental, health and safety and community engagement performance and was independently verified using the AA1000 Assurance Standard. The report can be accessed on-line at www.wesfarmers.com.au.

Climate change

- Greenhouse gas emissions from wholly-owned business units or those where we have management responsibility are disclosed in the Sustainability Report. Four of our operating businesses – CSBP, the Curragh and Premier coal mines and Energy Generation - are members of Greenhouse Challenge Plus, the Australian government's voluntary emissions reduction programme.
- In 2006 and 2007 we took part in the extension to Australia and New Zealand of the Carbon Disclosure Project which sought responses from major companies to their approach to climate change-related risks and opportunities. Our 2007 report can be accessed at www.cdproject.net
- Our coal operations are contributors to the Coal21 Fund established by the Australian coal industry to demonstrate promising technologies to reduce greenhouse emissions from coal-fired power stations. The Fund is expected to raise up to $1 billion over 10 years with Wesfarmers putting in around $30 million.
- We support the development of a global emissions trading scheme and the work being done in Australia at the moment to investigate the feasibility of setting up a domestic scheme ahead of global agreement. Any such local scheme would need to involve both the Commonwealth and state governments and contain protections for trade-exposed companies competing in markets which have not adopted such measures.

Energy efficiency

- We have registered under the Australian government's Energy Efficiency Operations (EEO) programme which requires companies using more than 0.5 petajoules in any year to conduct assessments and report on implementation of measures designed to increase energy efficiency. We believe there are financial as well as environmental benefits to be obtained from adopting a positive approach to this legislative requirement.

Coles Transaction

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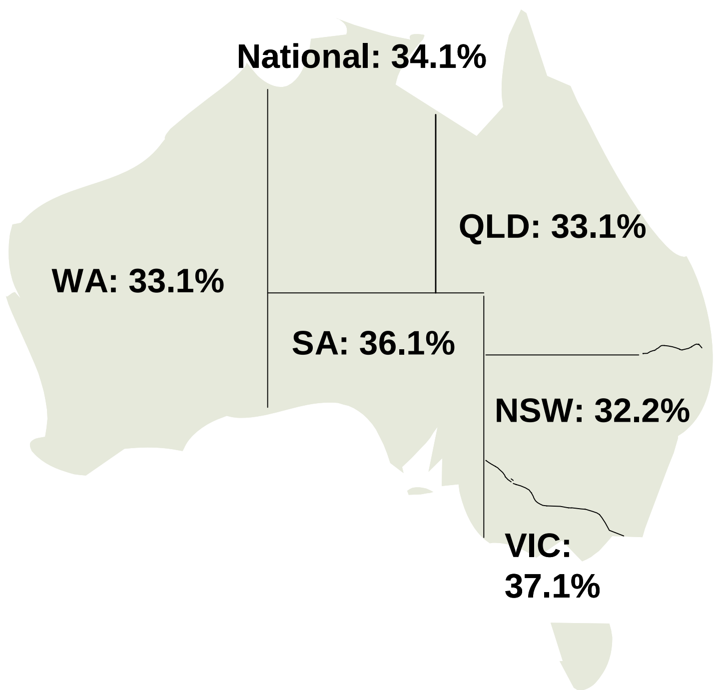
A unique opportunity

- Leading positions in a highly attractive industry structure
- Unique retail platform with an irreplaceable store network
- Wesfarmers’ retail sector know-how
- Substantial opportunity to create value from the Coles businesses by improved execution

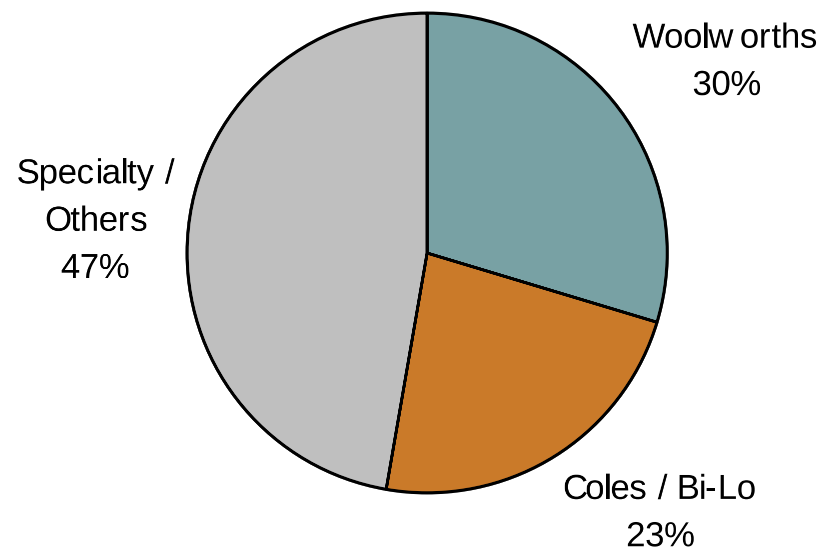
Unique Platform and Asset Base

- Coles is one of two national leaders in supermarkets

Coles Packaged Grocery Market Share by State	Food and Liquor National Market Share



Source: ACNielsen ScanTrak - Total packaged grocery MAT to 24/04/07

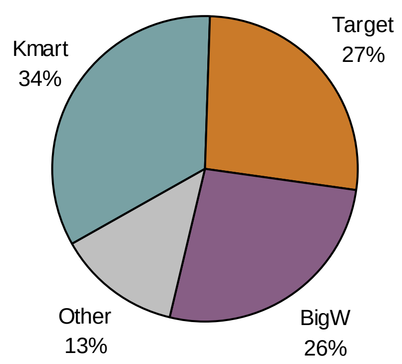


Source: CGJ, WOW FY06 Australian Food & Liquor Sales (excludes fuel)

ABS total food retailing

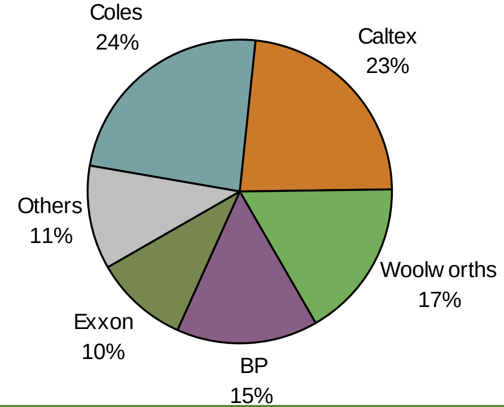
Unique Platform and Asset Base

Discount DS Market Shares



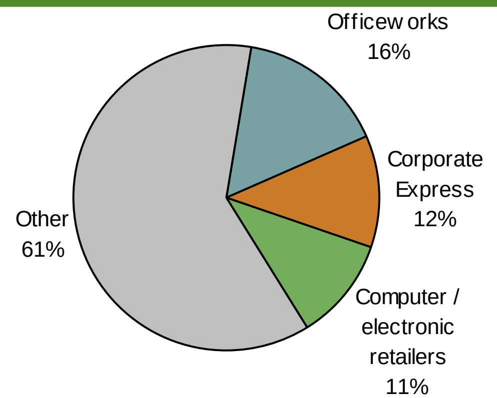
Source: Bain & Company

Fuel Market Shares



Source: CGJ, IBIS World 2005 and 2006

Office Products Market Shares



Source: Bis Shrapnel, The Australian Office Products Market 2006 - 2008

The Coles Transaction - Outcomes

WES

9
DIVISIONS

545M
ORDINARY SHARES

152M
WPPS SHARES

> 200,000
EMPLOYEES

> 400,000
SHAREHOLDERS

12
ADDITIONAL BRANDS

Target. 100% happy

Kmart

Good times start at 1ST CHOICE Liquor Superstore

BI-LO WHY PAY MORE!

LiquorLAND

coles express

coles

Kmart Tyre & Auto Service

Officeworks The works

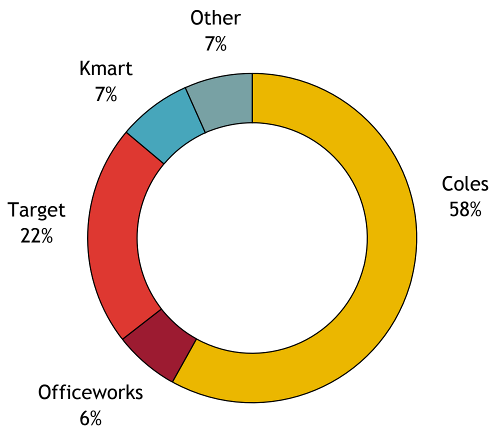
VINTAGE CELLARS

PHARMACY DIRECT ✓PRICE ✓SERVICE ✓CONVENIENCE

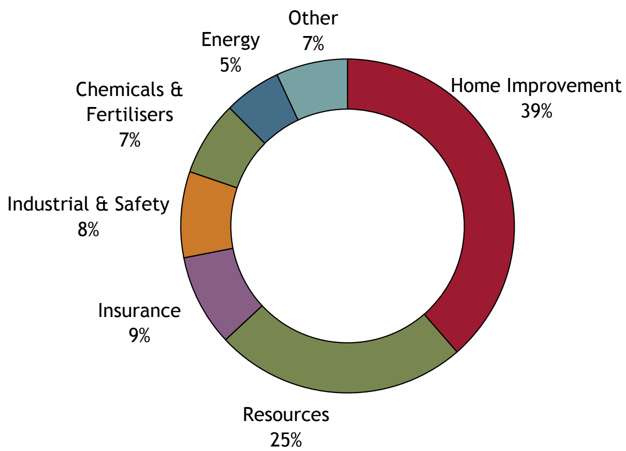
harristechnology

Pro-forma EBIT Contribution

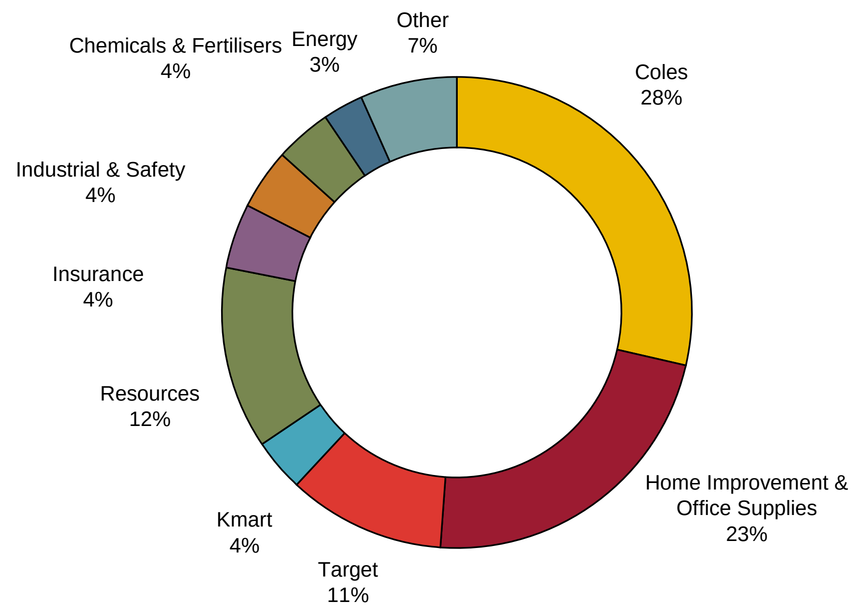
Coles FY07 EBIT Contribution



Wesfarmers FY07 EBIT Contribution

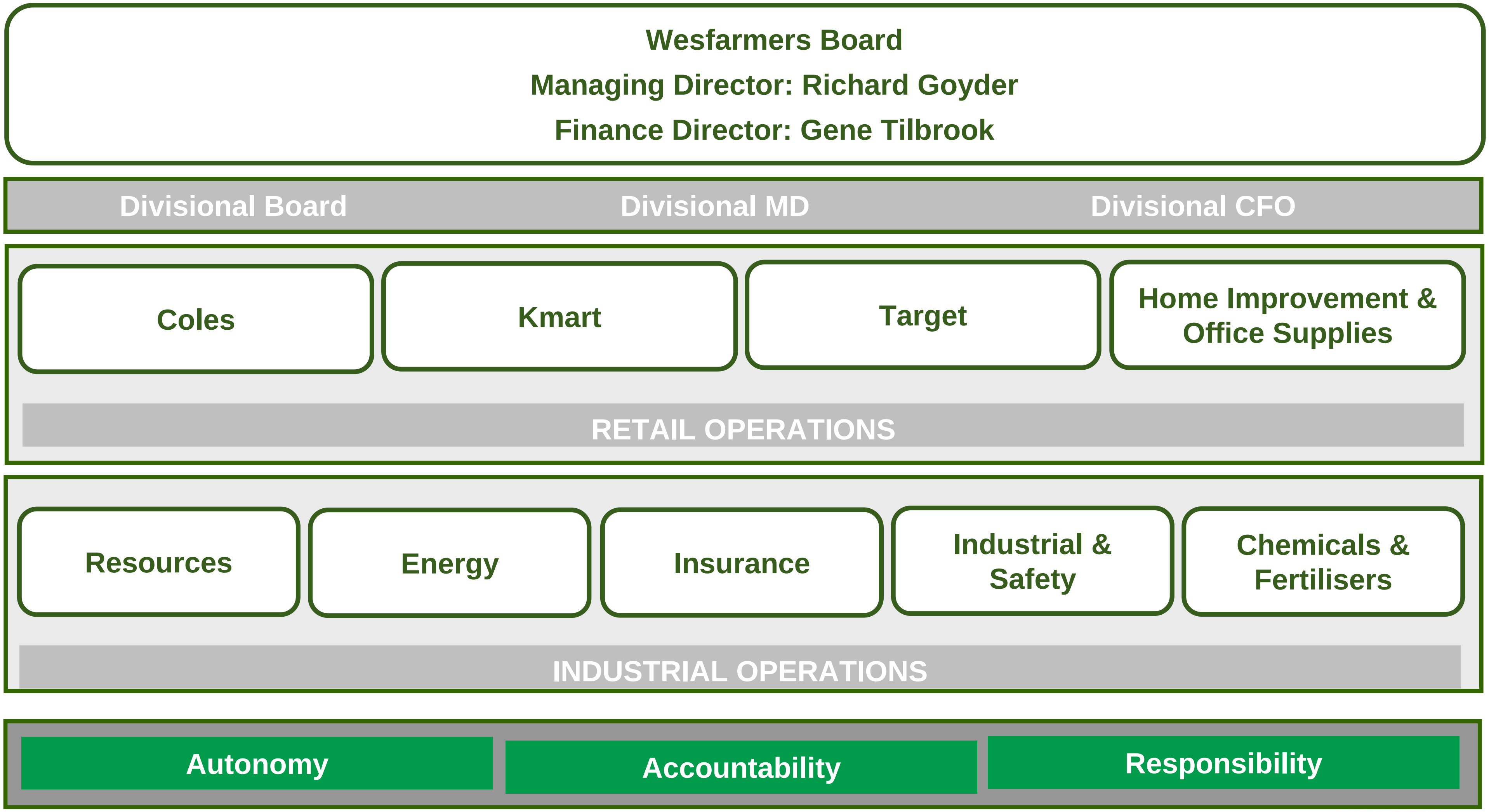


Wesfarmers FY07 Pro-Forma EBIT Contribution[1]



1. Excluding corporate overheads, consolidation adjustments and discontinued operations

Divisional Restructure



Implementation of Management Plan

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Wesfarmers Managing Director

Coles	• Ian McLeod appointed MD of Coles; extensive international retailing experience • Terry Bowen appointed as CFO; Mick McMahon continues as COO • Divisional Board will include executives with international retail experience
Home Improvement & Office Supplies	• The Officeworks and Bunnings businesses report as one division under the leadership of John Gillam • Mark Ward (ex-Bunnings) appointed MD of Officeworks
Target	• Target is performing strongly under the existing management team led by Launa Inman • New GM Commercial, ex-Bunnings
Kmart	• Larry Davis retiring; Mark Goddard (GM, Merchandise) now acting MD • Strategic review completed; retain with investment programme

Overview and Culture

- Change of ownership creates an environment for management to realise the full potential of the Coles businesses

Implementation of Cultural Change

- Removal of external distractions - focus management on operational divisions
- Engender positive culture and attitudes to drive positive customer experiences
- Wesfarmers acquisition is viewed positively by Coles staff
- Dedicated integration function led by senior Wesfarmers executives
- Drive responsibility and accountability

Specific Plans for Management

- Streamline head and divisional offices
- Introduce real accountability and direction by moving to divisional autonomy
- Strengthen existing team with specialist local and international retailers
- Senior Wesfarmers commercial executives will join the leadership teams of all divisions

Focus on long-term value creation

Plans for the Businesses

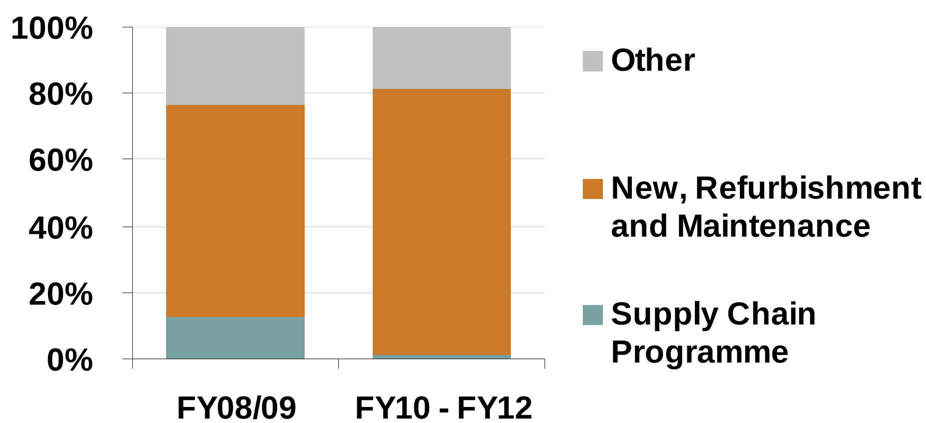
Medium Term Value Creation	Value Accretive from Date of Acquisition
Coles • Stabilise the business • Focus on retail basics • Deliver supply chain cost savings and overhead reductions • Restore sales momentum • Selective network expansions	**Target** • Continuation of strong performance • Support current margin mix initiatives • Aggressive store roll-out programme
Kmart • Strategic review complete • Wesfarmers to retain with investment programme • Focus on enhancing product offer and value proposition for customers	**Officeworks** • Optimise performance through alignment with Bunnings • Accelerate store roll-out program to target category leadership

Investing for Growth - Capital Expenditure

- Wesfarmers has a history of ongoing investment in its businesses to deliver shareholder value
- Approximately 70% of capex will be invested in the network (across brands) through new store roll out, increased refurbishments and maintenance
- Approx $5bn to be spent in the Coles businesses over the next 5 years, ramping up to $1.0 - $1.2bn per annum during FY09 and FY10; stabilising between $0.9 - $1.0bn per annum thereafter

Capex p.a. FY08/FY09 ($m)	
Coles	~ 800 – 930
Kmart	~ 80 – 100
Target	~ 110 – 120
Officeworks	~ 40 – 60
Total	**~ 1,000 – 1,200**

Capex Breakdown



c. 60% of total capex required for the supply chain programme has already been spent.

Integration - Progress update

Task	Solution design	Scheduled completion
<u>Integrate</u>		
Specialist corporate functions (accounting, tax, treasury, etc)	• Complete	• June 2008
<u>Create</u>		
Develop divisional structures		
Coles	• 31 March • (Structural review in progress)	• June 2008
Target	• Complete	• April 2008
Kmart	• Complete	• April 2008
Officeworks	• Complete	• April 2008
<u>Commercial reviews</u>		
Kmart strategic review	• Completed in March 2008; retain with investment programme	
Supply Chain	• Review is progressing	
Overhead reduction	• Anticipated savings remain consistent with pre-acquisition views	

Group Overview

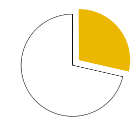
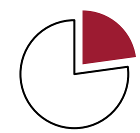
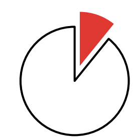
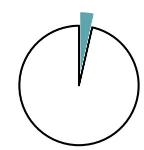
Financial Summary

		FY06*	FY07	1H08	% Change pcp	
Operating Results						
Revenue	A$m	8,859	9,754	9,808	107.9	↑
EBITDA	A$m	1,650	1,650	1,266	60.1	↑
Earnings before interest and tax	A$m	1,366	1,305	1,046	70.6	↑
Net profit after tax	A$m	869	786	601	53.3	↑
Financial Position						
Total assets	A$m	7,430	12,076	37,110	299.0	↑
Net borrowings#	A$m	1,460	4,986	11,601	346.2	↑
Shareholders' equity	A$m	3,166	3,503	16,552	436.3	↑
Capital expenditure on PPE	A$m	615	680	588	85.4	↑
Depreciation and amortisation^	A$m	283	345	220	23.7	↑
Financial Performance						
Earnings per share	cents	235.6	210.5	134.9	27.5	↑
Dividends per share	cents	215	225	65	23.5	↓
Operating Cash flow per share	A$	2.99	3.41	2.75	117.8	↑
Return on average shareholders' equity	%	31.1	25.1	18.4	9.3pt	↓
Gearing (net debt to equity)	%	46.1	143.6	70.1	14.1pt	↓
Net interest cover (cash basis)	times	13.8	8.7	5.0	64.0	↓

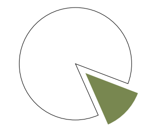
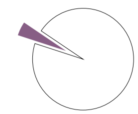
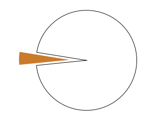
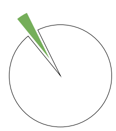
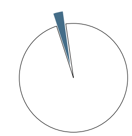
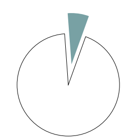
* excluding the sale of ARG

^ including Stanwell amortisation (1H08 A$33m, FY07 A$119.6m and FY06 A$80.9m)

Divisional Summary - Proforma FY07

	Activities	Proform FY07 Revenue (A$m)	Proforma FY07 EBIT (A$m)	Proforma FY07 EBIT Contribution	
Coles	The division comprises one of Australia's largest supermarket businesses, liquor retailing outlets, fuel and convenience outlets and an online pharmacy business.	26,230	773		28%
Home Improvement & Office Supplies	Australasia's leading supplier of home and garden improvement products, office products, and a major supplier of building materials.	6,201	614		23%
Target	Australian department store offering on-trend, fashionable apparel and soft homewares.	3,306	290		11%
Kmart	Australian and New Zealand discount department store retailer offering a wide range of low cost merchandise ranging from apparel to hardware and leisure goods.	3,889	97		4%

Divisional Summary (cont.)

	Activities	Proform FY07 Revenue (A$m)	Proforma FY07 EBIT (A$m)	Proforma FY07 EBIT Contribution	
Resources	Mining of metallurgical and steaming coal to domestic and export markets	1,134	338		13%
Insurance	Provider of underwriting, broking, premium funding, software development and financial services activites in Australia, New Zealand and the UK.	1,410	120		4%
Industrial & Safety	Australia and New Zealand's market leaders in the supply of maintenance, repair and operating products and safety products.	1,208	115		4%
Chemicals & Fertilisers	Manufacture and marketing of industrial chemicals and fertilisers used in the mining, mineral processing, industrial and agricultural sectors.	592	101		4%
Energy	Production, marketing and distribution of LPG; manufacture and marketing of industrial gases; and power generation	463	75		3%
Other Businesses	50% interest in Gresham Partners; Gresham Private Equity investments; 50% interest in Wespine; and 23% interest in BWPT	8	184		7%

2008 Half Year Results

Wesfarmers

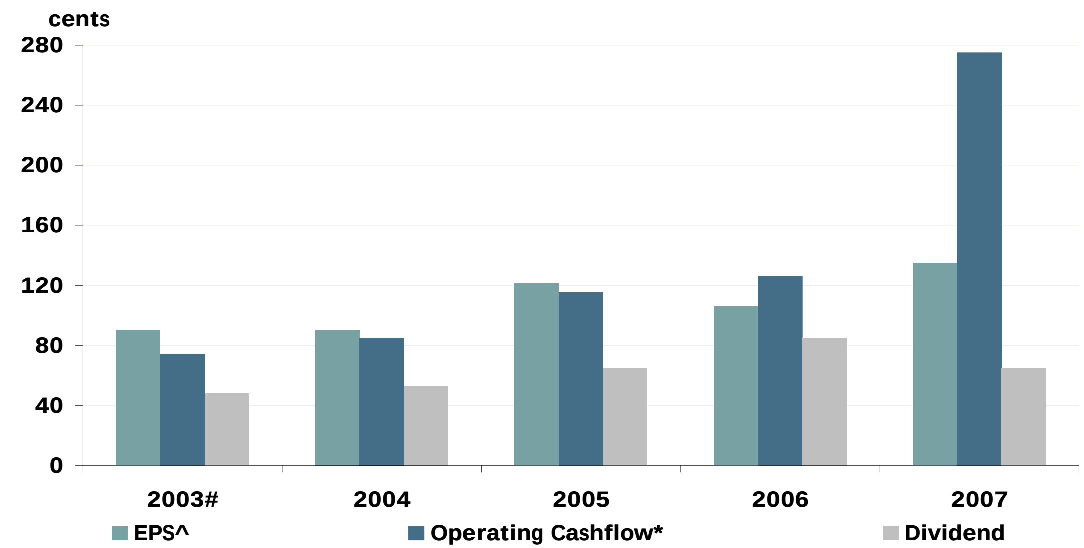
2008 Half Year Results Performance Highlights

Group Performance Highlights

- Completion of Coles transaction on 23 November 2007
  - Target and Kmart performing well
  - Christmas most profitable period of the year for most businesses
  - One-off costs to come through in full year results
- Operating revenue of $9.8 billion, up 108%
- Group profit after tax of $601 million, up 53%
- Earnings per share of 134.9 cents, up 27%
- Operating cash flow of $1.2 billion
- Interim dividend of 65 cents per share

Half Year ended 31 December ($m)	2007	2006	%
Operating revenue	**9,808**	4,718	*107.9*
EBITDA	**1,266**	791	*60.1*
EBIT	**1,046**	613	*70.6*
Net profit after tax	**601**	392	*53.3*
Operating cash flow	**1,241**	477	*160.2*
Earnings per share (excl. employee res. shares)	**134.9**	105.8	*27.5*
Earnings per share (incl. employee res. shares)	**133.1**	103.6	*28.5*
Cash flow per share (incl. employee res. shares)	**274.9**	126.2	*117.8*
Dividends per share ^	**65**	85	*(23.5)*

^ 2006 includes 25 cents per share relating to franking credits from ARG sale



EPS and Cash flow exclude sale of Landmark * WANOS includes employee reserved shares
^ AGAAP excl. goodwill amortisation (2003), AIFRS excl. employee reserved shares (2004 +)

2008 Half Year Results Performance Highlights

Divisional Performance Overview

- 1H08 includes, for the first time, 5 weeks contribution from the ex-Coles Group businesses
- All continuing divisions increased their EBIT contributions except Resources (formerly "Coal")
- Resources results down due to lower prevailing export coal prices
- Continued strong performance from Home Improvement
- Improved performances from Industrial & Safety, Chemical & Fertilisers and Energy
- Insurance affected by increased level of claims and competitive pricing
- Other EBIT includes $32m in dividends received on the 10.6% Coles stake held prior to acquisition

Half Year ended 31 December ($m)	2007	2006	↕ %
Home Improvement & Office Supplies	**332**	270	*23.0*
Coles	**130**	-	*n/a*
Target	**118**	-	*n/a*
Kmart	**101**	-	*n/a*
Resources	**112**	168	*(33.3)*
Insurance	**64**	60	*6.7*
Industrial & Safety	**61**	51	*19.6*
Chemicals & Fertilisers	**48**	28	*71.4*
Energy	**48**	38	*26.3*
Other	**72**	34	*111.8*
Divisional EBIT	**1,086**	649	*67.3*
Corporate overheads	**(40)**	(36)	*(11.1)*
Group EBIT	**1,046**	613	*70.6*

Home Improvement & Office Supplies 2008 Half Year Performance

Highlights

Home Improvement

- Store on store cash sales growth of 12.2%
- 6.1% lift in trade sales
- 6 warehouses and 1 trade centre opened
- Maintaining strong focus on core retail drivers

Officeworks

- Satisfactory Christmas trading
- Integration work proceeding well

Outlook

Home Improvement

- Continued cash sales growth
  - Threats to positive retail trading conditions emerging
- Further gains in trade
- 12 warehouse openings likely for 2007/08
- Strong focus on delivering on strategic agenda

Officeworks

- Full year result to include a number of "one offs"
- Strategy review & re-set work underway

Financial Performance

Half Year ended 31 December ($m)		2007	2006	
Revenue	Home Improvement	2,795	2,471	13.1
	Office Supplies	115	-	n/a
		2,910	2,471	17.8
EBIT	Home Improvement	325	270	20.4
	Office Supplies	7	-	n/a
		332	270	23.0

Coles – 2008 Half Year Performance

Highlights

- Improving Food & Liquor sales trend
- Christmas trading solid, but later than last year
- Strong increase in Convenience sales
- Continued upgrade of DC Network
- New stores opened (Aug – Dec): 15 supermarkets, 7 1st Choice, 20 fuel & convenience

Outlook

- Continuing focus on product availability and cost management
- Customer focussed strategies
- Restructuring to occur
- New stores planned to open in second half
  - 10 supermarkets
  - 7 1st Choice
  - 10 convenience

Financial Performance

23 November to 31 December ($m)		2007
Revenue		2,919
EBITDA		**175**
Depreciation & Amortisation^		**(45)**
EBIT		**130**
Food & Liquor	Revenue	**2,271**
	Comparative store sales growth %	**2.0**
	Trading EBIT*	**118**
Convenience	Revenue	**648**
	Comparative store sales growth %	**6.2**
	Trading EBIT#	**12**

^ Incl. $5m of amortisation of intangibles (provisional)
* Incl. $7m of retail support costs not previously on-charged
# Incl. $1m of retail support costs not previously on-charged

Target - 2008 Half Year Performance

Highlights

- 9 new store openings since July 31, 2007
- Profit from Christmas trading period comfortably ahead of last year
- All high margin departments continue to perform well
- Outstanding growth in electrical department (consumer digital products)
- Ongoing use of designers to reinforce brand positioning

Outlook

- Continuation of solid store roll out programme
  - expecting further three Target stores to open this financial year
- New "Designers for Target"
- Preparing for potential slow down in retail spending
  - controlled stocks in higher risk areas
- Continued strategy of differentiation

Financial Performance

23 November to 31 December ($m)	2007
Revenue	605
EBITDA	123
Depreciation & Amortisation	(5)
EBIT	118
Comparative store sales growth (%)	3.1
EBIT margin (%)	19.5
Store numbers	274

Kmart - 2008 Half Year Performance

Highlights

- Improvement in performance commenced 2H07
- Strategic adjustments to the business are generating improved results
- Returned to comp sales increase
- Customers responding well to the improved product offer
- Consistently strong performance across destination categories
- Strong Christmas trading period

Outlook

- Evolve product offer
- Focus on improving the in store customer experience
- Expanded refit programme
  - 19 refits to commence in 2H08
- More aggressive store opening program
- Create stand alone capacity

Financial Performance

23 November to 31 December ($m)	2007
Revenue	692
EBITDA	106
Depreciation & Amortisation	(5)
EBIT	**101**
Comparative store sales growth (%)	5.0
EBIT margin (%)	14.6
Store numbers (incl. Kmart Tyre & Auto)	450

Resources – 2008 Half Year Performance

Highlights

- Strong metallurgical coal demand in constrained infrastructure environment
- Bengalla's Wantana Pit Modified Development Consent approval
- Feasibility studies into expanding Curragh and Bengalla
- Central Queensland major flood events in Jan/Feb 2008
- Active in coal industry support of clean coal technologies
- Change in divisional name to Wesfarmers Resources

Outlook

- Strong market outlook for 2008/09
- Constrained export coal logistics remain
- Ongoing high demurrage cost
- Awaiting 2008/09 price negotiation outcomes
- Forecast Curragh metallurgical sales 6.1 – 6.5mt in 2007/08
- Feasibility studies to expand Curragh and Bengalla continue

Financial Performance

Half Year ended 31 December ($m)	2007	2006	↕ %
Revenue	530	587	*(9.7)*
EBITDA	**179**	267	*(33.0)*
Depreciation & Amortisation*	**(67)**	(99)	*32.3*
EBIT	**112**	168	*(33.3)*
ROC (R12 %)	**30.3**	52.9	*(22.6pt)*
Coal Production ('000 tonnes)	**6,963**	7,133	*(2.4)*
Safety (R12 LTIFR)^	**4.4**	3.7	

* Includes Stanwell rebate amortisation of $33m in 2007 and $68m in 2006

^ Curragh and Premier only

Insurance - 2008 Half Year Performance

Highlights

- Increased frequency of severe weather events
- Continued acquisition of small broking operations in Australia, NZ and UK
- Completed rollout of OAMPS brand across all Australian broking operations
- Integration phase completed with portfolio transfer from AIIL to Lumley
- Record crop season for WFI due to high grain prices
- Broking operations meeting expectations despite the soft market

Outlook

- Premium rates in Australia and NZ stabilising
- Restructuring of Lumley NZ operations to improve underwriting performance
- Continue programme of selective acquisitions that meet investment criteria
- Difficult claims environment will remain if current La Niña weather continues

Financial Performance

Half Year ended 31 December* ($m)	2007	2006	↕ %
Gross Written Premium Underwritten	618	546	*13.2*
EBITA Underwriting	**38**	61	*(37.7)*
EBITA Broking	**28**	4	*n.m.*
EBITA Other	**5**	(2)	*n.m.*
EBITA Insurance Division	**71**	63	*12.7*
EBIT Insurance Division	**64**	60	*6.7*
Net Earned Loss Ratio (%)	**67.4**	59.9	*(7.5)pt*
Combined Operating Ratio (%)	**98.1**	90.5	*(7.6)pt*
EBITA Margin (Broking) (%)	**27.4**	15.2	*12.2pt*

*2007 incl. 6 mths of OAMPS' (2006: 2 mths) and 6 mths of Crombie Lockwood (2006: nil)

Industrial & Safety – 2008 Half Year Performance

Highlights

- Operating revenue improved by 10.7% to $642m
  - Growth in all businesses
  - Inclusion of Bullivants
- Earnings increased by 20% to $61m
  - Improvement in most businesses including New Zealand
  - Benefits of global sourcing and business improvement initiatives
- Return on Capital increased to 16.9% (last year 13.7%)
  - R12 capital employed slightly lower than last year despite the addition of Bullivants

Financial Performance

Half Year ended 31 December* ($m)	2007	2006	
Revenue	**642**	580	*10.7*
EBITDA	**66**	58	*13.8*
Depreciation & Amortisation of PPE	**(5)**	(7)	*28.6*
EBIT	**61**	51	*19.6*
EBIT margin (%)	**9.5**	8.8	*0.7pt*
ROC (R12 %)	**16.9**	13.7	*3.2pt*
Safety (R12 LTIFR)	**4.9**	4.1	

* 2007 includes Bullivants for 6 months (2006: 1 month)

Outlook

- Market conditions remain mixed
  - Continued demand from resources and infrastructure in WA and QLD
  - Manufacturing conditions remain subdued in Australia and New Zealand
- Ongoing strong competition and scarcity of skilled labour
- However satisfactory growth is expected

Chemicals & Fertilisers - 2008 Half Year Performance

Highlights

- EBA successfully renegotiated
- Ammonia plant production ahead of last year despite performance problems
- Higher production, sales and earnings from AN despite delay in expansion
- Good performance from AVC (acquired Sept '07)
- Improved sodium cyanide earnings; more consistent plant performance
- Higher fertiliser volumes at higher pricing
- Sale of chlor alkali business recorded in 1H07 result
- AN expansion project

Outlook

- Demand for mining chemicals remains strong
- Demand for PVC strong
- Completion of new prill plant in May 08
  - Additional prill production
  - Total cost of AN expansion $400 - $405 million
- Seasonal break critical for fertiliser sales
- $15 million investment to debottleneck sodium cyanide production progressing
- QNP debottleneck on track (Sept '08), finalising customer contracts

Financial Performance

Half Year ended 31 December ($m)		2007	2006	↕ %
Revenue	Chemicals	**218**	125	*74.4*
	Fertilisers	**173**	106	*63.2*
		391	231	*69.3*
EBITDA		**69**	46	*50.0*
Depreciation & Amortisation of PPE		**(21)**	(18)	*(16.7)*
EBIT		**48**	28	*71.4*
Sales Volume ('000t):	Chemicals	**281.4**	227.6	*23.6*
	Fertilisers	**386.6**	289.4	*33.6*
ROC (R12 %)		**16.2**	14.9	*1.3pt*
Safety (R12 LTIFR)		**2.9**	6.0	

Energy - 2008 Half Year Performance

Highlights

- WA LNG project remains on budget
- Good progress on industrial gas supply projects
- Record high energy prices
- Agreement to sell UNIGAS interest
- Integration of Coregas complete
- Appointment of new General Manager at Coregas

Outlook

- Full year contribution from Coregas
- Dependent on:
  - international LPG prices
  - gas flow rates
  - LPG feed rates
- LPG export sales – second half expected to be in line with last year
- Lower autogas sales
- Contributions from LNG project due in 2008/09

Financial Performance

Half Year ended 31 December* ($m)	2007	2006	↕ %
Revenue	281	222	26.6
EBITDA	66	51	29.4
Depreciation & Amortisation^	(18)	(13)	(38.5)
EBIT	48	38	26.3
ROC (R12 %)	12.0	33.2	(21.2pt)
LPG production (kt)	82.3	93.8	(12.3)
Safety (R12 LTIFR)	3.0	1.1	

* Includes Coregas in 2007 for 6 months (2006: nil)

^ Amortisation of intangibles in 2007 of $0.7m (2006: nil)

Other Businesses - 2008 Half Year Performance

Highlights

Gresham Private Equity - Fund 1

- Norcros divested, with some deferred consideration
- Current investment $31m
- Exit of Riviera expected over next several years
- Gross cash realised IRR 30+%

Gresham Private Equity - Fund 2

- Wesfarmers' current commitment $180m; Capital invested $141m
- New Investments in Barminco and Experiential Group
- Revaluations are to Wesfarmers' earnings

Financial Performance

Half Year ended 31 December ($m)	Holding%	2007	2006
Associates:			
Gresham Private Equity - Fund 1	*50*	**3**	0
Gresham Private Equity - Fund 2	*67*	**23**	(1)
Gresham Partners	*50*	**5**	2
Wespine	*50*	**3**	4
Bunnings Warehouse Property Trust	*23*	**8**	26
Tax on relevant associates		**(4)**	(4)
Associates Sub-total		**38**	27
Coles dividend (on April 2007 stake)		**32**	-
Other*		**2**	7
Total		**72**	34

* Includes corporate interest & investment income, BPML, self insurance

Operating Divisions

Wesfarmers

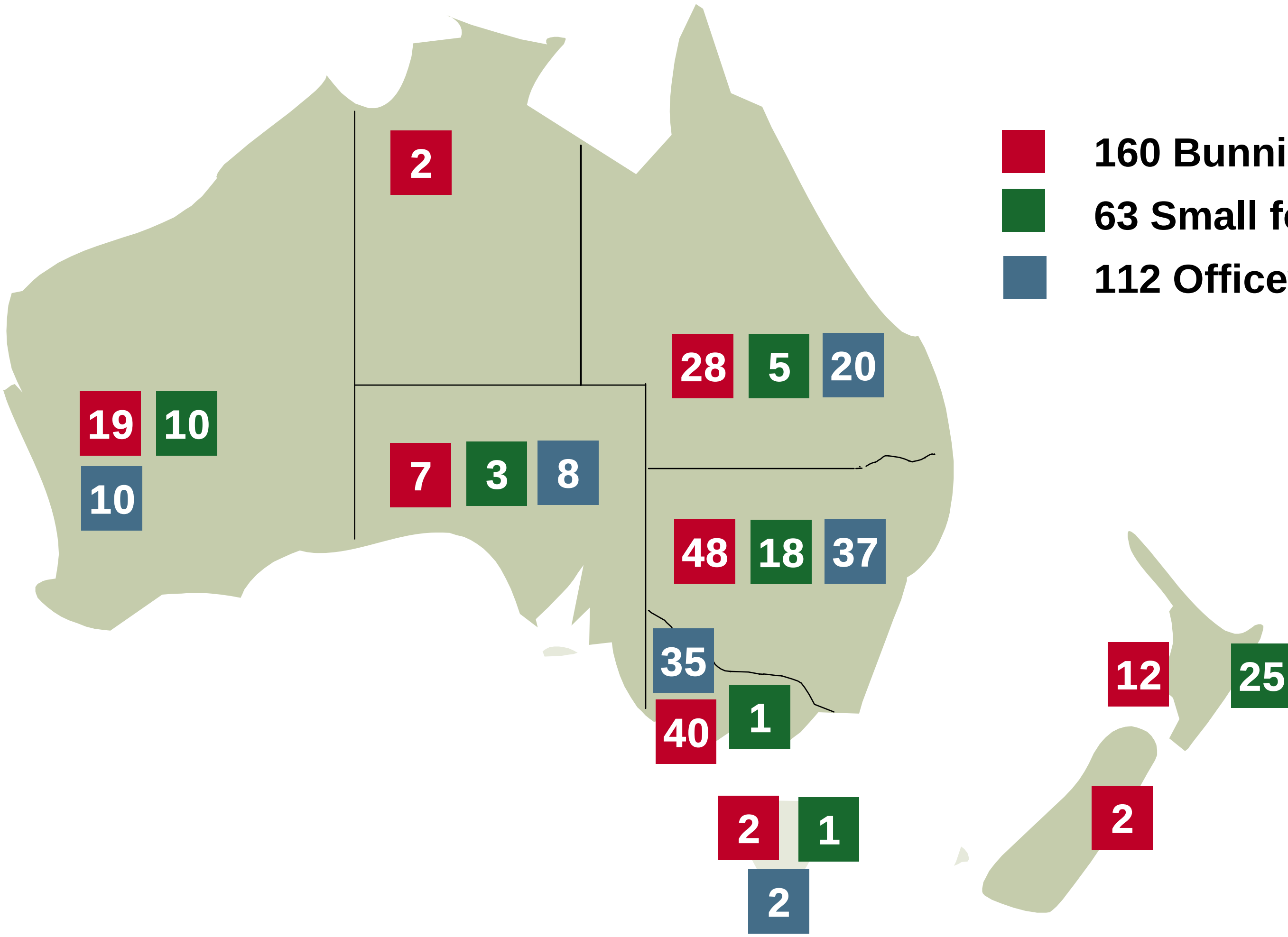
Home Improvement & Office Supplies

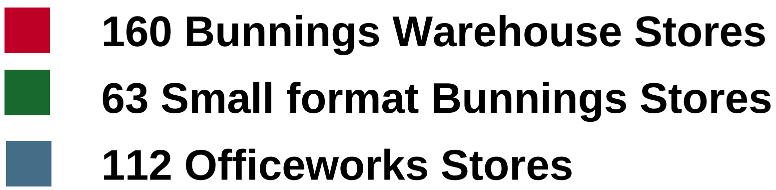
WIDEST RANGE

LOWEST PRICES

BEST SERVICE

Store Network
at December 2007



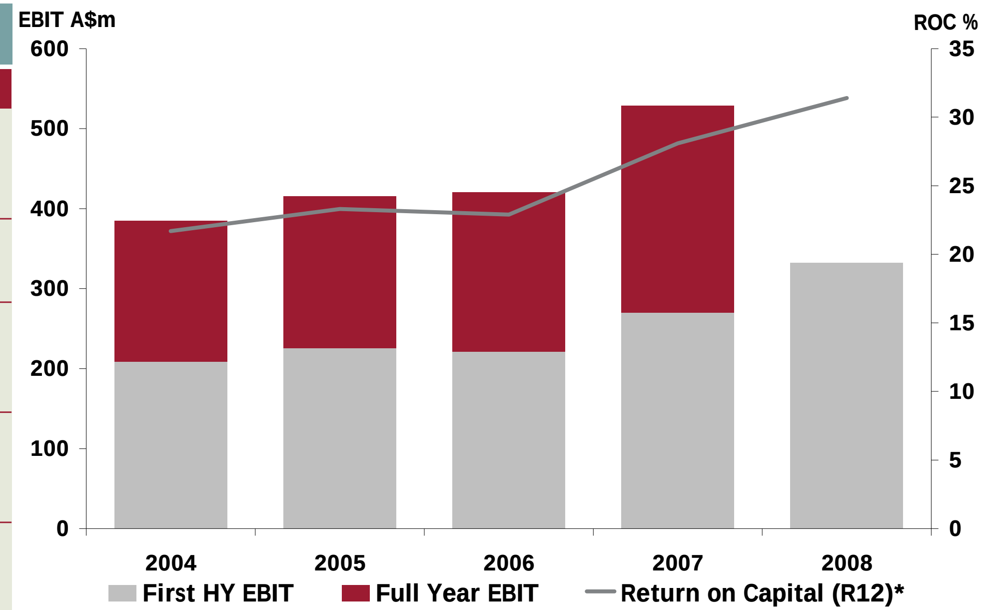


Excludes 12 Trade operational sites and 10 Harris Technology stores

Home Improvement & Office Supplies Performance

Growth Strategies

Home Improvement Strategies	
Profitable sales growth	Strong focus on "driving the basics" – Price, Range & Service Two-pronged store network investment – existing and new Warehouse store rollout continues – 10 to 14 warehouse store pa 2 distinct trade market segments – 12 trade specific sites now open
Improving customer service	Major focus within business Lifting investment in Team Member know-how New labour scheduling system
Innovation & improvement of the offer	Driving new product ranges, expanding offer to customer Strong merchandising disciplines lifting existing ranges Refreshing and expanding "services" Website enhancements
Team member performance	Significant investment in training to lift service levels Supporting improved performance Continuing strong safety programme Advancing diversity/employment branding strategies in place
Business improvements to lower costs	Systems upgrade project progressing well Continued supply chain enhancements Better business disciplines Achieving a lower cost of doing business Positioning for climate change



* Excludes Officeworks acquired 23 Nov 2007

(A$m)	2004 *AGAAP*	2005	2006	2007	1H08
Revenue	3,846	4,065	4,276	4,939	2,910
EBITA	385	416	421	528	332
Goodwill Amortisation	(50)	na	na	na	na
EBIT	335	416	421	528	332
EBITA/Revenue Ratio	*10.0%*	*10.2%*	*9.8%*	*10.7%*	*11.4%*
Capex	98	184	222	196	173

Office Supplies

Integration Update

- Now part of expanded "Home Improvement & Office Supplies" Division
- Integration work proceeding to plan
  - 2 businesses, 2 executive teams
- New OW executive team settled
  - blend of OW & Bunnings expertise
  - Mark Ward appointed Managing Director
- Separation activities well progressed
- Tactical changes to the offer implemented
  - Strategy reset work underway

Strategies	Details
Enhance competitive position	Re-establish authority across core categories Improve in-store execution – product availability and service
Position for future growth	Accelerate store roll-out programme Drive category authority
Pursue operational efficiencies	Focus on business fundamentals at store and support office levels

Coles

coles

BI-LO
WHY PAY MORE!™

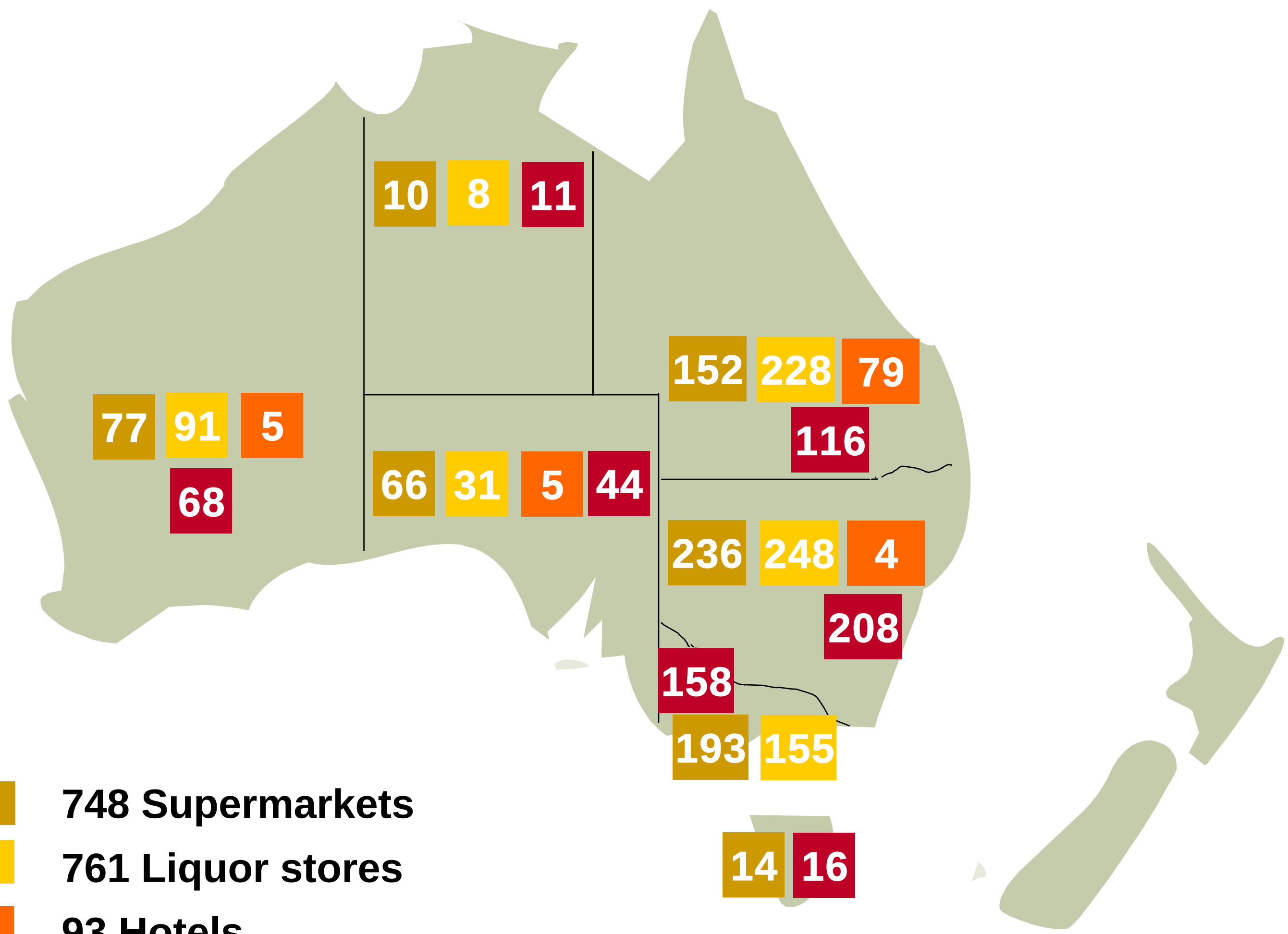
coles express

LiquorLAND®

Good times start at 1ST CHOICE
Liquor Superstore

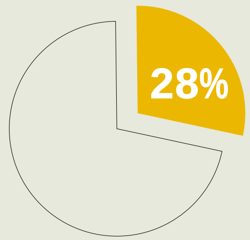
VINTAGE CELLARS™
AUSTRALIA'S FINE WINE SPECIALIST

Coles Store Network at December 2007



- 748 Supermarkets
- 761 Liquor stores
- 93 Hotels
- 621 Convenience

PRO-FORMA EBIT CONTRIBUTION (FY07PF)



2,000+ stores & hotels

110,000+ employees

1.8m+ m^2 selling area

Coles - Strategies

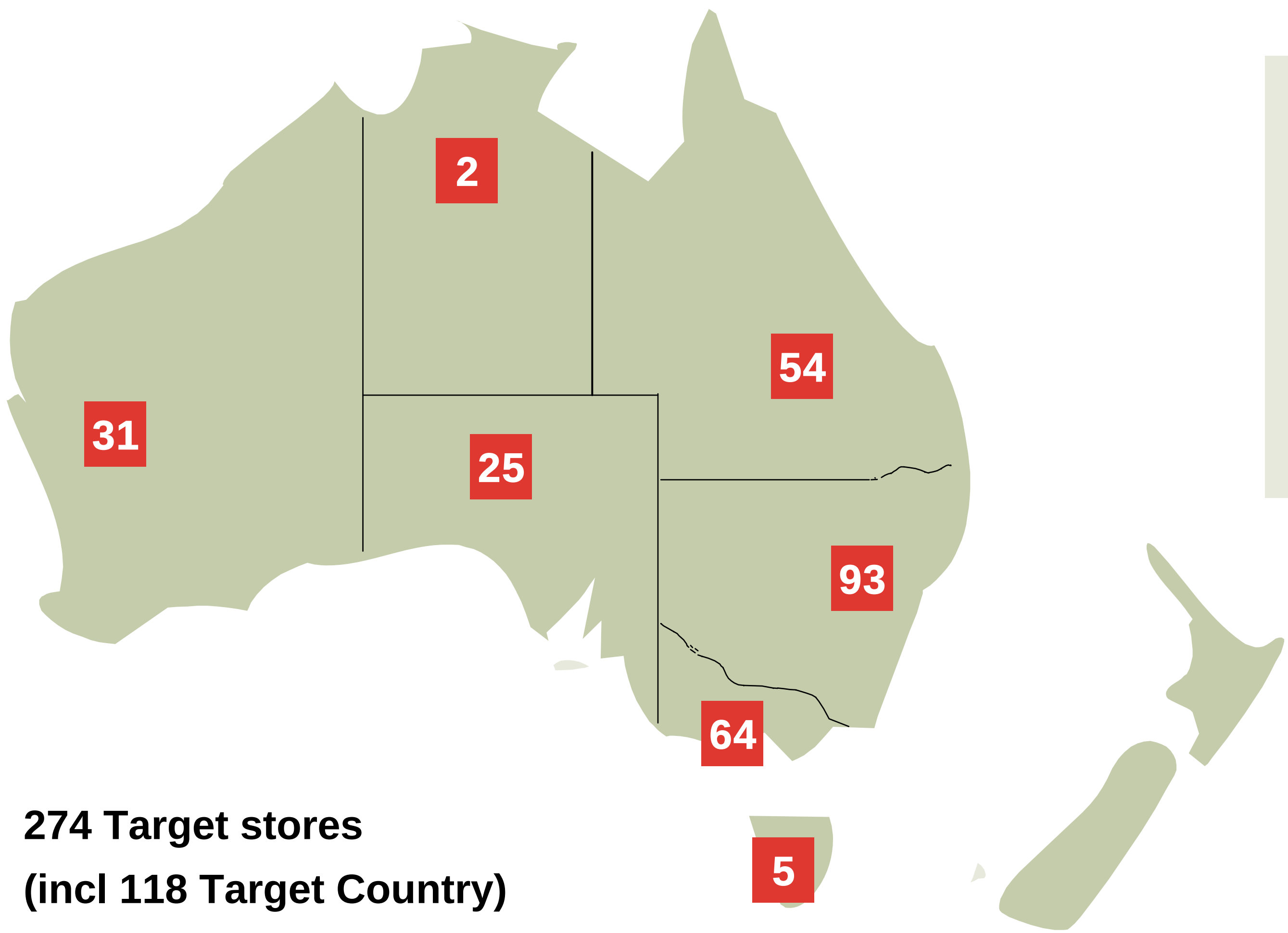
	Strategies	Details
Food	**Increase store efficiencies**	Greater focus on space and category management
	Innovate and improve product offer	Execute revised Fresh and house brand strategies
	Enhance customer service	Improve in-store execution – product availability and customer service Employ clear pricing, brand and simple in-store communication
	Boost supply chain	Engage with stores to capture in-store supply chain benefits
	Position for future growth	Develop refurbishment programme
Liquor	**Target profit growth**	Focus on 1st Choice roll-out and performance Reassess and continue to refurbish existing network
	Strengthen brand position	Reinvigorate Liquorland's convenience and Vintage Cellars' specialist credentials
	Increase operational efficiency	Optimise product mix and in-store costs
Conv	**Target higher growth sectors**	Drive network expansion and refurbishments
	Increase competitive position	Expand convenience offer
	Increase process efficiencies	Optimise supply chain

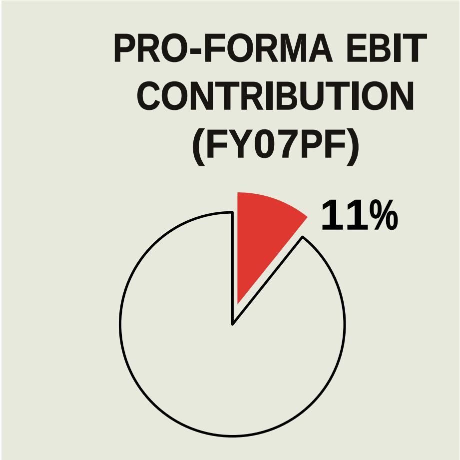
Target

Target. 100% happy

Target Store Network

at December 2007





274 Target stores
(incl 118 Target Country)

Target - Strategies

Strategies	Details
Further enhance leading position in market	Strengthen position in key categories through product extensions
Access operational efficiencies	Create more flexible in-store space management
Target higher growth sectors and position for future growth	Grow network through store roll-out Implement consistent store refurbishment plans

Kmart

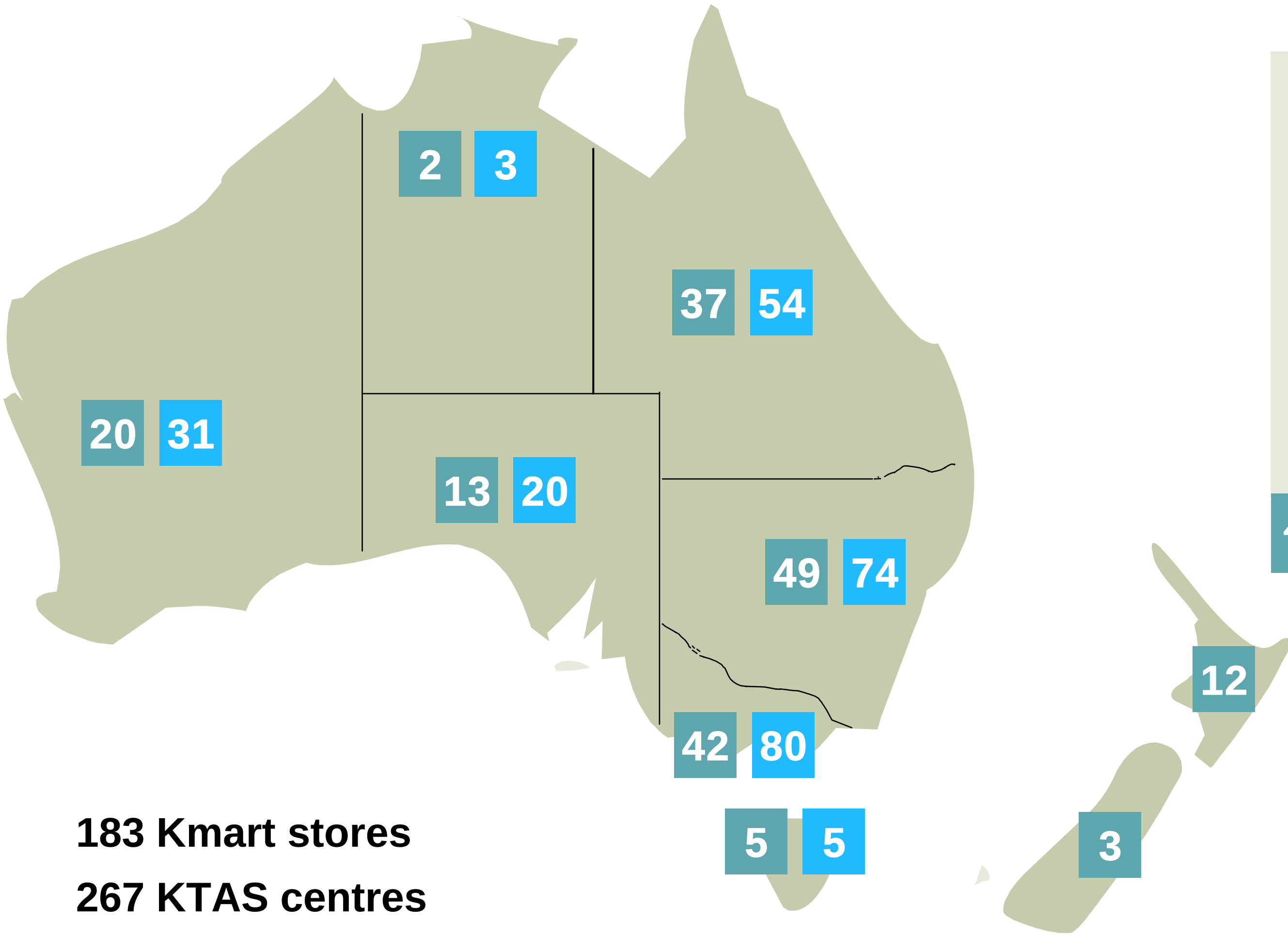
Kmart

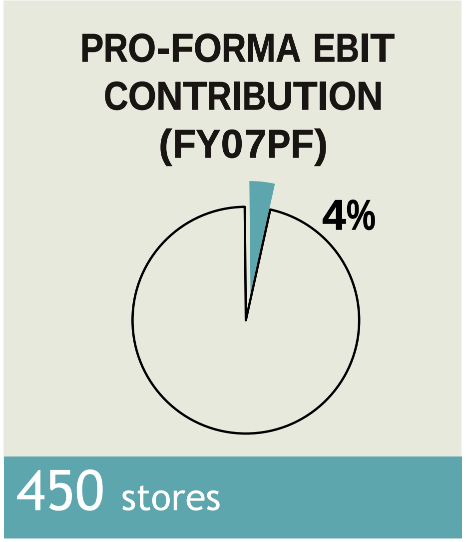
where good times start

Kmart

Tyre & Auto Service

Kmart Store Network
at December 2007





183 Kmart stores

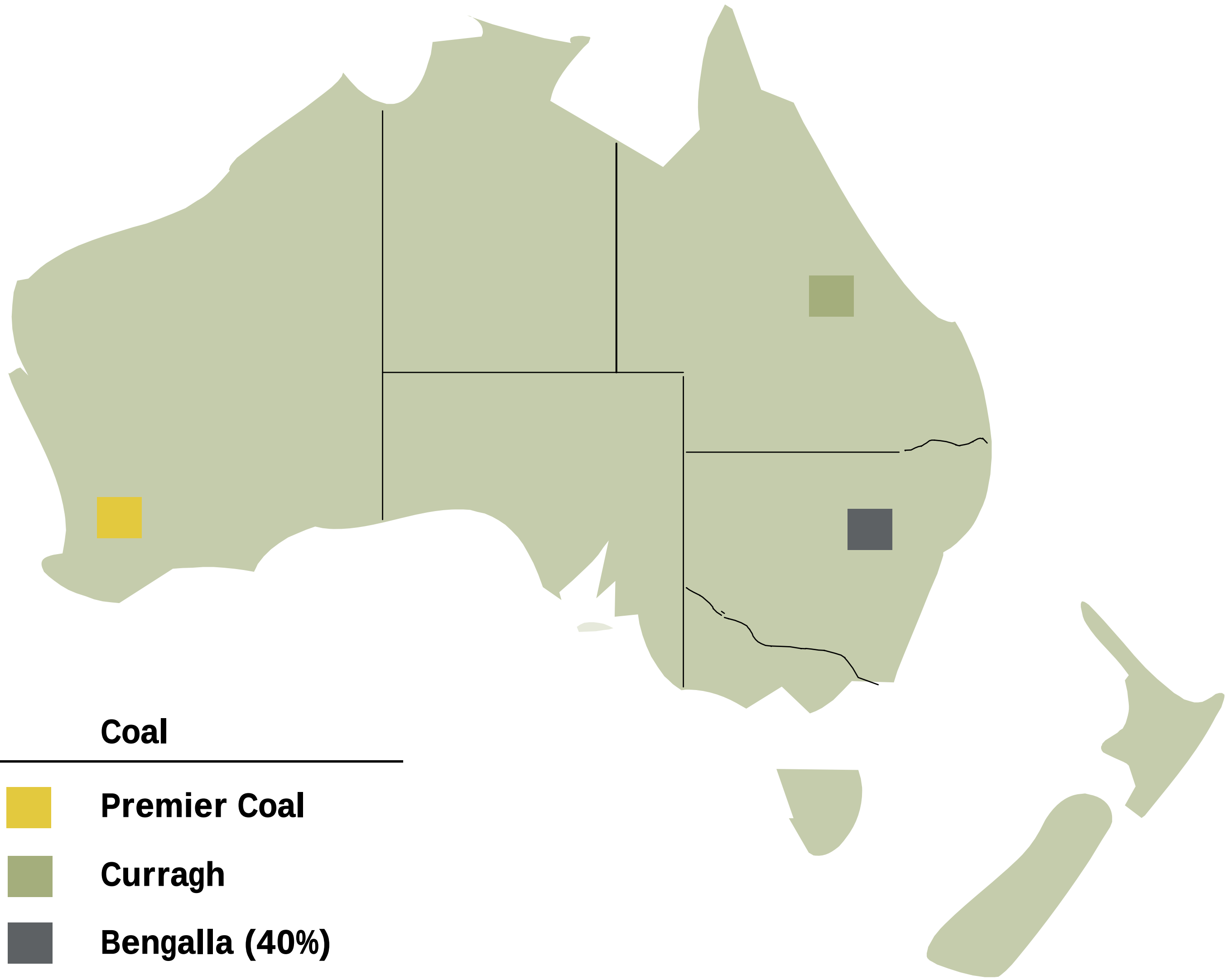
267 KTAS centres

Kmart – Strategic Review

- Strategic review now complete
- Wesfarmers retains the Kmart business, investing in its rollout and refurbishment programme
- Continue the focus on:
  - enhancing the product offering; and
  - value proposition for customers

Resources

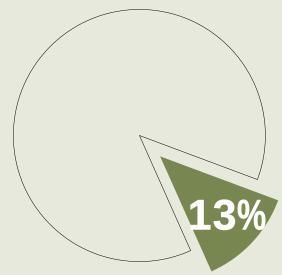
Resources - Locations



Coal

- Premier Coal
- Curragh
- Bengalla (40%)

PRO-FORMA EBIT CONTRIBUTION (FY07PF)



660 employees

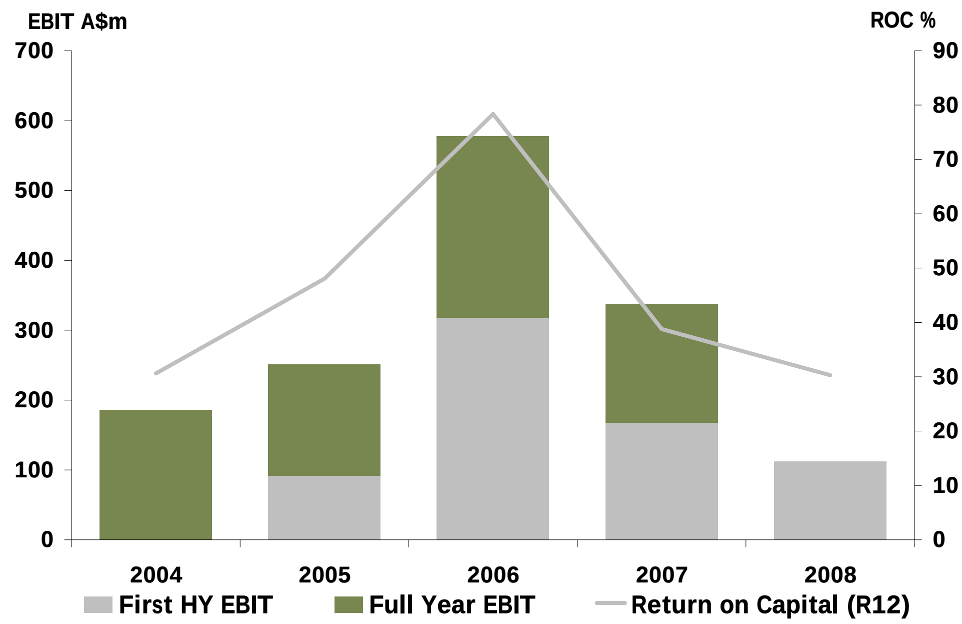
3 coal mines

24 coal customers

Resources - Performance

Growth Strategies

Opportunities / Challenges	2007/08 Strategic initiatives
Strong export customer demand	Maximise export sales Long-term export contracts in place Optimise sales mix Maintain export price relativity
Cost pressures	Curragh North conveyor Dragline upgrades Business improvement projects
Infrastructure constraints	Closely monitor and capture opportunities to export as soon as capacity becomes available
Increase coal production	Curragh feasibility study Bengalla expansion opportunity
Extend product and market reach	Evaluate acquisitions that offer economies of scale or downstream benefits
Sustainability	Coal21 Safety and environmental performance



(A$m)	2004 *AGAAP*	2005	2006	2007	1H08
Revenue	628	764	1,304	1,134	530
EBIT	186	251	578	338	112
EBIT/Revenue Ratio	*29.6%*	*32.9%*	*44.3%*	*29.8%*	*21.1%*
Stanwell Amortisation	-	4	81	120	33
Capex	39	189	237	178	95

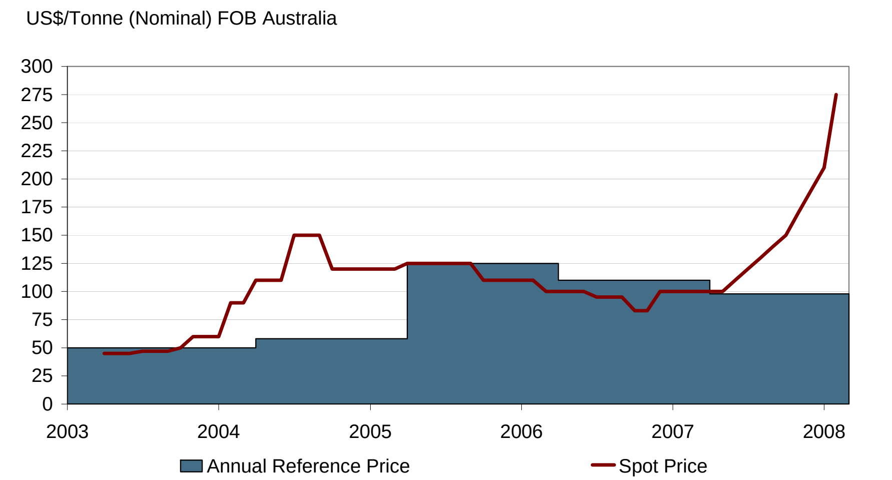
Resources - Sales

Coal Sales Volumes by Mine (FY07)

Mine (mtpa)	Domestic Steaming	Export Steaming	Export Metallurgical	Total
Curragh, QLD	2.2		6.5	**8.7**
Premier, WA	3.0			**3.0**
Bengalla*, NSW	0.4	1.8		**2.2**
Total	**5.6**	**1.8**	**6.5**	**13.9**

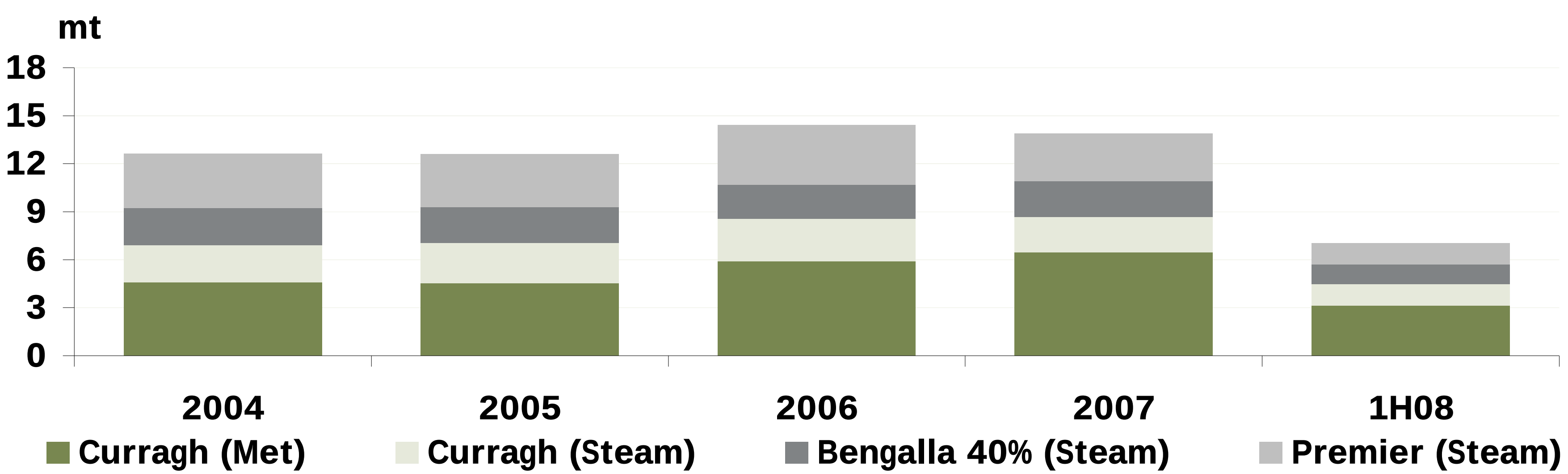
*** Wesfarmers attributable portion of 40%**

Hard Coking Coal Prices



Source: Barlow Jonker, Tex Reports, Macquarie Research

Historic Coal Sales Volumes by Mine



Resources
Curragh and Bengalla Expansion Studies

Curragh Expansion Study

- Feasibility study to expand exports to 8.0 - 8.5mtpa
- Upgrade of CHPP to 2,200tph
- Additional overburden removal capacity required
  - Truck and shovel or in pit conveying options
- Blackwater Creek diversion
  - Additional coal reserve
- Market development proceeding
- Additional export volume from FY10 dependent on infrastructure constraints

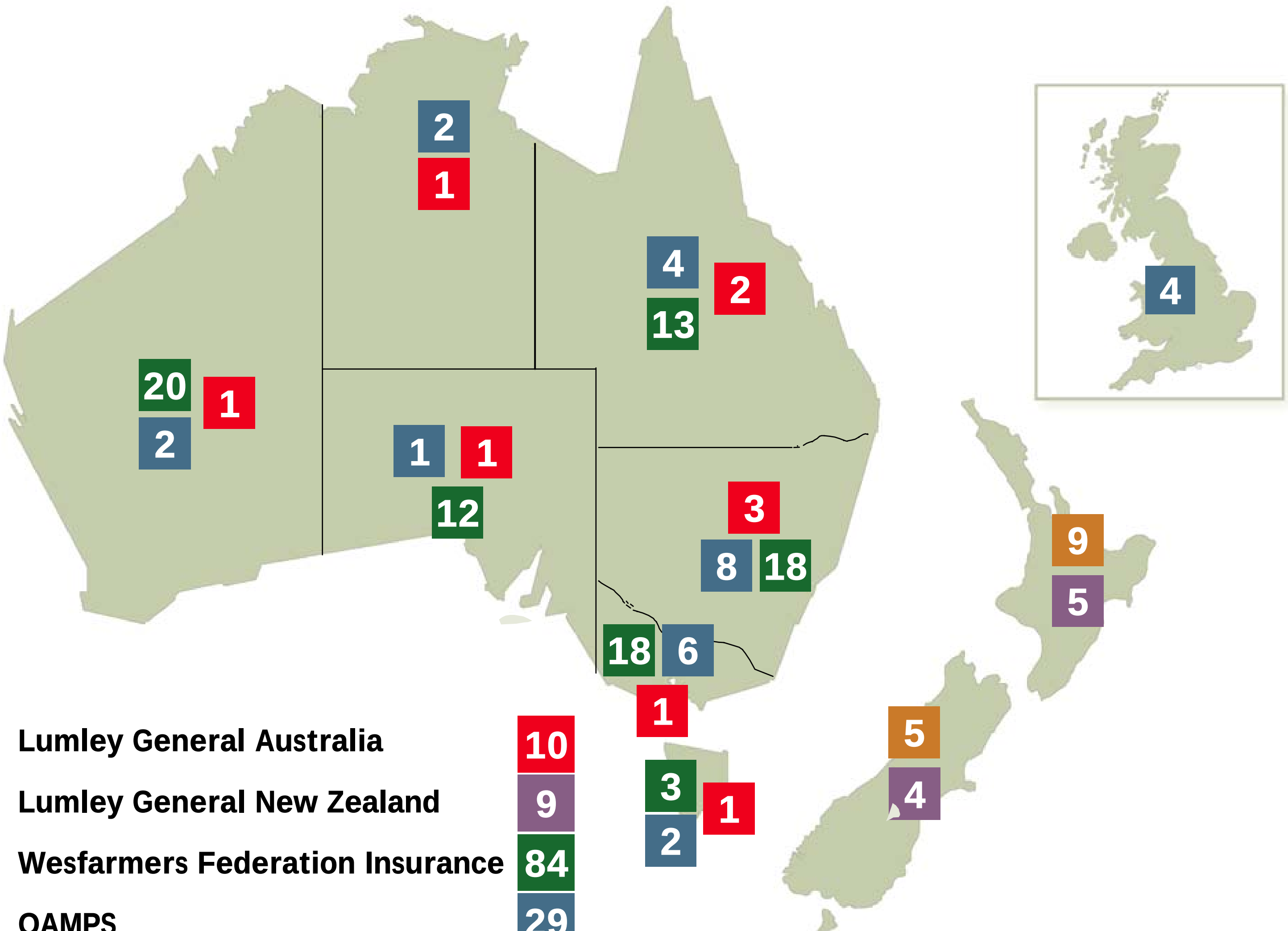
Bengalla Expansion Study

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

Insurance

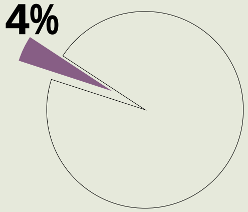

WESFARMERS FEDERATION
INSURANCE LIMITED
Lumley
OAMPS
CROMBIE LOCKWOOD
New Zealand's Insurance Brokers

Insurance - Locations



Lumley General Australia	10
Lumley General New Zealand	9
Wesfarmers Federation Insurance	84
OAMPS	29
Crombie Lockwood	14

PRO-FORMA EBIT CONTRIBUTION (FY07PF)



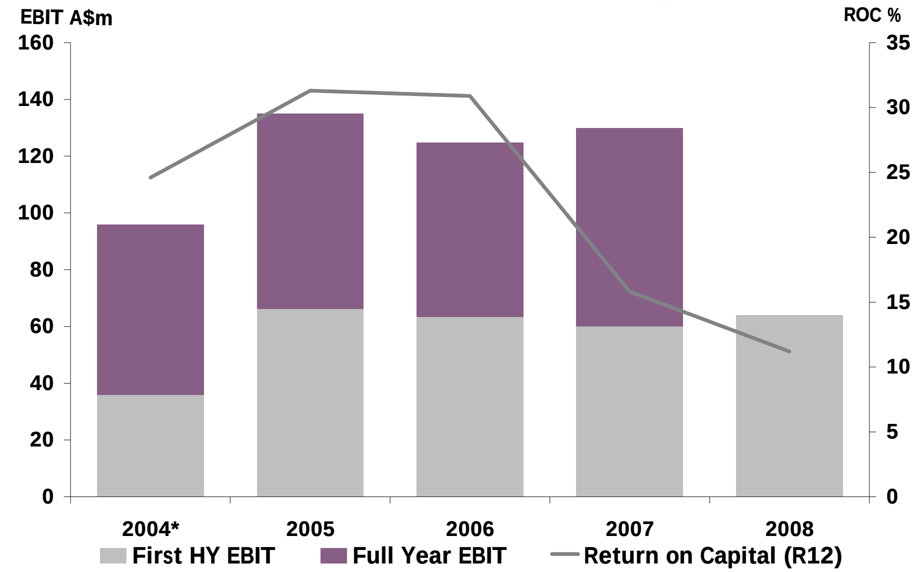
3,000 employees

146 locations

Insurance - Performance

Growth Strategies

	Opportunities / Challenges	Strategies
Underwriting	**Target Profitable growth**	Maintain underwriting disciplines Maintain key alliances and relationships LGA online initiative WFI expansion via "Yourinsurancegroup" Expansion of fee-based and value added services
	Integration of AIIL with LGA	Portfolio transfer by 31/12/07 – integration largely complete
	LGNZ Business Improvement	New management structure – customer focused Price increases agreed in Lumley Business Solutions Initiatives to improve expense ratio
Broking	**Integration of OAMPS and Crombie Lockwood**	Integration largely complete
	Improve customer service	Expansion of products and services Strengthen specialist teams Value added services (OHES, Safety Assist)
Division	**Building the best team**	Development and CIO roles New regional management structure for OAMPS Leadership development program Training and mentoring

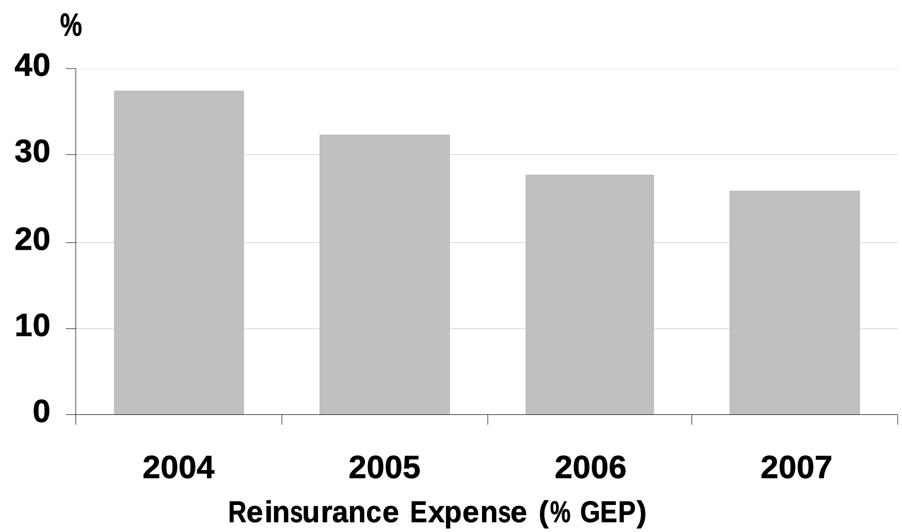


(A$m)	2004 *AGAAP*	2005	2006	2007	1H08
Gross Written Premium (underwriting)	787	1,020	1,026	1,191	618
Broking revenue	na	na	na	119	103
EBITA Underwriting	96	133	122	97	38
EBITA Broking	na	na	na	32	28
EBITA Other	0	2	1	1	5
EBITA Insurance Division	**96**	**135**	**125**	**130**	**71**
EBIT Insurance Division	88	135	125	120	64
Combined Operating Ratio	*86.3%*	*86.1%*	*88.1%*	*94.2%*	*98.1%*

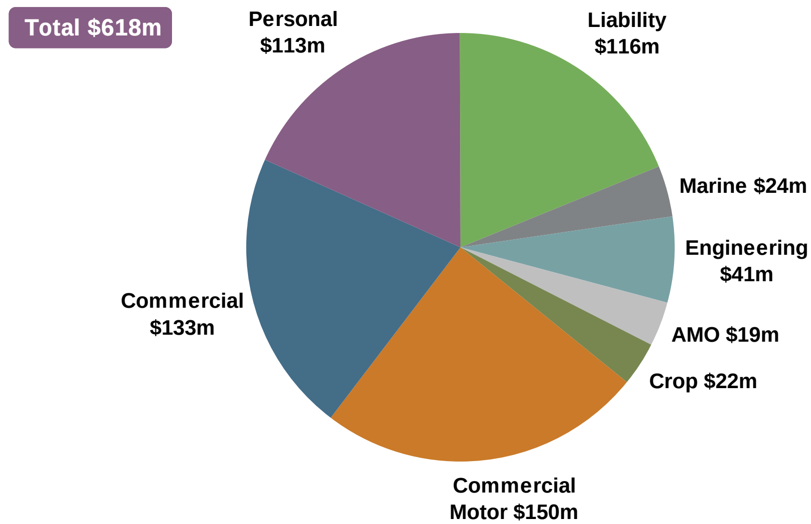
The above table includes Lumley from Oct 2003, OAMPS from Nov 2006, and Crombie Lockwood from Mar 2007

Insurance – Underwriting Performance

Reduced reinsurance levels: strategy to retain more risk



1H08 Gross Written Premium by Class of Business



Key Performance Indicators: FY05 - FY07

	Lumley						WFI			Wesfarmers Insurance Division		
	Australia			New Zealand								
(%)	2005	2006	2007^	2005	2006	2007	2005	2006	2007	2005	2006	2007
Net Earned Loss Ratio	58.4	60.3	67.8	61.2	60.4	61.1	57.9	59.7	57.3	58.8	60.1	62.4
Combined Operating Ratio	83.7	86.1	97.1	87.9	89.5	96.7	86.2	88.1	88.2	86.1	88.1	94.2
Insurance Margin	20.1	17.1	7.0	14.2	13.0	5.2	18.0	15.7	16.1	17.6	14.9	9.5

^ excludes AIIL for comparative purposes

Industrial & Safety

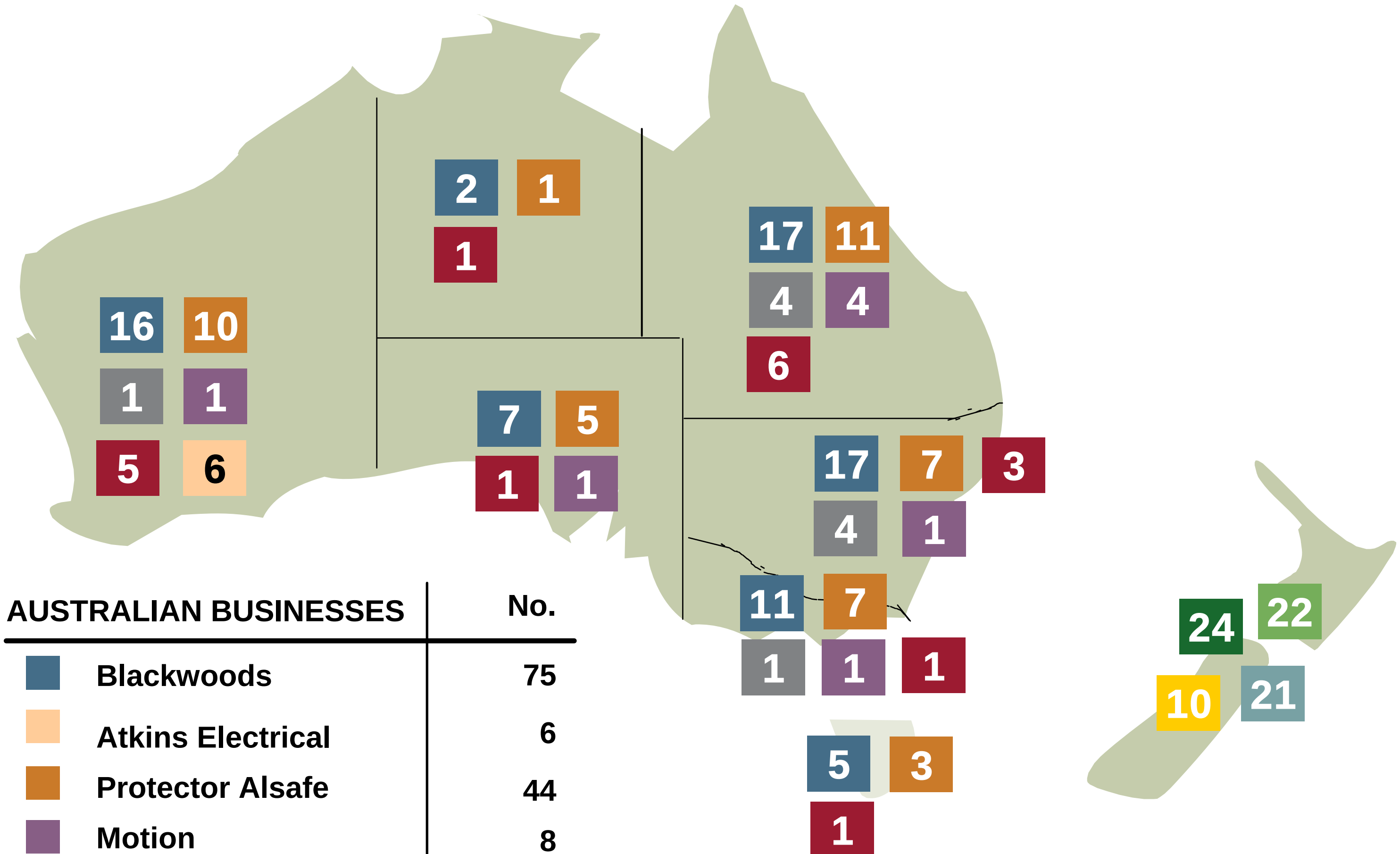
Blackwoods

Australian market leader in distribution of Maintenance, Repair and Operating supplies (MRO)

National Specialist Businesses

Australia	New Zealand
Protector Alsafe	NZ Safety – Specialists in Safety & Protection
Bullivants Handling Safety	Blackwoods Paykels – NZ'S LARGEST RANGE OF ENGINEERING SUPPLIES AND TECHNICAL SERVICES
mullings Fasteners	Packaging House – Building partnerships, delivering solutions
Motion Industries	protectorsafety

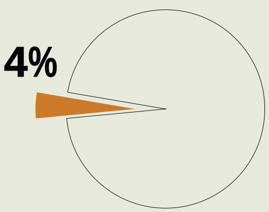
Industrial & Safety - Distribution Network



AUSTRALIAN BUSINESSES	No.
Blackwoods	75
Atkins Electrical	6
Protector Alsafe	44
Motion	8
Mullings	10
Bullivants	18

NEW ZEALAND BUSINESSES	No.
NZ Safety	24
Protector Safety	22
Blackwoods Paykels (NZ)	21
Packaging House	10

PRO-FORMA EBIT CONTRIBUTION (FY07PF)



3,200 employees

238 locations

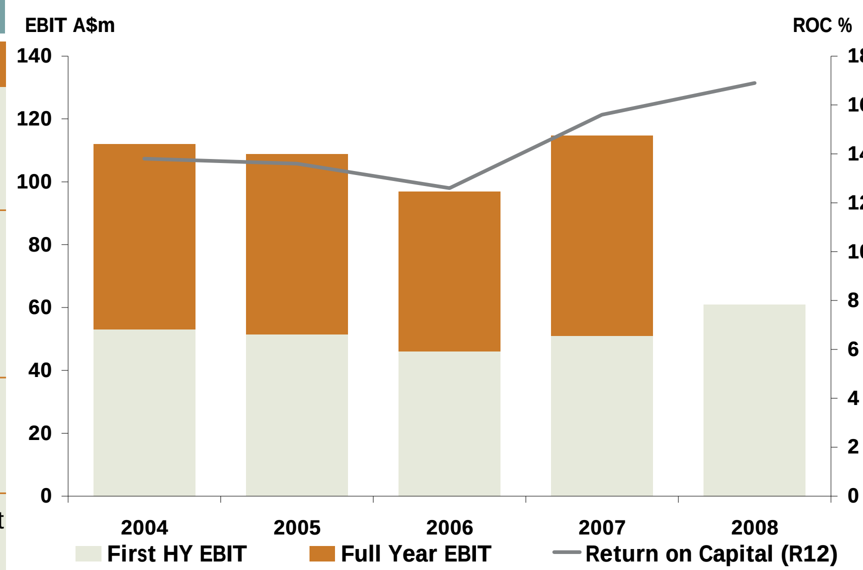
100,000+ customers

190,000 product lines

Industrial & Safety - Performance

Growth Strategies

Opportunities	Strategic Initiatives
Target higher growth sectors	Networks expansion New product ranges and services Acquisitions complementing organic growth
Increase sales to existing customers	Ongoing focus on customer service and delivery performance • technical and industry expertise, supply chain efficiency Better value propositions • services, e-Business, pricing consistency
Improve metropolitan sales performance	Small customer targeting • sales force growth and effectiveness, competitive pricing • website upgrades, greater brand visibility
Further increase competitive position	Continued improvements to sourcing, range and supplier management Lower cost to serve Capital management excellence

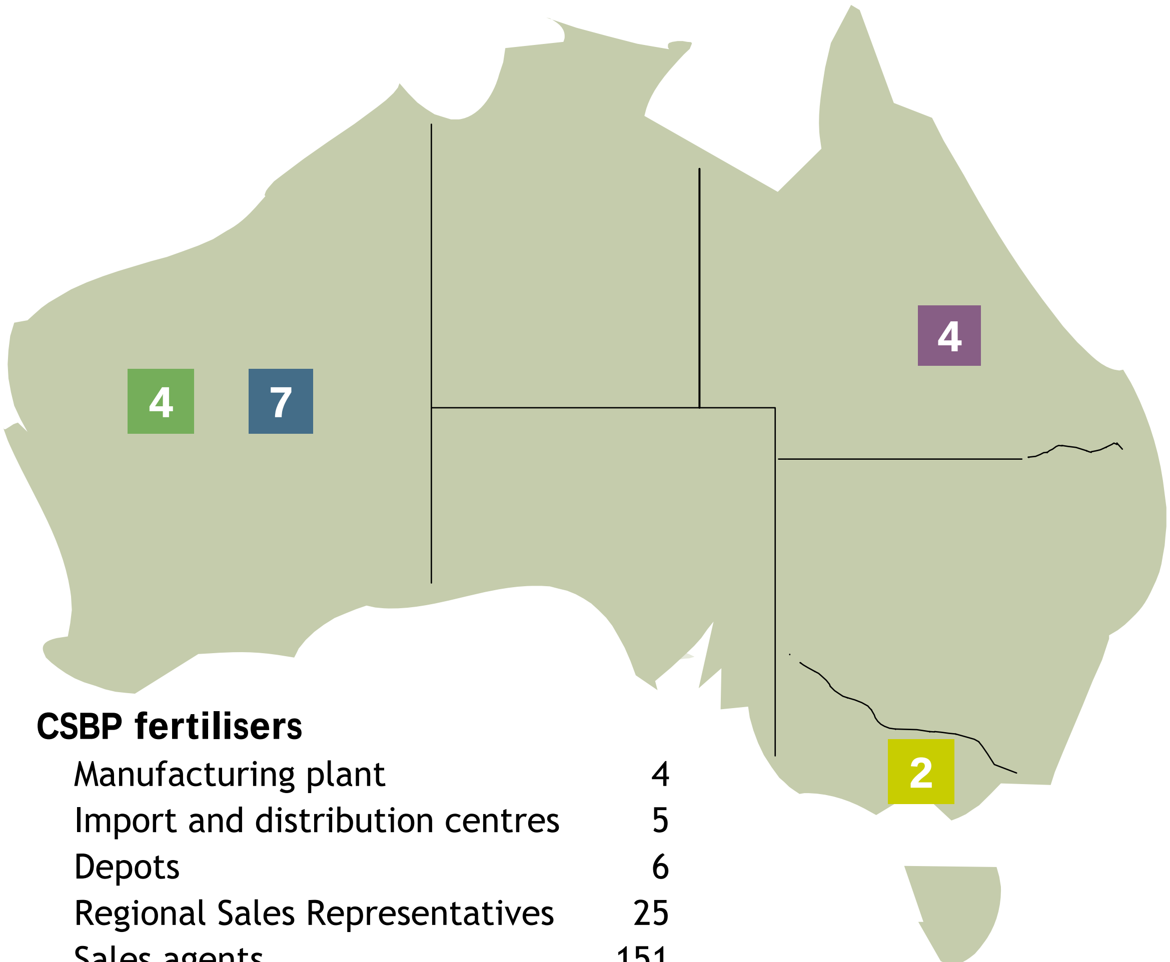


(A$m)	2004	2005 A-IFRS	2006^ A-IFRS	2007 A-IFRS	1H08 A-IFRS
Revenue	1,151	1,175	1,164	1,208	642
EBITA	112	109	97	115	61
Goodwill Amortisation	(25)	na	na	na	na
EBIT	87	109	97	115	61
EBITA/Revenue Ratio	*9.7%*	*9.3%*	*8.3%*	*9.5%*	*9.5%*
Capex	23	17	16	26	14

^ 2006 revenue has been restated in line with 2007 Wesfarmers Group Accounting Policies

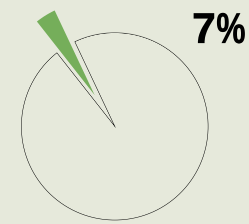
Chemicals & Fertilisers

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
AV Manufacturing plants	2
QNP *(50%)*	
Manufacturing plants	4

PRO-FORMA EBIT CONTRIBUTION (FY07PF)



730 employees

300 chemical customers

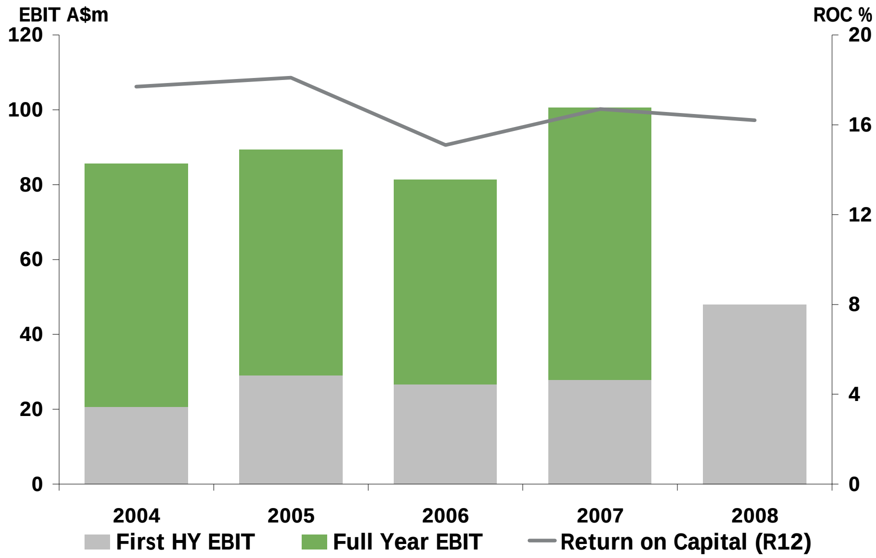
2 major fertiliser distributors servicing over 5,000 farmers

17 operational manufacturing plants

Chemicals & Fertilisers – Performance

Growth Strategies

	Opportunities / Challenges	Strategies
Chemicals	**Maintain and grow business**	Kwinana AN duplication Upgrade of QNP
	Improve performance of sodium cyanide business and identify opportunities for growth	Focus on plant performance achieving better output $15 million expansion underway Investigating further growth opportunities
Fertilisers	**Continue to develop liquid fertilisers**	Extend product development activity
	Optimise cost and capital	Focus on expense reduction strategies and investigate ways to make cost base more variable
	More tailored market approach	Upgrade of business (IT) systems Improved market analysis Ongoing product development
Chemicals and Fertilisers	**Growth opportunities**	Dedicated business development team
	Improved capabilities and people development	Improved training and safety focus Compliance & Reliability departments
	Sustainability	Finalise sustainability framework

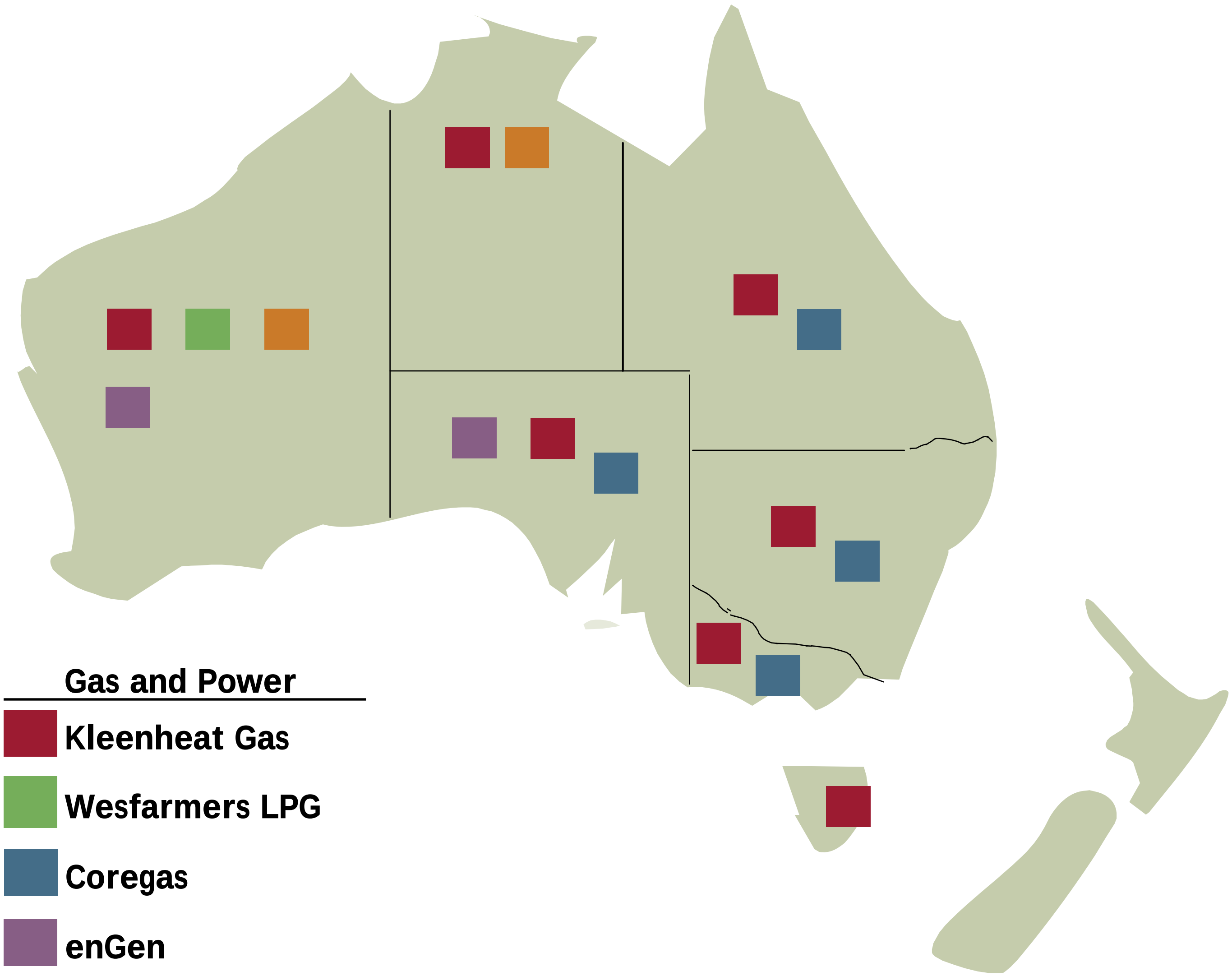


(A$m)	2004 *AGAAP*	2005	2006	2007	1H08
Revenue	519	587	595	592	391
EBIT	85	89	81	101	48
EBITA/Revenue Ratio	*16.5%*	*15.2%*	*13.7%*	*17.0%*	*12.3%*
Capex	35	31	73	199	127

Energy


KleenheatGas
WESFARMERS LPG
enGen
energy generation
AIR LIQUIDE
WESTERN AUSTRALIA
coregas

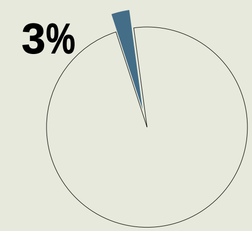
Energy - Locations



Gas and Power

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

PRO-FORMA EBIT CONTRIBUTION (FY07PF)



950 employees

279,500 gas customers

23 remote power stations

3 air separation units

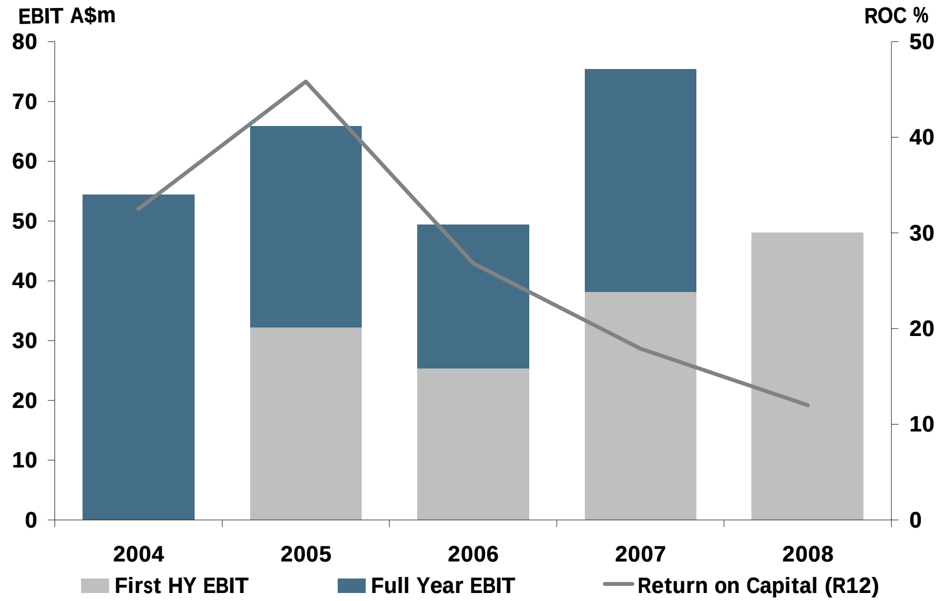
1 LPG extraction plant

1 hydrogen plant

Energy - Performance

Growth Strategies

Strategies	Sector
Improve – Existing Businesses	Industrial gas growth in: • eastern states sales; and • oil and gas sector Maximise LPG production LPG distribution: • customer focus; and • controllable costs Pursue new power generation projects
Expand – Deliver Projects	Industrial gas – supply projects LNG – WA Project: • Plant / Distribution • HDV market development • Power stations
Evaluate – New Opportunities	LNG projects – east coast Other alternative fuels and renewables



(A$m)	2004	2005	2006	2007	1H08
Revenue	381	398	372	463	281
EBIT	54	66	49	75	48
EBITA/Revenue Ratio	*14.3%*	*16.6%*	*13.3%*	*16.3%*	*17.1%*
Capex	48	31	50	78	78

Energy - Businesses

Kleenheat Gas

Activities

distributor and marketer of liquefied petroleum gas (LPG) and gas appliances to a broad range of domestic, commercial, autogas and industrial customers

Sales Volumes

2006/07 Actual:	336kT

Sites

Depots	36
Branches	16
Commission agents	30
Franchisees	29
Dealers	562
Customers	**258,000**

Wesfarmers LPG

Activities

owns and operates a liquified petroleum gas (LPG) extraction facility in Western Australia supplying Kleenheat Gas domestically and export markets

Production Volume

2006/07 Actual:	186kT

Sales Volumes

2006/07 Actual	
Export:	65kT
Domestic:	121kT
Customers	**2**

enGen

Activities

design, construction, operatation and maintenance of both company-owned and customer-owned power stations

Operations

MW installed:	100
GWh generated per annum:	390
Power stations:	20
Customers:	circa 10

Air Liquide Western Australia

Activities

Air Liquide WA is a joint venture between Wesfarmers (40%) and Air Liquide Australia manufacturing and supplying a range of industrial and medical gases

Operations

Air Separation Plants:	
Kwinana:	Capacity 285 TPD Oxygen
Hismelt:	Capacity 880 TPD Oxygen
Carbon Dioxide Plants:	
BHP Billiton:	Capacity 12 TPD
CSBP:	Capacity 120 TPD
Cylinder Filling Operations:	2
Branches:	3 in Western Australia
	1 in Northern Territory
Agents:	72
Customers:	5,000

coregas

Activities

Production, distribution and marketing of industrial and medical gases on Australia's east coast.

Operations

Port Kembla Air Separation Unit:	Capacity: 1,350 TPD Oxygen
Hydrogen Plant:	1000 m3/hr
Cylinder filling operations:	5
Specialty gas laboratory	
Customers:	9,500

Other Businesses

Gresham:

50% interest in Gresham Partners, an independent investment bank focused on financial advisory services, private equity investment and property investment funds. Wesfarmers also holds significant investments in Gresham's Private Equity Funds.

(A$m)	2006	2007
Profit before tax:		
Gresham Partners	2.7	3.9
Gresham Private Equity	10.1	12.8

Wespine (50%):

50:50 joint venture between Wesfarmers and Fletcher Building Limited. Wespine is a softwood sawmiller, specialising in the production of premium quality plantation timber for use in housing construction and furniture manufacturing.

(A$m)	2006	2007
Profit before tax	9.8	8.1

Bunnings Warehouse Property Trust (23%):

listed property trust, established in 1998 with a focus on warehouse retailing properties and, in particular, Bunnings Warehouses leased to Bunnings Pty Ltd, a wholly-owned subsidiary of Wesfarmers Limited.

(A$m)	2006	2007
Profit before tax	17.0	46.9

Gresham Private Equity

Gresham Private Equity - Fund 1

- Norcros divested, with some deferred consideration
- Current investment $31m
- Exit of Riviera expected within several years
- Gross cash realised IRR 30+%

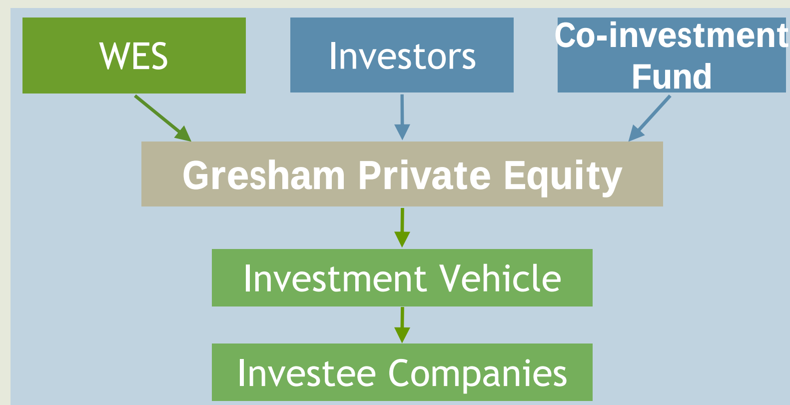
Current Investment Portfolio - Fund 1

Riviera
ocean cruisers

RIVIERA

Gresham Private Equity - Fund 2

- Wesfarmers' current commitment $180m; Capital invested $141m
- New Investments:
  - Barminco
  - Experiential Group
- Revaluations are to Wesfarmers' earnings



Gresham Private Equity

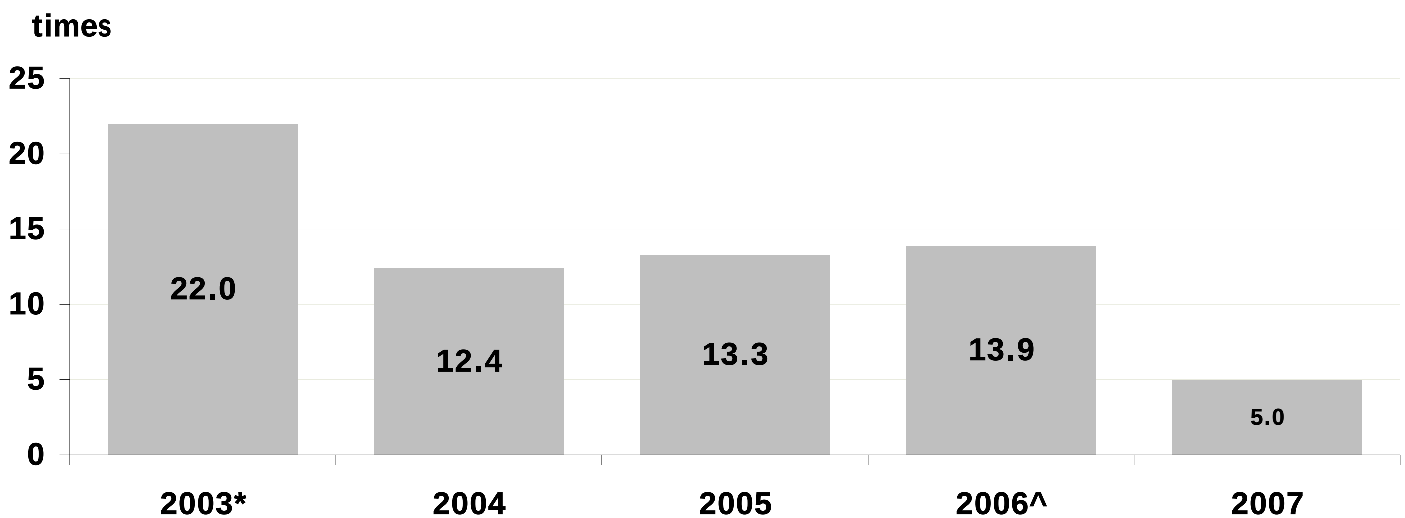
Fund 2

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*	***Barminco*** *contract mining services*	***Experiential Group*** *Leisure travel services*

Capital Management

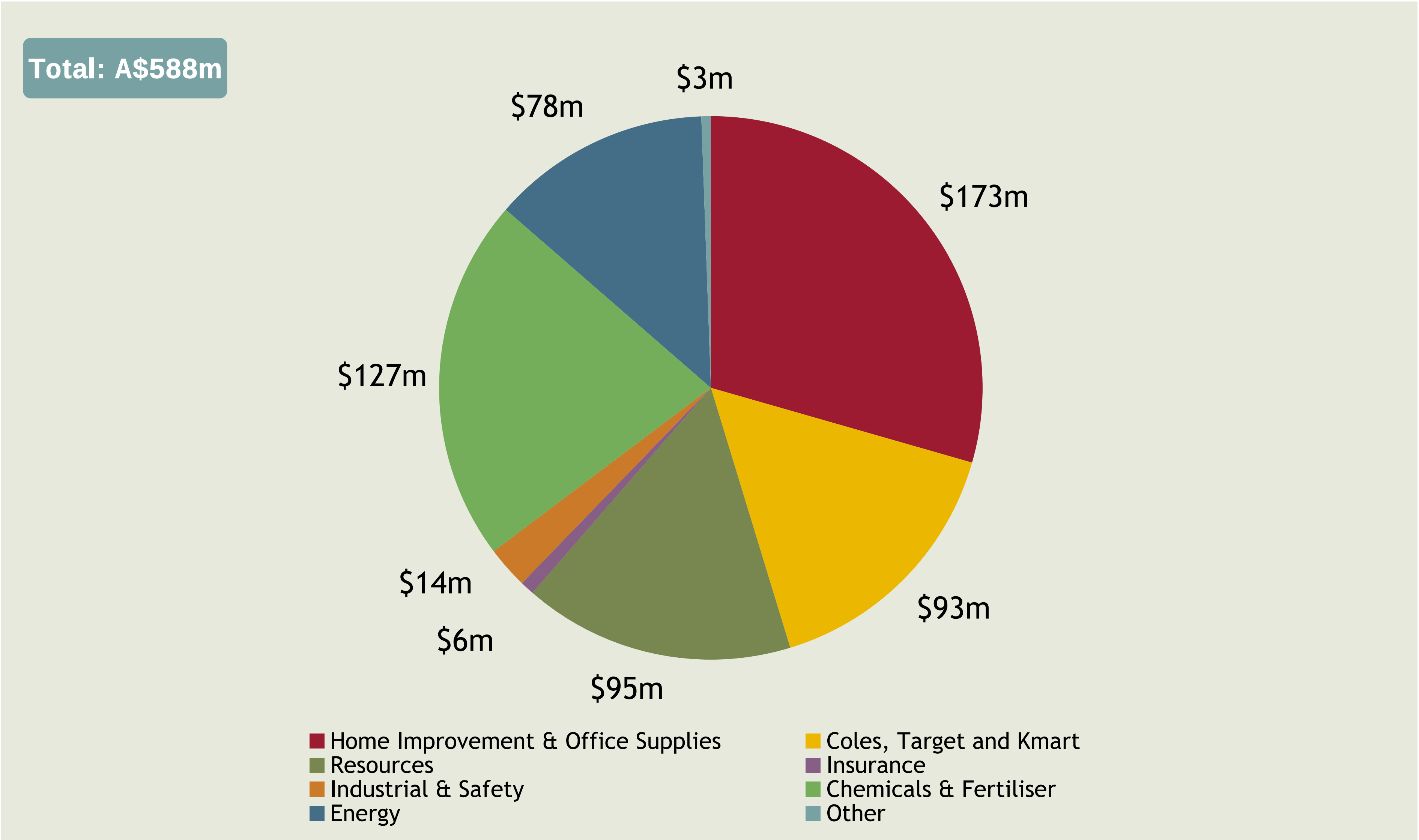
- Net Debt / Equity of 70.1% at 31 December 2007
- Cash Interest Cover Ratio (rolling 12 months) of 5.0 times
- A$4bn to be refinanced in 2008
  - DIP, Australian and offshore debt, hybrids
- Dividend Investment Plan
  - 100% underwrite for interim dividend - 1% discount
- Franking credit position supports $2 per share total FY08 dividend

Cash Interest Cover Ratio (R12 to 31 December)



* Excludes the sale of Landmark and Girrah ^ Excludes the sale of ARG

Capital Expenditure (1H08)



Outlook

- Focus on bringing about substantial change in Coles
- Continuing good results in most businesses
- Impact of higher interest rates and fuel price volatility
- Strengthening coal price outlook
- $4bn to be refinanced

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Corporate policies

Please visit our website

www.wesfarmers.com.au