



Wesfarmers

Investment Conference Philosophy, Performance and Direction

Citigroup - London

Goldman Sachs JBWere - New York

March 2008

Discussion Pack

Index

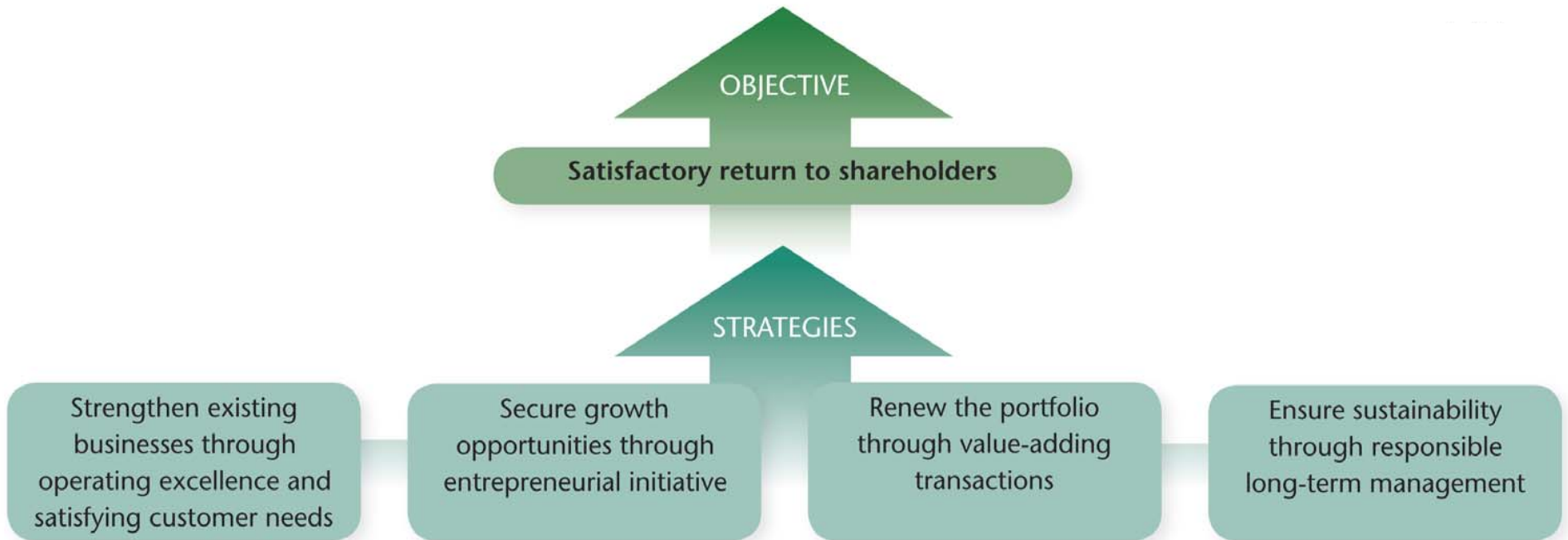
1	Philosophy, Performance and Direction	3
2	Sustainability	8
3	Coles Transaction	12
4	Group Overview	24
5	2008 Half Year Results	28
6	Operating Divisions	41
7	Capital Management	77
8	Outlook	79
9	Investor Relations Contacts and Information	80



Philosophy, Performance and Direction



Long-term, consistent strategies



MANAGING BALANCE SHEET EFFECTIVELY



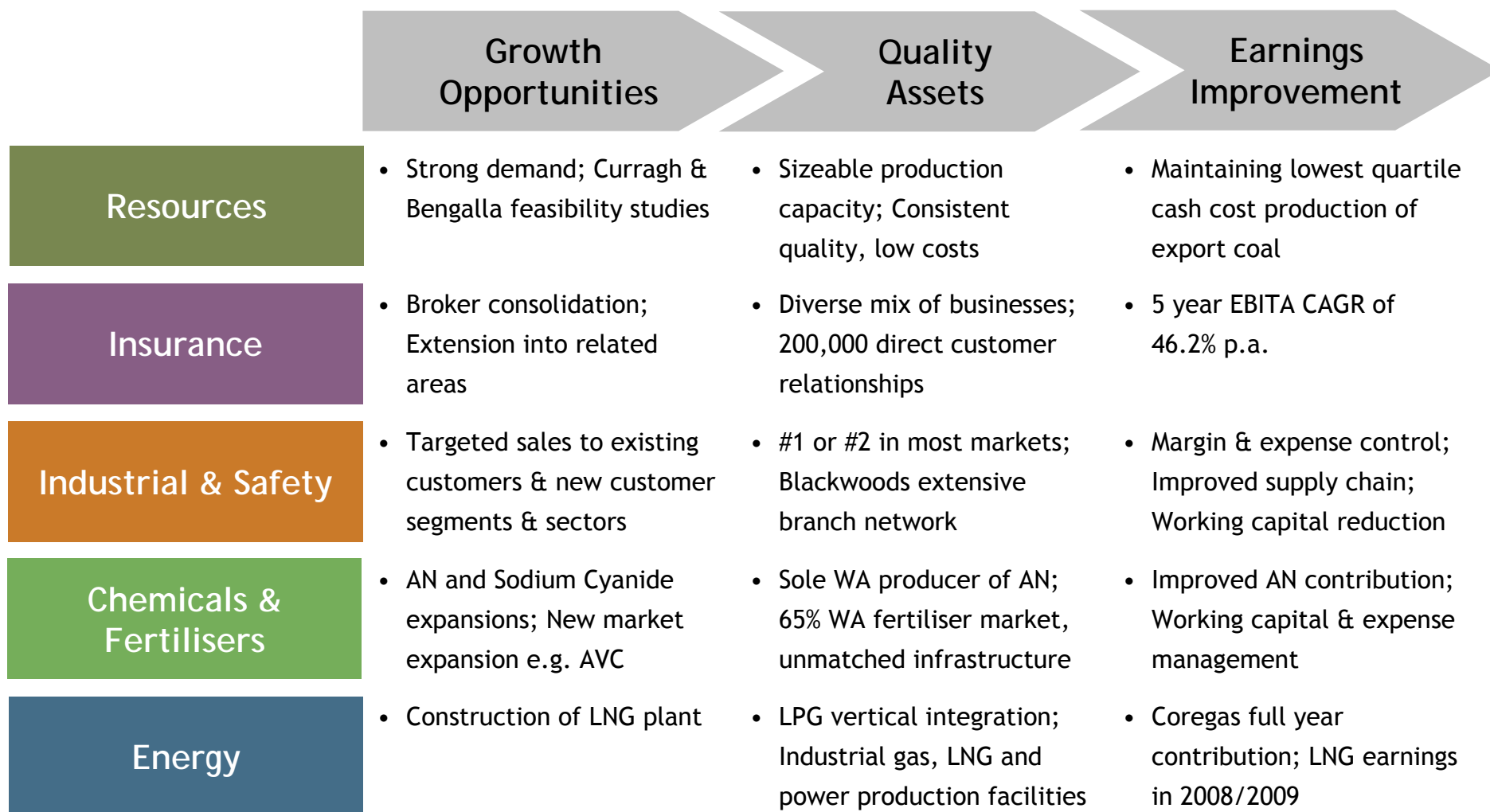
Key Attributes



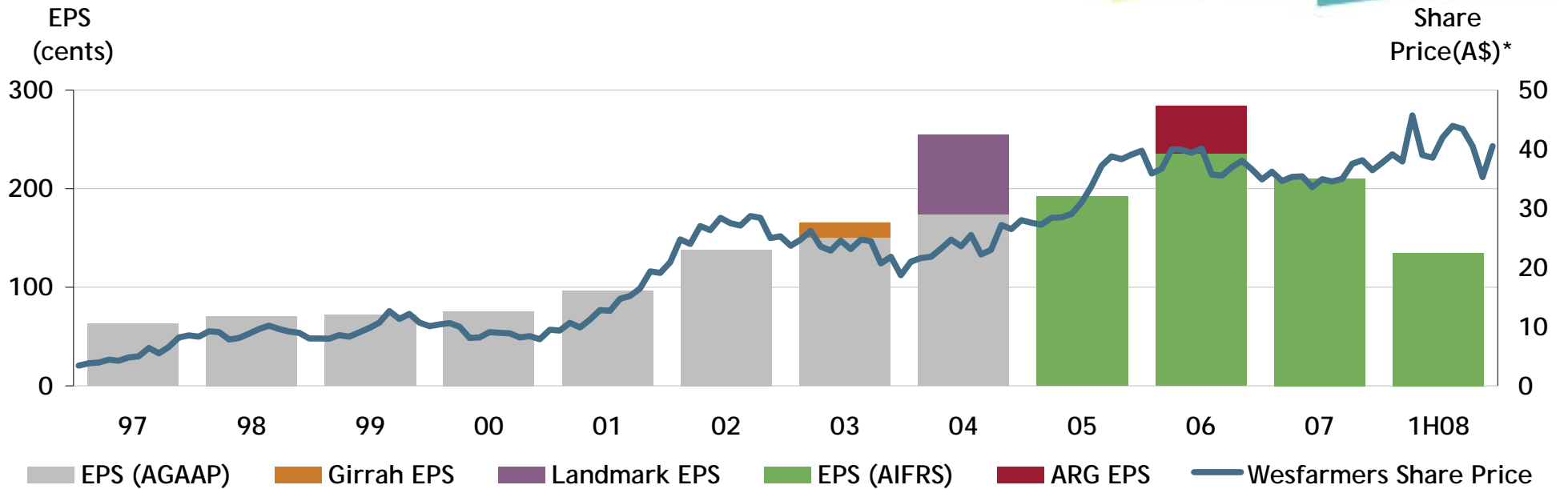
	Growth Opportunities	Quality Assets	Earnings Improvement
Home Improvement & Office Supplies	<ul style="list-style-type: none"> Continued store roll-out; Range expansion 	<ul style="list-style-type: none"> National store networks; Leading in sectors 	<ul style="list-style-type: none"> 1H08 Cash comp of 12.2%; 5 year EBITA CAGR of 12.6% p.a.
Coles	<ul style="list-style-type: none"> Network investment 	<ul style="list-style-type: none"> National store networks; Strong brands 	<ul style="list-style-type: none"> 5 year turnaround; Overhead reductions; Supply Chain investment
Target	<ul style="list-style-type: none"> Merchandising; Store roll-out programme 	<ul style="list-style-type: none"> 268 store network; Strong brand 	<ul style="list-style-type: none"> 1H08 Sales comp of 3.1%; Continuation of strong performance
Kmart	<ul style="list-style-type: none"> Strategic review 	<ul style="list-style-type: none"> Store network; Strong brand 	<ul style="list-style-type: none"> Upside potential



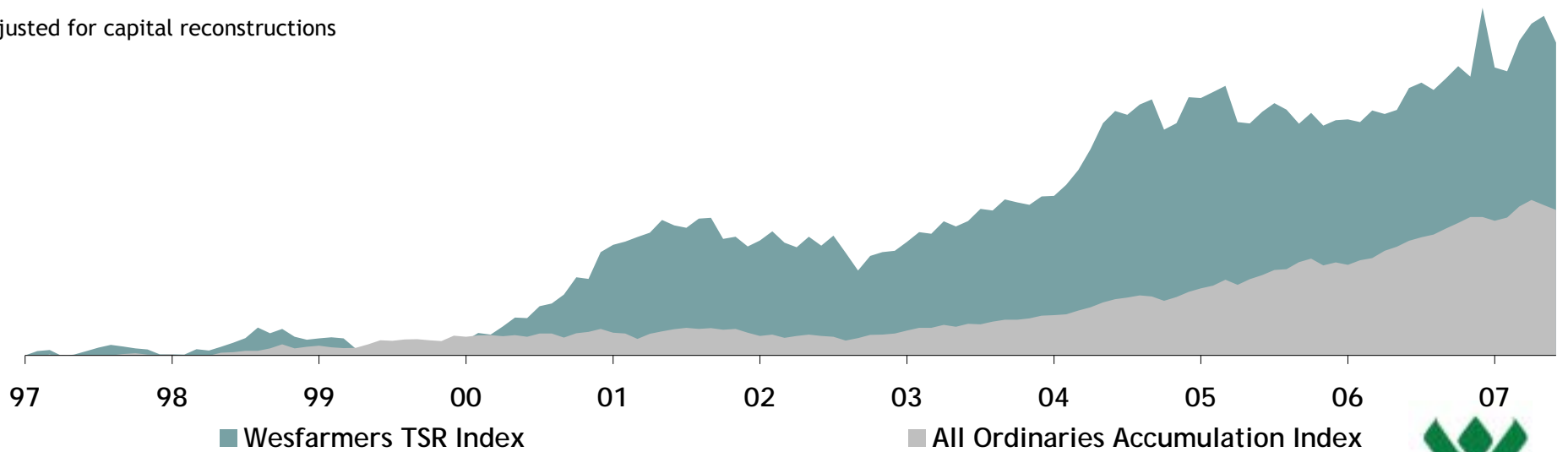
Key Attributes



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





A unique opportunity

Coles is a very attractive acquisition for Wesfarmers



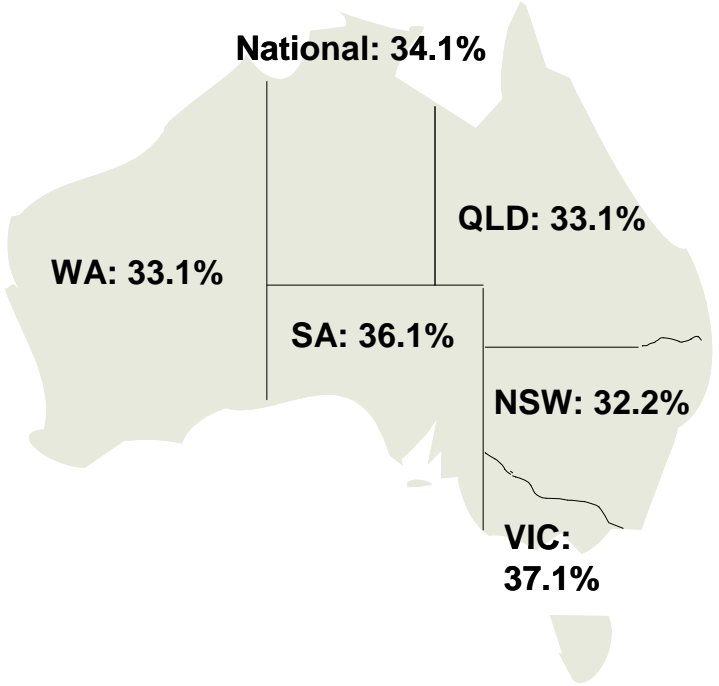
- 1. Leading positions in a highly attractive industry structure
- 2. Unique retail platform with an irreplaceable store network
- 3. Wesfarmers' retail sector know-how
- 4. Substantial opportunity to create value from the Coles businesses by improved execution



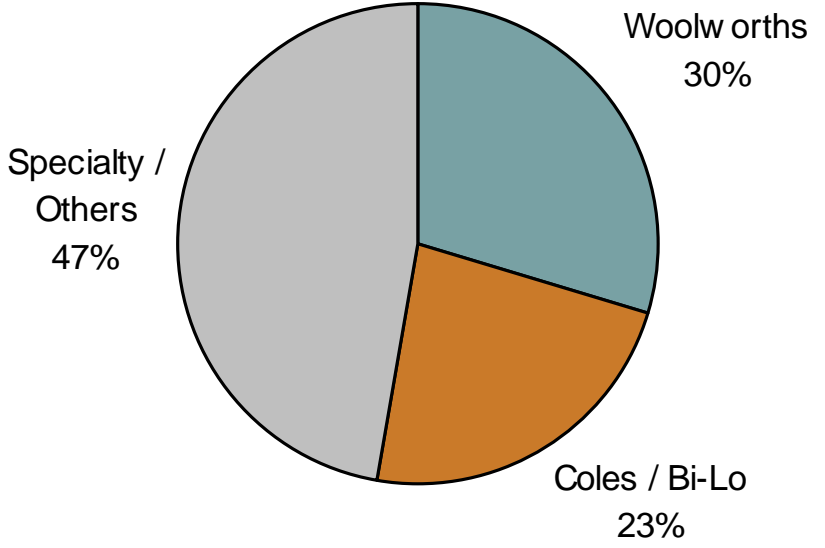
Unique Platform and Asset Base

- Coles is one of two national leaders in supermarkets

Coles Packaged Grocery Market Share by State



Food and Liquor National Market Share



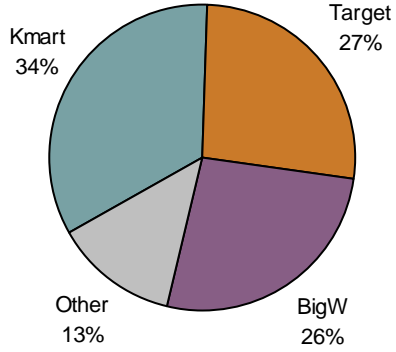
Source: ACNielsen ScanTrak - Total packaged grocery MAT to 24/04/07

Source: CGJ, WOW FY06 Australian Food & Liquor Sales (excludes fuel)
ABS total food retailing

Unique Platform and Asset Base

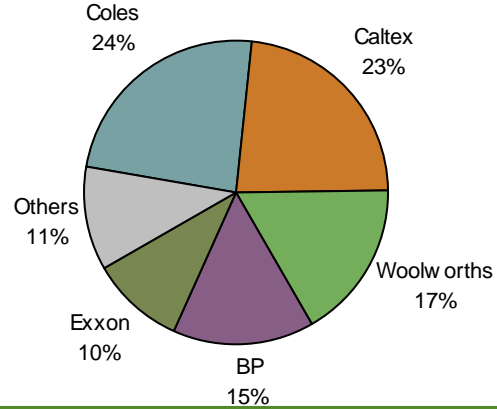


Discount DS Market Shares



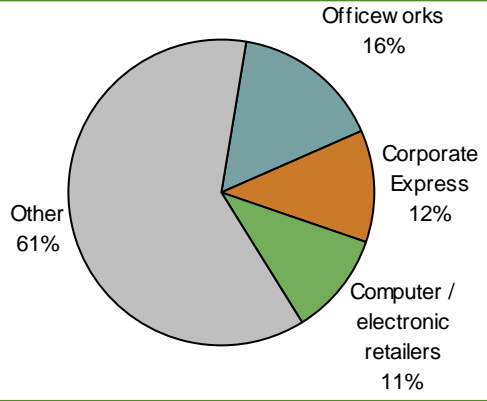
Source: Bain & Company

Fuel Market Shares



Source: CGJ, IBIS World 2005 and 2006

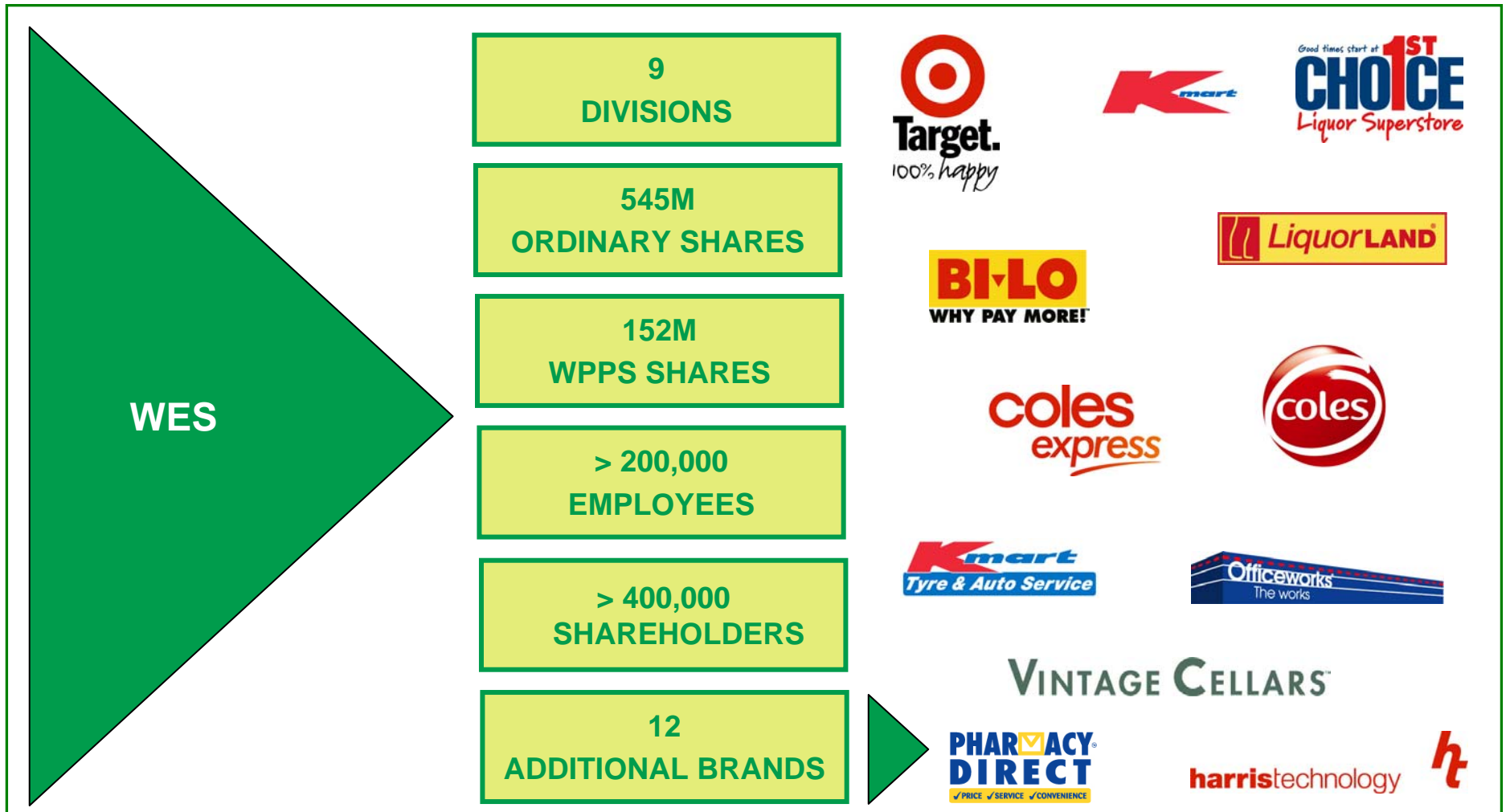
Office Products Market Shares



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



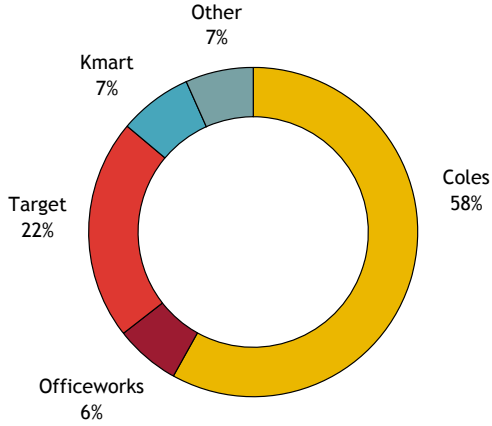
The Coles Transaction - Outcomes



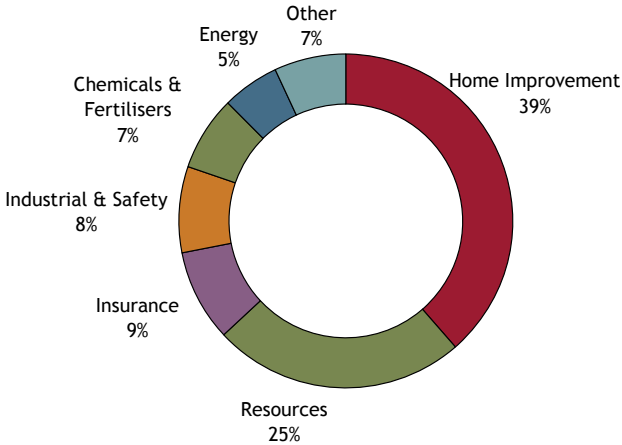


Pro-forma EBIT Contribution

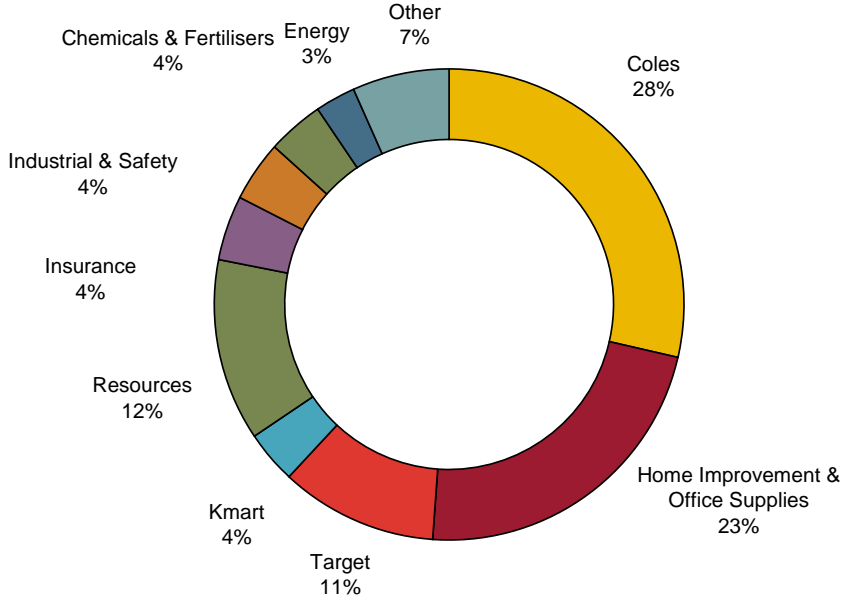
Coles FY07 EBIT Contribution



Wesfarmers FY07 EBIT Contribution



Wesfarmers FY07 Pro-Forma EBIT Contribution¹



1. Excluding corporate overheads, consolidation adjustments and discontinued operations





Business Restructure

Wesfarmers Board
Managing Director: Richard Goyder
Finance Director: Gene Tilbrook

Divisional Board **Divisional MD** **Divisional CFO**

Coles **Kmart** **Target** **Home Improvement & Office Supplies**

Tailored Approach **Strategic Review**

RETAIL OPERATIONS

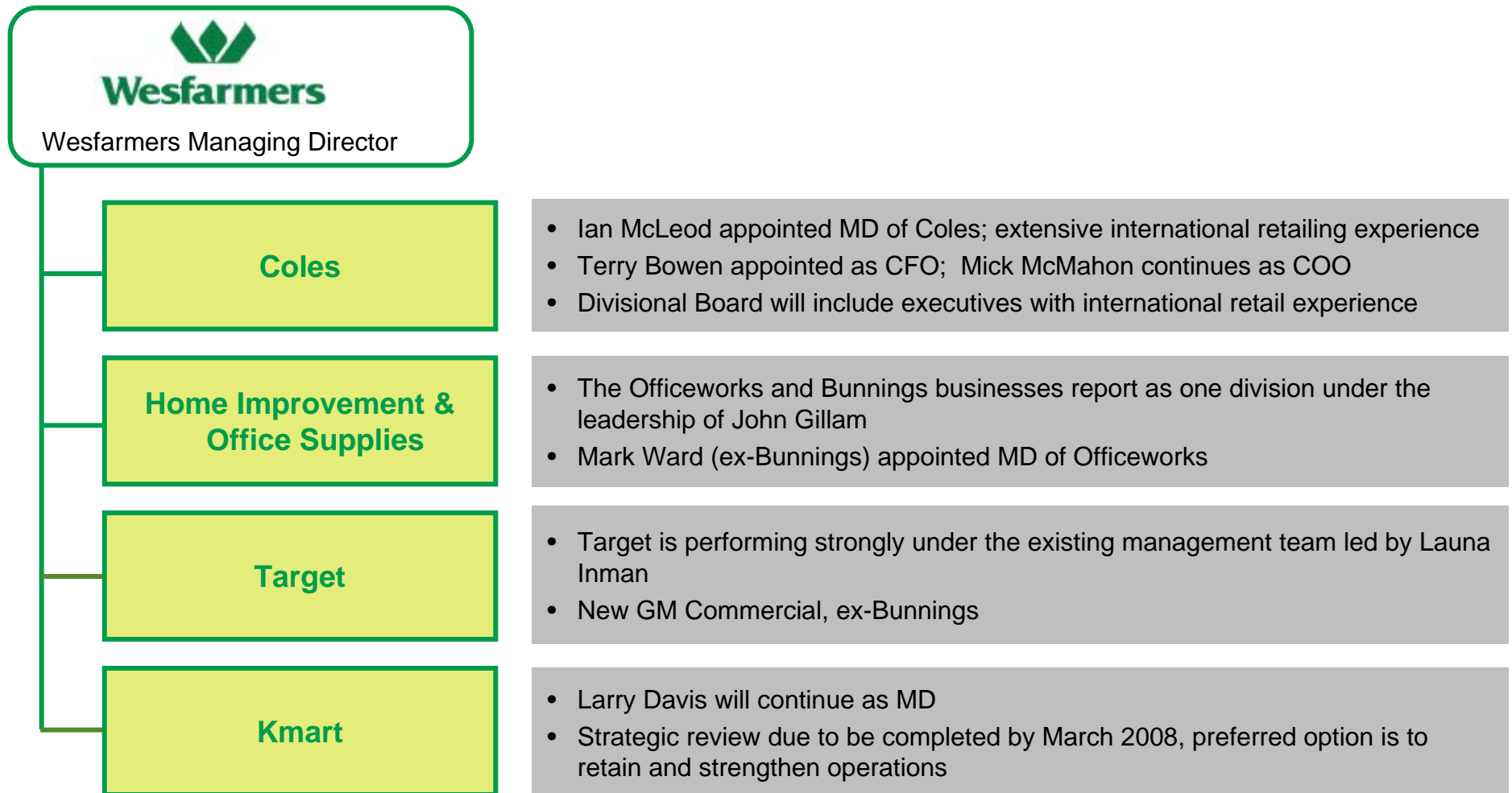
Resources **Energy** **Insurance** **Industrial & Safety** **Chemicals & Fertilisers**

INDUSTRIAL OPERATIONS

Autonomy **Accountability** **Responsibility**



Implementation of Management Plan





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

	<p>Coles</p> <ul style="list-style-type: none"> • Stabilise the business • Focus on retail basics • Deliver supply chain cost savings and overhead reductions • Restore sales momentum • Selective network expansions
--	---

	<p>Kmart</p> <ul style="list-style-type: none"> • Undertake strategic review • Wesfarmers' preference is to retain the Kmart business, however all options to optimise value will be considered
--	--

Value Accretive from Date of Acquisition

<p>Target</p> <ul style="list-style-type: none"> • Continuation of strong performance • Support current margin mix initiatives • Aggressive store roll-out programme 	
--	--

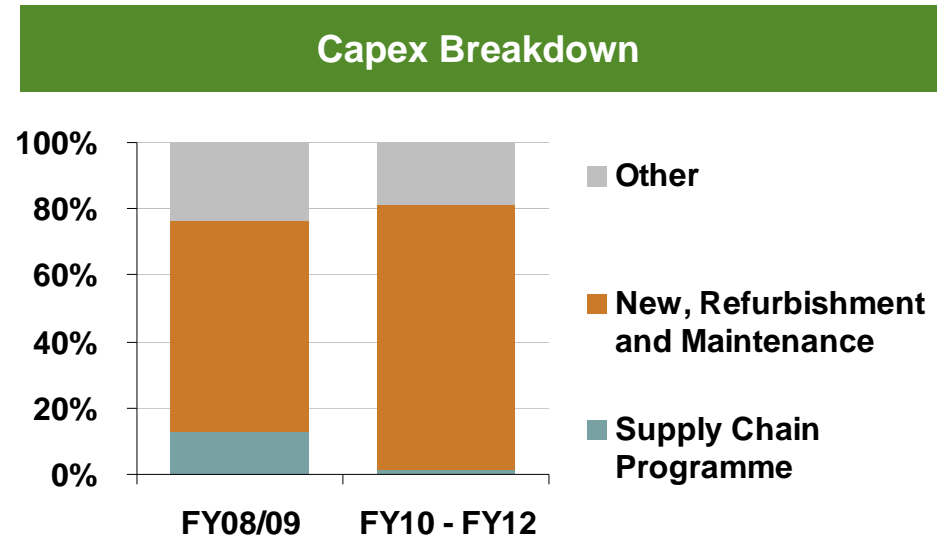
<p>Officeworks</p> <ul style="list-style-type: none"> • Optimise performance through alignment with Bunnings • Accelerate store roll-out program to target category leadership 	
---	--



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



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



Integration - Progress update

Task	Solution design	Implementation
<u>Integrate</u> Specialist corporate functions (accounting, tax, treasury, etc)	<ul style="list-style-type: none">• Complete	<ul style="list-style-type: none">• All “integrate” functions reporting to Wesfarmers corporate office• On schedule for full integration by June 2008
<u>Create</u> Develop divisional structures		
Coles	<ul style="list-style-type: none">• 31 March• (Structural review in progress)	<ul style="list-style-type: none">• Scheduled completion by June 2008
Target	<ul style="list-style-type: none">• Complete	<ul style="list-style-type: none">• Scheduled completion by April 2008
Kmart	<ul style="list-style-type: none">• Complete	<ul style="list-style-type: none">• Scheduled completion by April 2008
Officeworks	<ul style="list-style-type: none">• Complete	<ul style="list-style-type: none">• Scheduled completion by April 2008
<u>Commercial reviews</u> Kmart strategic review Supply Chain Overhead reduction	<ul style="list-style-type: none">• Completion expected by March 2008• Review is progressing• Anticipated savings remain consistent with pre-acquisition views	



Group Overview



Financial Summary





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







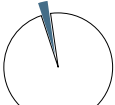

Divisional Summary - Proforma FY07

	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 activities 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



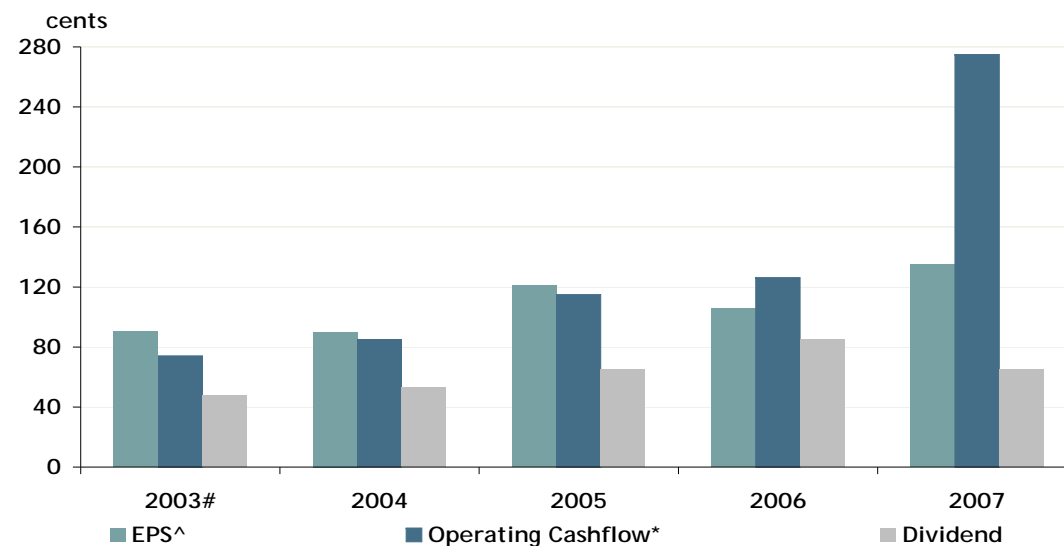
2008 Half Year Results Performance Highlights

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 +)

2007 Full 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 AILL 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

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

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)



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

- Norcross 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





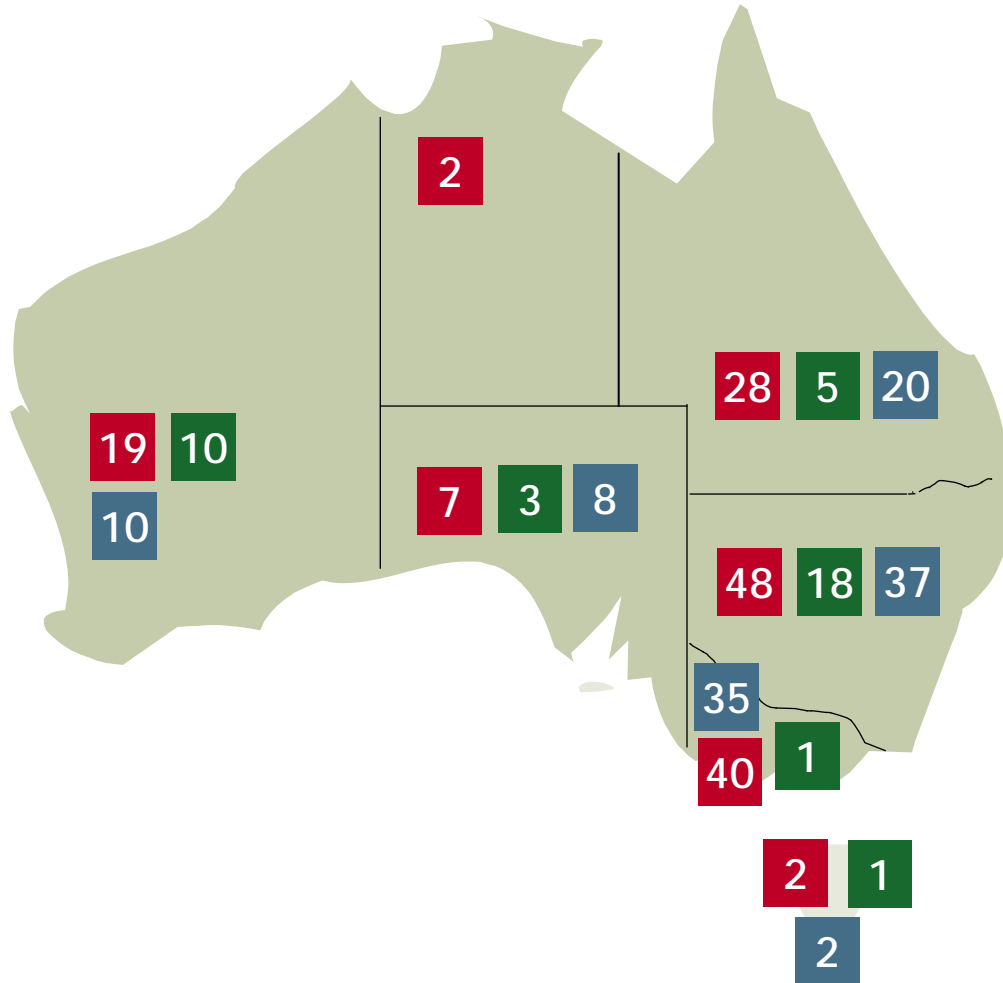
Home Improvement & Office Supplies



**WIDEST RANGE
LOWEST PRICES
BEST SERVICE**



Store Network at December 2007



- 160 Bunnings Warehouse Stores
- 63 Small format Bunnings Stores
- 112 Officeworks Stores

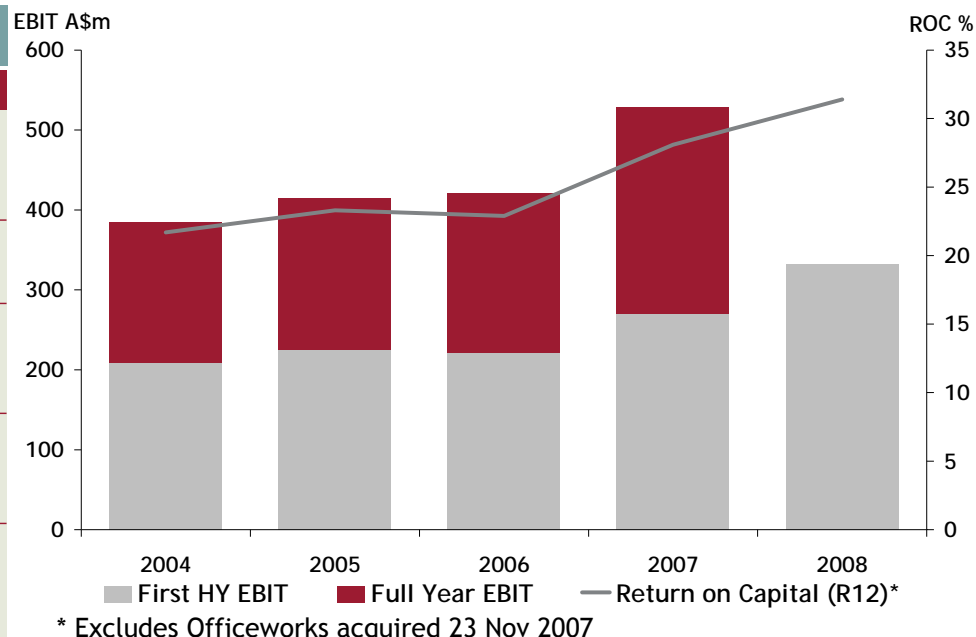
Excludes 12 Trade operational sites and 10 Harris Technology stores



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



(A\$m)	2004 AGAAP	2005	2006	2006	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
<i>EBITA/Revenue Ratio</i>	<i>10.0%</i>	<i>10.2%</i>	<i>9.8%</i>	<i>10.7%</i>	<i>11.4%</i>



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



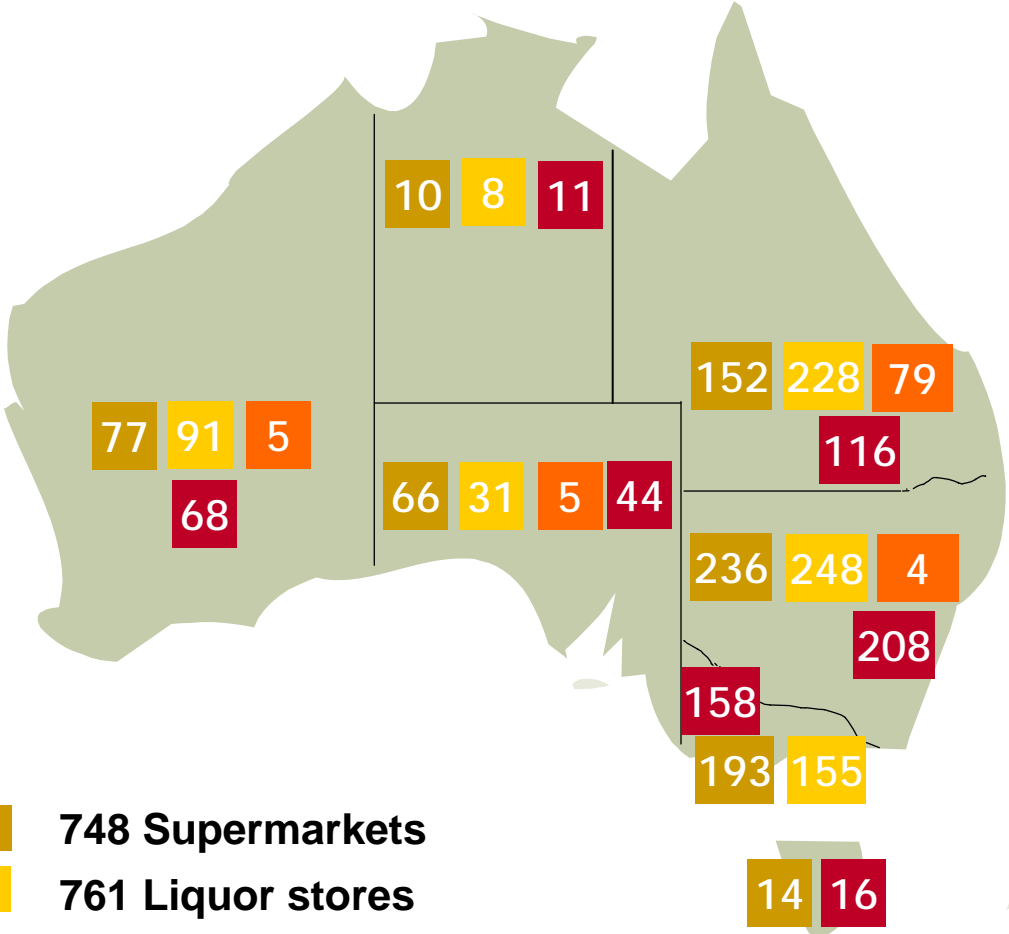


Coles

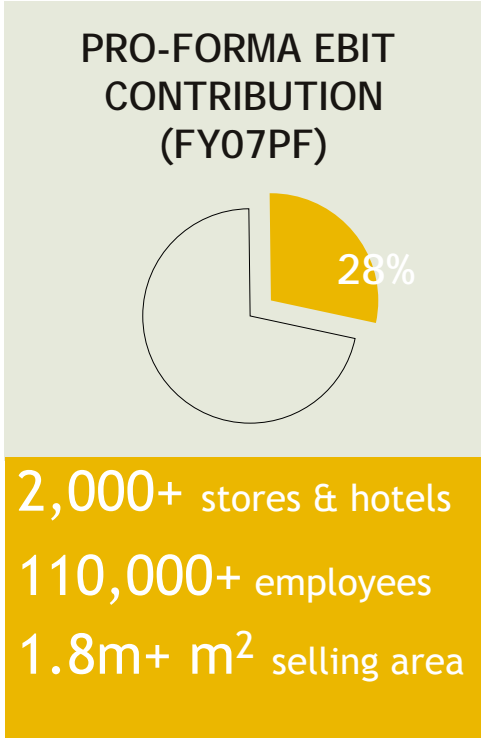




Coles Store Network at December 2007



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





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 1 st Choice roll-out and performance
	Strengthen brand position	Reassess and continue to refurbish existing network 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



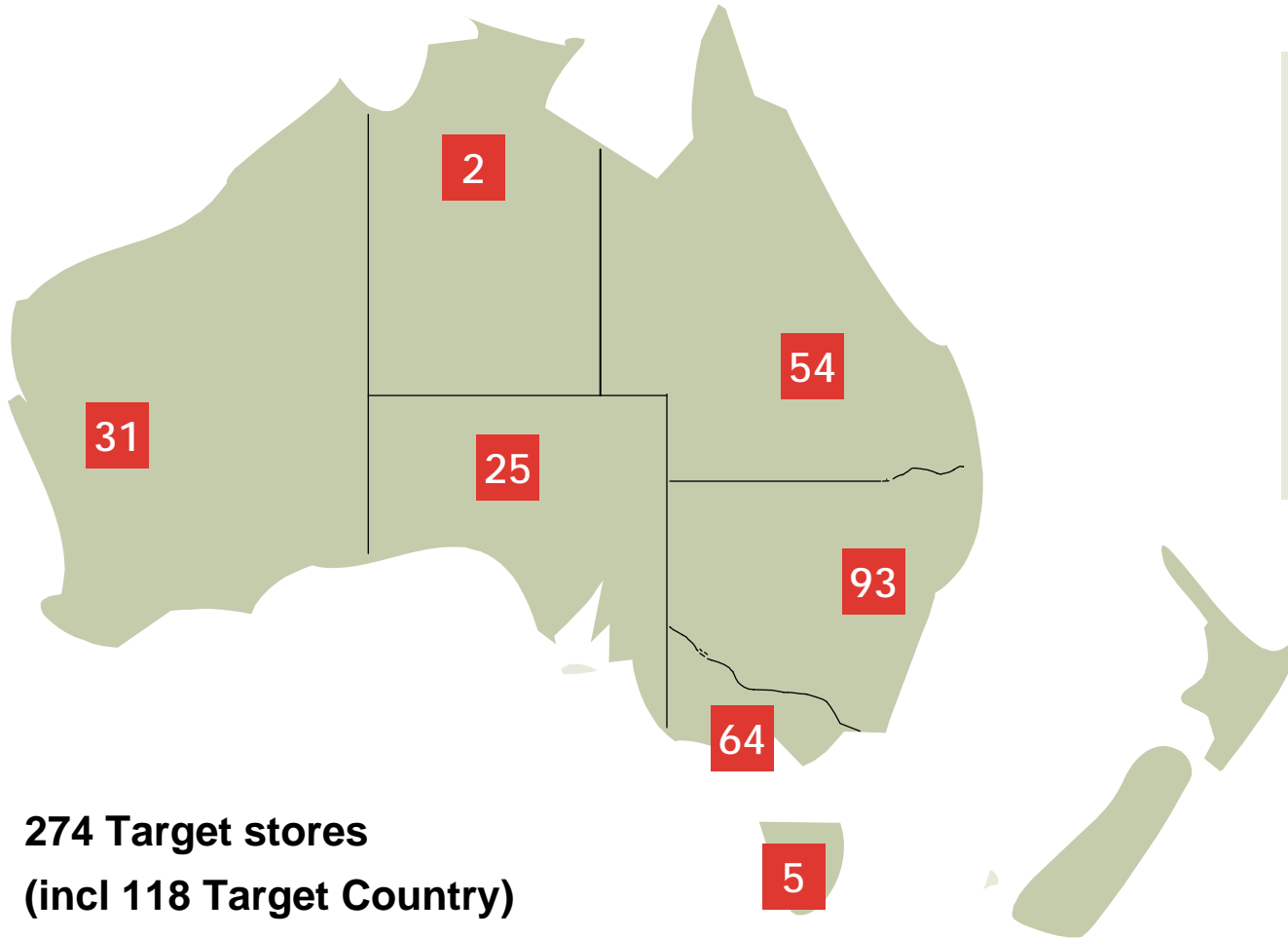


Target

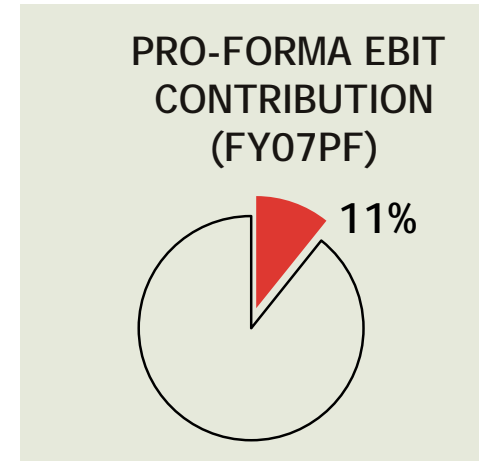
 **Target.** 100% *happy*



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



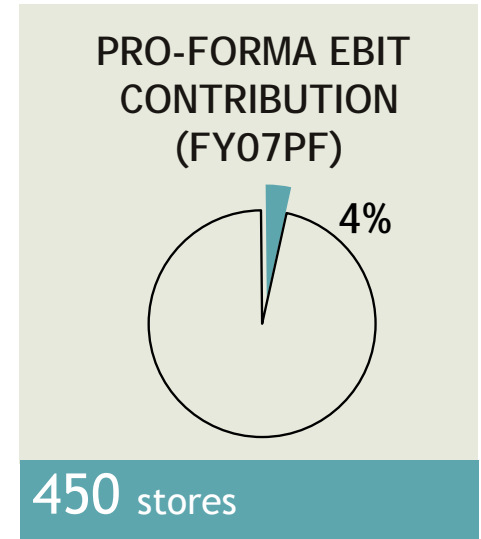
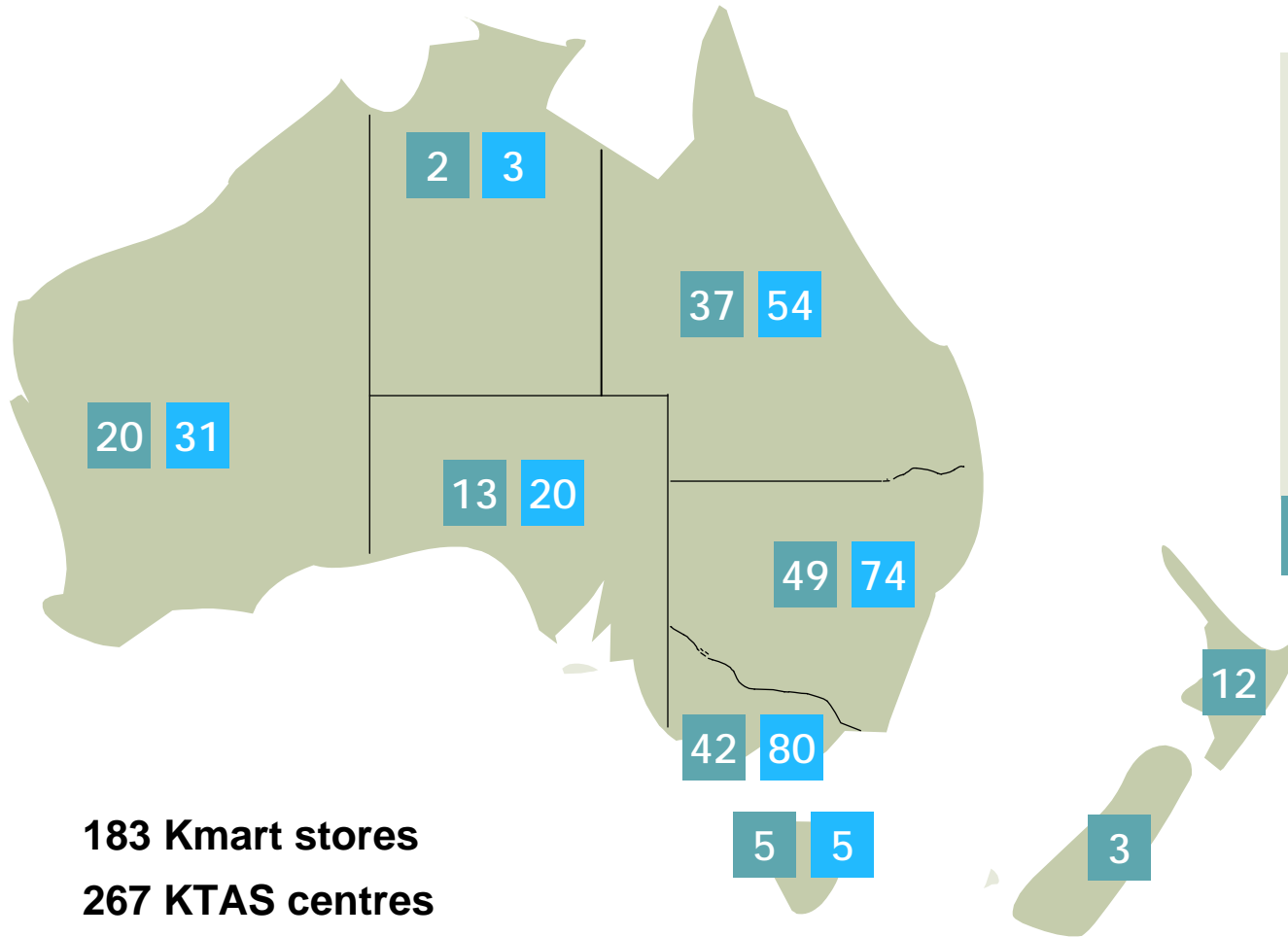
Kmart



where good times start



Kmart Store Network at December 2007



183 Kmart stores
 267 KTAS centres





Kmart - Strategic Review

- Strategic review of Kmart underway
 - Completion expected March 2008
- Wesfarmers is confident that one or a combination of these options will deliver value in excess of that assumed in Wesfarmers' valuation

Strategic Review Options

1. Improving the trading performance of the existing business
 - Recent trading outcomes have been more encouraging
2. Converting some Kmart stores to other group formats
3. A sale of all or part of the business





Resources

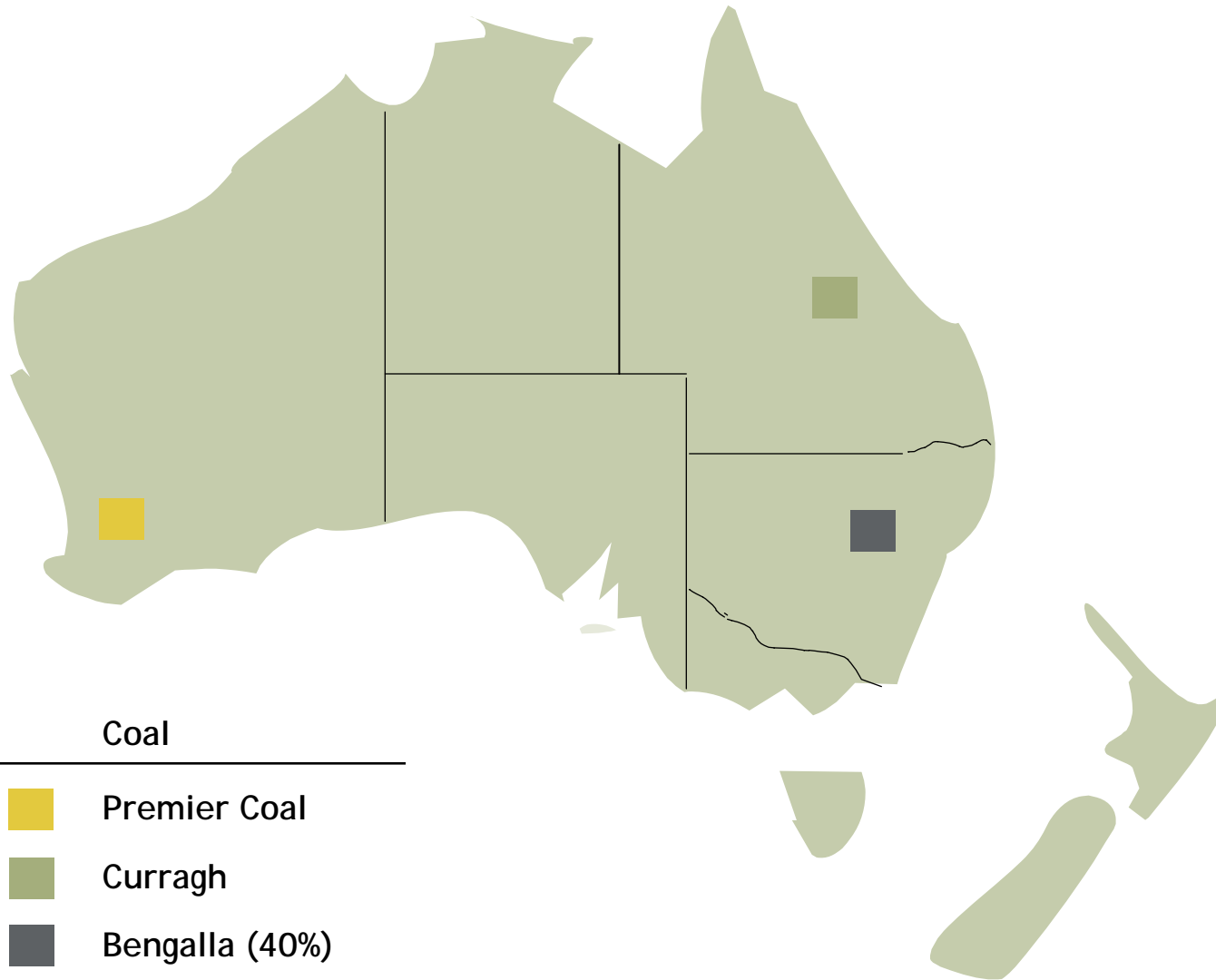
URRAGH

 **Premier Coal**

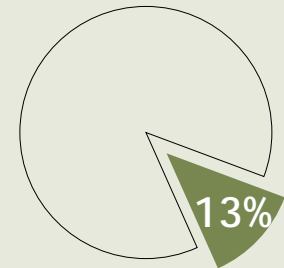
 **BENGALLA**



Resources - Locations



PRO-FORMA EBIT CONTRIBUTION (FY07PF)



660 employees

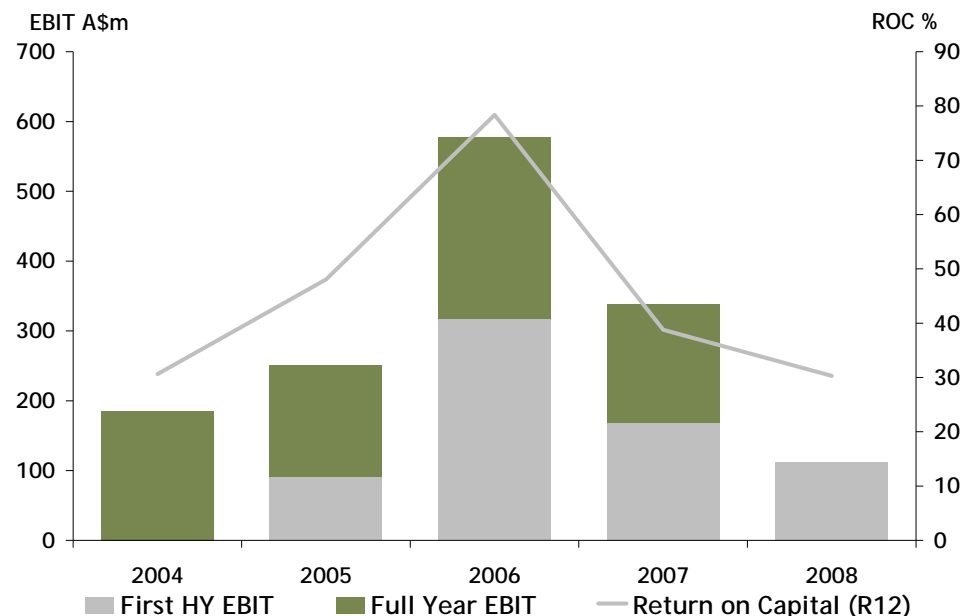
3 coal mines

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	2006	1H08
Revenue	628	764	1,304	1,134	530
EBIT	186	251	578	338	112
<i>EBIT/Revenue Ratio</i>	<i>29.6%</i>	<i>32.9%</i>	<i>44.3%</i>	<i>29.8%</i>	<i>21.1%</i>
Stanwell Amortisation	-	4	81	120	33

Resources - Sales

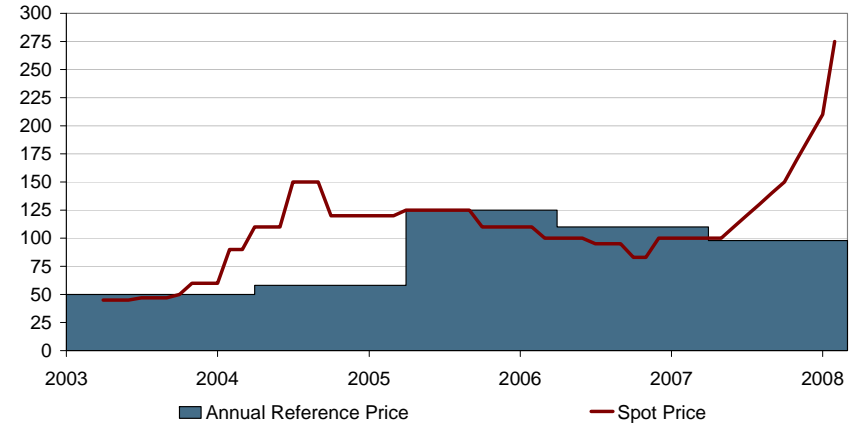
Coal Sales Volumes by Mine (FY07)

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%

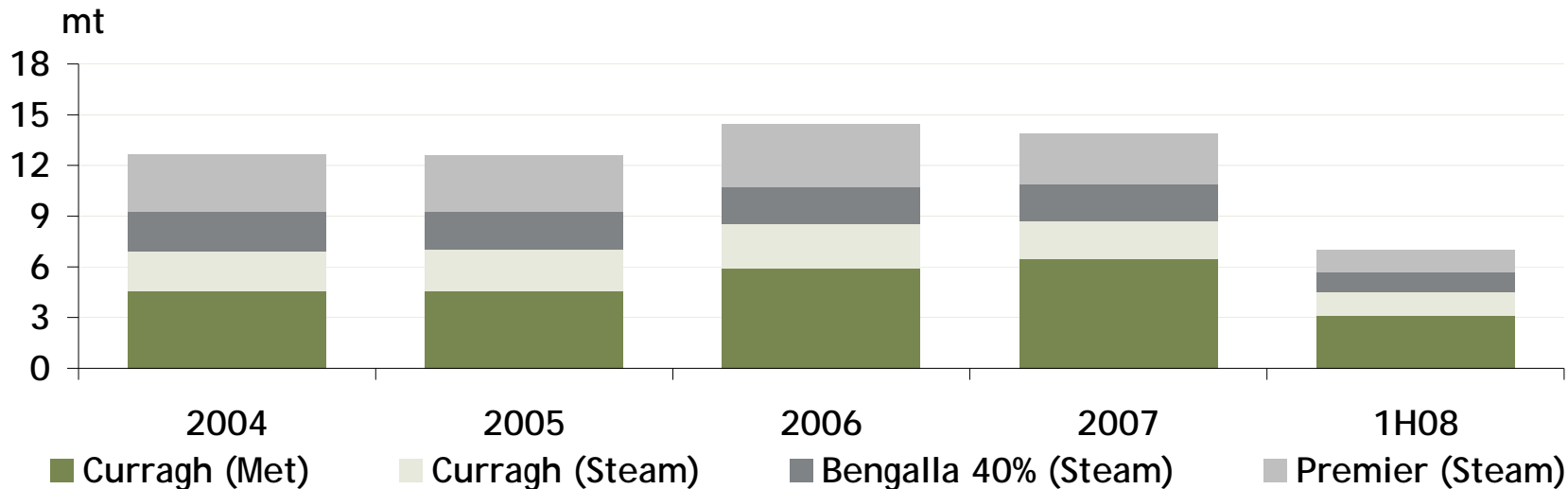
Hard Coking Coal Prices

US\$/Tonne (Nominal) FOB Australia



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

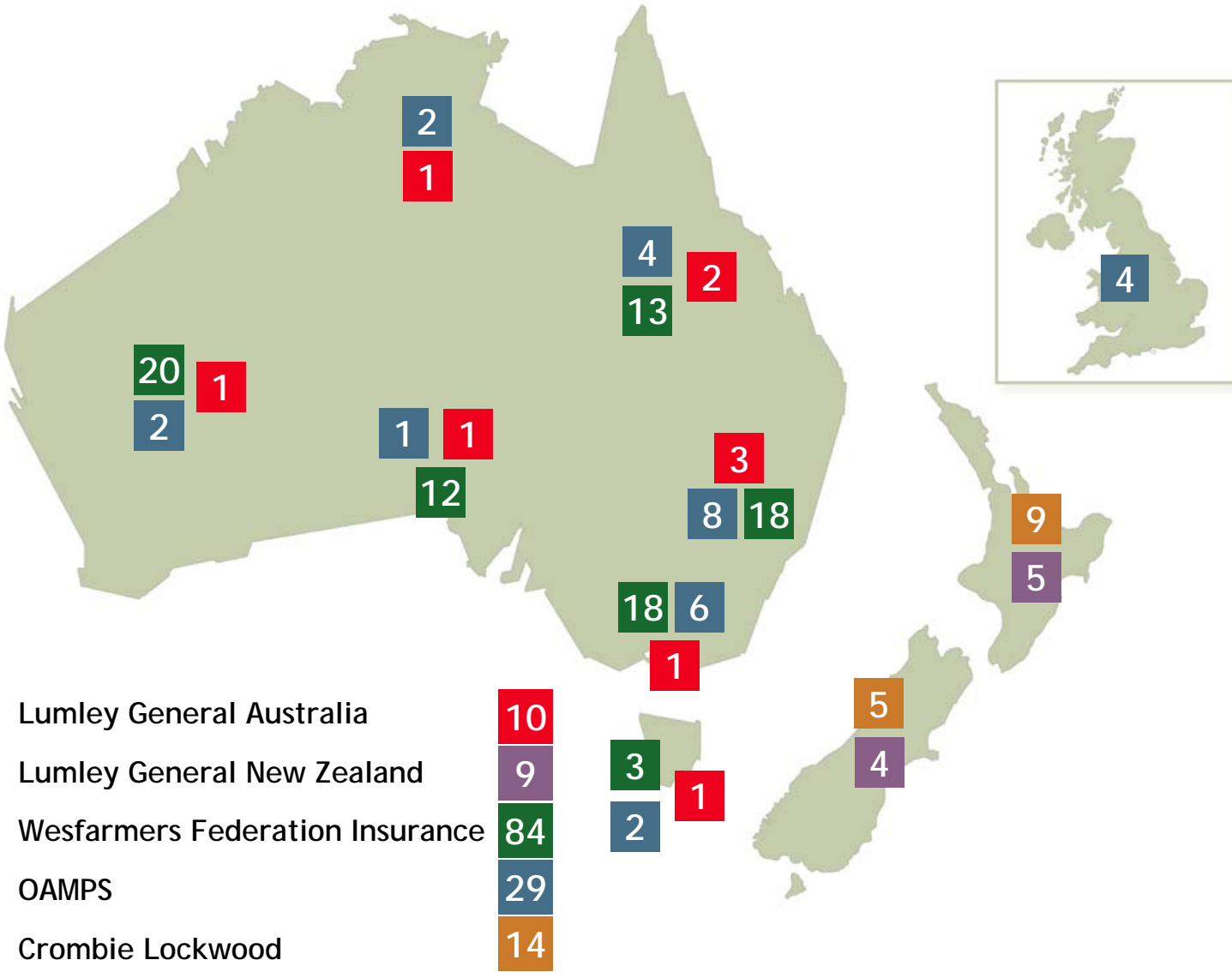
Lumley 


OAMPS

CROMBIE @ LOCKWOOD
New Zealand's Insurance Brokers



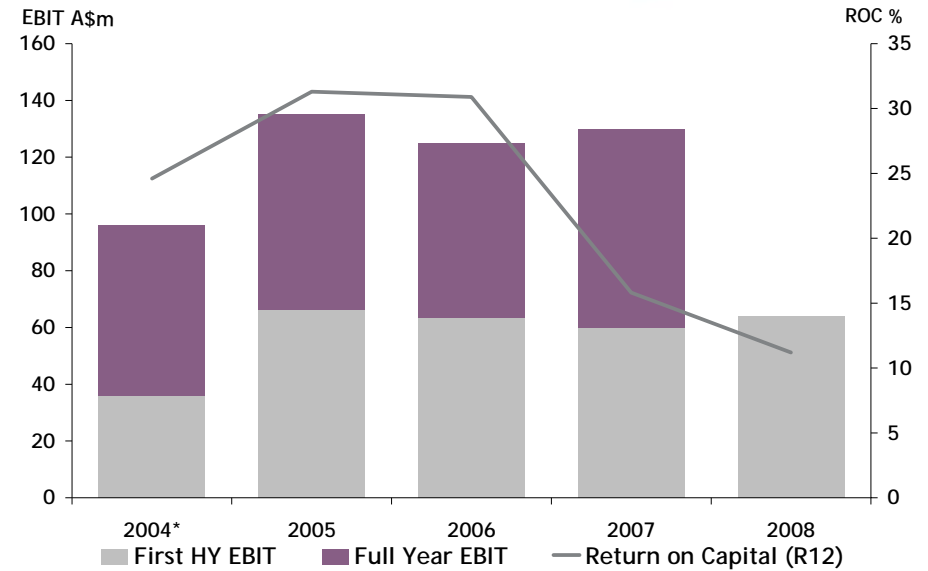
Insurance - Locations



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 AILL 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



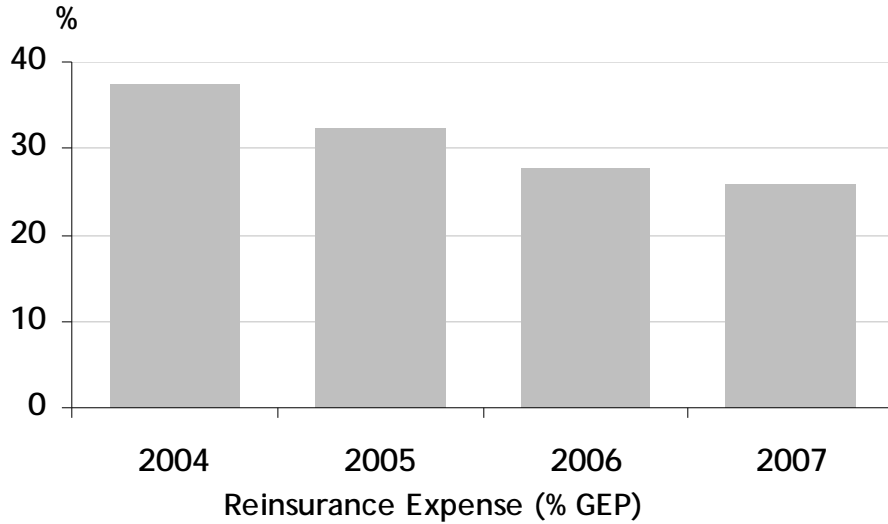
(A\$m)	2004 AGAAP	2005	2006	2006	1H08
Gross Written Premium (underwriting)	787	1,020	1,026	1,191	618
Broking revenue	na	na	na	119	103
EBITA Underwriting	96	133	122	97	38
EBITA Broking	na	na	na	32	28
EBITA Other	0	2	1	1	5
EBITA Insurance Division	96	135	125	130	71
EBIT Insurance Division	88	135	125	120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

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

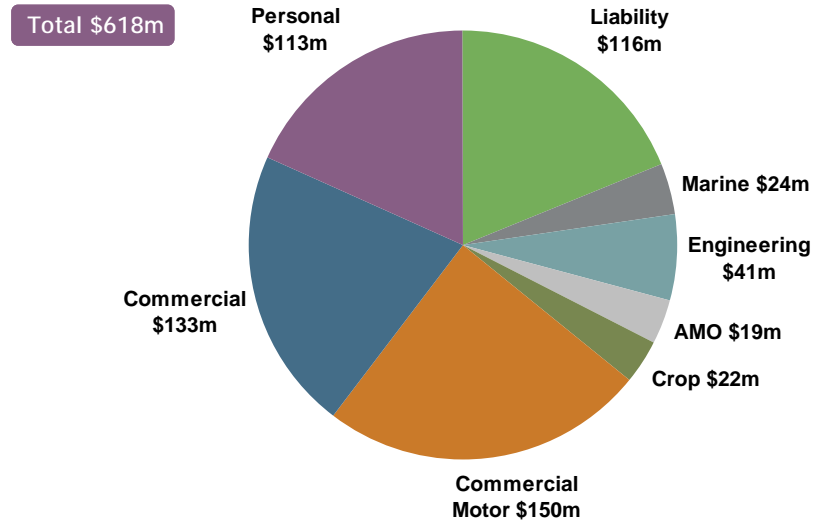


Insurance - Underwriting Performance



Reduced reinsurance levels: strategy to retain more risk



1H08 Gross Written Premium by Class of Business



Key Performance Indicators: FY05 - FY07

	Lumley 						Wesfarmers Insurance 			Wesfarmers Insurance Division		
	Australia			New Zealand			2005	2006	2007	2005	2006	2007
(%)	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 AILL for comparative purposes





Industrial & Safety



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

National Specialist Businesses

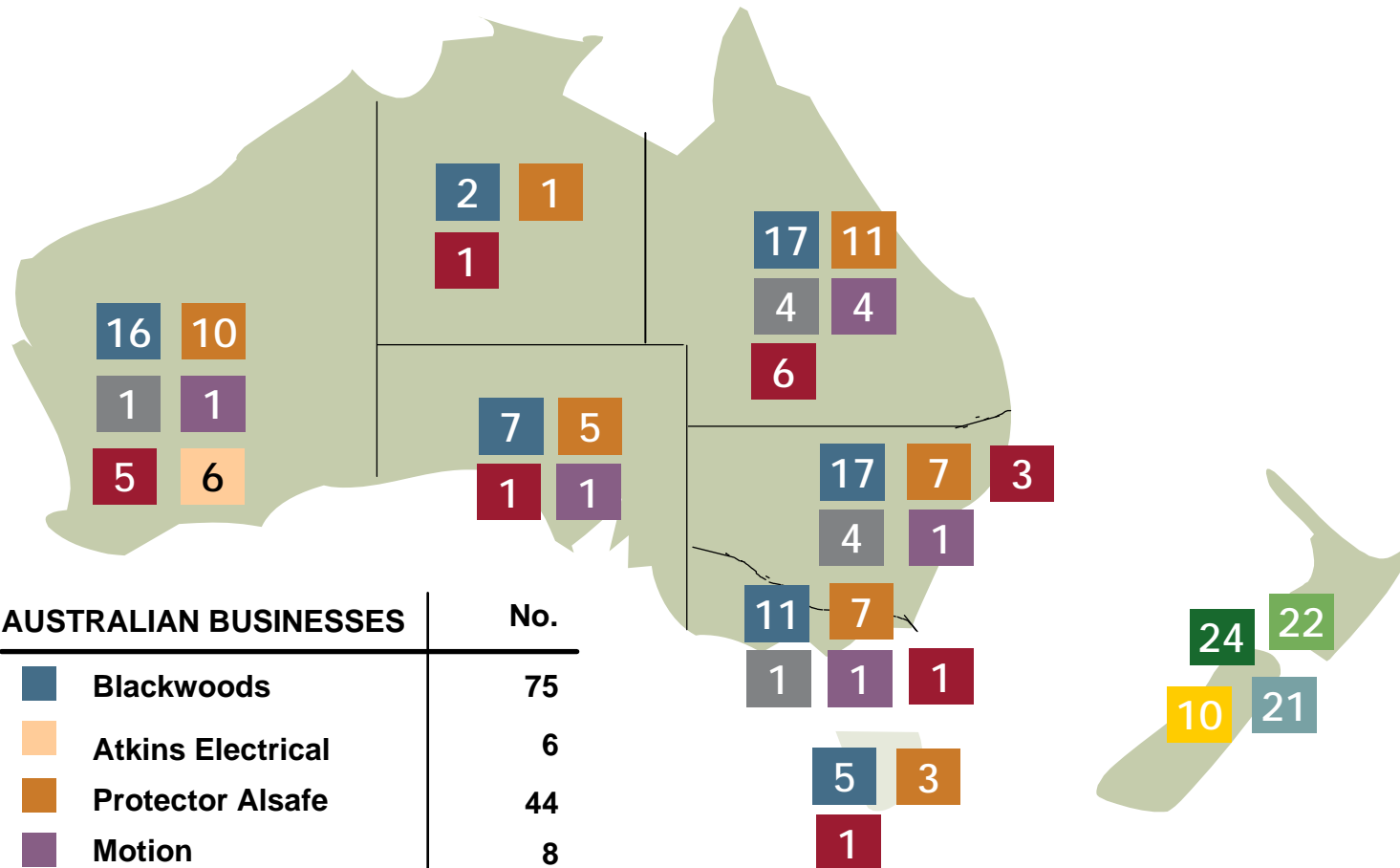
Australia



New Zealand



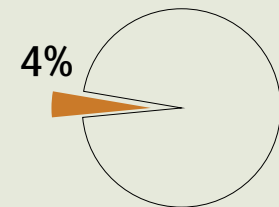
Industrial & Safety - Distribution Network



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)



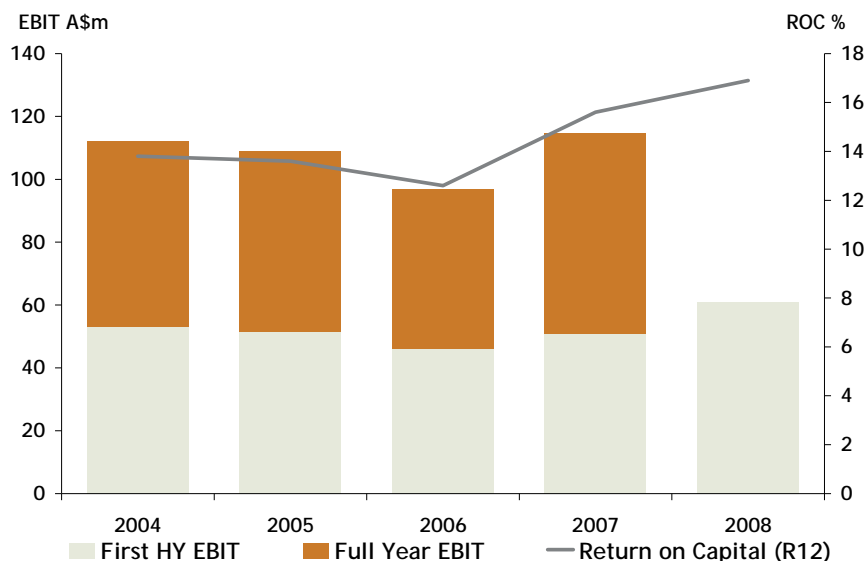
3,200 employees
 238 locations
 100,000+ customers
 190,000 product lines



Industrial & Safety - Performance

Growth Strategies

Opportunities	Strategic Initiatives
Target higher growth sectors	<ul style="list-style-type: none"> Networks expansion New product ranges and services Acquisitions complementing organic growth
Increase sales to existing customers	<ul style="list-style-type: none"> Ongoing focus on customer service and delivery performance <ul style="list-style-type: none"> • technical and industry expertise, supply chain efficiency Better value propositions <ul style="list-style-type: none"> • services, e-Business, pricing consistency
Improve metropolitan sales performance	<ul style="list-style-type: none"> Small customer targeting <ul style="list-style-type: none"> • sales force growth and effectiveness, competitive pricing • website upgrades, greater brand visibility
Further increase competitive position	<ul style="list-style-type: none"> Continued improvements to sourcing, range and supplier management Lower cost to serve Capital management excellence



(A\$m)	2004	2005 <i>A-IFRS</i>	2006 [^] <i>A-IFRS</i>	2007 <i>A-IFRS</i>	1H08 <i>A-IFRS</i>
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
<i>EBITA/Revenue Ratio</i>	9.7%	9.3%	8.3%	9.5%	9.5%

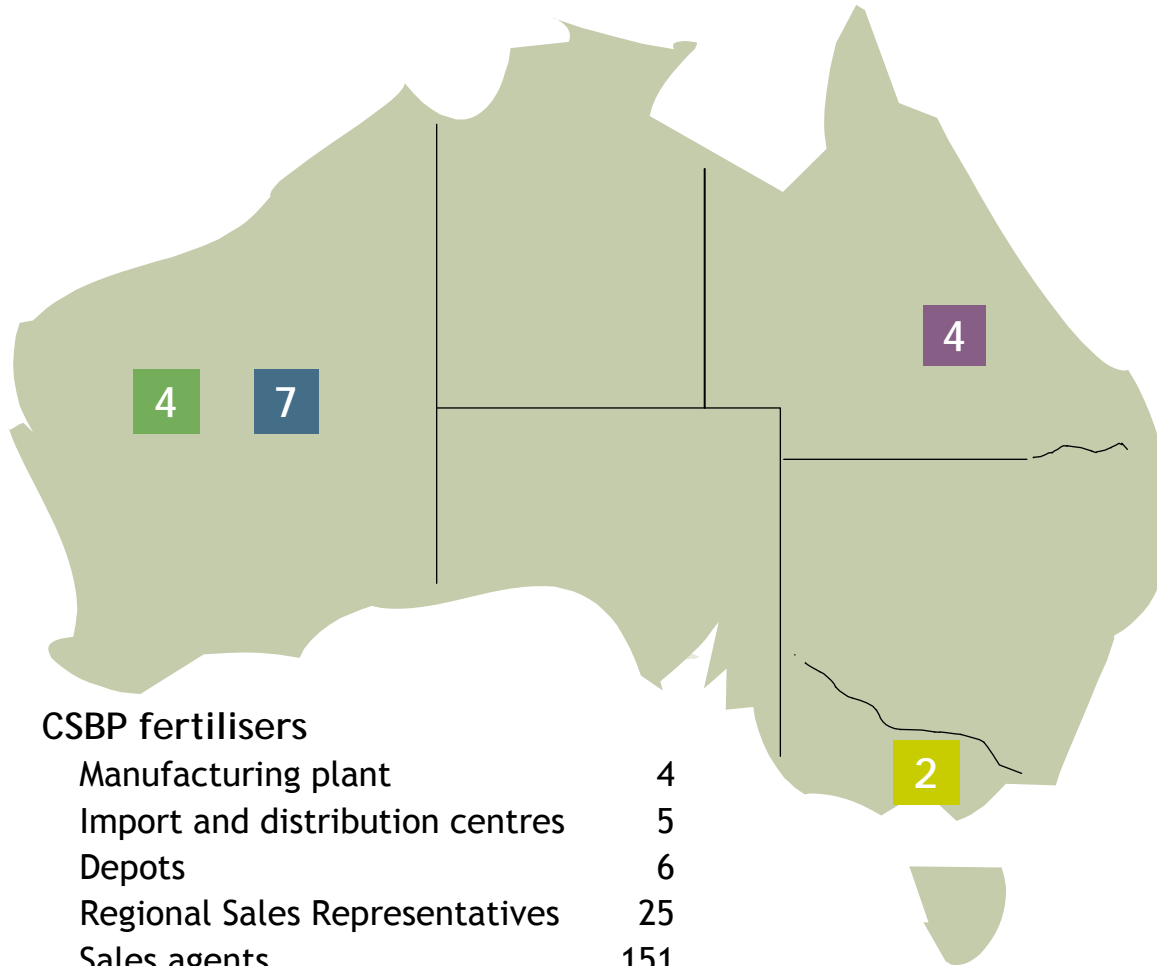
[^] 2006 revenue has been restated in line with 2007 Wesfarmers Group Accounting Policies



Chemicals & Fertilisers

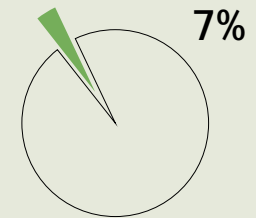


Chemicals & Fertilisers - Locations



■	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

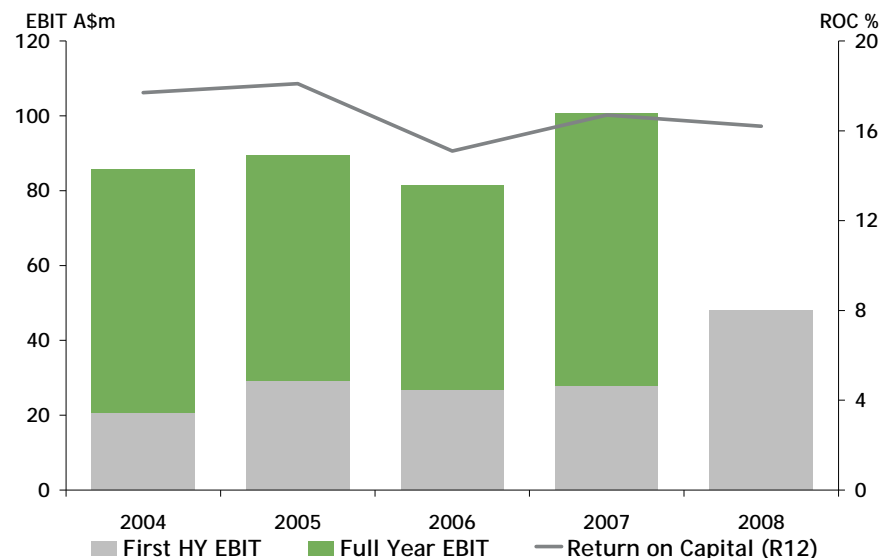
17 operational manufacturing plants



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
Chemicals and Fertilisers	More tailored market approach	Upgrade of business (IT) systems Improved market analysis Ongoing product development
	Growth opportunities	Dedicated business development team
	Improved capabilities and people development	Improved training and safety focus Compliance & Reliability departments
	Sustainability	Finalise sustainability framework



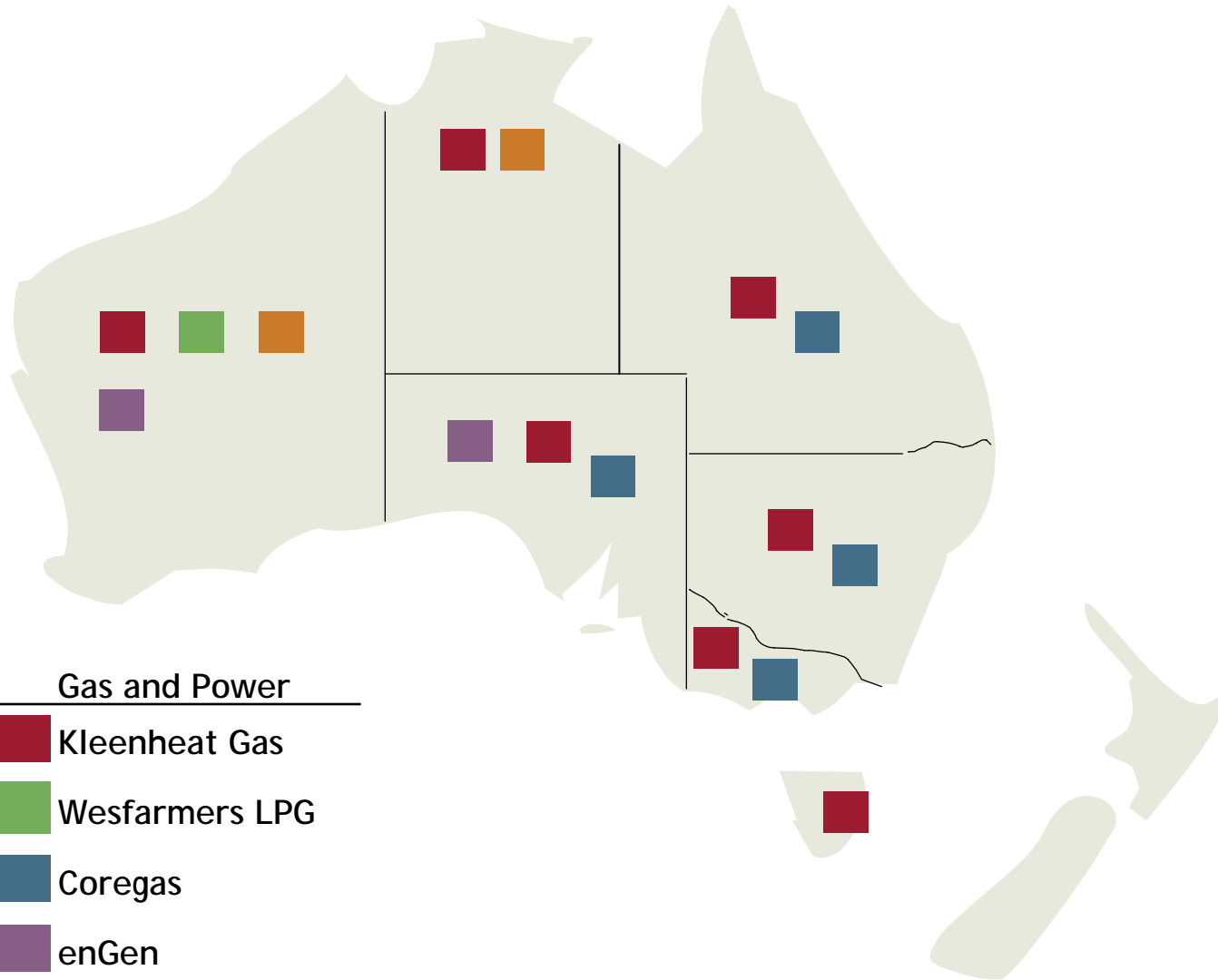
(A\$m)	2004 AGAAP	2005	2006	2006	1H08
Revenue	519	587	595	592	391
EBIT	85	89	81	101	48
<i>EBITA/Revenue Ratio</i>	16.5%	15.2%	13.7%	17.0%	12.3%



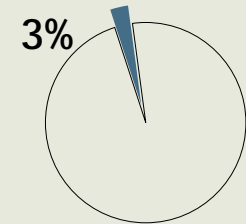
Energy



Energy - Locations



PRO-FORMA EBIT CONTRIBUTION (FY07PF)



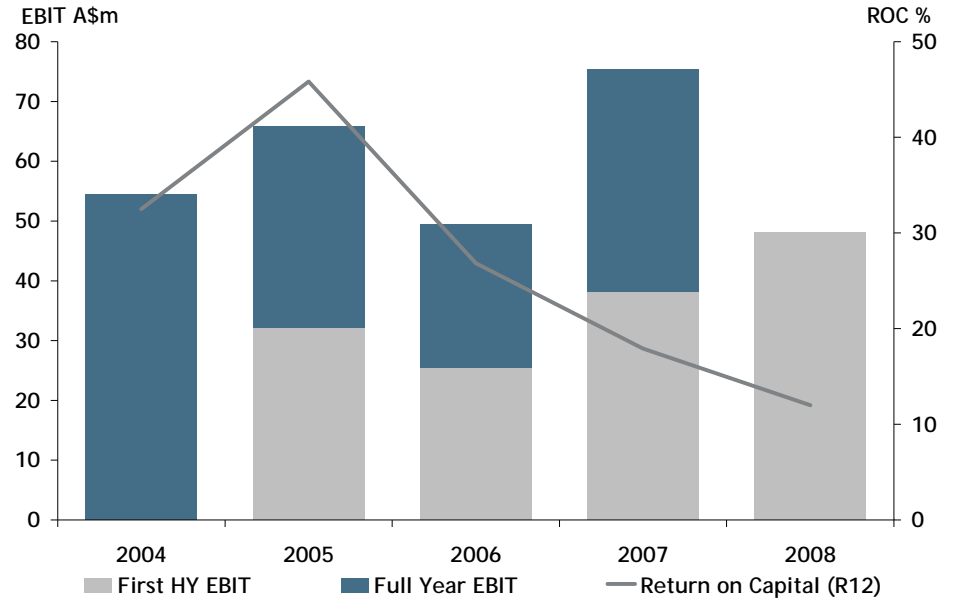
950 employees
279,500 gas customers
23 remote power stations
3 air separation units
1 LPG extraction plant
1 hydrogen plant



Energy - Performance

Growth Strategies

Strategies	Sector
Improve – Existing Businesses	Industrial gas growth in: <ul style="list-style-type: none"> • eastern states sales; and • oil and gas sector
	Maximise LPG production LPG distribution: <ul style="list-style-type: none"> • customer focus; and • controllable costs
	Pursue new power generation projects
Expand – Deliver Projects	Industrial gas – supply projects LNG – WA Project: <ul style="list-style-type: none"> • Plant / Distribution • HDV market development • Power stations
	LNG projects – east coast Other alternative fuels and renewables
Evaluate – New Opportunities	



(A\$m)		2005	2006	2006	1H08
Revenue	381	398	372	463	281
EBIT	54	66	49	75	48
<i>EBITA/Revenue Ratio</i>	<i>14.3%</i>	<i>16.6%</i>	<i>13.3%</i>	<i>16.3%</i>	<i>17.1%</i>



Energy - Businesses



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



Activities

owns and operates a liquefied 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



Activities

design, construction, operation 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



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



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+%

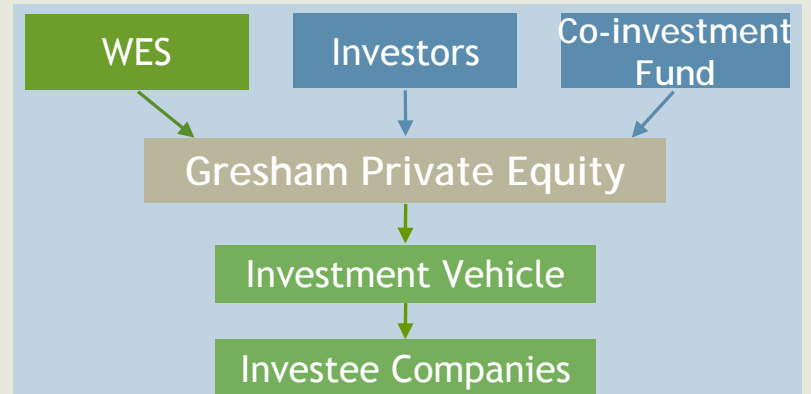
Current Investment Portfolio - Fund 1

Riviera
ocean cruisers



Gresham Private Equity - Fund 2

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



Gresham Private Equity

Fund 2

CURRENT INVESTMENT PORTFOLIO

Noel Leeming

*electrical retailer
(New Zealand)*



Witchery

women's fashion apparel

WITCHERY

Australian Pacific Paper Products

*manufacturer & distributor
of disposable nappies (Australia)*



Barminco

contract mining services



GEON (Pacific Print Group)

*leading commercial printing
business (NZ + Aust)*



Experiential Group

Leisure travel services

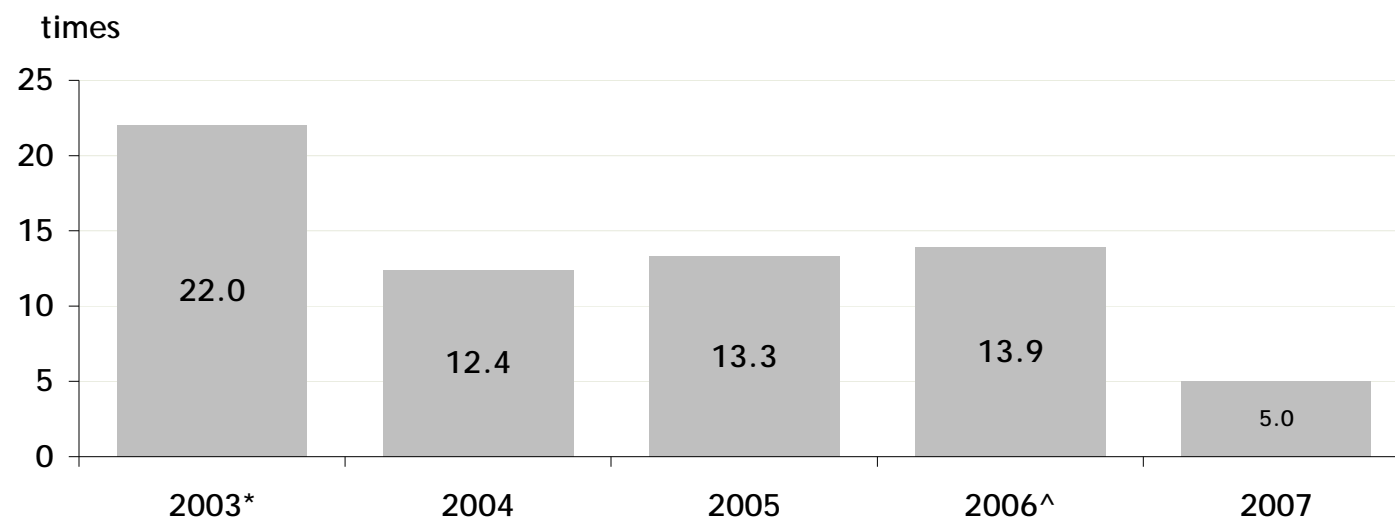


Capital Management

- Net Debt / Equity of 70.1% at 31 December 2007
- Cash Interest Cover Ratio (rolling 12 months) of 5.0 times
- \$4,000 million to be refinanced in 2008
 - DIP, Australian and offshore debt, hybrids
- Dividend Investment Plan
 - 75%* underwrite for interim dividend - 1% discount
- Franking credit position supports \$2 per share total FY08 dividend

* 75% +

Cash Interest Cover Ratio (R12 to 31 December)



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

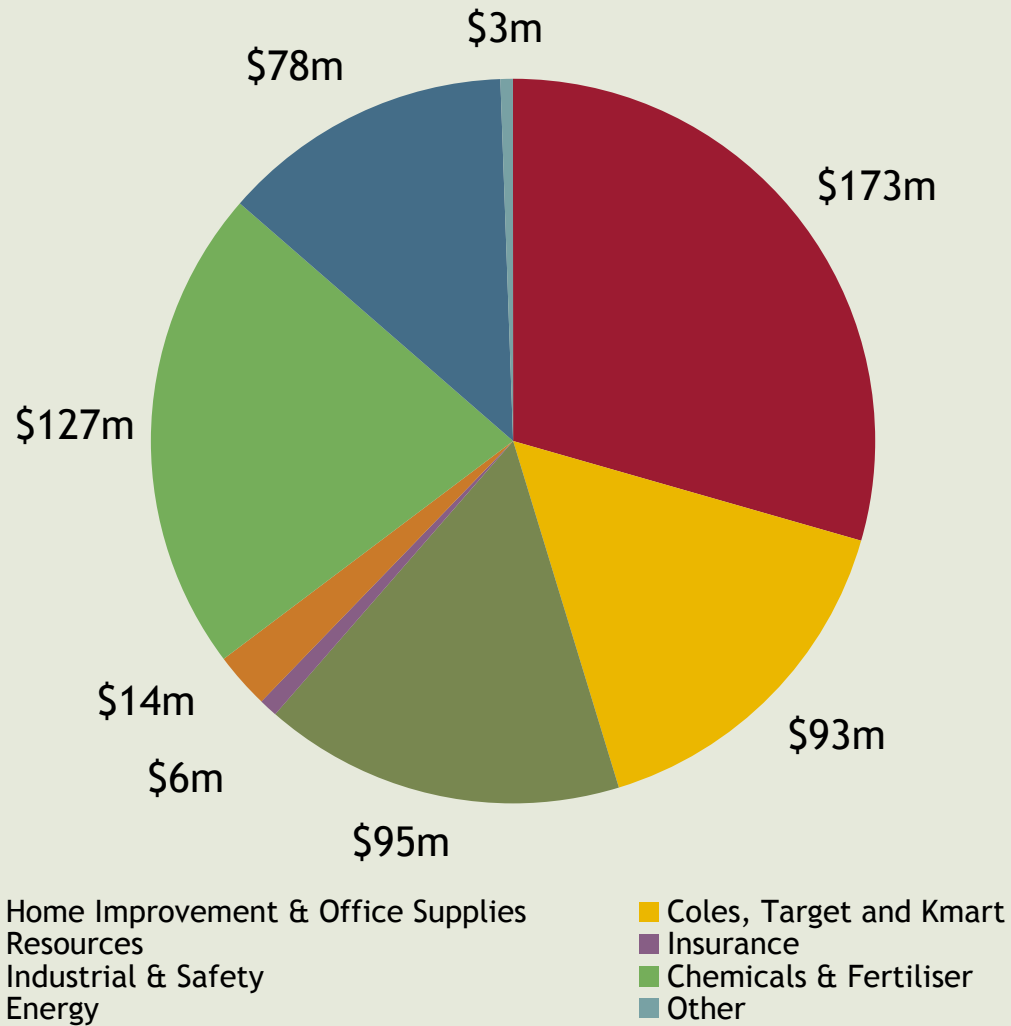


Capital Management



1H08 Capital Expenditure

Total: A\$588m



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
- One-off transaction/restructure costs in 2H08 expected; too early to quantify
- \$4bn to be refinanced



Investor Relations Contact

Wesfarmer's Public Affairs and Investor Relations

For further information on Wesfarmers including:

Keith Kessell

61 8 9327 4251

kkessell@wesfarmers.com.au

Annual reports

Financial results announcements

Presentations and webcasts

Corporate policies

Tanya Rybarczyk

61 8 9327 4323

trybarczyk@wesfarmers.com.au

Please visit our website

www.wesfarmers.com.au

Address

Wesfarmers House

40 The Esplanade

Perth WA 6000

Fax: 61 8 9327 4320

Important Notice and Disclaimer

- The material contained in this presentation is intended to be general background information on Wesfarmers Limited and its activities
- The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs
- The financial information contained in this presentation includes non-GAAP financial measures. For a reconciliation of these measures to the most comparable GAAP measure, please refer to half and full year financial statements filed with the Australian Stock Exchange
- Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction