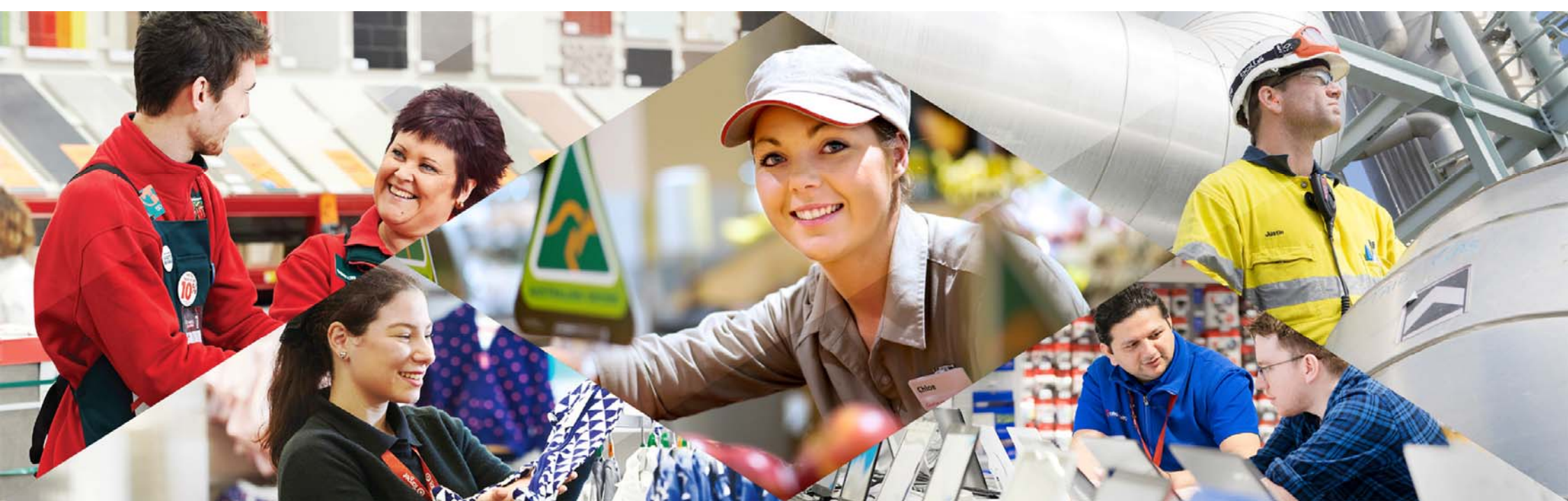




2017 Full-year Results Briefing Presentation

Thursday, 17 August 2017



Presentation outline

Item	Presenter	Page
Group Performance Overview	Richard Goyder	3
Group Balance Sheet & Cash Flow	Terry Bowen	10
Coles	John Durkan	18
Home Improvement	Michael Schneider	26
Department Stores	Guy Russo	37
Target	Guy Russo	39
Kmart	Ian Bailey	43
Officeworks	Mark Ward	47
Industrials	Rob Scott	51
Group Outlook	Richard Goyder	61

Group Performance Overview

Richard Goyder

Managing Director, Wesfarmers Limited



Financial overview

Year ended 30 June (\$m)	Reported	Variance to pcg (exc. significant items) ¹
Operating revenue	\$68.4b	3.7%
Earnings before interest & tax	\$4,402m	22.0%
Net profit after tax	\$2,873m	22.1%
Earnings per share (cps)	254.7	21.6%
Operating cash flow per share (wanos, incl. res shares) (cps)	374.1	25.0%
Return on equity (R12)	12.4%	2.8 ppts
Dividend per share (cps)	223	19.9%

1. 2016 excludes the following pre-tax (post-tax) amounts: \$1,266m (\$1,249m) non-cash impairment of Target; \$850m (\$595m) non-cash impairment of Curragh; & \$145m (\$102m) of restructuring costs & provisions to reset Target.

- Record level of earnings & strong increase in return on equity, demonstrating the strength of the Group's conglomerate structure & focus on cash generation & capital efficiency
 - Significantly higher earnings from Industrials, primarily driven by Resources
 - Retail earnings above the prior year supported by continued strong momentum in BANZ, Kmart & Officeworks
- Final dividend of \$1.20 (fully-franked); full-year ordinary dividend of \$2.23 per share, 19.9% above prior year

Group performance summary

Year ended 30 June (\$m)	2017	2016	Var %
Revenue	68,444	65,981	3.7
EBITDA	5,668	2,642	114.5
EBIT	4,402	1,346	227.0
EBIT (exc. significant items) ¹	4,402	3,607	22.0
Net profit after tax	2,873	407	n.m.
Net profit after tax (exc. significant items)¹	2,873	2,353	22.1
Operating cash flow	4,226	3,365	25.6
Net capital expenditure	1,028	1,336	(23.1)
Free cash flow	4,173	1,233	238.4
Cash realisation ratio ²	102.1	94.9	7.2 ppts
Earnings per share (cps)	254.7	36.2	n.m.
Earnings per share (exc. significant items) ¹ (cps)	254.7	209.5	21.6
Operating cash flow per share (wanos, incl. res shares) (cps)	374.1	299.2	25.0
Full-year ordinary dividend (cps)	223	186	19.9
Net financial debt ³	4,321	6,537	(33.9)
Return on equity (exc. significant items) ¹ (R12 %)	12.4	9.6	2.8 ppts

n.m. – not meaningful

1. 2016 excludes the following pre-tax (post-tax) amounts: \$1,266m (\$1,249m) non-cash impairment of Target; \$850m (\$595m) non-cash impairment of Curragh; & \$145m (\$102m) of restructuring costs & provisions to reset Target.

2. Operating cash flows as a percentage of net profit after tax, before depreciation & amortisation & non-trading items. 2016 excludes post-tax non-cash impairments of \$1,249m relating to Target & \$595m relating to Curragh.

3. Interest bearing liabilities less cash at bank & on deposit, net of cross-currency interest rate swaps & interest rate swap contracts.

Divisional earnings summary

EBIT (\$m) Year ended 30 June	2017	2016	Var %	Var \$m	% of EBIT
Coles¹	1,609	1,860	(13.5)	(251)	
Home Improvement²	1,245	1,214	2.6	31	
Bunnings Australia & NZ	1,334	1,213	10.0	121	
Bunnings UK & Ireland ²	(89)	1	n.m.	(90)	
Department Stores³	543	275	97.5	268	
Target ³	(10)	(195)	n.m.	185	
Kmart	553	470	17.7	83	
Officeworks	144	134	7.5	10	
Industrials^{4,5}	915	47	n.m.	868	
WesCEF ⁴	395	294	34.4	101	
Industrial & Safety ⁵	115	63	82.5	52	
Resources	405	(310)	n.m.	715	

n.m. – not meaningful

1. 2017 includes \$39m profit on sale of Coles' interest in a number of joint venture properties to ISPT.

2. 2016 includes trading for Homebase from acquisition on 28 February 2016.

3. 2017 includes \$13m of restructuring costs associated with the planned relocation of Target's store support office. 2016 includes \$145m of restructuring costs & provisions to reset Target.

4. 2017 includes a profit on sale of land of \$22m & \$33m relating to WesCEF's share of revaluation gains in Quadrant Energy. 2016 includes \$32m of costs relating to ceasing PVC manufacturing.

5. 2016 includes \$35m in restructuring costs.

Divisional return on capital

Rolling 12 months to 30 June		2017		2016	
	EBIT (\$m)	Cap Emp (\$m)	RoC (%)	RoC (%)	Var (ppt)
Coles¹	1,609	16,586	9.7	11.2	(1.5)
Home Improvement²	1,245	4,110	30.3	33.7	(3.4)
Bunnings Australia & NZ	1,334	3,192	41.8	36.6	5.2
Bunnings UK & Ireland ²	(89)	918	(9.7)	n.a.	n.a.
Department Stores³	543	2,253	24.1	7.6	16.5
Target ³	(10)	987	(1.0)	(8.2)	7.2
Kmart	553	1,266	43.7	37.7	6.0
Officeworks	144	980	14.7	13.5	1.2
Industrials^{4,5}	915	3,393	27.0	1.1	25.9
WesCEF ⁴	395	1,443	27.4	18.9	8.5
Industrial & Safety ⁵	115	1,363	8.4	4.7	3.7
Resources	405	587	69.0	(22.9)	91.9

1. 2017 includes earnings of \$39m related to the sale of Coles' interest in a number of joint venture properties to ISPT.

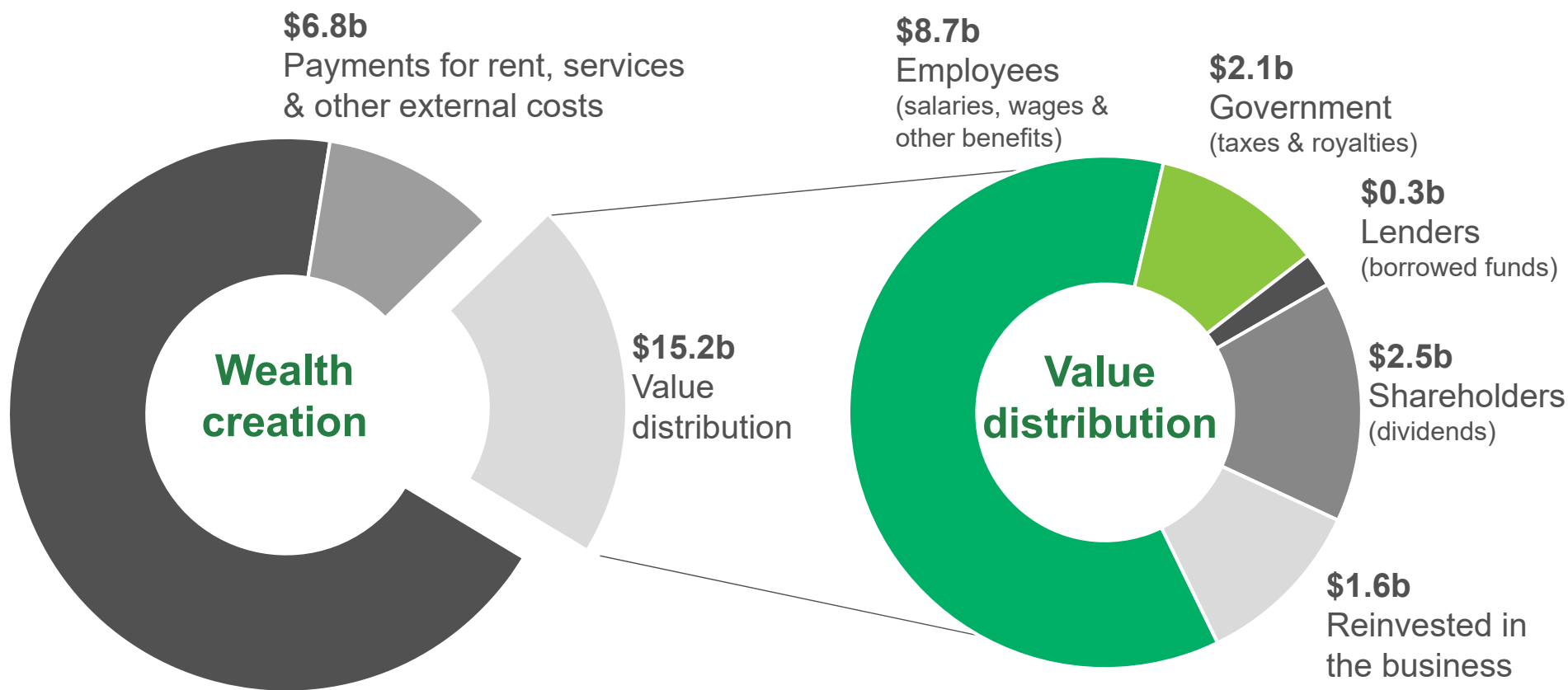
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5. 2016 includes \$35m in restructuring costs.

Strong value creation



\$46.4b
Payments to suppliers

- Significant direct employer ~223,000¹
- Significant indirect employer (supplier payments) \$46.4b
- Strong business reinvestment (gross capital expenditure) \$1.7b
- Direct & indirect community contributions \$130m
- Australian shareholders ~80%

1. As at 30 June 2017.

Sustainability



Safety

- Total Recordable Injury Frequency Rate reduced 16% to 28.3



Ethical Sourcing

- Improved transparency of supply chain – more than 5,455 factories audited



Diversity

- More than 4,000 Indigenous employees
- Increased representation of women in management roles



Community contributions

- More than \$130m in direct & indirect contributions



Climate change resilience

- Decreased emissions intensity by 15% over the last five years



Supplier relationships

- 14 day payment terms for Coles' small suppliers

Group Balance Sheet & Cash Flow

Terry Bowen

Finance Director, Wesfarmers Limited



Other business performance summary

Year ended 30 June (\$m)	Holding %	2017	2016	Var %
Share of profit of associates				
BWP Trust	25	55	77	(28.6)
Other	Various	31	4	n.m.
Sub-total share of profit of associates		86	81	6.2
Interest revenue ¹		8	5	60.0
Other		(23)	(30)	23.3
Corporate overheads		(125)	(124)	(0.8)
Total Other (excluding NTIs)		(54)	(68)	20.6
Non-trading items (NTIs) ²		-	(2,116)	100.0
Total Other (including NTIs)		(54)	(2,184)	n.m.

n.m. – not meaningful

1. Excludes interest revenue from Coles Financial Services & Quadrant Energy loan.

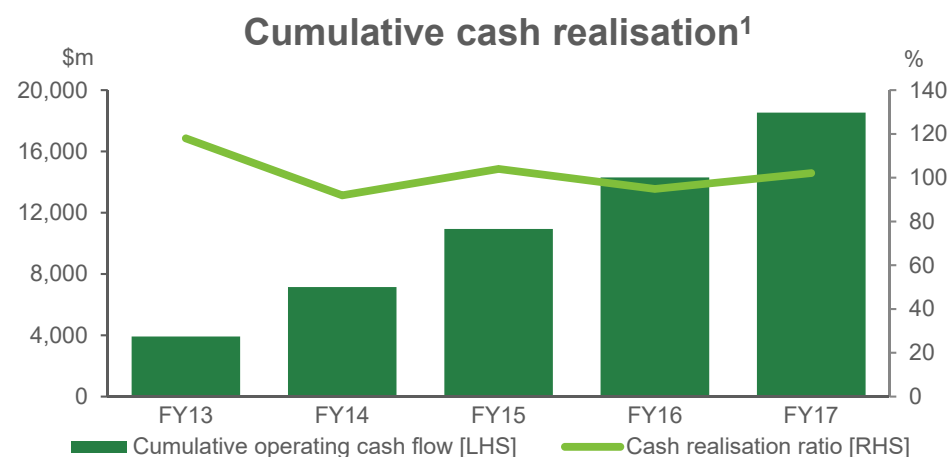
2. Includes pre-tax non-cash impairments of \$2,116m relating to Target (\$1,266m) & Curragh (\$850m).



Operating cash flows

- Operating cash flows increased by \$861m to \$4,226m
 - Strong earnings growth & improvement in cash realisation ratio to 102.1%¹
 - Highly cash generative portfolio
- Lower working capital outflow during the year driven by improved inventory management in Retail
- Unfavourable Industrials movement driven by:
 - WesCEF: higher fertilisers inventory & one-off benefit in prior year from the move to a PVC import model
 - Resources: higher receivables due to higher coal prices & higher sales volumes

Year ended 30 June (\$m)	2017	2016
Cash movement inflow/(outflow)		
Receivables & prepayments	58	(51)
Inventory	(296)	(444)
Payables	165	259
Total	(73)	(236)
Working capital cash movement		
Retail	(11)	(390)
Industrials & Other	(62)	154
Total	(73)	(236)

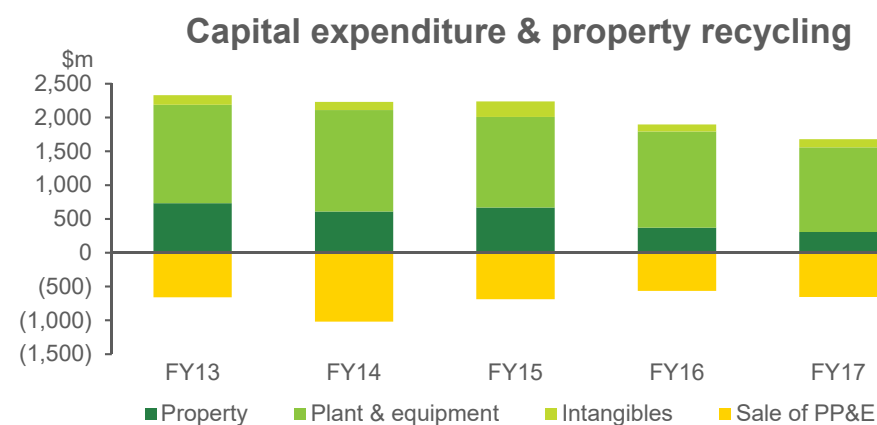


1. Adjusted for significant one-offs, discontinued operations & non-trading items.

Disciplined capital expenditure

- Gross capital expenditure decreased \$218m to \$1,681m
 - Fewer store openings in BANZ
 - Reduced refurbishment activity in Target
 - Lower capital expenditure across Industrials
- Proceeds from property disposals increased \$90m to \$653m
 - Sale of Coles' interest in a number of joint venture properties to ISPT
 - Sale of land by WesCEF
- Net capital expenditure reduced 23.1% to \$1,028m
- FY18 net capital expenditure of \$1.5b to \$1.9b expected, subject to net property investment

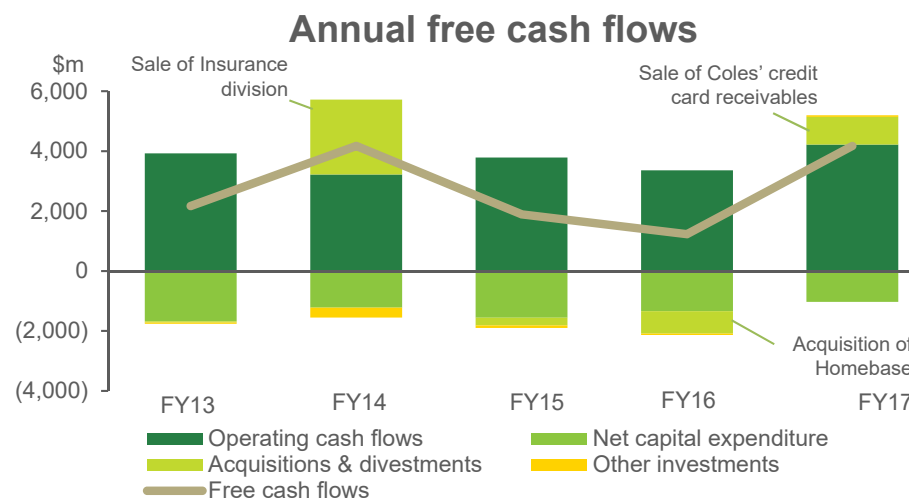
Year ended 30 June (\$m) ¹	2017	2016	Var %
Coles	805	797	1.0
Home Improvement	445	538	(17.3)
Kmart	154	163	(5.5)
Target	71	129	(45.0)
Officeworks	36	40	(10.0)
WesCEF	44	60	(26.7)
Industrial & Safety	34	52	(34.6)
Resources	91	116	(21.6)
Other	1	4	(75.0)
Gross capital expenditure	1,681	1,899	(11.5)
Sale of PP&E	(653)	(563)	16.0
Net capital expenditure	1,028	1,336	(23.1)



1. Capital investment provided on a cash basis.

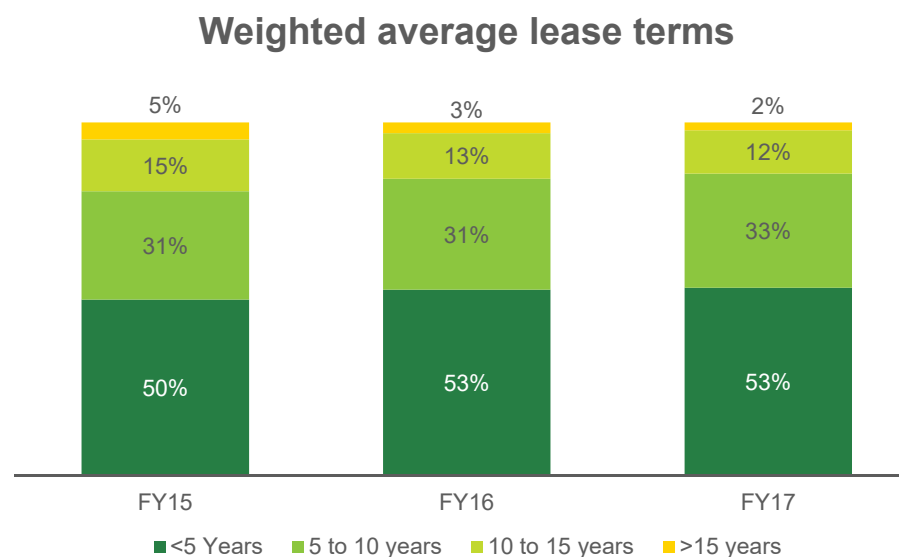
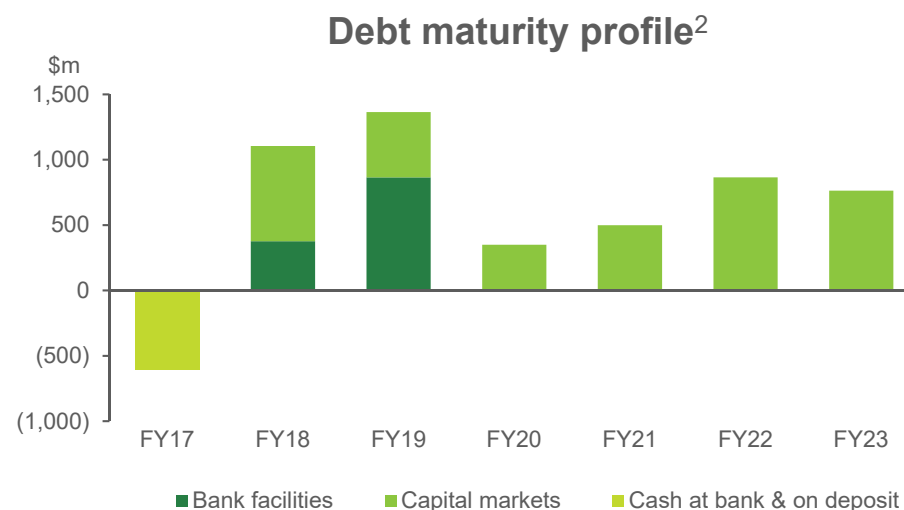
Strong cash flow generation

- FY17 free cash flows of \$4,173m, \$2,940m higher than last year
 - Higher operating cash flows & lower net capital expenditure
 - Sale of Coles' credit card receivables in February 2017 with net proceeds of \$947m
 - Last year included \$665m acquisition of Homebase



Strong balance sheet & debt management

- Net financial debt¹ of \$4.3b as at 30 June 2017, down from \$6.5b at 30 June 2016
 - \$500m of domestic medium term notes repaid November 2016 using existing cash balances & bank facilities
 - More than \$900m debt repaid following sale of Coles' credit card receivables in February 2017
- Disciplined management of off-balance sheet leases
 - Lease commitments over 10 years reduced by 6.0 percentage points since FY15

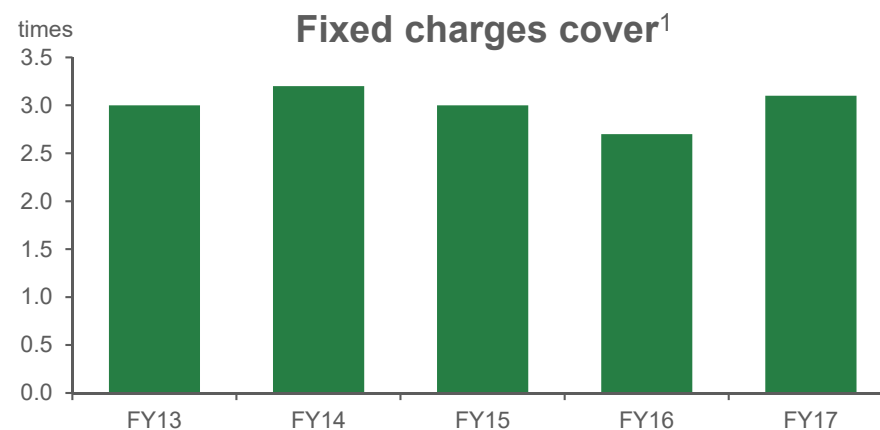
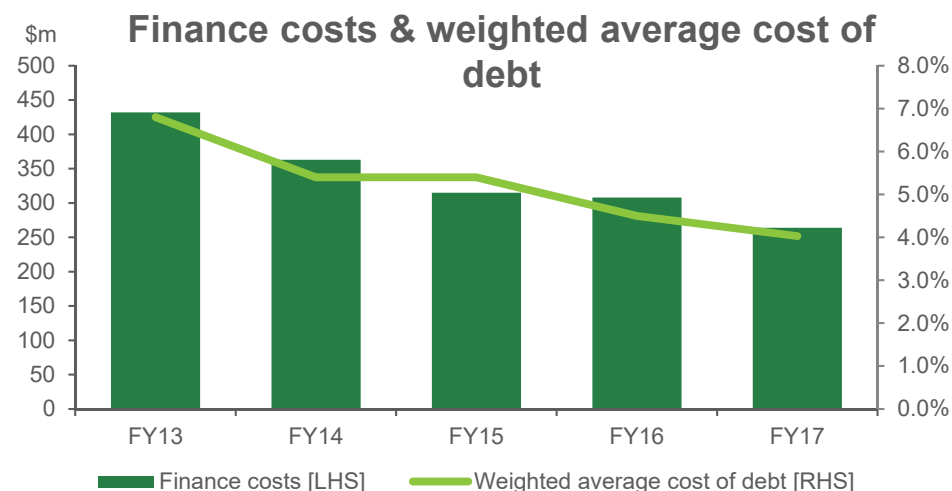


1. Interest bearing liabilities less cash at bank & on deposit, net of cross currency swaps & interest rate swap contracts.

2. As at 30 June 2017.

Finance costs & credit metrics

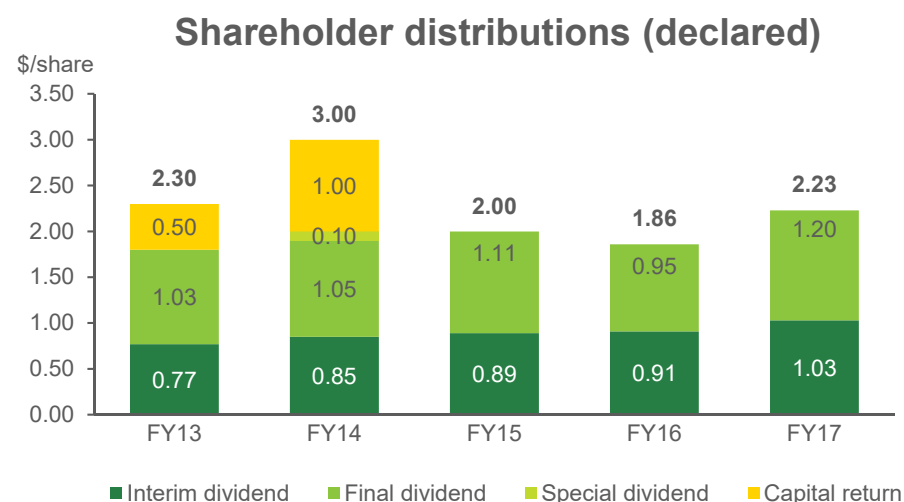
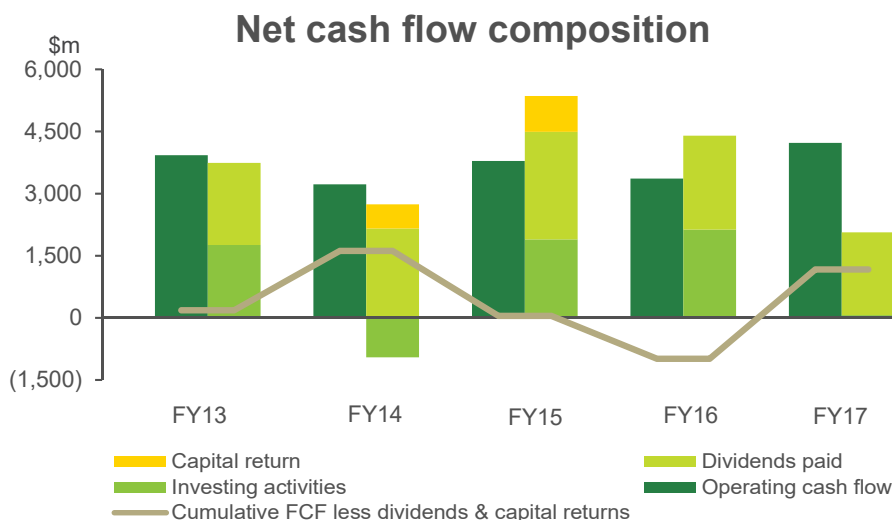
- All-in effective borrowing cost further reduced from 4.50% in FY16 to 4.04% in FY17
 - Reflects active management of debt sources
- Solid credit metrics
 - Cash interest cover at 25.0 times
 - Fixed charges cover at 3.1 times
- Strong & stable credit ratings
 - Moody's A3 (stable outlook)
 - Standard & Poor's A- (negative outlook)



1. 2016 excludes pre-tax non-cash impairments of \$2,116m relating to Target (\$1,266m) & Curragh (\$850m).

Dividends

- Cumulative dividend payments & capital management distributions of \$12.5b since FY13
 - Funded by free cash flows
- Record earnings & strong cash flow performance for the year supporting full-year dividend of \$2.23 per share fully-franked, up 19.9%
 - Final dividend of \$1.20 per share declared
 - Dividend record date 23 August 2017; final dividend payable 28 September 2017
- New Zealand franking credit of 10 cents per share, in addition to Australian franking credit
- Dividend investment plan: not underwritten; last day for application 24 August 2017
 - Given strong cash flow performance & strong credit metrics, shares likely to be purchased on market



1. Investing activities total \$53m (net) in 2017: includes \$947m received from sale of Coles credit card receivables to Citi.

Coles

John Durkan

Managing Director, Coles



coles

coles.com.au

coles
express

VINTAGE CELLARS

first CHOICE liquor

BI-LO

LIQUORLAND

spirit
HOTELS

coles Financial Services

Coles performance summary

Year ended 30 June (\$m)		2017	2016	Var %
Coles	Revenue ¹	39,217	39,242	(0.1)
	EBITDA ²	2,256	2,475	(8.8)
	Depreciation & amortisation	(647)	(615)	(5.2)
	EBIT ²	1,609	1,860	(13.5)
	EBIT margin ² (%)	4.1	4.7	
	RoC (R12, %)	9.7	11.2	
	Safety (R12, LTIFR)	8.8	8.4	
Food & Liquor	Revenue ¹	33,084	32,564	1.6
	Headline sales growth ^{3,4} (%)	2.0	5.1	
	Comparable sales growth ^{3,4} (%)	1.0	4.1	
	Inflation/(deflation) ⁴	(0.8)	(1.7)	
Convenience	Revenue	6,133	6,678	(8.2)
	Total store sales growth ⁴ (%)	4.6	11.1	
	Comp. fuel volume growth ⁴ (%)	(16.0)	(7.9)	

1. Includes property revenue for 2017 of \$16m & for 2016 of \$25m.

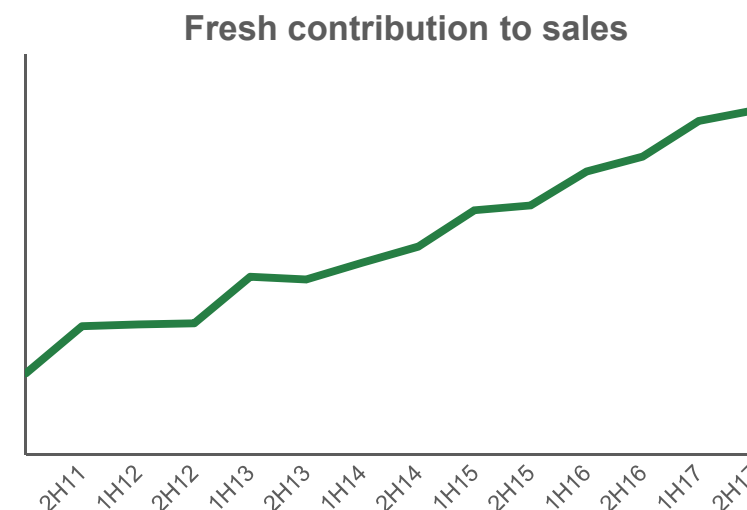
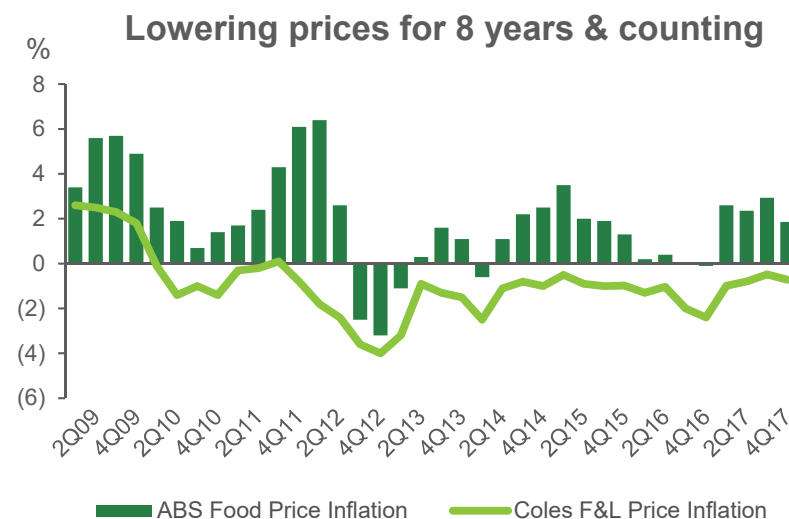
2. Includes property EBIT for 2017 of \$57m & for 2016 of \$17m.

3. Includes hotels, excludes gaming revenue & property.

4. 2017 growth reflects the period 27 June 2016 to 25 June 2017 & the 29 June 2015 to 26 June 2016. 2016 growth reflects the period 29 June 2015 to 26 June 2016 & the period 30 June 2014 to 28 June 2015.

Food & Liquor overview

- FY17 EBIT of \$1,609m
 - Accelerated proactive investment in customer offer
 - Positive comp sales growth & strong cash flow generation achieved in a low growth environment
 - Includes \$39m profit on sale of Coles' interest in JV properties, partially offset by lower Financial Services earnings following the sale of Coles' credit card receivables
- Accelerated investment has led to improvements in the customer offer:
 - 8.2% cumulative deflation from FY09
 - More than 6,000 training courses completed to upskill Fresh Team Members
 - Significant incremental labour hours invested during the year
 - Best availability metrics in five years
 - Continued increase in Fresh contribution



Food & Liquor overview: Investing in the customer offer

- FY17 characterised by accelerated investment in the customer offer
- Strategic focus on improving each element of the customer offer to ensure Coles retains a strong market position as competition increases
- Investment in Food has been balanced across:
 - Price: a consistent commitment to trusted value
 - Range: providing a better customer offer
 - Service: investment in hours & team members
 - Quality: market-leading fresh quality
 - Availability: the right products, available always
 - Online: accelerating growth through a better offer
- Investment intended to provide sustainable benefits for both customers & shareholders



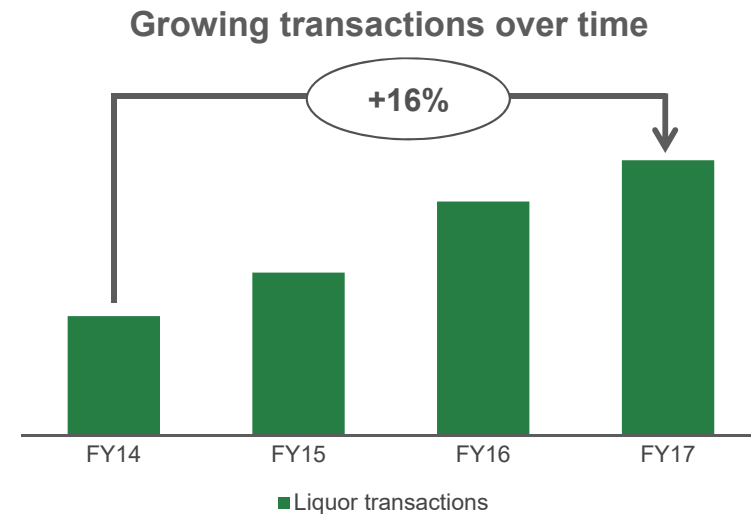
Food & Liquor overview: Boldly extending into new services & channels

- Delivering convenience with Coles Online
 - Double digit sales growth
 - Increased fulfilment rates & delivery efficiency
 - Second 'dark store' to launch in Sydney in early FY18
- Leveraging flybuys to deliver better value
 - Partnership with Virgin Velocity offering more redemption options
 - Growing number of active flybuys customers
 - Double digit growth in points redeemed compared to FY16
- Credit Card distribution agreement with Citi providing solid platform for ongoing growth



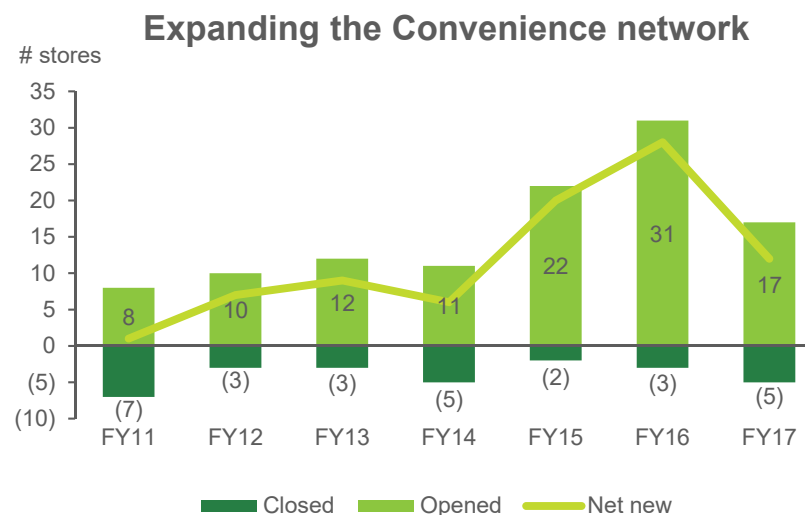
Food & Liquor overview: Liquor transformation

- Positive comparable sales growth achieved through FY17
 - Seven quarters of positive comp sales growth
 - More than 20% growth in Liquor Online
- Acceleration of network optimisation
 - 200 Liquorlands renewed in FY17
 - Four Liquor Market trial stores launched
- Transformation progressing as planned
 - Strong transaction growth achieved
 - Improved price competitiveness & range
 - Improved quality of store network



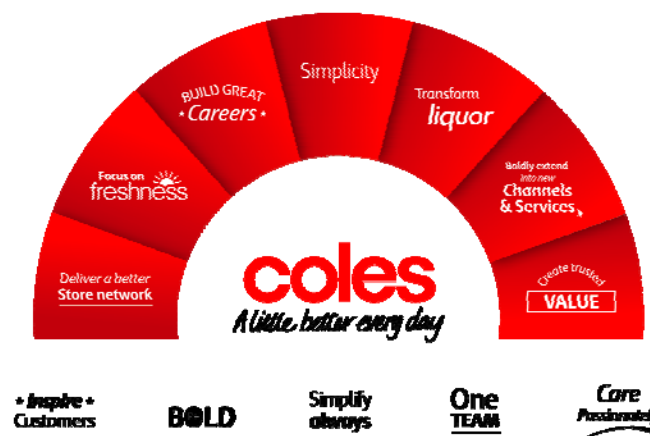
Convenience overview: Fuelling Convenience

- Convenience shop sales growth remained positive
 - 3.6% transaction growth driven by a compelling customer offering
 - Launch of 'Big Yum at Little Coles'
 - Compelling value through 'Every Day' & Coles Brand drove eleventh consecutive quarter of price deflation (excl. Tobacco)
- Continued to improve the site network
 - 17 new sites opened in FY17
 - 132 sites now upgraded with bold branding
- Fuel volumes declined
 - FY17 headline volumes declined 13.6%, comparable volumes declined 16.0%
 - Commercial negotiations with alliance partner ongoing



Coles outlook

- Operating environment expected to remain highly competitive
- FY18 earnings are expected to be affected by the annualisation of 2H17 investment in the customer offer, lower property earnings & lower Financial Services earnings following the sale of Coles' credit card receivables
- Focus on quality, availability & service in Fresh
- Simplicity benefits expected to be available to fund investment over time
- Progress Liquor transformation plan & focus on market-leading convenience offer
- Coles' investment in its customer-led strategy is expected to provide a platform for long-term sustainable growth
- Continue to remain disciplined & returns-focused in capital deployment



Home Improvement

Michael Schneider

Managing Director, Bunnings Group

Managing Director, Bunnings Australia & New Zealand



BUNNINGS
warehouse

BUNNINGS

BUNNINGS
TRADE

HOMEbase

Home Improvement performance summary

Year ended 30 June (\$m)	2017	2016	Var %
Revenue¹	13,586	11,571	17.4
EBITDA ^{1,2,3}	1,463	1,383	5.8
Depreciation & amortisation ¹	(218)	(169)	(29.0)
EBIT^{1,2,3}	1,245	1,214	2.6
EBIT margin ^{1,2,3} (%)	9.2	10.5	
RoC ¹ (R12%)	30.3	33.7	
Bunnings Australia & NZ			
- RoC (R12%)	41.8	36.6	
- Safety (R12 AIFR)	18.8	22.6	
- Total store sales growth ⁴ (%)	8.9	11.1	
- Store-on-store sales growth ⁴ (%)	7.3	8.1	

1. 2016 includes trading for Homebase from acquisition on 28 February 2016.

2. Includes net property contribution for 2017 of \$43m & 2016 of \$46m.

3. Includes one-off transition & restructuring costs related to Homebase of £19m (\$33m) in 2017 & £13m (\$25m) in 2016.

4. 2017 growth reflects the period 1 July 2016 to 30 June 2017 & the period 1 July 2015 to 30 June 2016. 2016 growth reflects the period 1 July 2015 to 30 June 2016 & the period 1 July 2014 to 30 June 2015.

Home Improvement performance summary (continued)

Year ended 30 June (\$m)	2017	2016	Var %
Revenue¹	13,586	11,571	17.4
Bunnings Australia & NZ	11,514	10,575	8.9
Bunnings UK & Ireland (\$)¹	2,072	996	<i>n.m.</i>
Bunnings UK & Ireland (£)¹	1,229	517	<i>n.m.</i>
EBIT^{1,2,3}	1,245	1,214	2.6
Bunnings Australia & NZ²	1,334	1,213	10.0
Bunnings UK & Ireland (\$)¹,³	(89)	1	<i>n.m.</i>
Bunnings UK & Ireland (£)¹,³	(54)	0.5	<i>n.m.</i>

n.m. – not meaningful

1. 2016 includes trading for Homebase from acquisition on 28 February 2016.

2. Includes net property contribution for 2017 of \$43m & 2016 of \$46m.

3. Includes one-off transition & restructuring costs related to Homebase of £19m (\$33m) in 2017 & £13m (\$25m) in 2016.

Bunnings Australia & New Zealand

Michael Schneider

Managing Director, Bunnings Group

Managing Director, Bunnings Australia & New Zealand



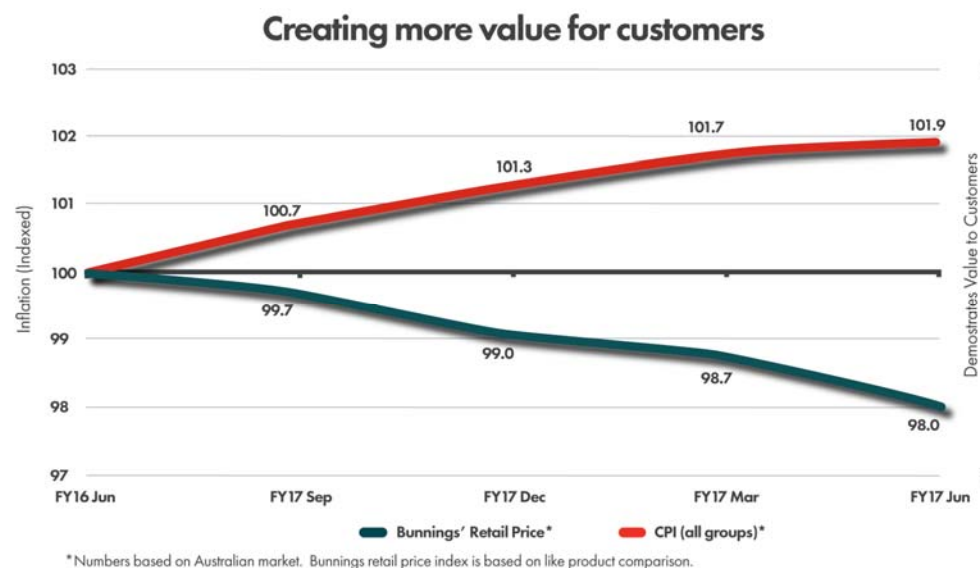
BUNNINGS
warehouse

BUNNINGS

BUNNINGS
TRADE

Bunnings Australia & New Zealand overview

- Pleasing & consistent sales growth
 - Total store sales growth of 8.9%; store-on-store growth of 7.3%
 - Positive trading performance across all major regions; consumer & commercial
 - Solid growth across all categories
- EBIT increase of 10.0%
 - Continued value creation & lower prices
 - Productivity gains & disciplined cost control
 - Further positive property divestment outcomes
- Strong capital management discipline
 - Property recycling program
 - Reduced building & fit-out costs embedded
 - Ongoing investment in network refresh
- Expenses recognised for:
 - Store closure provisions due to agreement with Home Consortium for new sites
 - Additional writedowns related to future network changes & in-store display assets



Caringbah, NSW store demolition & proposed new store

Bunnings Australia & New Zealand overview (continued)

Strong progress on strategic agenda:

Creating better experiences

- More team member training
- More in-store activities
- Engaging with customers

Strengthening the core

- Continued safety focus, reduced injury frequency
- Better in-stock, fewer gaps
- Simplicity & productivity
- Less waste

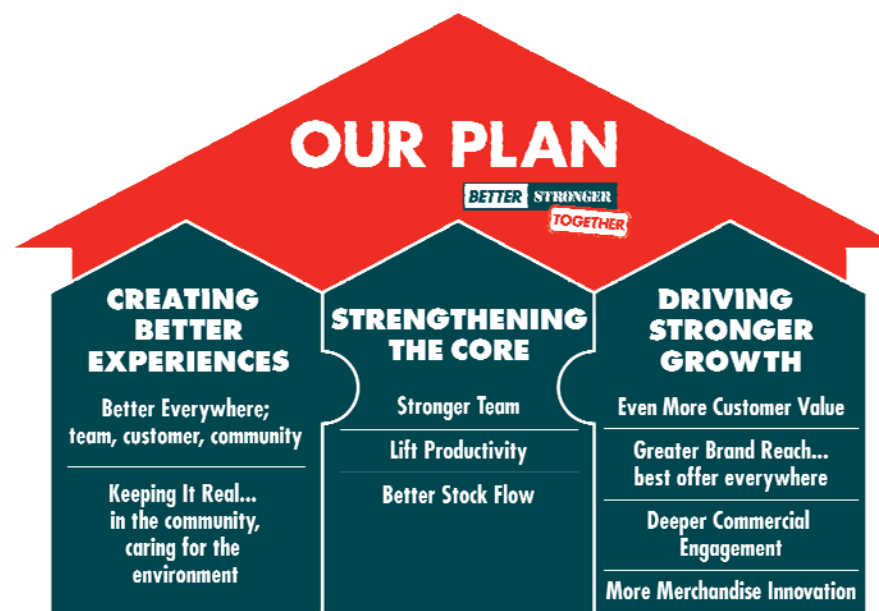
Driving stronger growth

- Ongoing range innovation
- 18 new trading locations opened
- Further investments in customer value
- Wider commercial market penetration
- Increased digital content



Bunnings Australia & New Zealand outlook

- Dynamic competitive landscape
- Strong focus on long-term value creation
- Continued network reinvestment & expansion
- Ongoing investments in lower prices, range innovation & customer service
- Accelerate digital activities
- Access to majority of former Masters sites dependent on joint venture valuation outcome
 - Agreements reached with two landlords; store conversions in progress



Bunnings United Kingdom & Ireland

Michael Schneider

Managing Director, Bunnings Group

Managing Director, Bunnings Australia & New Zealand



Bunnings United Kingdom & Ireland overview

- Revenue of £1.2b (\$2.1b), loss before interest & tax of £54m (\$89m)
 - £19m (\$33m) transition & restructure costs; includes concession exits & pilot store program
 - 4Q17 sales decreased 6.8% in local currency terms
 - Significant disruption impacting performance as Homebase repositioning continues
 - Kitchen & bathroom in transition



Core home improvement & garden, 'Always Low Prices'

- Higher stock weights & wider assortments
- Inconsistent store execution
- Increased participation in core categories



Bunnings United Kingdom & Ireland overview (continued)

Transition & separation

- Exited non-core products
- Standalone services, concession exits

Building trust

- Team development & engagement
 - Building high-performance culture
- Ceased install & in-home service

Four Bunnings Warehouse pilots

- Strong supplier support
- Widest range of trusted brands
- Positive customer feedback
- Pleasing community engagement



Bunnings United Kingdom & Ireland outlook

Continuing to build strong foundations

- Strengthen leadership team
- Realign organisational structures
- Relaunch & rollout kitchen & bathroom offers

Pilot store development & proof of concept

- 15 to 20 pilot stores expected by 31 December 2017, subject to approvals
- Further investment predicated on successful pilots

Trading outlook

- Business remains in the very early stages of formation
- Trading challenging as customers continue to adjust to the new offer in Homebase
- Disproportionate impact of non-operating costs & disruptions associated with new store openings until the Bunnings roll-out achieves sufficient scale



Department Stores

Guy Russo

Chief Executive Officer, Department Stores

Managing Director, Target



Department Stores performance overview

Year ended 30 June (\$m)		2017	2016	Var %
Revenue	Target	2,950	3,456	(14.6)
	Kmart	5,578	5,190	7.5
	Total	8,528	8,646	(1.4)
EBITDA	Target ¹	74	(105)	n.m.
	Kmart	665	571	16.5
	Total	739	466	58.6
EBIT	Target ¹	(10)	(195)	n.m.
	Kmart	553	470	17.7
	Total	543	275	97.5

n.m. – not meaningful

1. 2017 includes \$13m of restructuring costs associated with the planned relocation of Target's store support office. 2016 excludes pre-tax non-cash impairments of \$1,266m & includes \$145m of restructuring costs & provisions.

Target

Guy Russo

Chief Executive Officer, Department Stores

Managing Director, Target



Target performance overview

Year ended 30 June (\$m)	2017	2016	Var %
Revenue	2,950	3,456	(14.6)
EBITDA ¹	74	(105)	<i>n.m.</i>
Depreciation & amortisation	(84)	(90)	6.7
EBIT¹	(10)	(195)	<i>n.m.</i>
EBIT excluding significant items^{1,2}	3	(50)	<i>n.m.</i>
EBIT margin excluding significant items ^{1,2} (%)	0.1	(1.4)	
RoC (R12%)	(1.0)	(8.2)	
Safety (R12 LTIFR)	2.9	4.5	
Total sales growth ³ (%)	(14.5)	0.2	
Comparable sales growth ³ (%)	(14.9)	(0.4)	

n.m. – not meaningful

1. 2016 excludes a pre-tax non-cash impairment of \$1,266m.

2. 2017 excludes \$13m of restructuring costs associated with the planned relocation of Target's store support office. 2016 excludes \$145m of restructuring costs & provisions.

3. 2017 growth reflects the period 26 June 2016 to 24 June 2017 & the period 28 June 2015 to 25 June 2016. 2016 growth reflects the period 28 June 2015 to 25 June 2016 & the period 29 June 2014 to 27 June 2015.

Target overview

- EBIT, excluding restructuring costs¹, up \$53m
 - Improved margins through better quality of sales
 - Cost base reduction well progressed across stores, supply chain & store support office
- Sales affected by decisive actions taken to transform the business:
 - Removal of loss making products & unprofitable events affected Toys & General Merchandise
 - Prices lowered & levels of promotional activity reduced
 - Reset of merchandise disciplines affected levels of summer stock & fashionability
- Higher cash flows supported by lower levels of working capital & moderated capital expenditure
- Opened one new store & closed four stores (including two Kmart conversions)



1. 2017 excludes \$13m of restructuring costs associated with the planned relocation of Target's store support office. 2016 excludes \$145m of restructuring costs & provisions.

Target outlook

- FY18 to continue to reflect the significant transition underway, focused on:
 - Improving fashionability & quality of sales
 - Reducing end-to-end costs
 - Progressing renewal & space & range trials
 - Relocating store support office
- Ongoing focus on working capital improvement & cash generation
- Plans to open five new stores



Kmart

Ian Bailey

Managing Director, Kmart



Kmart performance overview

Year ended 30 June (\$m)	2017	2016	Var %
Revenue	5,578	5,190	7.5
EBITDA	665	571	16.5
Depreciation & amortisation	(112)	(101)	(10.9)
EBIT	553	470	17.7
EBIT margin (%)	9.9	9.1	
RoC (R12%)	43.7	37.7	
Safety (R12 LTIFR)	6.0	6.7	
Total sales growth ¹ (%)	7.9	13.5	
Comparable sales growth ¹ (%)	4.2	10.5	

1. 2017 growth reflects the period 27 June 2016 to 25 June 2017 & the period 29 June 2015 to 26 June 2016. 2016 growth reflects the period 29 June 2015 to 26 June 2016 & the period 30 June 2014 to 28 June 2015.

Kmart overview

- Continued strong performance
 - Revenue growth of 7.5% to \$5.6 billion
 - EBIT up 17.7% to \$553m
 - ROC of 43.7%, up 596 bps
- Revenue growth underpinned by increased customer transactions & units sold
 - Strong growth of everyday product ranges
 - Ongoing price investment continuing to resonate with customers
- Earnings benefit from improved margin management & enhanced productivity in stores & supply chain
- Continued investment in the store network:
 - Opened 11 new Kmart stores
 - Completed 33 major Kmart store refurbishments
 - Opened seven new Kmart Tyre & Auto Service centres



Kmart outlook

- Continue to drive sustainable growth through:
 - A great place to shop that is simple to run
 - Better products at even lower prices
- Increased focus on enhancing the customer shopping experience in-store & online
- Focus on operational efficiencies to facilitate volume growth
- Ongoing investment in price
- Plans to open 10 new stores & complete 35 store refurbishments in FY18



Officeworks

Mark Ward

Managing Director, Officeworks



Officeworks performance summary

Year ended 30 June (\$m)	2017	2016	Var %
Revenue	1,964	1,851	6.1
EBITDA	168	156	7.7
Depreciation & amortisation	(24)	(22)	(9.1)
EBIT	144	134	7.5
EBIT margin (%)	7.3	7.2	
RoC (R12%)	14.7	13.5	
Safety (R12 AIFR)	12.0	15.9	
Sales growth ¹	6.1	8.1	

1. 2017 growth reflects the period 1 July 2016 to 30 June 2017 & the period 1 July 2015 to 30 June 2016. 2016 growth reflects the period 1 July 2015 to 30 June 2016 & the period 1 July 2014 to 30 June 2015.

Officeworks overview

- **Pleasing headline results**

- Revenue growth of 6.1%
- EBIT growth of 7.5%
- RoC (R12) up 121 bps to 14.7%

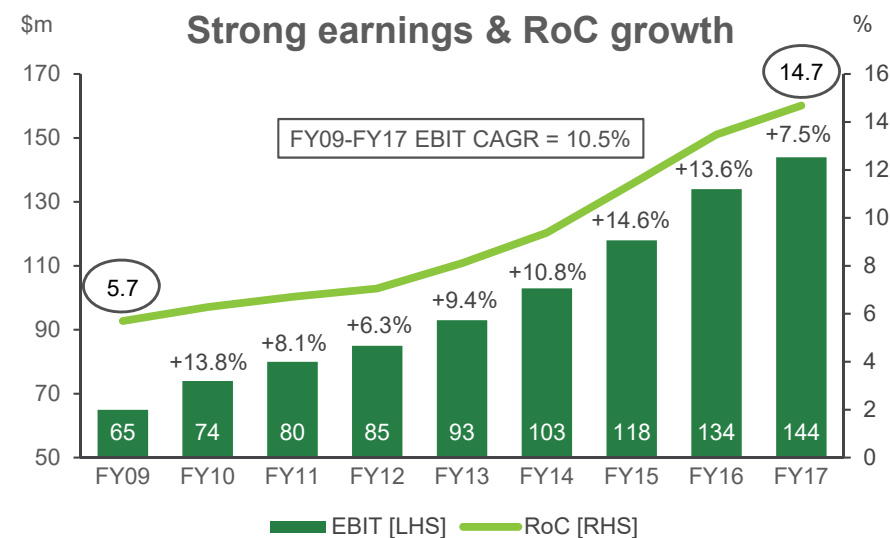
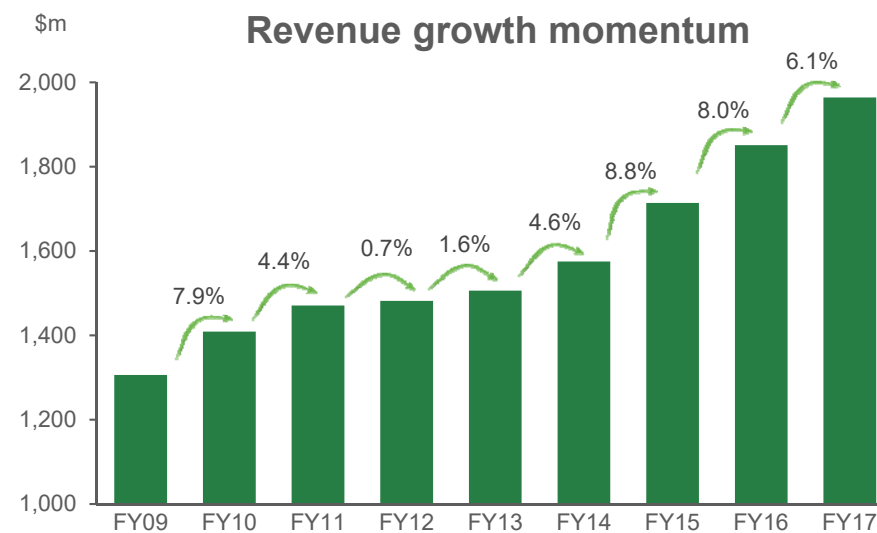
- **Strong focus on customer offer**

- New & expanded product ranges
- Merchandise layout & store design changes
- Relentless focus on providing great service

- **Continued investment in extending reach**

- Six new stores
- Ongoing enhancements to the online offer
- Strong momentum in B2B segment

- **Effective cost control & disciplined inventory management**



Officeworks outlook

- Continued focus on disciplined execution of strategic agenda
 - Strengthen & expand the customer offer
 - Extend ‘every channel’ reach
 - Enhance productivity & efficiency
 - Invest in talent, diversity & safety
 - Make a positive difference in the community
- Variable trading conditions to continue
 - Consumer & business confidence expected to remain subdued
 - Competitive pressure expected to remain strong



Industrials

Rob Scott

Managing Director, Industrials

Deputy Chief Executive Officer, Wesfarmers Limited




Wesfarmers Chemicals,
Energy & Fertilisers




Wesfarmers
Industrial and Safety

Blackwoods

NZ Safety Blackwoods

WORKWEAR GROUP



GREENCAP


Wesfarmers Resources



Industrials performance summary

Year ended 30 June (\$m)		2017	2016	Var %
Revenue	Chemicals, Energy & Fertilisers ¹	1,639	1,820	(9.9)
	Industrial & Safety	1,776	1,844	(3.7)
	Resources	1,746	1,008	73.2
	Total	5,161	4,672	10.5
EBITDA	Chemicals, Energy & Fertilisers ²	472	400	18.0
	Industrial & Safety ³	158	105	50.5
	Resources ⁴	465	(164)	n.m.
	Total	1,095	341	n.m.
EBIT	Chemicals, Energy & Fertilisers ²	395	294	34.4
	Industrial & Safety ³	115	63	82.5
	Resources ⁴	405	(310)	n.m.
	Total	915	47	n.m.

n.m. – not meaningful

1. Includes interest revenue from Quadrant Energy loan notes & excludes intra-division sales.

2. 2017 includes a profit on sale of land of \$22m & \$33m relating to WesCEF's share of revaluation gains in Quadrant Energy. 2016 includes \$32m of costs relating to ceasing PVC manufacturing.

3. 2016 includes \$35m of restructuring costs associated with the 'Fit for Growth' transformation.

4. 2016 excludes \$850m pre-tax non-cash impairment of Curragh assets.

Chemicals, Energy & Fertilisers performance summary

Year ended 30 June (\$m)		2017	2016	Var %
Revenue	Chemicals	813	910	(10.7)
	Energy ¹	368	325	13.2
	Fertilisers	458	585	(21.7)
	Total	1,639	1,820	(9.9)
EBITDA		472	400	18.0
Depreciation & amortisation		(77)	(106)	27.4
EBIT		395	294	34.4
EBIT excluding significant items²		340	326	4.3
External sales volume ³ ('000 tonnes)	Chemicals	979	1,021	(4.1)
	LPG	103	120	(14.2)
	Fertilisers	956	1,080	(11.5)
RoC (R12 %)		27.4	18.9	
Safety (R12 LTIFR)		0.7	3.2	

1. Includes interest revenue from Quadrant Energy loan notes & excludes intra-division sales.

2. 2017 excludes a profit on sale of land of \$22m & \$33m relating to WesCEF's share of revaluation gains in Quadrant Energy. 2016 excludes \$32m of costs relating to ceasing PVC manufacturing.

3. External sales exclude AN volumes transferred between chemicals & fertilisers business segments.

Chemicals, Energy & Fertilisers overview

- Revenue affected by lower PVC & fertiliser volumes as well as lower fertiliser & ammonia commodity prices, partially offset by higher natural gas & electricity revenue
- EBIT & RoC increased despite lower revenue
 - Higher Chemicals earnings, driven by lower ammonia input pricing in 1H17 & cessation of PVC manufacturing
 - Higher Kleenheat earnings across all segments, with strong growth in natural gas retail
 - Lower Fertiliser earnings relative to the above-average season in 2016
 - One-off profit of \$22m from sale of land & \$33m relating to WesCEF's share of revaluation gains in Quadrant Energy
- Key achievements included:
 - Construction of AN emulsion plant commenced, underpinned by a long-term offtake agreement
 - Secured a new explosive-grade AN contract, partially offsetting the expiry of a key contract in July 2017

Industrial & Safety performance summary

Year ended 30 June (\$m)	2017	2016	Var %
Revenue	1,776	1,844	(3.7)
EBITDA	158	105	50.5
Depreciation & amortisation	(43)	(42)	(2.4)
EBIT	115	63	82.5
EBIT excluding restructuring costs¹	115	98	17.3
EBIT margin excluding restructuring costs ¹ (%)	6.5	5.3	
RoC (R12 %)	8.4	4.7	
Safety (R12 LTIFR)	1.4	1.5	

1. 2016 excludes \$35m of restructuring costs associated with the 'Fit for Growth' transformation.

Industrial & Safety overview

- Revenue down 3.7%
 - Blackwoods' revenue showing signs of stabilising following a prolonged period of decline
 - Workwear Group affected by lower sales in industrial wear & FX translation of UK sales
 - Growth in Coregas through 'Trade N Go' & NZ expansion (Supagas acquisition)
- Underlying EBIT up 17.3%, with higher earnings across all businesses
 - Improved category management in Blackwoods
 - Lower operating costs in Workwear Group
 - Coregas expansion into NZ, higher bulk sales & further 'Trade N Go' rollout
- Transformations of Blackwoods & Workwear Group continued
 - 'Go-to-market channels' realigned to better meet customer needs & target growth opportunities
 - Service Improvement Program enhancing communication & delivery to customers
 - Merchandising & pricing strategies delivering margin benefits
 - Investment in frontline staff training to increase technical expertise to better serve customers

Resources performance summary

Year ended 30 June (\$m)	2017	2016	Var %
Revenue	1,746	1,008	73.2
Royalties ¹	(262)	(143)	(83.2)
Mining & other costs ²	(1,019)	(1,029)	1.0
EBITDA²	465	(164)	n.m.
Depreciation & amortisation	(60)	(146)	58.9
EBIT²	405	(310)	n.m.
RoC (R12 %)	69.0	(22.9)	
Coal production ('000 tonnes)	15,465	13,963	10.8
Safety (R12 LTIFR) ³	1.4	0.0	

n.m. – not meaningful

1. Includes Stanwell export rebate of \$98m for 2017 & \$65m for 2016.

2. 2016 excludes a pre-tax non-cash impairment of \$850m in Curragh.

3. Excludes Bengalla.

Resources overview

- Strong production & earnings recovery, with EBIT increasing \$715m
 - 73.2% increase in revenue
 - Significant increases in metallurgical & thermal coal prices during FY17
 - FY17 sales mix: Hard 42%; Semi 23%; PCI 35%
 - Lower hedge book losses of \$92m (\$147m in FY16)
 - 12.5% increase in metallurgical coal production despite impact of weather disruptions in 1Q FY17 & Cyclone Debbie in 4Q FY17 (which disrupted the Blackwater rail system used by Curragh)
 - Continued implementation of productivity initiatives & revised mine plan
 - Improvements in underlying mine cash costs offset by wet weather disruptions & the opportunistic use of truck & shovel fleet to maximise production
 - Depreciation & amortisation \$86m lower
 - Non-cash impairment charge in carrying value of Curragh recognised in FY16
 - Obligations to Stanwell reduced FY17 EBIT by \$186m
 - Settlement of Stanwell litigation during 1H17 resulting in a one-off provision adjustment of \$35m
-

Industrials outlook

Chemicals, Energy & Fertilisers

- Continued focus on strong operational performance & innovation
- Chemicals earnings will be affected by an anticipated oversupply in the WA EGAN market; partially offset by new contracts including AN emulsion offtake
- Increased competition in the natural gas retailing market
- Farmers' sentiment less positive than previous year due to dry conditions in WA
- International commodity prices, exchange rates, seasonal & competitive factors will continue to influence earnings

Industrial & Safety

- Blackwoods & Workwear Group will continue to focus on:
 - Growing revenue through increasing spend per customer & broadening the customer base
 - Improving systems & processes to enhance supply chain efficiency & customer service
 - Optimising category strategy, pricing & sourcing to improve efficiency & customer offer
- Coregas to grow through innovation, leveraging distribution channels & extending into new markets

Industrials outlook (continued)

Resources

- Continue strong focus on operational productivity, cost control & capital discipline
- Earnings dependent on export coal pricing & exchange rates
 - Export market conditions expected to remain volatile in near term
 - Implementation of index-linked quarterly price mechanism for HCC
- Expectations for FY18:
 - Curragh's metallurgical coal sales volume to be 8.5mt to 9.0mt (subject to mine operating performance, weather & key infrastructure availability)
 - Metallurgical sales mix of Hard 46%; Semi 12%; PCI 42%
 - Locked-in hedge losses of \$34m
 - Stanwell export rebate obligations of \$175m to \$195m (due to lag effect of higher export prices in FY17)
- Previously announced strategic review is ongoing

Group Outlook

Richard Goyder

Managing Director, Wesfarmers Limited



Outlook

Group

- Given diverse business operations & strong balance sheet, the Group remains generally optimistic in its outlook
- Cash generative portfolio, capital disciplines & strong balance sheet position the Group well to take advantage of growth opportunities where satisfactory returns to shareholders can be delivered
- Continue to evaluate opportunities to create shareholder value through proactive portfolio management
 - Progressing strategic review of Resources
- Ensure sustainability through responsible long-term management

Outlook (continued)

Retail

- Coles to focus on further improvements in fresh quality, merchandising & availability, while continuing to drive operational efficiencies to support investments in value & service; sales & margin pressures expected to persist in a very competitive environment
- Positive outlook for BANZ given current trading momentum & established market position; trading anticipated to remain challenging in Homebase & Bunnings pilot store program will be progressed
- Kmart to continue to drive growth by delivering better products at lower prices & investing in stores; Target transformation progressing to deliver further improvements in performance
- Officeworks to continue to implement its 'every channel' strategy to drive growth across both stores & online

Industrials

- WesCEF's earnings expected to be affected by an anticipated oversupply in the WA EGAN market although good work undertaken to secure new contracts; solid sales momentum expected in Energy
- Industrial & Safety well-positioned following strategic reset to drive growth & operational efficiencies
- Resources to remain focused on strong operational productivity & cost control; earnings expected to be affected by higher Stanwell rebate, with coal prices expected to remain volatile

Questions



Wesfarmers