23 February 2016

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

HALF-YEAR REPORT TO 31 DECEMBER 2015

In accordance with ASX Listing Rule 4.2A, attached is the 2016 Half-year Report (incorporating Appendix 4D).

It is recommended that the report be read in conjunction with the Annual Financial Report of Wesfarmers Limited for the period ended 30 June 2015, together with any public announcements made by Wesfarmers Limited in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

An analyst briefing will be held at 10:00 am (AWST) / 1:00 pm (AEDT) on Wednesday, 24 February 2016. This briefing will be webcast and is accessible via our website at www.wesfarmers.com.au.

Yours faithfully,

L J KENYON
COMPANY SECRETARY

Wesfarmers Limited
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Half-year Report

INCORPORATING APPENDIX 4D

For the six months ended 31 December 2015

It is recommended that the Half-year Report is read in conjunction with the Annual Financial Report of Wesfarmers Limited as at 30 June 2015 together with any public announcements made by Wesfarmers Limited and its controlled entities during the half-year ended 31 December 2015 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001

Wesfarmers Limited and its controlled entities

Half-year Report for the six months ended 31 December 2015

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About this report

This Half-year Report is a summary of Wesfarmers' and its subsidiary companies' operations and financial positions as at 31 December 2015 and performance for the half-year ended on that date.

In this report references to 'Wesfarmers', 'the company', 'the Group', 'we', 'us' and 'our' refer to Wesfarmers Limited (ABN 28 008 984 049) unless otherwise stated.

References in this report to the 'half-year' are to the financial period 1 July 2015 to 31 December 2015 unless otherwise stated. The previous corresponding period (pcp) is the half-year ended 31 December 2014.

All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated.

Appendix 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities ($m)	up 4.7% to $33,462
Profit from ordinary activities after tax attributable to members ($m)	up 1.2% to $1,393
Net profit for the period attributable to members ($m)	up 1.2% to $1,393
Interim dividend (fully-franked)	91 cents per share
Record date for determining entitlements to the interim dividend	5:00pm (AWST) 2 March 2016
Payment date for interim dividend	7 April 2016
Net tangible assets per ordinary share	$5.05 (2014: $4.92)
Operating cash flow per share	$2.14 (2014: $2.00)

DIVIDEND INVESTMENT PLAN

The Company operates a Dividend Investment Plan (the Plan) which allows eligible shareholders to elect to invest dividends in ordinary shares which rank equally with Wesfarmers ordinary shares. The allocation price for shares under the Plan will be calculated as the average of the daily volume weighted average price of Wesfarmers ordinary shares on each of the 15 consecutive trading days from and including the third trading day after the record date of 2 March 2016 for participation in the Plan, being 7 March 2016 to 29 March 2016.

The last date for receipt of applications to participate in or to cease or vary participation in the Plan is by 5:00pm (AWST) on 3 March 2016. The Directors have determined that no discount will apply to the allocation price and the Plan will not be underwritten. Shares to be allocated under the Plan will be acquired on-market and transferred to participants on 7 April 2016. A broker will be engaged to assist in this process.

FURTHER INFORMATION

Further information to assist in the understanding of the above is provided throughout this Half-year Report.

About Wesfarmers

From its origins in 1914 as a Western Australian farmers' cooperative, Wesfarmers has grown into one of Australia's largest listed companies. With headquarters in Western Australia, its diverse business operations cover: supermarkets, liquor, hotels and convenience stores; home improvement and office supplies; department stores; and an industrials division with businesses in chemicals, energy and fertilisers, coal, and industrial and safety products. Wesfarmers is one of Australia's largest private sector employers with around 210,000 employees.

The primary objective of Wesfarmers is to provide a satisfactory return to shareholders.

Wesfarmers' primary objective is to deliver a satisfactory return to shareholders through financial discipline and strong management of a diversified portfolio of businesses.

A key focus of the Group is ensuring that each of its divisions has a strong management capability that is accountable for strategy development and execution, as well as day-to-day operational performance.

Each division is overseen by a divisional board of directors or steering committee, which includes the Wesfarmers Managing Director and the Finance Director, and is guided by a Group-wide operating cycle and governance framework.

Directors' Report

The directors of Wesfarmers Limited submit their report for the half-year ended 31 December 2015.

DIRECTORS

The names of the directors in office during the half-year and until the date of this report are shown below.

M A Chaney AO	(Non-Executive Chairman, appointed Chairman effective 12 November 2015)
R L Every AO	(Non-Executive Chairman, retired 12 November 2015)
R J B Goyder AO	(Group Managing Director)
P M Bassat	(Non-Executive Director)
T J Bowen	(Finance Director)
J P Graham AM	(Non-Executive Director)
A J Howarth AO	(Non-Executive Director)
W G Osborn	(Non-Executive Director)
D L Smith-Gander	(Non-Executive Director)
V M Wallace	(Non-Executive Director)
J A Westacott	(Non-Executive Director)

All directors served on the Board for the period from 1 July 2015 to 31 December 2015, except for Dr Every who retired as Chairman and a director at the conclusion of the Annual General Meeting held on 12 November 2015. Mr Chaney was appointed as Non-Executive Chairman effective 12 November 2015 following the retirement of Dr Every.

REVIEW OF RESULTS AND OPERATIONS

Half-year ended 31 December 2015	Variance to pcp
Reported	
Operating revenue of $33.5 billion	4.7%
Earnings before interest and tax of $2,110 million	1.6%
Net profit after tax of $1,393 million	1.2%
Basic earnings per share of $1.24	2.6%
Return on equity (R12) of 10.0 per cent (from continuing operations[1] and excluding NTIs[2])	30 bps
Return on equity (R12) of 10.0 per cent	(40) bps
Interim dividend (fully-franked) per share of $0.91	2.2%

Wesfarmers Limited has reported a net profit after tax (NPAT) of $1,393 million for the half-year ended 31 December 2015, an increase of 1.2 per cent on the prior corresponding period. Earnings per share rose 2.6 per cent, and return on equity (R12) from continuing operations[1] and excluding NTIs[2] increased 30 basis points to 10.0 per cent.

Strong performances across the Group's retail portfolio supported continued earnings growth in a period in which low commodity prices provided a significant headwind for the Group's Resources business.

The Group's retail portfolio delivered a strong increase in earnings before interest and tax (earnings or EBIT) of $176 million or 9.2 per cent during the half supported by good Christmas seasonal trading in all businesses. Investment in customer value, store network improvement and better merchandise offers and service drove increased earnings across the retail portfolio. Overall, return on capital for the retail portfolio improved strongly as a continuing focus on capital efficiency further leveraged the earnings growth recorded.

Due largely to a substantial decline in revenue in the Resources business, and despite a continued strong focus on cost reduction, earnings across the Industrials division were $158 million lower. The Resources business was impacted by lower export coal prices and $70 million of currency hedge book losses. Depressed conditions across the resources sector also adversely affected earnings in the Industrial and Safety business. The Chemicals, Energy and Fertilisers business performed well in this environment, achieving a solid increase in earnings through strong plant performances, reduced gas input prices and an initial contribution from the Group's interest in Quadrant Energy.

Cash realisation and free cash flow generation remained strong for the half with working capital well managed. Consistent with the growth in earnings per share, the interim dividend has been increased two cents per share to 91 cents per share.

[1] Discontinued operations for the 12 month period to 31 December 2014 included the Insurance division's contribution of $121 million and $82 million of pre-tax and post-tax earnings respectively.

[2] NTIs for the 12 month period to 31 December 2014 include $196 million of post-tax earnings (which include a $939 million gain on disposal of the Insurance division, a $677 million non-cash impairment of Target's goodwill and a $66 million Coles Liquor restructuring provision).

Group results summary

Half-year ended 31 December ($m)	2015	2014	Variance %
Key financials			
Revenue	33,462	31,970	4.7
EBITDA	2,749	2,657	3.5
EBIT	2,110	2,076	1.6
NPAT	1,393	1,376	1.2
Return on equity (R12, %) (from continuing operations[a] and excluding NTIs[b])	10.0	9.7	30 bps
Return on equity (R12, %)	10.0	10.4	(40) bps
Cash flow			
Operating cash flow	2,404	2,281	5.4
Net capital expenditure	675	899	(24.9)
Free cash flow	1,665	1,269	31.2
Cash realisation ratio (%)	118.3	116.6	170 bps
Share data (cents per share)			
Earnings per share	124.2	121.0	2.6
Operating cash flow per share (wanos, incl. res shares)	213.9	200.1	6.9
Interim ordinary dividend	91	89	2.2
Capital management distribution (paid)	-	100	(100.0)
Balance sheet and gearing			
Net debt	6,108	5,139	18.9
Interest cover (cash basis) (R12, times)	19.3	18.1	6.6
Fixed charges cover (R12, times)	3.0	3.1	(3.2)

[a] Discontinued operations for the 12 month period to 31 December 2014 included the Insurance division's contribution of $121 million and $82 million of pre-tax and post-tax earnings respectively.

[b] NTIs for the 12 month period to 31 December 2014 include $196 million of post-tax earnings (which include a $939 million gain on disposal of the Insurance division, a $677 million non-cash impairment of Target's goodwill and a $66 million Coles Liquor restructuring provision).

Divisional earnings summary

Half-year ended 31 December ($m)	2015	2014	Variance %
EBIT			
Coles	945	895	5.6
Home Improvement & Office Supplies	760	668	13.8
Department Stores	393	359	9.5
Industrials	22	180	(87.8)
Divisional EBIT	**2,120**	**2,102**	**0.9**
Other	(10)	(26)	61.5
Group EBIT	**2,110**	**2,076**	**1.6**

Performance overview - divisional

Coles

Earnings before interest and tax (earnings or EBIT) at Coles increased 5.6 per cent to $945 million for the half on revenue growth of 3.1 per cent. Food and liquor recorded sales growth of 6.0 per cent.

The good momentum in Coles' food and liquor business continued during the half. Food and liquor revenue grew $937 million, driven by investing benefits from operational simplification and supply chain efficiencies into better value for customers and improvements in service, particularly over the Christmas period. Coles continued to make improvements in its fresh offer, resulting in increased transaction volumes and basket size.

The transformation of Coles Liquor was further progressed with encouraging signs, and over the period included work on price investment, range simplification and store network optimisation. Despite lower fuel volumes and average fuel price, the convenience business produced a solid result, supported by strong growth in store sales.

Home Improvement and Office Supplies

Bunnings' earnings increased 13.4 per cent to $701 million on revenue growth of 10.9 per cent.

Bunnings produced another very strong result in the half. Bunnings' results reflect the broad strength of its offer and solid execution of its strategic agenda. Sales uplifts were achieved in both consumer and commercial areas following the delivery of more value to customers, merchandising improvements and extended brand reach through growth in the store network and further digital enhancements.

As previously disclosed, the Group entered into an agreement to acquire Homebase, the second largest home improvement and garden retailer in the United Kingdom and Ireland. Subject to completion, the Group expects the acquisition to provide a long-term value creation opportunity for Bunnings that will complement the strong growth trajectory of its Australian and New Zealand business.

Officeworks' earnings of $59 million were 18.0 per cent higher for the period, with revenue growth of 9.1 per cent.

Officeworks continued its good record of strong growth in earnings and return on capital. Officeworks' results included growth across every channel, driven by improvements in store layouts, the introduction of new merchandise categories and further investments in both its business-to-business offer and digital platform.

Department Stores

The Group has announced a restructure of its department store businesses into a newly created Department Stores division. This restructure will enable Kmart and Target to maximise and share opportunities where appropriate while maintaining and growing these iconic Australian brands.

Kmart's earnings grew 10.4 per cent to $319 million on revenue growth of 12.6 per cent.

Kmart's strong result, which included a significant increase in return on capital, was delivered through a continued focus on range improvement, cost control and inventory management. Further investment in customer value, store network refurbishment activity and new stores also supported sales and earnings growth.

Target's earnings of $74 million were 5.7 per cent higher, with revenue up 1.9 per cent.

Customer transactions and unit volumes grew during the half as Target invested further in lowering prices for customers as part of its 'first price, right price' strategy. Target made sound progress across its strategic agenda, particularly in the areas of SKU reduction, higher levels of direct sourcing and supply chain overhaul. New format store trial performance was encouraging.

Industrials

The operating environment for the Group’s Industrials division was challenging for the half due to further falls in commodity prices and lower mining investment and industrial business activity.

Earnings for the Chemicals, Energy and Fertilisers business (WesCEF) of $104 million were up 9.5 per cent.

Earnings growth in WesCEF was driven by improved contributions from ammonia and ammonium nitrate, a strong turnaround in Kleenheat due to lower gas feedstock costs and a contribution from the Group’s interest in Quadrant Energy. Overall, the chemicals and fertilisers businesses performed solidly, supported by plants operating at capacity and increased customer demand. Results from this good performance were partially offset by a significantly lower result in Australian Vinyls due to $30 million of one-off costs associated with the decision to cease PVC manufacturing.

The Industrial and Safety business recorded earnings of $36 million, $14 million lower than the prior corresponding period.

In the Industrial and Safety business, high levels of sales and margin pressure were experienced in the half as a result of depressed resources conditions, which included customers focusing very strongly on cost control, and also higher costs of goods sold due to a lower Australian dollar. In an effort to step change business productivity and sales performance, a significant business restructure was commenced late in the half. While longer term benefits are expected, up-front restructuring costs of approximately $35 million are expected from this activity, $5 million of which was incurred in the half.

The Resources business recorded a loss of $118 million, $153 million lower than the prior corresponding period, with coal production 4.2 per cent lower.

Despite efforts to reduce mining costs, earnings in the Resources business were adversely affected by further declines in export coal prices and an unfavourable sales mix as customers sought lower quality metallurgical coal. In addition, after a number of years of positive contribution, the division recorded a $70 million currency hedge book loss for the period, which largely offset the benefit of a lower Australian dollar.

Other businesses and cash flows

Other businesses and corporate overheads reported a net expense of $10 million for the period, compared to an expense of $26 million in the prior corresponding period. Within this result, corporate overheads of $67 million were broadly in line with last year.

Operating cash flows of $2,404 million were $123 million higher, with a good cash realisation ratio of 118.3 per cent recorded.

Marginally lower retail store network investment and higher proceeds from the sale of retail property resulted in gross capital expenditure of $1,059 million being 12.3 per cent lower than the same time last year and net capital expenditure of $675 million being 24.9 per cent lower.

Free cash flows of $1,665 million were 31.2 per cent above the prior corresponding period. Strong cash flow generation, along with earnings growth, supported the declaration of an increase in the interim dividend to 91 cents per share fully-franked.

Outlook

Across the Group, with the exception of mining and resources-related areas, the Group continues to remain generally optimistic in its outlook. The Group's retail businesses have good sales momentum and are well positioned in an environment where consumers are expected to remain value-conscious and manage household budgets carefully.

In strongly competitive markets, the performance of the Group's retail businesses is expected to be supported by an ongoing focus on delivering further value, better service and improved ranges for customers. Strategies will also focus on merchandise innovation, supply chain productivity, digital engagement and store network improvement. For Bunnings, while changes in the competitive environment may result in short-term volatility of trading margins, the longer term outlook remains positive.

Through the newly created Department Stores division, the Group will seek to leverage, where practicable, more streamlined coordination across functions to realise benefits now available given the considerable work completed in recent years to improve the Kmart and Target businesses.

The short-term outlook for the Group's Industrials division remains challenging. Low export coal prices, locked-in currency hedge book losses and production impacts due to wet weather in January and February 2016 provide for a very difficult short-term outlook for the Resources business. In this environment, the Resources business will maintain a very strong focus on cost and capital control, and the Group continues to look at all options to maximise shareholder value from this business.

The outlook for the WesCEF business is generally positive but remains subject to plant performance and seasonal conditions. Volume and margin declines are expected to stabilise for the Industrial and Safety business, although earnings in the second half will be adversely affected by further costs of transformation work.

At a Group level, the balance sheet and cash flow generation are expected to remain strong, supported by continued capital discipline. Wesfarmers remains well positioned to take advantage of growth opportunities should they arise, including through reinvestment in growth pipelines which continue to arise in each of the Group's businesses. The Group will also continue to seek to optimise the portfolio where satisfactory returns to shareholders can be delivered.

DIVISIONAL PERFORMANCE OVERVIEW

Coles

Half-year ended 31 December ($m)		2015	2014	Variance %
Revenue		**20,087**	**19,483**	**3.1**
EBITDA		1,250	1,171	6.7
Depreciation and amortisation		(305)	(276)	(10.5)
EBIT[a]		**945**	**895**	**5.6**
EBIT margin (%)		4.7	4.6	
RoC (R12, %)		11.2	10.6	
Safety (R12, LTIFR)		7.6	7.6	
Food & Liquor	Revenue[b]	**16,496**	**15,559**	**6.0**
	Headline sales growth[c,d] (%)	5.4	5.3	
	Comparable sales growth[c] (%)	4.3	4.2	
	Inflation/ (deflation)	(1.2)	(0.7)	
Convenience	Revenue[b]	**3,591**	**3,924**	**(8.5)**
	Total convenience store sales growth[c,d] (%)	11.6	11.5	
	Comparable sales growth[c] (%)	(3.8)	(6.9)	

[a] Includes property EBIT for 2015 of $10 million and for 2014 of $8 million.
[b] Includes property revenue for 2015 of $13 million and for 2014 of $15 million.
[c] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.
[d] Includes hotels, excludes gaming revenue and property.

Performance review

Coles' revenue increased $604 million to $20.1 billion and EBIT grew at 5.6 per cent to $945 million. Return on capital (R12) increased 54 basis points to 11.2 per cent.

Food and Liquor

Food and liquor performance improved, with revenue growing by $937 million to $16.5 billion. Further investment to lower selling prices, improve the fresh food offering and increase customer service drove continued improvement in key performance metrics including transaction volumes, average basket size and sales density.

Headline food and liquor sales for the first half[3] were 5.4 per cent above the prior corresponding period. Comparable food and liquor sales increased 4.3 per cent for the half[3], with comparable food sales increasing 4.7 per cent.

For the second quarter[3], headline food and liquor sales increased 6.1 per cent to $9.0 billion. Coles recorded comparable food and liquor sales growth of 4.9 per cent and comparable food sales growth of 5.3 per cent.

Food and liquor price deflation was 1.2 per cent for the first half[3] and 1.0 per cent in the second quarter[3]. Continued deflation was supported through increased investment in 'Every Day' value across key lines, strong promotions, increased investment in Coles Brand value and targeted flybuys offers. Coles' 19 consecutive quarters of deflation highlights the commitment to delivering trusted value for customers, despite significant recent inflationary pressures in categories such as meat and tobacco.

A strong focus on the simplification of operations and supply chain efficiencies delivered costs savings to the business, enabling further investment in value and improvements to the customer offer. The operating efficiencies achieved also drove improved freshness, product life, availability and sales.

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[3] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Coles Online continued to grow strongly, supported by investment in the online platform and distribution network. Coles Financial Services continued to achieve double-digit customer account growth, increasing to approximately 970,000 accounts across insurance, credit cards and prepaid cards. The strong growth of financial services is reflective of Coles' commitment to provide customers a simple offering with compelling value over the long-term.

Coles continues to improve its supermarket network, opening 10 new supermarkets and closing four during the first half[4], achieving net space growth of 2.5 per cent relative to the prior comparable period. Coles remains committed to optimising its store network through new stores and renewals while maintaining a strong focus on generating an acceptable return on capital.

The transformation of Liquor continued to progress in line with expectations. Long-term initiatives, including a greater level of price investment, range simplification and network optimisation, generated positive momentum with customers, evidenced by improvement in transaction volumes. During the half[4], 12 underperforming liquor stores were closed and 19 liquor stores opened, including two replacement stores.

At 31 December 2015, Coles had a total of 782 supermarkets, 865 liquor stores and 89 hotels.

Convenience

Coles Express recorded revenue of $3.6 billion for the first half[4], 8.5 per cent lower than the previous corresponding period due to lower volumes and average fuel price. Convenience store sales increased by 11.6 per cent while fuel sales were 10.7 per cent lower than the prior period.

For the half[4], total fuel volumes declined 0.6 per cent with comparable volumes down 3.8 per cent. Total fuel volumes declined 2.4 per cent for the second quarter[4], with comparable volumes down 5.7 per cent. Fuel volumes were adversely affected by competitor site openings and regulatory and environmental compliance works which reduced pad-site availability. During the period[4], Coles Express continued to accelerate its store network rollout program, opening 20 sites and closing one site. The record number of site openings in the last 18 months is expected to have a positive impact on results as those sites reach maturity.

Headline convenience store sales increased 11.6 per cent for the half[4] and 7.9 per cent on a comparable store basis. For the second quarter[4], convenience store sales increased 10.6 per cent, with comparable store sales growth of 6.9 per cent. The growth achieved reflects a positive response to the ongoing focus on 'Every Day' value across categories, including strong growth in Coles Brand and food-to-go.

As at 31 December 2015, there were 681 Coles Express sites.

Outlook

Coles expects lower prices and better value to remain the key focus of customers in an increasingly competitive food and grocery industry. In this environment, Coles remains committed to achieving sustainable long-term growth by providing customers with trusted value and a market leading offer in fresh food and service.

Coles' customer-led strategy will be to continue to invest in improvements in freshness, quality, value and service. Coles expects to continue to achieve operational efficiencies by driving end-to-end simplicity throughout the business and investing in the store network to deliver a better in-store experience for customers.

The transformation of the Liquor business will remain a strong focus. Further improvements are expected to be driven by continued investment in price, the acceleration of the renewal program in Liquorland and the expansion of the exclusive brand offer.

Fuel volume headwinds are expected to continue in the near term at Coles Express due to competitor site openings and disruption to the network caused by regulatory and environmental compliance works. Further growth in convenience store sales is expected through investments in lower price, category innovations and site renewals.

Coles will also seek to deliver growth by investing in new channels with a focus on Coles Financial Services, Coles Online and flybuys.

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[4] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Home Improvement and Office Supplies

Home Improvement

Half-year ended 31 December ($m)	2015	2014	Variance %
Revenue	**5,500**	**4,959**	**10.9**
EBITDA	776	686	13.1
Depreciation and amortisation	(75)	(68)	(10.3)
EBIT	**701**	**618**	**13.4**
EBIT margin (%)	12.7	12.5	
RoC (R12, %)	35.8	31.6	
Safety (R12, AIFR)	23.0	27.9	
Total store sales growth[a] (%)	11.0	11.7	
Store-on-store sales growth[a] (%)	7.9	9.1	

[a] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Performance review

Operating revenue increased 10.9 per cent to $5.5 billion for the half. EBIT of $701 million increased $83 million or 13.4 per cent.

Total store sales growth of 11.0 per cent was achieved for the half[5], with store-on-store sales increasing 7.9 per cent. The broad strength of the trading performance was encouraging, with sales uplifts achieved in both consumer and commercial areas, within all major trading regions and across all merchandising categories. Total sales in the second quarter[5] were up 10.3 per cent with total store sales up 10.5 per cent. Store-on-store sales increased 7.6 per cent in the second quarter[5].

The trading performance was enhanced by further progress on actions to strengthen and grow the business. Work to deliver more value, improve merchandising and enhance customer experiences achieved positive responses with consumer and commercial customers. Brand reach continued with further digital enhancements leading to strong gains in customer engagement. An ongoing focus on process improvement resulted in improved store productivity.

Good property development activity led to the realisation of strong profits on property divestments. Favourable commercial property markets assisted in achieving good terms with higher than expected results. Return on capital levels continued to increase, supported by good trading, strong execution and a disciplined approach to capital management.

During the period, 10 trading locations were opened, including seven new Bunnings Warehouse stores and three smaller format Bunnings stores. Network consistency was enhanced through the ongoing program of store upgrades and expansions. At the end of the period there were 240 warehouses, 67 smaller format stores and 32 trade centres operating in the Bunnings network across Australia and New Zealand.

Outlook

Bunnings expects continued sales and earnings growth as a result of the momentum and traction from a disciplined focus on the established strategic agenda. Changes in the competitive environment, which could include elevated levels of competitor clearance activity, may result in short-term volatility of trading margins.

Further expansion of the brand, both physically and digitally, will occur in Australia and New Zealand. Fourteen to 16 new Bunnings Warehouse stores are expected to open in the 2016 financial year with a further 16 to 20 in the 2017 financial year. Beyond 2017, Bunnings Warehouse stores are expected to open at the rate of 10 to 14 per year.

Detailed operational and integration planning for the proposed Homebase acquisition has been well progressed ahead of Home Retail Group plc's shareholder vote scheduled for 25 February 2016.

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[5] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Office Supplies

Half-year ended 31 December ($m)	2015	2014	Variance %
Revenue	**875**	**802**	**9.1**
EBITDA	70	61	14.8
Depreciation and amortisation	(11)	(11)	-
EBIT	**59**	**50**	**18.0**
EBIT margin (%)	6.7	6.2	
RoC (R12, %)	12.5	10.5	
Safety (R12, AIFR)	17.2	20.5	
Total sales growth[a] (%)	9.1	7.8	

[a] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Performance review

Officeworks' operating revenue increased 9.1 per cent to $875 million. EBIT of $59 million was 18.0 per cent higher than the prior corresponding period.

Customers continued to respond favourably to Officeworks' 'every channel' strategy during the half, with sales growth achieved online and in store. The introduction of new merchandise categories and upgraded in-store layouts supported strong uplifts in sales and margin. Strong sales momentum continued during the second quarter[6], with sales 11.8 per cent above the prior corresponding period.

Recent improvements to the online platform supported an enhanced customer experience and annualised sales through the website were approximately $260 million at the end of the half. Continued investment in the business-to-business offer also contributed to the positive results recorded.

Strong sales growth, productivity improvements and disciplined capital management saw return on capital rise 202 basis points on the prior corresponding period to 12.5 per cent.

Four new stores were opened during the half and, at the end of December, there were 158 stores operating across Australia.

Outlook

In a market which is expected to remain competitive, Officeworks will continue to drive growth and productivity by executing its strategic agenda, the central focus of which is to provide customers with a unique yet consistent experience in 'every channel – anywhere, anyhow, anytime'.

For the second half of the 2016 financial year, Officeworks will continue to focus on merchandising expansion and innovation, further enhancement of the physical and online shopping experience, ongoing investment in customer value and service, and further investment in the team. These areas of focus will ensure that Officeworks continues to be the one-stop-shop for its student, small-to-medium business and household customers.

[6] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Department Stores

Kmart

Half-year ended 31 December ($m)	2015	2014	Variance %
Revenue	**2,750**	**2,442**	**12.6**
EBITDA	368	333	10.5
Depreciation and amortisation	(49)	(44)	(11.4)
EBIT	**319**	**289**	**10.4**
EBIT margin (%)	11.6	11.8	
RoC (R12, %)	36.6	29.0	
Safety (R12, LTIFR)	6.9	7.1	
Total store sales growth[a] (%)	12.4	5.3	
Comparable store sales growth[a] (%)	9.1	2.4	

[a] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Performance review

Kmart revenue increased $308 million to $2.8 billion during the half, with EBIT of $319 million up 10.4 per cent on the prior corresponding period. Return on capital increased strongly, up 759 basis points to 36.6 per cent.

Total store sales increased 12.4 per cent for the half[7] with comparable store sales increasing 9.1 per cent. Sales growth was driven by a strong performance in Home, Kids and Apparel categories attributed to improved ranges which resonated well with customers. Kmart continued to invest in price reductions, including two price drop campaigns during the half which delivered strong sales growth.

During the second quarter[7], total sales increased 12.3 per cent to $1.7 billion, with comparable store sales increasing 9.5 per cent. The sustained sales performance in the second quarter[7] reflected strong performances from Home and Kids categories, supported by seasonal outerwear and Christmas-related categories.

Kmart continues to invest in the store network, opening three new stores and completing 18 store refurbishments. There were 206 Kmart stores at 31 December 2015.

Four new Kmart Tyre & Auto Service (KTAS) centres were also opened, with one centre closed, resulting in 249 KTAS centres at the end of the half.

[7] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Target

Half-year ended 31 December ($m)	2015	2014	Variance %
Revenue	**1,972**	**1,935**	**1.9**
EBITDA	119	112	6.3
Depreciation and amortisation	(45)	(42)	(7.1)
EBIT	**74**	**70**	**5.7**
EBIT margin (%)	3.8	3.6	
RoC (R12, %)	3.8	3.2	
Safety (R12, LTIFR)	4.4	4.9	
Total store sales growth[a] (%)	1.6	(1.8)	
Comparable store sales growth[a] (%)	1.4	(1.0)	

[a] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Performance review

Target's revenue increased 1.9 per cent to $2.0 billion for the half, while EBIT increased 5.7 per cent to $74 million. Sales increased 1.6 per cent and comparable store sales rose 1.4 per cent.

During the second quarter[8], headline sales increased 0.7 per cent to $1.2 billion, with comparable store sales increasing 0.2 per cent on the prior corresponding period.

While the increase in earnings reflected a continued focus on higher quality and lower prices every day, there remains much more to do as the business continues with its transformation.

Transactions and sales volumes increased as customers responded favourably to price deflation of 1.8 per cent, supported by permanently lower prices on over 1,000 products.

New format stores continue to be trialled, with encouraging results recorded driven by a better customer experience through simpler store layouts and improved services.

Further progress was made on delivering the right range of product to the right store, with improvements in systems and productivity driving an increase in availability year-on-year.

Target's online business delivered a 45 per cent increase in sales as it launched a market-leading app for mobile devices that delivered stronger conversion and higher average order values.

During the half, five stores were opened, including two replacement stores, with four stores closed. There were 306 stores at the end of the half.

[8] See footnotes within Additional Disclosures (page 39) for relevant retail calendars.

Department Stores

Outlook

Wesfarmers has announced a restructure of its department store businesses which will enable Kmart and Target to maximise and share opportunities where appropriate while maintaining and growing these iconic Australian brands. Over time, this change, which will allow streamlined coordination and better alignment of functions, is expected to realise benefits for both businesses and the Group.

Kmart

Kmart remains committed to delivering the lowest price on everyday items for Australian and New Zealand families. To achieve this, Kmart will continue to focus on cost control, productivity, inventory management and improving product ranges, while maintaining strong ethical sourcing and safety standards.

Kmart will continue to invest in its store network and expects to open two new stores and complete 21 store refurbishments in the second half of the 2016 financial year.

Target

Target will continue to implement its transformation plan as it progresses through its ‘Growth and Efficiency’ phase.

Customer experience will be enhanced by the expected rollout of a further seven new format stores in the six months to 30 June 2016.

Target will continue making fashion, style and quality affordable for the whole family, launching new and exciting ranges at low prices, every day. Better sourcing and process efficiencies are expected to drive further improvements in availability.

The business will also continue to focus on further reducing costs and improving working capital, where further benefits of recent supply chain systems investments are expected to be realised.

Industrials

Chemicals, Energy and Fertilisers

Half-year ended 31 December ($m)	2015	2014	Variance %
Revenue			
Chemicals	469	415	13.0
Energy [a,b,c]	173	267	(35.2)
Fertilisers	111	128	(13.3)
Total	**753**	**810**	**(7.0)**
EBITDA	161	144	11.8
Depreciation and amortisation	(57)	(49)	(16.3)
EBIT [c,d]	**104**	**95**	**9.5**
External [a] sales volume ('000 tonnes)			
Chemicals	524	455	15.2
LPG	74	108	(31.5)
Fertilisers	214	260	(17.7)
RoC (R12, %)	15.7	13.4	
Safety (R12, LTIFR)	2.8	3.1	

[a] External sales exclude AN volumes transferred between chemicals and fertiliser business segments.
[b] Includes interest revenue from Quadrant Energy loan notes and excludes intra-division sales.
[c] Includes revenue and earnings from Kleenheat east coast LPG operations for the period prior to sale on 20 February 2015.
[d] Half-year ended 31 December 2015 included $30 million of one-off restructuring costs associated with the decision to cease PVC manufacturing.

Performance review

Operating revenue for the Chemicals, Energy and Fertilisers business of $753 million was 7.0 per cent below last year, with higher volumes across chemicals offset by lower fertiliser volumes and lower revenue from the LPG business, due to lower LPG international benchmark prices and the sale of the east coast LPG operations.

EBIT of $104 million was 9.5 per cent above last year, despite $30 million of closure costs associated with ceasing PVC manufacturing in February 2016. The result included earnings from 1 July 2015 from Wesfarmers' 13.7 per cent interest in Quadrant Energy.

Chemicals

The ammonium nitrate business recorded a solid increase in earnings with all plants operating at full capacity for the period. Sales volumes increased in each of the business' markets; WA resources, export and fertiliser. QNP earnings also increased during the half.

Earnings from the ammonia business increased due to higher volumes and pricing as a result of the lower Australian dollar. Earnings from the sodium cyanide business were in line with last year with higher sales volumes offset by lower pricing and increased raw material costs.

Australian Vinyls' performance (excluding one-off closure costs) was below last year, mainly as a result of an accelerated depreciation expense reflecting the decision to cease PVC manufacturing.

Energy

Kleenheat earnings increased significantly despite a decline in the Saudi CP, the international benchmark pricing indicator for LPG, as a result of the negotiation of improved terms for gas feedstock for LPG production. LPG sales volumes were lower than the previous year largely due to the sale of the east coast LPG operations which was partially offset by an increase in exports. Kleenheat's natural gas retailing business continued to build its market position in Western Australia and is now supplying more than 70,000 residential customers and 1,300 business customers.

Fertilisers

A third strong consecutive WA harvest resulted in a positive first half for the fertilisers business, albeit with volumes and earnings below the prior corresponding period.

Industrial and Safety

Half-year ended 31 December ($m)	2015[a]	2014	Variance %
Revenue	**927**	**835**	**11.0**
EBITDA	57	67	(14.9)
Depreciation and amortisation	(21)	(17)	(23.5)
EBIT[b]	**36**	**50**	**(28.0)**
EBIT margin (%)	3.9	5.9	
RoC (R12, %)	4.2	9.3	
Safety (R12, LTIFR)	2.2	2.5	

[a] Includes six month contribution from the Workwear Group.
[b] Half-year ended 31 December 2015 includes $5 million of one-off restructuring costs associated with the 'Fit for Growth' transformation

Performance review

Revenue for the Industrial and Safety business increased by 11.0 per cent to $927 million, largely due to the inclusion of the Workwear Group's contribution which was acquired in December 2014. EBIT of $36 million, which included $5 million of restructuring costs, was $14 million lower than the prior corresponding period.

Financial performance of the Industrial and Safety business continued to be impacted by reduced mining investment as a number of major resources and energy projects complete and generally subdued conditions and business activity across industrial markets. Continuing sales and margin pressures were exacerbated by a lower Australian dollar resulting in increased costs of goods sold, and more than offset the benefits of cost reduction initiatives undertaken in the 2015 financial year and market share growth in specialty services and large accounts. During the half, the number of full-time roles across the business' Australian operations was reduced by approximately 300.

Blackwoods continued to be affected by reduced customer activity and ongoing pricing pressure, with major project completions, the non-repeat of one-off orders and ongoing cost reduction initiatives by major customers impacting both volumes and margins. Businesses in New Zealand also experienced trading pressure as a result of declines in agricultural commodity prices.

Coregas continued to perform well in a difficult market with strong sales growth recorded through new distribution channels, including closer collaboration with Blackwoods and Bunnings. Workwear Group's performance was impacted by lower demand in the industrial wear segment.

In November 2015, the business launched a transformative restructure through the 'Fit for Growth' program. The restructure is focused on reducing complexity and costs while improving the offer to customers, and seeks to leverage the business' scale in merchandising, supply chain and its branch network. While this program is expected to realise significant benefits over the longer term, up-front costs associated with restructuring are expected to be approximately $35 million in the 2016 financial year, with $5 million incurred in the first half.

Resources

Half-year ended 31 December ($m)	2015	2014	Variance %
Revenue	**598**	**689**	**(13.2)**
Royalties[a]	(81)	(80)	(1.3)
Mining and other costs	(561)	(501)	(12.0)
EBITDA	(44)	108	n.m.
Depreciation and amortisation	(74)	(73)	(1.4)
EBIT	**(118)**	**35**	**n.m.**
RoC (R12, %)	(7.0)	7.3	
Coal production ('000 tonnes)	7,457	7,781	(4.2)
Safety (R12, LTIFR)	0.0	0.9	

[a] Includes Stanwell rebate expense for half-year ended 31 December 2015 of $35 million and for half-year ended 31 December 2014 of $34 million.

Performance review

In the Resources business revenue of $598 million was 13.2 per cent below the prior corresponding period, reflecting a significant decline in export coal prices and a higher sales mix towards lower quality metallurgical coal. The benefits of a lower Australian dollar were largely offset by the business' existing foreign exchange hedge book where, after a number of years of positive contribution, currency hedge losses of $70 million were recorded for the half.

An EBIT loss of $118 million was $153 million below the prior corresponding period, with significantly lower export sales revenue, including currency hedge losses, more than offsetting a continued strong focus on cost control and productivity improvements. While mine cash costs were again reduced during the half, this improvement was more than offset by higher port costs and inventory drawdown.

Curragh (Queensland)

In the current low coal price environment, Curragh's financial performance continues to be adversely affected by its Stanwell Corporation obligations. For the half, this represented $77 million of costs, including $35 million related to export rebate payments and $42 million relating to contracted domestic coal supplied below cost.

Metallurgical coal sales volumes of 4.17 million tonnes were marginally below the prior corresponding period volumes of 4.27 million tonnes. For the half, Curragh recorded an unfavourable metallurgical coal sales mix due to customer demand for lower quality coal and mine sequencing resulting in a greater exposure to lower grade coal. Steaming coal sales volumes of 1.82 million tonnes were 18.0 per cent higher to meet customer contract requirements.

Metallurgical coal production for the half-year of 3.99 million tonnes was 13.0 per cent below the prior corresponding period, impacted by a planned mine site shutdown to upgrade power as part of a required overhaul of coal crushing facilities. Steaming coal production of 1.79 million tonnes was 16.1 per cent higher.

Given the difficult revenue environment, reducing operational costs remained a very strong focus during the period. Unit mine cash costs for the period were approximately seven per cent below those recorded in the 2015 financial year and 35 per cent below the peak recorded in the first half of the 2012 financial year, despite a slower than expected wind-back of contract expenditure. Despite lower cash costs during the half, a planned mine site shutdown and mine plan adjustments, aimed at lowering mine cash costs in the second half, resulted in lower coal production and consequently higher inventory drawdown. This, combined with higher port costs, more than offset better mine cash cost performance. During the half, employee numbers were also lowered by 16 per cent, and following the completion of the Run of Mine (ROM) upgrade, capital expenditure was reduced to stay-in-business levels.

Bengalla (NSW)

Sales volumes from the Bengalla mine, in which Wesfarmers holds a 40 per cent interest, were in line with the prior corresponding period, with production volumes up 1.3 per cent. Earnings were lower than the prior corresponding period due to a significant decline in export steaming coal prices and currency hedge losses that offset the benefits of a lower Australian dollar. Greater maintenance activity and higher strip ratios for the current half resulted in unit mine cash costs increasing 6.2 per cent.

Industrials

Outlook

Chemicals, Energy and Fertilisers

The outlook for Chemicals, Energy and Fertilisers is positive but remains subject to international commodity pricing, exchange rates and seasonal outcomes.

Earnings growth in chemicals is expected in the second half, supported by contracted volumes and pricing, but will be subject to ongoing good plant performances. Second half ammonia earnings will be negatively affected by a planned major shutdown.

Australian Vinyls will cease PVC production in the second half of the 2016 financial year with all known closure costs already provided for in the first half.

Kleenheat earnings will continue to benefit from new gas feedstock terms but remain dependent upon international LPG prices and LPG content in the Dampier to Bunbury natural gas pipeline.

Another strong harvest supports a positive outlook for the fertilisers business. Fertilisers' earnings, as always, will remain dependent upon a good seasonal break in the second half of the financial year when the majority of sales occur.

Industrial and Safety

The near-term trading environment for the Industrial and Safety business is expected to remain competitive with cost and efficiency savings expected to offset volume and margin pressures.

The implementation of the significant 'Fit for Growth' business restructure will affect earnings in the second half of the 2016 financial year, with up-front restructuring costs of approximately $30 million expected. These restructuring costs relate primarily to branch and distribution centre rationalisation, headcount reduction and inventory writedowns. Benefits from this work are not expected to be material in the second half of the 2016 financial year, but are expected to have an increasingly positive impact from the 2017 financial year onwards.

In the second half of the 2016 financial year, key management appointments will be made in Workwear Group and in the area of Merchandising and Sourcing. Improvement plans for Workwear Group and New Zealand will also be finalised during the half.

Resources

Earnings in the Resources business remain largely dependent upon export coal pricing, with the near-term outlook appearing challenging given the global market remains over-supplied with coal. Any potential benefit of a lower Australian dollar will not be fully realised given pre-existing currency hedge positions, including currency hedge book losses of $77 million for the balance of the 2016 financial year. In addition, Stanwell Corporation obligations will continue to adversely affect earnings at current coal prices. In this environment, the business will maintain a very strong focus on operational productivity, cost control and capital discipline.

Earnings will also be dependent upon mine operating performance, weather and key infrastructure availability. The second half of the 2016 financial year has commenced with significant wet weather in January and February 2016 which has affected production and resulted in a force majeure event being called. Given this disruption, Curragh's metallurgical coal sales volumes are now forecast to be in the range of 7.3 to 7.8 million tonnes for the 2016 financial year.

Management change at Bengalla is well advanced, with the Bengalla Mining Company, owned proportionately by the joint venture participants, to manage Bengalla following the completion of New Hope Group's acquisition of Rio Tinto's 40 per cent interest in Bengalla.

Other

Half-year ended 31 December ($m)	Holdings %	2015	2014	Variance %
Share of profit of associates				
BWP Trust	*25*	56	29	93.1
Other	*Various*	2	5	(60.0)
Sub-total share of profit of associates		**58**	**34**	**70.6**
Interest revenue[a]		3	19	(84.2)
Other		(4)	(13)	69.2
Corporate overheads		(67)	(66)	(1.5)
Total Other		**(10)**	**(26)**	**61.5**

[a] Excludes interest revenue from Coles Financial Services and Quadrant Energy loan.

Performance review

Other businesses and corporate overheads reported a net expense of $10 million, compared to an expense of $26 million in the prior corresponding period.

Earnings from the Group's share of profit from associates were $58 million compared to $34 million last year, with growth coming from the Group's investment in the BWP Trust largely due to property revaluations.

Interest revenue decreased to $3 million from $19 million last year due to a lower average cash balance during the half. Corporate overheads were broadly in line with the prior corresponding period at $67 million.

Cash flow, financing and dividends

Half-year ended 31 December ($m)	2015	2014	Variance %
Cash flow			
Operating cash flows	2,404	2,281	5.4
Gross capital expenditure	1,059	1,207	(12.3)
Net capital expenditure	675	899	(24.9)
Free cash flow	1,665	1,269	31.2
Cash realisation ratio (%)	118.3	116.6	170 bps
Balance sheet and credit metrics			
Net debt	6,108	5,139	18.9
Finance costs	152	158	(3.8)
Interest cover (cash basis) (R12, times)	19.3	18.1	6.6
Fixed charges cover (R12, times)	3.0	3.1	(3.2)
Net debt to equity (%)	24.5	20.8	370 bps
Dividends per share (cents per share)			
Interim ordinary dividend	91	89	2.2
Capital management distribution paid	-	100.0	(100.0)

Cash flow

Operating cash flows of $2,404 million were 5.4 per cent above last year, with a cash realisation ratio[9] of 118.3 per cent recorded. Operating cash flows, which are seasonally higher in the first half of the financial year, were above last year mainly due to lower income tax paid as a result of higher pre-payments in the prior corresponding period.

Working capital was well managed in the half despite retail store network growth, a lower Australian dollar increasing some inventory costs and retail sales growth. As a result, net working capital days showed good productivity improvement, falling 2.1 days to 10.5 days.

The Group maintained strong discipline in its capital allocation, with the Group's retail divisions comprising 89 per cent of total capital expenditure during the half. Gross capital expenditure of $1,059 million was $148 million below the prior corresponding period, largely due to a marginally lower number of new and replacement retail store openings in the period.

Net capital expenditure of $675 million was $224 million below the same time last year due to higher freehold property sales, notably in Bunnings, where further yield compression is supporting good outcomes for the Group.

Free cash flows were $1,665 million, $396 million above the prior corresponding period.

[9] Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation.

Financing

Net debt at the end of the period, comprising interest bearing liabilities less cash at bank and on deposit, was $6,108 million, an increase of 18.9 per cent above the net debt position at 31 December 2014. The Group's reported net debt finished higher than the prior corresponding period due to the acquisition of the remaining 50 per cent of the Coles credit card joint venture in June 2015 and a $232 million increase in the fair value of offshore bonds on issue due to a lower Australian dollar. Given the Group's practice to fully hedge all foreign currency denominated debt, net debt after interest rate swap assets was $5,261 million at period end.

The Group maintained solid credit metrics during the half with cash interest cover[10] increasing to 19.3 times, fixed charges cover[10] stable at 3.0 times and net debt-to-equity of 24.5 per cent at 31 December 2015.

Finance costs of $152 million were marginally lower than the prior corresponding period. The Group's 'all-in' effective borrowing cost reduced by 113 basis points to 4.63 per cent compared to the same time last year, driven by active management of drawn borrowings and lower undrawn commitment fees.

During the half, the Group repaid €500 million (A$756 million) of Euro medium term notes, which was partially replaced through drawing on the Group's bank bilateral facilities. The Group maintains a strategy to diversify sources of debt, pre-fund upcoming maturities and maintain a presence in key debt markets.

The Group's credit ratings for Standard & Poor's and Moody's Investors Services remained unchanged during the half at A- (stable) and A3 (stable) respectively. Post the completion of the half, and subject to completion of the Group's acquisition of Homebase, Standard & Poor's revised the Group's outlook from stable to negative.

Dividends

The Board has declared a fully-franked interim dividend of 91 cents per share, compared to 89 cents per share in the prior corresponding period.

The interim dividend will be paid on 7 April 2016 to shareholders on the company's register on 2 March 2016, the record date for the interim dividend. The ex-dividend date is 29 February 2016.

Given the preference of many shareholders to receive dividends in the form of equity, the directors have decided to continue the operation of the Dividend Investment Plan (the Plan). The allocation price for shares issued under the Plan will be calculated as the average of the daily volume weighted average price of Wesfarmers shares on each of the 15 consecutive trading days from and including the third trading day after the record date, being 7 March 2016 to 29 March 2016.

No discount will apply to the allocation price and the Plan will not be underwritten. Given the company's current capital structure and strong balance sheet, any shares to be issued under the Plan will be acquired on-market and transferred to participants on 7 April 2016.

[10] Calculated on a rolling 12 month basis.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is provided below and forms part of this report.

Rounding

The amounts contained in this report and in the financial statements have been rounded to the nearest $1,000,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

M A Chaney AO
Chairman
Perth, 23 February 2016

Building a better working world

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Auditor's Independence Declaration to the Directors of Wesfarmers Limited

As lead auditor for the review of Wesfarmers Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Wesfarmers Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

D S Lewsen
Partner
Perth
23 February 2016

Half-year Financial Report
for the half-year ended 31 December 2015

Contents

Income statement
for the half-year ended 31 December 2015

	Note	CONSOLIDATED December 2015 $m	December 2014 $m
Revenue	4	**33,462**	31,970
Expenses			
Raw materials and inventory		**(23,178)**	(22,050)
Employee benefits expense	4	**(4,334)**	(4,141)
Freight and other related expenses		**(520)**	(538)
Occupancy-related expenses	4	**(1,364)**	(1,297)
Depreciation and amortisation	4	**(639)**	(581)
Impairment expenses	4	**(12)**	(15)
Other expenses	4	**(1,492)**	(1,471)
Total expenses		**(31,539)**	(30,093)
Other income	4	**108**	156
Share of profits/(losses) of associates and joint ventures		**79**	43
		187	199
Earnings before interest and income tax expense (EBIT)		**2,110**	2,076
Finance costs	4	**(152)**	(158)
Profit before income tax		**1,958**	1,918
Income tax expense	5	**(565)**	(542)
Profit attributable to members of the parent		**1,393**	1,376
Earnings per share attributable to ordinary equity holders of the parent	9		
Basic earnings per share		**124.2**	121.0
Diluted earnings per share		**123.9**	120.7

Statement of comprehensive income
for the half-year ended 31 December 2015

		CONSOLIDATED	
		December 2015	December 2014
	Note	**$m**	$m
Profit attributable to members of the parent		**1,393**	1,376
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation reserve			
Exchange differences on translation of foreign operations		**13**	4
Financial assets reserve			
Changes in the fair value of financial assets designated at fair value through other comprehensive income		**(1)**	-
Cash flow hedge reserve	11		
Off-set to revaluation of foreign currency denominated debt		**-**	(177)
Unrealised gains on cash flow hedges		**71**	95
Realised losses/(gains) transferred to net profit		**71**	(9)
Realised gains transferred to non-financial assets		**(251)**	(118)
Share of associates reserve		**(1)**	(15)
Tax effect		**33**	62
Items that will not be reclassified to profit or loss:			
Retained earnings			
Remeasurement loss on defined benefit plan		**(1)**	(3)
Tax effect		**-**	1
Other comprehensive income for the period, net of tax		**(66)**	(160)
Total comprehensive income for the period, net of tax, attributable to members of the parent		**1,327**	1,216

Balance sheet
as at 31 December 2015

		CONSOLIDATED		
		December	June	December
		2015	2015	2014
	Note	**$m**	$m	$m
Assets				
Current assets				
Cash and cash equivalents	6	**694**	711	1,505
Receivables - Trade and other		**1,500**	1,463	1,386
Receivables - Finance advances and loans		**830**	806	-
Inventories		**6,580**	5,497	6,080
Derivatives		**427**	428	177
Other		**255**	188	279
Total current assets		**10,286**	9,093	9,427
Non-current assets				
Investments in associates and joint ventures		**593**	562	547
Deferred tax assets		**593**	558	551
Property		**2,343**	2,475	2,479
Plant and equipment		**7,864**	7,730	7,644
Goodwill		**14,712**	14,708	14,590
Intangible assets		**4,586**	4,601	4,560
Derivatives		**575**	494	657
Other		**238**	181	86
Total non-current assets		**31,504**	31,309	31,114
Total assets		**41,790**	40,402	40,541
Liabilities				
Current liabilities				
Trade and other payables		**7,062**	5,761	6,368
Interest-bearing loans and borrowings	7	**2,056**	1,913	1,260
Income tax payable		**83**	64	87
Provisions		**1,580**	1,605	1,524
Derivatives		**159**	142	84
Other		**341**	241	357
Total current liabilities		**11,281**	9,726	9,680
Non-current liabilities				
Interest-bearing loans and borrowings	7	**4,226**	4,615	4,883
Provisions		**1,111**	1,081	1,079
Derivatives		**101**	84	69
Other		**109**	115	86
Total non-current liabilities		**5,547**	5,895	6,117
Total liabilities		**16,828**	15,621	15,797
Net assets		**24,962**	24,781	24,744
Equity				
Equity attributable to equity holders of the parent				
Issued capital	8	**21,937**	21,844	21,847
Reserved shares	8	**(29)**	(31)	(33)
Retained earnings		**2,887**	2,742	2,674
Reserves		**167**	226	256
Total equity		**24,962**	24,781	24,744

Cash flow statement
for the half-year ended 31 December 2015

	Note	CONSOLIDATED December 2015 $m	December 2014 $m
Cash flows from operating activities			
Receipts from customers		**36,082**	34,663
Payments to suppliers and employees		**(33,075)**	(31,646)
Dividends and distributions received from associates		**44**	25
Net movement in finance advances and loans		**(23)**	-
Interest received		**66**	18
Borrowing costs		**(143)**	(141)
Income tax paid		**(547)**	(638)
Net cash flows from operating activities	6	**2,404**	2,281
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles	6	**(1,059)**	(1,207)
Proceeds from sale of property, plant and equipment and intangibles	6	**384**	308
Net proceeds from sale of controlled entities and associates		**-**	73
Net investments in associates and joint arrangements		**(2)**	(3)
Acquisition of subsidiaries, net of cash acquired		**(5)**	(183)
Net investment in loan notes		**(57)**	-
Net cash flows used in investing activities		**(739)**	(1,012)
Cash flows from financing activities			
Proceeds from borrowings		**360**	1,126
Repayment of borrowings		**(797)**	(500)
Proceeds from exercise of in-substance options under the employee share plan		**1**	3
Equity dividends paid		**(1,246)**	(1,599)
Capital return paid		**-**	(861)
Net cash flows used in financing activities		**(1,682)**	(1,831)
Net decrease in cash and cash equivalents		**(17)**	(562)
Cash and cash equivalents at beginning of period		**711**	2,067
Cash and cash equivalents at end of period	6	**694**	1,505

Statement of changes in equity
for the half-year ended 31 December 2015

CONSOLIDATED	Note	Issued capital $m	Reserved shares $m	Retained earnings $m	Hedging reserve $m	Other reserves $m	Total equity $m
		Attributable to equity holders of the parent					
Balance at 1 July 2014		22,708	(30)	2,901	167	241	25,987
Net profit for the period		-	-	1,376	-	-	1,376
Other comprehensive income							
Exchange differences on translation of foreign operations		-	-	-	-	4	4
Changes in the fair value of cash flow hedges, net of tax	11	-	-	-	(162)	-	(162)
Remeasurement loss on defined benefit plan, net of tax		-	-	(2)	-	-	(2)
Total other comprehensive income for the period, net of tax		-	-	(2)	(162)	4	(160)
Total comprehensive income for the period, net of tax		-	-	1,374	(162)	4	1,216
Share-based payment transactions		-	-	-	-	6	6
Capital return and share consolidation	10	(861)	-	-	-	-	(861)
Own shares acquired	8	-	(8)	-	-	-	(8)
Proceeds from exercise of in-substance options	8	-	3	-	-	-	3
Equity dividends	8,10	-	2	(1,601)	-	-	(1,599)
		(861)	(3)	(1,601)	-	6	(2,459)
Balance at 31 December 2014		**21,847**	**(33)**	**2,674**	**5**	**251**	**24,744**
Balance at 1 July 2015		**21,844**	**(31)**	**2,742**	**(15)**	**241**	**24,781**
Net profit for the period		**-**	**-**	**1,393**	**-**	**-**	**1,393**
Other comprehensive income							
Exchange differences on translation of foreign operations		**-**	**-**	**-**	**-**	**13**	**13**
Changes in the fair value of cash flow hedges, net of tax	11	**-**	**-**	**-**	**(77)**	**-**	**(77)**
Remeasurement loss on defined benefit plan, net of tax		**-**	**-**	**(1)**	**-**	**-**	**(1)**
Changes in the fair value of financial assets designated at fair value through other comprehensive income		**-**	**-**	**-**	**-**	**(1)**	**(1)**
Total other comprehensive income for the period, net of tax		**-**	**-**	**(1)**	**(77)**	**12**	**(66)**
Total comprehensive income for the period, net of tax		**-**	**-**	**1,392**	**(77)**	**12**	**1,327**
Share-based payment transactions		**-**	**-**	**-**	**-**	**6**	**6**
Issue of shares	8	**93**	**-**	**-**	**-**	**-**	**93**
Proceeds from exercise of in-substance options	8	**-**	**1**	**-**	**-**	**-**	**1**
Equity dividends	8,10	**-**	**1**	**(1,247)**	**-**	**-**	**(1,246)**
		93	**2**	**(1,247)**	**-**	**6**	**(1,146)**
Balance at 31 December 2015		**21,937**	**(29)**	**2,887**	**(92)**	**259**	**24,962**

Notes to the financial statements: About this report
for the half-year ended 31 December 2015

1. Corporate information

The financial report of Wesfarmers Limited (referred to as 'Wesfarmers' or 'the Company') for the half-year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 23 February 2016. Wesfarmers is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ('the ASX').

2. Basis of preparation and accounting policies

a) Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2015 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and considered with any public announcements made by the Company during the half-year ended 31 December 2015 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half-year financial report is presented in Australian dollars and all values are rounded to the nearest million dollars unless otherwise stated, under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

2. Basis of preparation and accounting policies (continued)

b) Significant accounting policies

Except as noted below, the same accounting policies and methods of computation have been applied by each entity in the consolidated group and are consistent with those adopted and disclosed in the most recent annual financial report.

New and revised Accounting Standards and Interpretations

The adoption of new and amended standards and interpretations has not resulted in a material change to the financial performance or position of the Company.

All new and amended Australian Accounting Standards and Interpretations mandatory as at 1 July 2015 to the Group have been adopted and include:

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

Notes to the financial statements: Key numbers

for the half-year ended 31 December 2015

3. Segment information

The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and operates in different industries and markets. The Board and executive management team (the chief operating decision-makers) monitor the operating results of business units separately for the purpose of making decisions about resource allocation and performance assessment. The types of products and services from which each reportable segment derives its revenues is disclosed in the Wesfarmers 30 June 2015 financial report. Segment performance is evaluated based on operating profit or loss, which in certain respects, as explained in the table below, is presented differently from operating profit or loss in the consolidated financial statements.

Revenue and earnings of various divisions are affected by seasonality and cyclicality as follows:
- for retail divisions, particularly Kmart and Target, earnings are typically greater in the December half of the financial year due to the impact of the Christmas holiday shopping period; and
- for the Resources business, the majority of the entity's coal contracted tonnages are renewed on an annual basis from April each calendar year and subject to price renegotiation on a quarterly basis which, depending upon the movement in prevailing coal prices, can result in significant changes in revenue and earnings throughout the financial year.

Transfer prices between business segments are on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation and are not considered material.

	COLES		HIOS		KMART		TARGET		RESOURCES[1]		WIS		WesCEF		OTHER		CONSOLIDATED	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	$m	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m
Segment revenue	20,087	19,483	6,375	5,761	2,750	2,442	1,972	1,935	598	689	927	835	753	810	-	15	**33,462**	31,970
Segment EBITDA[2]	1,250	1,171	846	747	368	333	119	112	(44)	108	57	67	161	144	(8)	(25)	**2,749**	2,657
Depreciation and amortisation	(305)	(276)	(86)	(79)	(49)	(44)	(45)	(42)	(74)	(73)	(21)	(17)	(57)	(49)	(2)	(1)	**(639)**	(581)
Segment EBIT	**945**	895	**760**	668	**319**	289	**74**	70	**(118)**	35	**36**	50	**104**	95	**(10)**	(26)	**2,110**	2,076
Finance costs																	**(152)**	(158)
Profit before income tax expense																	**1,958**	1,918
Income tax expense																	**(565)**	(542)
Profit attributable to members of the parent																	**1,393**	1,376
Capital expenditure[3]	425	479	337	370	74	91	73	71	67	56	24	25	21	39	-	-	**1,021**	1,131
Share of net profit or loss of associates and joint ventures included in EBIT	-	1	-	-	-	-	-	-	-	-	-	-	21	10	58	32	**79**	43

1 The 2015 Resources result includes Government royalties and Stanwell rebates of $81 million (2014: $80 million) and hedge losses of $70 million (2014: $6 million gain).
2 Segment EBITDA represents earnings before interest, tax, depreciation and amortisation.
3 Capital expenditure includes accruals to represent costs incurred during the year. The amount excluding movement in accruals is $1,059 million (2014: $1,207 million).

Notes to the financial statements: Key numbers
for the half-year ended 31 December 2015

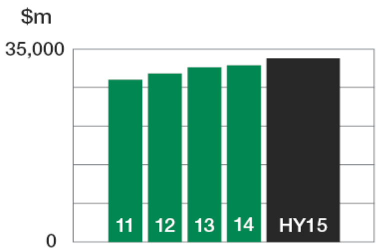
4. Revenue and expenses

	CONSOLIDATED December 2015 $m	December 2014 $m
Sale of goods	**33,223**	31,786
Rendering of services	**6**	7
Interest revenue	**65**	19
Other	**168**	158
Revenue	**33,462**	31,970
Gains on disposal of property, plant and equipment	**37**	14
Gains on disposal of controlled entities	**-**	4
Other	**71**	138
Other income	**108**	156
Remuneration, bonuses and on-costs	**3,953**	3,778
Superannuation expense	**314**	297
Share-based payments expense	**67**	66
Employee benefits expense	**4,334**	4,141
Minimum lease payments	**1,083**	1,008
Contingent rental payments	**48**	45
Other	**233**	244
Occupancy-related expenses	**1,364**	1,297
Depreciation	**483**	452
Amortisation of intangibles	**69**	52
Amortisation other	**87**	77
Depreciation and amortisation	**639**	581
Impairment of plant, equipment and other assets	**12**	15
Impairment expenses	**12**	15
Mining royalties (incl. Stanwell rebate)	**81**	80
Repairs and maintenance	**203**	197
Utilities and office expenses	**503**	534
Insurance expenses	**65**	82
Other	**640**	578
Other expenses	**1,492**	1,471
Interest expense	**131**	131
Discount rate adjustment	**10**	14
Amortisation of debt establishment costs	**2**	3
Other finance related costs	**9**	10
Finance costs	**152**	158

5. Tax expense

Tax reconciliation	CONSOLIDATED December 2015 $m	December 2014 $m
A reconciliation between tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:		
Profit before tax	**1,958**	1,918
Income tax at the statutory rate of 30%	**587**	575
Adjustments relating to prior years	**2**	(16)
Carried forward losses recognised	**(11)**	(5)
Non-deductible items	**1**	2
Share of results of associates and joint ventures	**(1)**	(4)
Other	**(13)**	(10)
Income tax on profit before tax	**565**	542

Total revenue for half-year



HY15	**33,462**
HY14	31,970
HY13	31,853
HY12	30,614
HY11	29,674

6. Cash and cash equivalents

	CONSOLIDATED	
	December 2015 $m	June 2015 $m
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:		
Cash on hand and in transit	**520**	392
Cash at bank and on deposit	**174**	319
	694	711

	December 2015 $m	December 2014 $m
Reconciliation of net profit after tax to net cash flows from operations		
Net profit	**1,393**	1,376
Non-cash items		
Depreciation and amortisation	**639**	581
Impairment and writedowns of assets	**12**	15
Net gain on disposal of non-current assets	**(17)**	(3)
Share of (profits)/losses of associates and joint ventures	**(79)**	(43)
Dividends and distributions received from associates	**44**	25
Discount adjustment in borrowing costs	**10**	14
Other	**33**	(5)
(Increase)/decrease in assets		
Trade and other receivables	**38**	78
Inventories	**(1,066)**	(660)
Prepayments	**(51)**	(31)
Deferred tax assets	**(1)**	(15)
Other assets	**-**	9
Increase/(decrease) in liabilities		
Trade and other payables	**1,345**	941
Current tax payable	**19**	(82)
Provisions	**(12)**	(32)
Other liabilities	**97**	113
Net cash flows from operating activities	**2,404**	2,281

6. Cash and cash equivalents (continued)

	CONSOLIDATED	
	December 2015 $m	December 2014 $m
Net capital expenditure		
Capital expenditure		
Payment for property	**243**	359
Payment for plant and equipment	**774**	728
Payment for intangibles	**42**	120
	1,059	1,207
Less: Proceeds from sale of property, plant, equipment and intangibles	**384**	308
Net capital expenditure	**675**	899

Cash capital expenditure by segment for half-year 2015

	$m		$m
Coles	459	Resources	67
HIOS	337	WIS	29
Kmart	79	WesCEF	21
Target	66	Other	1

Notes to the financial statements: Capital
for the half-year ended 31 December 2015

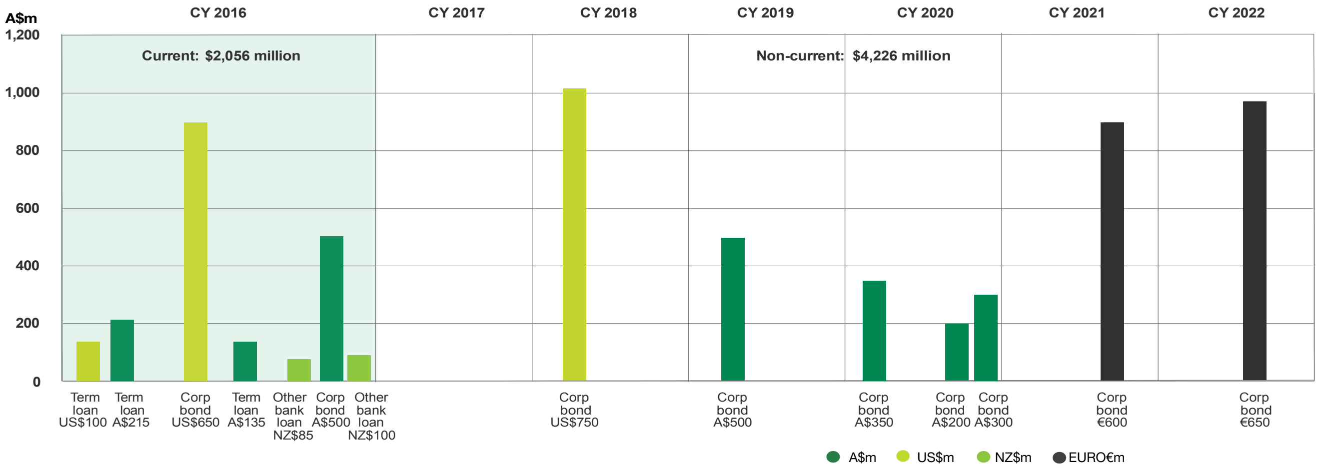
7. Borrowings

Funding Activities

On 10 July 2015, €500 million (A$756 million) of medium term notes ('MTN') issued under the EURO MTN programme matured and were repaid using existing cash balances and bank facilities.

The table and illustration below provides details, including the principal repayment obligations, of all loans and borrowings on issue at 31 December 2015:

	CONSOLIDATED	
	December 2015 $m	December 2014 $m
Current		
Unsecured		
Term loans	**487**	222
Corporate bonds	**1,395**	751
Other bank loans	**174**	287
	2,056	1,260
Non-current		
Unsecured		
Corporate bonds	**4,226**	4,883
	4,226	4,883
Total interest-bearing loans and borrowings	**6,282**	6,143



8. Equity and reserves

Movement in shares on issue	Ordinary shares Thousands	Ordinary shares $m	Reserved shares Thousands	Reserved shares $m
At 1 July 2014	1,143,275	22,708	(2,787)	(30)
Own shares acquired	-	-	(191)	(8)
Exercise of in-substance options	-	-	319	3
Dividends applied	-	-	-	2
Capital return and share consolidation	(19,522)	(861)	-	-
At 31 December 2014	1,123,753	21,847	(2,659)	(33)
Exercise of in-substance options	-	-	144	1
Dividends applied	-	-	-	1
Capital return and share consolidation	-	(3)	-	-
At 30 June 2015 and 1 July 2015	**1,123,753**	**21,844**	**(2,515)**	**(31)**
Exercise of in-substance options	**-**	**-**	**122**	**1**
Dividends applied	**-**	**-**	**-**	**1**
Issue of ordinary shares under the Wesfarmers Employee Share Acquisition Plan	**2,378**	**93**	**-**	**-**
At 31 December 2015	**1,126,131**	**21,937**	**(2,393)**	**(29)**

Notes to the financial statements: Capital
for the half-year ended 31 December 2015

9. Earnings per share

	CONSOLIDATED	
	December 2015	December 2014
Profit attributable to ordinary equity holders of the parent ($m)	**1,393**	1,376
WANOS[1] used in the calculation of basic EPS (shares, million)[2]	**1,122**	1,137
WANOS used in the calculation of diluted EPS (shares, million)[2]	**1,124**	1,140
- Basic EPS (cents per share)	**124.2**	121.0
- Diluted EPS (cents per share)	**123.9**	120.7

[1] Weighted average number of ordinary shares.

[2] The variance in the WANOS used in the calculation of the basic EPS and the diluted EPS is attributable to in-substance options.

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements, apart from the normal conversion of employee reserved shares (treated as in-substance options) to unrestricted ordinary shares.

Calculation of earnings per share

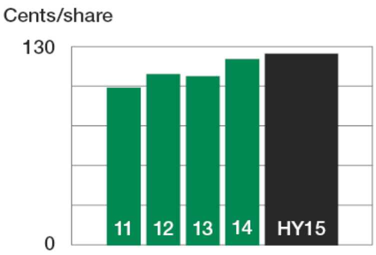
Basic earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share

Diluted earnings per share amounts are calculated per basic earnings per share with an adjustment for the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares. Dilution arises as a result of the employee reserved shares issued under the employee share plan being accounted for an in-substance options.

Basic earnings per share for half-year



HY15	**124.2**
HY14	121.0
HY13*	110.4
HY12	111.4
HY11	102.0

*HY13 excludes discontinued operations

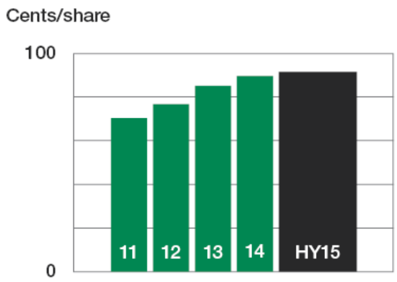
10. Dividends and distributions

	CONSOLIDATED	
	December 2015 $m	December 2014 $m
Declared and paid during the period		
Final franked dividend for 2015: $1.11 (2014: $1.05) (fully-franked at 30 per cent)	**1,247**	1,200
Special dividend for 2015: nil (2014: $0.10) (fully-franked at 30 per cent)	**-**	114
Proposed and unrecognised as a liability (fully-franked at 30 per cent)		
Interim franked dividend for 2016: $0.91 (2015: $0.89)	**1,025**	1,000

Capital management

On 16 December 2014, Wesfarmers paid a distribution of 100 cents per fully-paid ordinary share, comprising both a capital return of 75 cents ($861 million) and a fully-franked dividend component of 25 cents ($287 million). The distribution was accompanied by a proportionate share consolidation relating to the capital component at a rate of one for 0.9827.

Interim distributions



HY15	**91**
HY14	89
HY13	85
HY12	77
HY11	70

11. Cash flow hedge reserve

The change in cash flow hedge reserve for the half-year ended 31 December 2015 includes the after-tax net movement in market value of cash flow hedges from 30 June 2015 and comprised: $(15) million (2014: $(118) million) of interest rate swaps and $(61) million (2014: $(29) million) of foreign exchange rate contracts. A further $(1) million was taken up in respect of our share of an associates and joint ventures reserve (2014: $(15) million).

Notes to the financial statements: Risk
for the half-year ended 31 December 2015

12. Financial instruments

Valuation methodology of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following to categorise the method used:

- Level 1: fair value is calculated using quoted prices in active markets;
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

All of the Group's financial instruments carried at fair value were valued using market observable inputs (Level 2) with the exception of shares in unlisted companies at fair value (Level 3) which were not material.

For financial instruments that are carried at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between Level 1 and Level 2 during the period. There were no material Level 3 fair value movements during the period.

Fair values

The carrying amounts and estimated fair values of all the Group's financial instruments recognised in the financial statements are materially the same, with the exception of the following:

	CONSOLIDATED		
	December 2015 $m	June 2015 $m	December 2014 $m
Corporate bonds:			
Carrying amount	**5,621**	6,199	5,634
Fair value	**5,758**	6,360	5,912

12. Financial instruments (continued)

Fair values (continued)

The valuation category, methods and assumptions used to estimate the fair value of financial instruments are as follows:

Level 1

Cash

The carrying amount is fair value due to the asset's liquid nature.

Receivables/payables

Due to the short-term nature of these financial rights and obligations, carrying amounts are estimated to represent fair values.

Level 2

Other financial assets/liabilities

The fair values of corporate bonds and term deposits held at fair value have been calculated by discounting the expected future cash flows at prevailing interest rates using market observable inputs. The fair values of loan notes and other financial assets have been calculated using market interest rates.

Derivatives

The fair values of interest rate swaps are calculated at the present value of estimated future cash flows using a market based yield curve sourced from available market data quoted for all major currencies.

The fair value of foreign exchange contracts are calculated by reference to forward exchange market rates at reporting date for contracts with similar maturity profiles. As market rates are observable they are classified as Level 2.

Interest-bearing loans and borrowings

Quoted market prices or dealer quotes for similar instruments are used to value long-term debt instruments except corporate bonds which are based on discounting expected future cash flows at market rates.

Financial risk factors

The Group's activities expose its financial instruments to a variety of market risks, including foreign currency, commodity price and interest rate risk. The half-year financial report does not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 30 June 2015. There have been no significant changes in risk management policies since year end.

Notes to the financial statements: Other
for the half-year ended 31 December 2015

13. Impairment testing

Wesfarmers is required to review, at the end of each reporting period, whether there is any indication that an asset may be impaired, in accordance with Australian Accounting Standards. Wesfarmers has reviewed each cash generating unit (CGU) for indications of impairment using both external and internal sources of information. This review included an assessment of performance against expectations and changes in market values or discount rates.

Detailed impairment testing has been completed for non-current assets when the existence of an indication of impairment has been identified. Throughout the half-year ended 31 December 2015, the carrying values of these assets did not exceed their recoverable amounts determined for impairment testing purposes.

The recoverable values of the following CGUs have been determined through fair value less cost of disposal discounted cash flow models. These calculations have been classified as Level 3 on the fair value hierarchy.

Target
Consistent with 30 June 2015, the recoverable amount of Target has been based on assumed improvements in its operating and financial performance, including planned cost savings, notwithstanding that the timing of cash flows arising from these improvements will be influenced by general market conditions. The valuation of Target remained materially consistent with that disclosed in the annual financial statements as at 30 June 2015 and management did not identify an impairment of the Target CGU. The recoverable value of Target is sensitive to changes in its discount rate and its forecast long-term EBIT that drives terminal value. A 50 basis point change in the discount rate or a 10 per cent change in its forecast long-term EBIT approximates a $200 million change in recoverable value. Any adverse changes in trading conditions, discount rates or other key assumptions from those assumed in the impairment assessment is likely to result in impairment.

Curragh
A life-of-mine (“LOM”) valuation model was utilised for the 31 December 2015 impairment testing of the Curragh CGU, held within the Resources business. The recoverable amount of the Curragh CGU has been based on long-term coal price forecasts sourced from Wood Mackenzie, forecast AUD to USD exchange rates, assumed efficiencies in Curragh’s production costs and capital expenditure requirements and a post-tax discount rate of 10 per cent. The recoverable amount of the Curragh CGU considers both JORC reserves and JORC resources. Based on the above assumptions, management did not identify an impairment for the Curragh CGU. The recoverable value of Curragh is sensitive to changes in its discount rate and forecast post-tax cash flows over the LOM. A two per cent change in discount rate or a 20 per cent change in forecast post-tax cash flows over the LOM approximates a $250 million change in recoverable value. Any adverse changes in discount rates, forecast long-term coal prices, exchange rates or failure to achieve planned cost savings is likely to result in impairment.

13. Impairment testing (continued)

Consistent with prior periods, Wesfarmers will perform detailed annual impairment testing prior to the end of the financial year using cash flow projections based on Wesfarmers' five-year corporate plans, long-term business forecasts and market-based valuation assumptions. Where there are significant changes in the corporate plan, long-term business forecasts or market-based valuation assumptions from those used in impairment testing in previous periods, this may cause the carrying values of non-current assets to exceed their recoverable amounts.

14. Contingent liability

Certain companies within the Group are party to various legal actions that have arisen in the normal course of business. It is expected that any liabilities arising from such legal action would not have a material effect on the Group's financial performance.

A claim has been lodged with the Supreme Court of Queensland by Stanwell Corporation Limited (Stanwell) for additional sums due in respect of the price rebate payable by Wesfarmers Curragh Pty Ltd (Curragh) to Stanwell, a state owned corporation of the Queensland Government. The claim relates to the interpretation of the reference coal price under a Coal Supply Agreement in determining the price rebate payable on export coal produced and sold. Curragh is defending the claim and has issued a counter claim for overpayment of price rebates under the implied terms of the Coal Supply Agreement. The amount claimed by Stanwell and the costs of defence are not expected to be material to the Group.

15. Events after the reporting period

Dividends
A fully-franked dividend of 91 cents per share resulting in a dividend payment of $1,025 million was declared for a payment date of 7 April 2016. The dividend has not been provided for in the 31 December 2015 half-year financial report.

Agreement to acquire Homebase
On 18 January 2016, Wesfarmers entered into an agreement with Home Retail Group plc to acquire UK retailer Homebase for £340 million (approximately A$700 million). The acquisition is expected to complete at the end of February 2016, subject to approval by Home Retail Group shareholders.

Department Stores division
On 23 February 2016, Wesfarmers announced a restructure of its department store businesses to bring together Kmart and Target within a newly created Department Stores division, with Guy Russo to be Chief Executive Officer, Department Stores. The restructure is expected to enable Kmart and Target to maximise and share opportunities where appropriate.

Directors' Declaration

WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

1. In accordance with a resolution of the directors of Wesfarmers Limited, I note that in the opinion of the directors:

   a. The financial statements and notes of Wesfarmers Limited for the half-year ended 31 December 2015 are in accordance with the *Corporations Act 2001*, including

      i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

      ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;

   b. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declaration made to the directors for the half-year ended 31 December 2015 in accordance with the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

On behalf of the Board

M A Chaney AO
Chairman
Perth, 23 February 2016

Ernst & Young
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Perth WA 6000 Australia
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Report on the half-year financial report to the members of Wesfarmers Limited

We have reviewed the accompanying half-year financial report of Wesfarmers Limited, which comprises the balance sheet as at 31 December 2015, the income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Wesfarmers Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

DL:VH:WESFARMERS CORP 2015:002

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wesfarmers Limited is not in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

D S Lewsen
Partner
Perth
23 February 2016

Additional Disclosures

2016 SECOND QUARTER AND HALF-YEAR RETAIL SALES RESULTS

HEADLINE RETAIL SALES RESULTS

Half-year Sales ($m)	2016	2015	Variance %
Food & Liquor[1,2]	16,657	15,797	5.4
Convenience[1,3]	3,666	4,000	(8.4)
Total Coles	**20,323**	**19,797**	**2.7**
Home Improvement[4,5]	5,496	4,956	10.9
Office Supplies[4]	875	802	9.1
Total Home Improvement and Office Supplies	**6,371**	**5,758**	**10.6**
Kmart[1]	**2,799**	**2,490**	**12.4**
Target[6]	**2,008**	**1,977**	**1.6**

Second Quarter Sales ($m)	2016	2015	Variance %
Food & Liquor[7,2]	9,026	8,511	6.1
Convenience[7,3]	1,871	2,054	(8.9)
Total Coles	**10,897**	**10,565**	**3.1**
Home Improvement[8,5]	3,020	2,738	10.3
Office Supplies[8]	446	399	11.8
Total Home Improvement and Office Supplies	**3,466**	**3,137**	**10.5**
Kmart[7]	**1,676**	**1,492**	**12.3**
Target[9]	**1,232**	**1,224**	**0.7**

[1] Financial Year 2016 for the 27 week period 29 June 2015 to 3 January 2016 and Financial Year 2015 for the 27 week period 30 June 2014 to 4 January 2015.

[2] Includes hotels, excludes gaming revenue and property income.

[3] Includes fuel sales.

[4] Financial Year 2016 and Financial Year 2015 for the six month period 1 July to 31 December.

[5] Includes cash and trade sales, excludes property income.

[6] Financial Year 2016 for the 27 week period 28 June 2015 to 2 January 2016 and Financial Year 2015 for the 27 week period 29 June 2014 to 3 January 2015.

[7] Financial Year 2016 for the 14 week period 28 September 2015 to 3 January 2016 and Financial Year 2015 for the 14 week period 29 September 2014 to 4 January 2015.

[8] Financial Year 2016 and Financial Year 2015 for the three month period 1 October to 31 December.

[9] Financial Year 2016 for the 14 week period 27 September 2015 to 2 January 2016 and Financial Year 2015 for the 14 week period 28 September 2014 to 3 January 2015.

KEY METRICS

Key Metrics (%)	Second Quarter 2016[1]	Half-Year 2016[2]
COLES		
Food & Liquor[3]		
Comparable store sales growth (Food)	5.3	4.7
Comparable store sales growth (Food & Liquor)	4.9	4.3
Price inflation/(deflation)	(1.0)	(1.2)
Convenience		
Total fuel volume growth	(2.4)	(0.6)
Comparable fuel volume growth	(5.7)	(3.8)
Total convenience store sales growth (excl. fuel sales)	10.6	11.6
Comparable convenience store sales growth (excl. fuel sales)	6.9	7.9
HOME IMPROVEMENT[4]		
Total store sales growth	10.5	11.0
Store-on-store sales growth	7.6	7.9
OFFICE SUPPLIES		
Total sales growth	11.8	9.1
KMART		
Comparable store sales growth[5]	9.5	9.1
TARGET		
Comparable store sales growth[5]	0.2	1.4

[1] 2016 growth for Coles and Kmart reflects the 14 week period 28 September 2015 to 3 January 2016 and the 14 week period 29 September 2014 to 4 January 2015; for Home Improvement and Office Supplies represents the three month period 1 October 2015 to 31 December 2015 and 1 October 2014 to 31 December 2014; and for Target represents the 14 week period 27 September 2015 to 2 January 2016 and the 14 week period 28 September 2014 to 3 January 2015.

[2] 2016 growth for Coles and Kmart reflects the 27 week period 29 June 2015 to 3 January 2016 and the 27 week period 30 June 2014 to 4 January 2015; for Home Improvement represents the six month period 1 July 2015 to 31 December 2015 and 1 July 2014 to 31 December 2014; and for Target represents the 27 week period 28 June 2015 to 2 January 2016 and the 27 week period 29 June 2014 to 3 January 2015.

[3] Includes hotels, excludes gaming revenue and property income.

[4] Includes cash and trade sales, excludes property income.

[5] Comparable store sales include lay-by sales. Lay-by sales are excluded from total sales under Australian Accounting Standards.

STORE NETWORK

Key Metrics (%)	Open at 1 Jul 2015	Opened	Closed	Re-branded	Open at 31 Dec 2015
COLES					
Supermarkets					
Coles	771	10	(3)	-	778
Bi-Lo	5	-	(1)	-	4
Total Supermarkets	776	10	(4)	-	782
Liquor					
1st Choice	100	-	(1)	-	99
Vintage Cellars	79	2	(1)	-	80
Liquorland	679	17	(10)	-	686
Hotels	90	-	(1)	-	89
Total Liquor	948	19	(13)	-	954
Convenience	662	20	(1)	-	681
Selling Area (m^2)					
Supermarkets	1,749,840	n.a.	n.a.	n.a.	1,771,912
Liquor (excluding hotels)	209,490	n.a.	n.a.	n.a.	209,825
HOME IMPROVEMENT					
Bunnings Warehouse	236	7	(3)	-	240
Bunnings smaller formats	65	3	(1)	-	67
Bunnings Trade Centres	33	-	(1)	-	32
OFFICE SUPPLIES					
Officeworks	156	4	(2)	-	158
KMART					
Kmart	203	3	-	-	206
Kmart Tyre & Auto	246	4	(1)	-	249
TARGET					
Large	183	5	(3)	-	185
Small	122	-	(1)	-	121

FIVE-YEAR HISTORY – FINANCIAL PERFORMANCE AND KEY METRICS

GROUP FINANCIAL PERFORMANCE

Half-year ended 31 December ($m)[1]	2015	2014	2013	2012	2011
Summarised income statement					
Revenue	33,462	31,970	31,853	30,614	29,674
EBITDA	2,749	2,657	2,710	2,574	2,433
Depreciation and amortisation	(639)	(581)	(556)	(531)	(496)
EBIT	2,110	2,076	2,154	2,043	1,937
Finance costs	(152)	(158)	(179)	(229)	(264)
Income tax expense	(565)	(542)	(546)	(529)	(497)
NPAT	1,393	1,376	1,429	1,285	1,176
Profit from continuing operations[2] excl. NTIs[3]	1,393	1,376	1,271	n.a.	n.a.
Profit from discontinued operations[2] and NTIs[3]	-	-	158	n.a.	n.a.
Summarised balance sheet					
Total assets	41,790	40,541	43,876	43,159	42,557
Total liabilities	16,828	15,797	18,147	17,285	17,082
Net assets	24,962	24,744	25,729	25,874	25,475
Net debt	6,108	5,139	6,039	5,127	4,484
Summarised cash flow statement					
Operating cash flows	2,404	2,281	1,757	2,207	2,172
Add/(less): Net capital expenditure	(675)	(899)	(557)	(1,120)	(1,263)
Add/(less): Other investing cash flows	(64)	(113)	(184)	(80)	261
Add/(less): Total investing cash flows	(739)	(1,012)	(741)	(1,200)	(1,002)
Free cash flow	1,665	1,269	1,016	1,007	1,170
Add/(less): Financing cash flows	(1,682)	(1,831)	(1,247)	(779)	(285)
Net increase/(decrease) in cash	(17)	(562)	(231)	228	885
Distributions to shareholders (cents per share)					
Interim ordinary dividend	91	89	85	77	70
Capital management (paid)	-	100	50	-	-
Key performance metrics					
Earnings per share (cents per share)	124.2	121.0	124.2	111.4	102.0
Operating cash flow per share (cents per share)[4]	213.9	200.1	152.2	190.7	187.7
Cash realisation ratio (%)[5]	118.3	116.6	88.5	121.5	129.9
Return on equity (R12, %) (excluding discontinued operations and NTIs)	10.0	9.7	9.0	n.a.	n.a.
Return on equity (R12, %)	10.0	10.4	9.4	8.8	7.7
Net tangible asset backing per share ($ per share)	5.05	4.92	4.38	4.63	4.38
Interest cover (cash basis) (R12, times)	19.3	18.1	13.8	11.8	10.3
Fixed charges cover (R12, times)	3.0	3.1	3.0	2.9	2.7

1 All figures are presented as last reported.

2 Financial Year 2014 and Financial Year 2013 income statement balances have been restated for the classification of the Insurance division as a discontinued operation. Financial Year 2014 discontinued operations include the $95 million gain on sale on disposal of WesCEF's 40 per cent interest in ALWA.

3 Financial Year 2014 excludes $743 million of post-tax NTIs including a $677 million impairment of Target's goodwill and a $66 million Coles Liquor restructuring provision.

4 Calculated by dividing operating cash flows by the weighted average number of ordinary shares (including reserved shares) on issue during the year.

5 Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and non-trading items.

DIVISIONAL KEY PERFORMANCE METRICS

Half-year ended 31 December ($m)[1]	2015	2014	2013	2012	2011
COLES					
Divisional performance					
Revenue	20,087	19,483	18,946	18,047	17,218
EBITDA	1,250	1,171	1,076	984	875
Depreciation and amortisation	(305)	(276)	(240)	(229)	(219)
EBIT	945	895	836	755	656
EBIT margin (%)	4.7	4.6	4.4	4.2	3.8
RoC (R12, %)	11.2	10.6	10.0	9.2	8.2
Capital expenditure (cash basis)	459	537	554	665	625
Food & Liquor					
Revenue[2]	16,496	15,559	14,770	14,104	13,435
Headline sales growth (%)[3, 4]	5.4	5.3	4.7	5.0	4.9
Comparable store sales growth (%)[3, 4]	4.3	4.2	3.6	3.8	4.4
Convenience					
Revenue	3,591	3,924	4,176	3,943	3,783
Headline sales growth (%)[3, 5]	(8.4)	(6.2)	5.6	4.0	17.0
Total fuel volume growth (%)[3]	(0.6)	(4.6)	(0.5)	3.2	4.7
Comparable fuel volume growth (%)[3]	(3.8)	(6.9)	(0.7)	2.0	3.7
Total convenience store sales growth (%)[3]	11.6	11.5	2.6	0.1	1.2
Comparable convenience store sales growth (%)[3]	7.9	8.1	2.9	(2.2)	(0.5)
HOME IMPROVEMENT & OFFICE SUPPLIES					
Divisional performance					
Revenue	6,375	5,761	5,179	4,729	4,507
EBITDA	846	747	678	631	589
Depreciation and amortisation	(86)	(79)	(74)	(75)	(70)
EBIT	760	668	604	556	519
Capital expenditure (cash basis)	337	370	280	357	342
Home Improvement					
Revenue	5,500	4,959	4,434	4,017	3,797
EBITDA	776	686	625	581	544
Depreciation and amortisation	(75)	(68)	(63)	(63)	(59)
EBIT[6]	701	618	562	518	485
Trading EBIT margin (%)	12.2	12.2	12.6	12.8	12.7
RoC (R12, %)	35.8	31.6	27.6	25.5	27.0
Headline sales growth (%)	10.9	11.9	10.5	5.8	6.8
Total store sales growth (%)	11.0	11.7	10.6	6.0	7.0
Store-on-store sales growth (%)	7.9	9.1	7.2	3.4	4.6

1 All figures are presented as last reported.
2 Includes property.
3 Based on retail period (rather than Gregorian reporting). Refer to Additional Disclosures (page 39) for applicable retail period.
4 Includes hotels, excludes gaming revenue and property income.
5 Includes fuel sales.
6 Includes net property contribution for 2015 of $33 million; 2014 of $14 million; 2013 of $6 million; for 2012 of $5 million; and for 2011 of $3 million.

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Half-year ended 31 December ($m)[1]	2015	2014	2013	2012	2011
HOME IMPROVEMENT & OFFICE SUPPLIES					
Office Supplies					
Revenue	875	802	745	712	710
EBITDA	70	61	53	50	45
Depreciation and amortisation	(11)	(11)	(11)	(12)	(11)
EBIT	59	50	42	38	34
EBIT margin (%)	6.7	6.2	5.6	5.3	4.8
RoC (R12, %)	12.5	10.5	8.7	7.5	6.9
Total sales growth (%)	9.1	7.8	4.5	0.3	0.2
DEPARTMENT STORES					
Kmart					
Revenue	2,750	2,442	2,321	2,299	2,236
EBITDA	368	333	299	281	226
Depreciation and amortisation	(49)	(44)	(39)	(35)	(33)
EBIT	319	289	260	246	197
EBIT margin (%)[2]	11.6	11.8	11.2	10.7	8.6
RoC (R12, %)	36.6	29.0	26.8	22.8	16.0
Capital expenditure (cash basis)	79	93	89	49	88
Total store sales growth (%)[3]	12.4	5.3	1.7	3.5	(1.3)
Comparable store sales growth (%)[3]	9.1	2.4	0.3	3.0	(1.4)
Target					
Revenue	1,972	1,935	1,965	2,070	2,060
EBITDA	119	112	113	187	223
Depreciation and amortisation	(45)	(42)	(43)	(39)	(37)
EBIT	74	70	70	148	186
EBIT margin (%)	3.8	3.6	3.6	7.1	9.0
RoC (R12, %)	3.8	3.2	1.9	7.1	8.9
Capital expenditure (cash basis)	66	78	46	51	44
Total store sales growth (%)[3]	1.6	(1.8)	(4.4)	1.2	(2.5)
Comparable store sales growth (%)[3]	1.4	(1.0)	(4.2)	(1.8)	(3.5)

[1] All figures are presented as last reported.

[2] Excludes earnings relating to Coles Group Asia overseas sourcing for 2011 of $3 million.

[3] Based on retail period (rather than Gregorian reporting). Refer to Additional Disclosures (page 39) for applicable retail period.

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Half-year ended 31 December ($m)[1]	2015	2014	2013	2012	2011
INDUSTRIALS					
Divisional performance					
Revenue	2,278	2,334	2,340	2,438	2,705
EBITDA	174	319	380	416	578
Depreciation and amortisation	(152)	(139)	(138)	(131)	(132)
EBIT	22	180	242	285	446
Capital expenditure (cash basis)	117	129	176	188	308
Chemicals, Energy and Fertilisers					
Chemicals revenue	469	415	377	357	358
Energy revenue[2]	173	267	315	300	295
Fertilisers revenue	111	128	80	118	122
Total revenue	753	810	772	775	775
EBITDA[2,3]	161	144	157	154	144
Depreciation and amortisation	(57)	(49)	(47)	(50)	(45)
EBIT[2,3]	104	95	110	104	99
RoC (R12, %)[2]	15.7	13.4	17.1	19.8	18.0
Capital expenditure (cash basis)	21	39	126	118	54
Sales volumes ('000 tonnes)					
Chemicals	524	455	416	406	434
LPG[2]	74	108	128	143	154
Fertilisers	214	260	160	220	227

[1] All figures are presented as last reported.

[2] Includes Kleenheat (including east coast LPG operations prior to sale in February 2015), ALWA prior to December 2013 divestment, Bangladesh LPG joint venture prior to January 2012 divestment and enGen prior to August 2011 divestment.

[3] 2010 includes $41 million of insurance proceeds related to the Varanus Island gas outage.

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Half-year ended 31 December ($m)[1]	2015	2014	2013	2012	2011
Industrial and Safety					
Revenue	927	835	804	837	843
EBITDA	57	67	88	101	111
Depreciation and amortisation	(21)	(17)	(15)	(13)	(14)
EBIT	36	50	73	88	97
EBIT margin (%)	3.9	5.9	9.1	10.5	11.5
RoC (R12, %)	4.2	9.3	13.5	16.2	14.5
Capital expenditure (cash basis)	29	25	17	18	15
Resources[2]					
Revenue	598	689	764	826	1,087
Royalties[3]	(81)	(80)	(121)	(148)	(162)
Mining and other costs	(561)	(501)	(508)	(517)	(602)
EBITDA	(44)	108	135	161	323
Depreciation and amortisation	(74)	(73)	(76)	(68)	(73)
EBIT	(118)	35	59	93	250
RoC (R12, %)	(7.0)	7.3	7.8	19.4	25.4
Capital expenditure (cash basis)	67	65	33	52	239
Curragh export metallurgical sales mix (%)					
Hard	30	41	34	40	42
Semi	31	35	34	30	18
PCI	39	24	32	30	40
Mine performance – Curragh (Qld) ('000 tonnes)					
Metallurgical coal production volumes	3,986	4,580	4,029	3,867	3,087
Steaming coal production volumes	1,791	1,543	1,740	1,662	1,365
Metallurgical coal sales volumes[4]	4,175	4,271	4,053	3,770	2,976
Steaming coal sales volumes	1,819	1,542	1,829	1,629	1,409
Mine performance – Bengalla (NSW) ('000 tonnes) [5]					
Steaming coal production volumes	1,680	1,658	1,685	1,488	1,013
Steaming coal sales volumes	1,733	1,726	1,787	1,504	1,049

1 All figures are presented as last reported.

2 Includes Premier Coal results for the period until divestment on 30 December 2011; the gain on disposal of Premier Coal is excluded.

3 Includes Stanwell royalty expense for 2015 of $35 million; 2014 of $34 million; 2013 of $62 million; for 2012 of $91 million; and for 2011 of $88 million.

4 Excludes traded coal.

5 Wesfarmers' attributable volumes.

STORE NETWORK

Open at 31 December	2015	2014	2013	2012	2011
COLES					
Supermarkets					
Coles	778	765	733	716	703
Bi-Lo	4	6	29	37	41
Total Supermarkets	782	771	762	753	744
Liquor					
1st Choice	99	100	98	88	81
Vintage Cellars	80	80	78	82	82
Liquorland	686	673	648	633	631
Hotels	89	91	92	92	92
Total Liquor	954	944	916	895	886
Convenience	681	652	637	634	625
Selling Area (m^2)					
Supermarkets	1,771,912	1,728,445	1,678,813	1,640,402	1,612,739
Liquor (excluding hotels)	209,825	209,293	204,449	196,888	187,781
HOME IMPROVEMENT					
Bunnings Warehouse	240	228	218	211	199
Bunnings smaller formats	67	63	65	62	58
Bunnings Trade Centres	32	33	35	37	37
OFFICE SUPPLIES					
Officeworks	158	153	152	146	136
Harris Technology	-	-	1	1	3
KMART					
Kmart	206	200	191	190	187
Kmart Tyre & Auto	249	246	251	263	259
TARGET[1]					
Large	185	183	181	181	180
Small	121	126	133	127	119

[1] 2011 to 2012 Large stores refer to Target Country stores.

Corporate Directory

Registered office

Level 11, Wesfarmers House
40 The Esplanade, Perth, Western Australia 6000

Telephone: (+61 8) 9327 4211
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Website: **www.wesfarmers.com.au**
Email: info@wesfarmers.com.au

Executive directors

Richard Goyder AO
Group Managing Director and Chief Executive Officer

Terry Bowen
Finance Director

Non-executive directors

Michael Chaney AO, Chairman
Bob Every AO, Chairman (retired November 2015)
Paul Bassat
James Graham AM
Tony Howarth AO
Wayne Osborn
Diane Smith-Gander
Vanessa Wallace
Jennifer Westacott

Company Secretary

Linda Kenyon

Share registry

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Website: **www.investorcentre.com/wes**

Financial calendar+

Half-year end	31 December 2015
Half-year results briefing	24 February 2016
Record date for interim dividend	2 March 2016
Interim dividend payable	7 April 2016
Year end	30 June 2016
Full-year results announcement	24 August 2016
Record date for final dividend	September 2016
Final dividend payable	September 2016
Annual general meeting	November 2016

+Timing of events is subject to change.

Website

To view the 2016 Half-year Report, shareholder and company information, news announcements, background information on Wesfarmers' businesses and historical information, visit the Wesfarmers website at **www.wesfarmers.com.au**