2016 Half-year Results Briefing Presentation

To be held on Wednesday, 24 February 2016

Wesfarmers

Presentation outline

Group Performance Highlights

Richard Goyder

Managing Director,

Wesfarmers Limited

Wesfarmers' future operating business structure

Wesfarmers

Richard Goyder
Managing Director
Wesfarmers

Coles

John Durkan
Managing Director
Coles

coles

Home Improvement

John Gillam
Chief Executive Officer
Bunnings Group

BUNNINGS

Department Stores

Guy Russo
Chief Executive Officer
Department Stores

Kmart

Target

Industrials

Rob Scott
Managing Director
Industrials

Wesfarmers Chemicals, Energy & Fertilisers

Wesfarmers Industrial and Safety

Wesfarmers Resources

Officeworks & Associates

Terry Bowen
Finance Director
Wesfarmers

Officeworks

Associates: bwp TRUST, WESPINE, GRESHAM

Financial highlights

Half-year ended 31 December 2015	Variance to prior corresponding period
Reported	
Operating revenue of $33.5 billion	*4.7%*
Earnings before interest & tax of $2,110 million	*1.6%*
Net profit after tax of $1,393 million	*1.2%*
Earnings per share of $1.24	*2.6%*
Return on equity (R12) of 10.0 per cent (from continuing operations[1] excl. 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%*

- Strong performance across Group's retail portfolio supported continued earnings growth despite low commodity prices providing a significant headwind to Resources business
- Strong cash realisation & cash flow generation with working capital well managed
- RoE from continuing operations[1] excluding NTIs[2] increased 30 basis points to 10.0 per cent
- Interim dividend of $0.91 per share, an increase of two cents per share consistent with growth in earnings 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).

Financial highlights (continued)

- Strong increase in earnings within Group's retail portfolio
  - Further investment in value, store network improvement & better merchandise offers & service
  - Strong Christmas seasonal trading in all businesses
  - Continued improvements in RoC through focus on capital efficiency
- Reduced earnings from Industrials division
  - Solid increase in earnings from WesCEF through strong plant performances, reduced gas input prices & an initial contribution from the Group's interest in Quadrant Energy
  - Depressed conditions across resources sector adversely affected earnings in Industrials & Safety
  - Resources significantly affected by further declines in export coal prices & currency hedge book losses largely offsetting benefits of a lower Australian dollar
- Announcement of agreement to acquire Homebase (January 2016) for £340 million (~A$700 million)
  - Second largest home improvement & garden retailer in United Kingdom (UK) & Ireland
  - Subject to shareholder approval of Home Retail Group (HRG); general meeting of HRG to be held 25 February 2016
- Announcement of creation of Department Stores division
  - Restructure of department store businesses to enable Kmart & Target to maximise & share opportunities where appropriate whilst maintaining & growing both iconic brands

Group performance summary

Half-year ended 31 December ($m)	2015	2014	↕%
Revenue	33,462	31,970	*4.7*
EBITDA	2,749	2,657	*3.5*
EBIT	2,110	2,076	*1.6*
Net profit after tax	**1,393**	**1,376**	*1.2*
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*
Earnings per share (cps)	124.2	121.0	*2.6*
Operating cash flow per share (wanos, incl. res. shares) (cps)	213.9	200.1	*6.9*
Interim ordinary dividend (cps)	91	89	*2.2*
Return on equity (R12) (%)	**10.0**	**10.4**	*(40) bps*
Return on equity (R12) (%) (from continuing operations[1] excl. NTIs[2])	**10.0**	**9.7**	*30 bps*
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)*

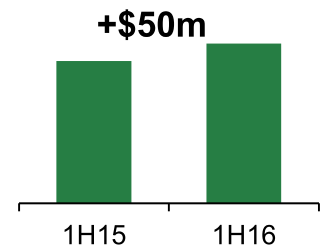
[1] Discontinued operations for the 12 month period to 31 December 2014 included the Insurance division's contribution of $121 million and $82 million of pre-tax and post-tax earnings respectively.

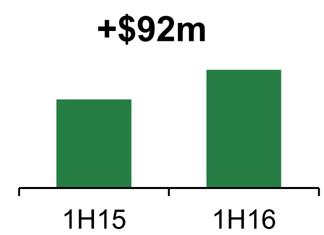
[2] NTIs for the 12 month period to 31 December 2014 include $196 million of post-tax earnings (which include a $939 million gain on disposal of the Insurance division, a $677 million non-cash impairment of Target's goodwill and a $66 million Coles Liquor restructuring provision).

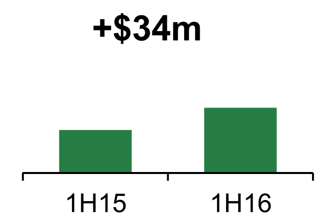
Divisional EBIT summary

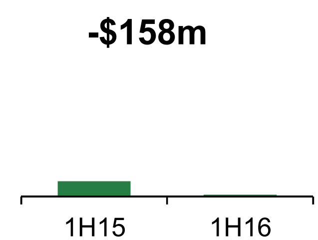
EBIT ($m) Half-year ended 31 December	2015	2014	↕%
Food, liquor & petrol retailing	**945**	**895**	*5.6*
Coles	945	895	*5.6*
Home Improvement & Office Supplies	**760**	**668**	*13.8*
Home Improvement	701	618	*13.4*
Office Supplies	59	50	*18.0*
Department Stores	**393**	**359**	*9.5*
Kmart	319	289	*10.4*
Target	74	70	*5.7*
Industrials	**22**	**180**	*(87.8)*
WesCEF	104	95	*9.5*
Industrial & Safety	36	50	*(28.0)*
Resources	(118)	35	*n.m.*

EBIT growth



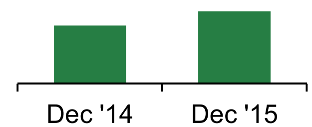


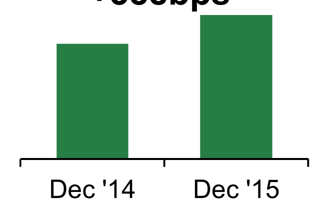


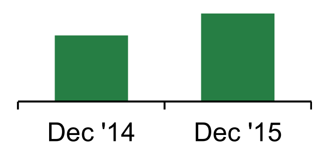


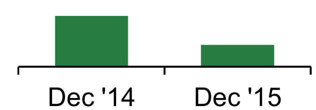
Divisional RoC summary

Rolling 12 months to 31 December	2015			2014	
	EBIT ($m)	**Cap Emp ($m)**	**RoC (%)**	**RoC (%)**	**Variance**
Food, liquor & petrol retailing	**1,833**	**16,423**	**11.2**	**10.6**	**+54bps**
Coles	1,833	16,423	11.2	10.6	
Home Improvement & Office Supplies	**1,298**	**4,287**	**30.3**	**26.4**	**+388bps**
Home Improvement	1,171	3,273	35.8	31.6	
Office Supplies	127	1,014	12.5	10.5	
Department Stores	**556**	**3,753**	**14.8**	**11.8**	**+297bps**
Kmart	462	1,262	36.6	29.0	
Target	94	2,491	3.8	3.2	
Industrials	**196**	**4,337**	**4.5**	**10.1**	**-558bps**
WesCEF	243	1,548	15.7	13.4	
Industrial & Safety	56	1,325	4.2	9.3	
Resources	(103)	1,464	(7.0)	7.3	









Performance highlights

Coles

- Continued good momentum in food & liquor
- Operational simplification & supply chain efficiencies drove further investment in value & improvements to customer offer
- Fresh offer improvements supported growth in transaction volumes, basket size & sales density
- Convenience grew earnings in line with division, supported by strong shop sales growth & despite lower fuel volumes & lower average fuel price

Bunnings

- Strong result reflecting broad strength of offer & solid execution of strategic agenda
- Sales uplifts achieved in consumer & commercial areas & across all product categories & all trading regions
- Significant growth in earnings & increase in RoC through productivity & capital discipline
- Announced agreement to acquire UK home improvement & garden retailer Homebase (January 2016)

Officeworks

- Continued strong record of earnings growth & improvement in RoC
- Sound execution of ‘every channel’ strategy reflecting better store layouts, new merchandise categories & further investments in the business-to-business offer & digital platform

Performance highlights (continued)

Kmart

- Sales & earnings growth through further investment in value, store network growth & store refurbishments
- Sales growth strong in Home, Kids & Apparel categories
- Strong improvement in RoC reflecting range improvement, cost control & inventory management

Target

- Sound progress on transformation
- Customer transactions & unit volume growth with continued lowering of prices consistent with 'first price, right price' strategy
- Further SKU reduction, higher levels of direct sourcing & supply chain systems investments & improved productivity supported increased availability
- New format store trial performance encouraging

Performance highlights (continued)

WesCEF

- Chemicals & fertilisers businesses performed solidly, supported by plants operating at capacity & increased customer demand
- Strong turnaround in Kleenheat earnings due to lower gas feedstock costs for LPG production
- Contribution from Group's interest in Quadrant energy
- Good result for fertilisers following consecutive recent strong harvests
- Decision to cease PVC manufacturing from late February 2016 incurred one-off costs of $30 million

Industrial & Safety

- Earnings adversely affected by volume & margin pressure from further reductions in mining investment & business activity, stronger focus on cost reduction by customers & a lower Australian dollar
- Significant restructure commenced, aimed at step-changing cost structure & sales productivity

Resources

- Despite strong cost control efforts, declines in export metallurgical & steaming coal prices significantly affected revenues & earnings
- Following a number of years of positive contribution, $70 million of currency hedge losses which largely offset the benefit of a lower Australian dollar

Coles

John Durkan
Managing Director

coles coles.com.au coles express VINTAGE CELLARS first CHOICE liquor BI-LO LIQUORLAND spirit HOTELS coles Financial Services

Coles performance summary

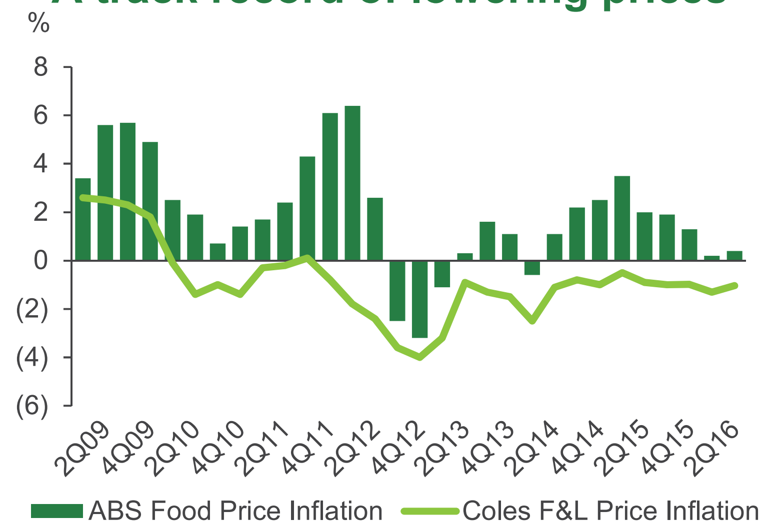
Half-year ended 31 December ($m)		2015	2014	↕ %
Coles Division	**Revenue**	**20,087**	**19,483**	*3.1*
	EBITDA	1,250	1,171	*6.7*
	EBIT[1]	**945**	**895**	*5.6*
	EBIT margin (%)	4.7	4.6	
	RoC (R12%)	11.2	10.6	
	Safety (R12 LTIFR)	7.6	7.6	
Food & Liquor	**Revenue[2]**	**16,496**	**15,559**	*6.0*
	Headline sales growth (%)[3,4]	5.4	5.3	
	Comparable sales growth (%)[3,4]	4.3	4.2	
	Inflation/ (deflation)	(1.2)	(0.7)	
Convenience	**Revenue**	**3,591**	**3,924**	*(8.5)*
	Total store sales growth (%)[3]	11.6	11.5	
	Comp. fuel volume growth (%)[3]	(3.8)	(6.9)	

[1] Includes property EBIT for the half-year ended 31 December 2015 of $10 million & for the half-year ended 31 December 2014 of $8 million.
[2] Includes property revenue for the half-year ended 31 December 2015 of $13 million & for the half-year ended 31 December 2014 of $15 million.
[3] 2016 growth reflects the 27 week period 29 June 2015 to 3 January 2016 & the 27 week period 30 June 2014 to 4 January 2015. 2015 growth reflects the 27 week period 30 June 2014 to 4 January 2015 & the 27 week period 1 July 2013 to 5 January 2014.
[4] Includes hotels, excludes gaming revenue & property.

Food & Liquor highlights
Focused on creating trusted value, fresh & customer service

- Continued strong growth in fresh food
- Better value led by price reductions in key lines including chicken breasts, Coles Brand free range eggs, Coles Brand roast chicken & lower produce prices
  - Improving fresh quality through greater product consistency & greater in-store focus
- Putting the customer 'front & centre'
  - Increased investment in checkouts & service hours to ensure a better customer experience
  - More team members trained in a craft skill
  - More than 50% of the fleet now makes bread from scratch
- Continued long-term investment in creating trusted value
  - 6.5% cumulative deflation since FY09
  - More than 2,300 products now on Every Day pricing
  - Coles Brand delivering high quality & value

A track record of lowering prices



Food & Liquor highlights
Project Unity delivering end-to-end simplicity

- Building better supplier partnerships
  - More long-term supply partnerships
  - Implementation of new supplier standards to ensure greater simplicity & transparency
- More efficient supply chain improving product life, freshness, availability & sales
  - 18% of stores now Grocery 'Day 1 for Day 1'
  - Successful conversion of all meat, deli & dairy product to flow through in Tasmania
  - Coles Brand milk transition to flow through accelerated, adding two extra days of product life
- Simpler stores
  - Delivered improvements in ticketing & markdowns & front end customer service
  - Continued investment in tools & processes to drive productivity

Food & Liquor highlights
Extending into new services & channels

- Delivering more convenience through Coles Online
  - Continued strong sales & customer growth
  - Optimised network to service growing demand
  - In-aisle specials now available online

- Providing greater choice & value through flybuys
  - Double-digit growth in active households in Q216
  - New partnership with Etihad Airlines
- Growing Coles Financial Services
  - c. 970,000 customer accounts & growing
  - Coles Gift MasterCard added in October 2015 to existing suite of competitive products
- Coles Mobile launched providing customers even more flexibility & simplicity

Food & Liquor highlights
Progressing the Liquor transformation

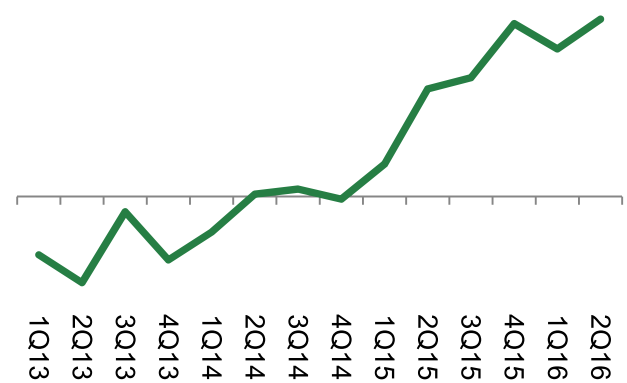
- Customer-led turnaround continues to gain momentum with significant long-term opportunities for improvement remaining

- Progress to date has been driven by
  - Significant price investment
  - Liquorland renewals & network optimisation
  - Simplified range with greater customer appeal
  - Higher conversion of Coles supermarket customers

- Significant opportunity for further improvements
  - Continue investment in price, range & customer offer
  - Accelerate Liquorland renewal program following encouraging early results
  - Expansion of exclusive brands offer
  - Growing Liquor Direct
  - First Choice renewal trial underway

Refreshed Liquorland store

Liquor transaction growth



Convenience highlights
Driving convenience growth

- Creating trusted value
  - 11.6% C-Store headline sales growth on the back of record shop transaction growth
  - Completed rollout of Coles ‘Every Day’ value offer, including strong growth in Coles Brand sales

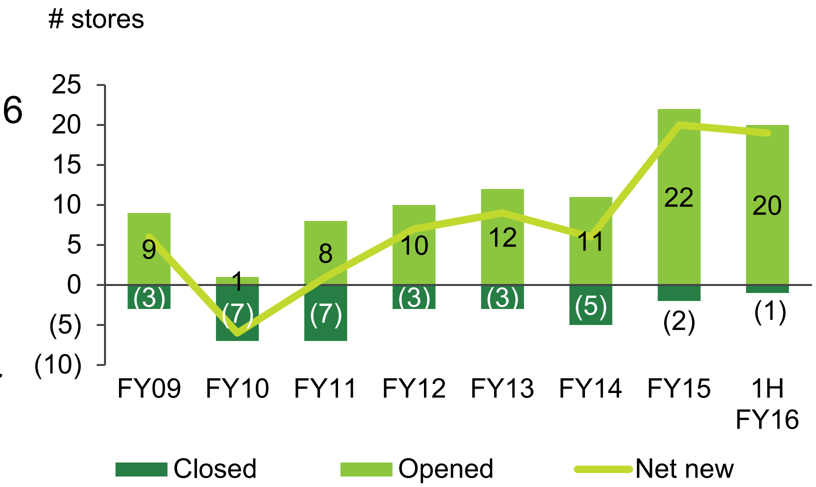
- Growing food-to-go
  - Record food-to-go sales growth driven by ‘Expresso-To-Go’ coffee rollout
  - Growth category, with further initiatives

- Delivering a better store network
  - Opened 20 new sites & closed one site in 1H FY16
  - Bigger, bolder stores opened

- Leveraging quality fuel offering
  - Continuing focus on customer demand for greater availability of diesel & premium fuel grades

Driving value for customers

Expanding the Convenience network



Coles outlook

- Consumers expected to remain value-conscious with lower prices remaining a focus for households
- Continue investment in value, service & fresh to drive sales & improve the customer experience
- Simplify operations & reduce the cost of doing business to reinvest in value
- Maintain a strong focus on transforming liquor
- Invest in new growth opportunities for the long-term
- Disciplined & returns-focused capital management

Home Improvement & Office Supplies

John Gillam

Managing Director

BUNNINGS warehouse BUNNINGS BUNNINGS TRADE Officeworks

HIOS performance summary

Half-year ended 31 December ($m)		2015	2014	↕%
Revenue	Home Improvement	5,500	4,959	*10.9*
	Office Supplies	875	802	*9.1*
	Total	**6,375**	**5,761**	*10.7*
EBITDA	Home Improvement	776	686	*13.1*
	Office Supplies	70	61	*14.8*
	Total	**846**	**747**	*13.3*
EBIT	Home Improvement	701	618	*13.4*
	Office Supplies	59	50	*18.0*
	Total	**760**	**668**	*13.8*

Home Improvement performance summary

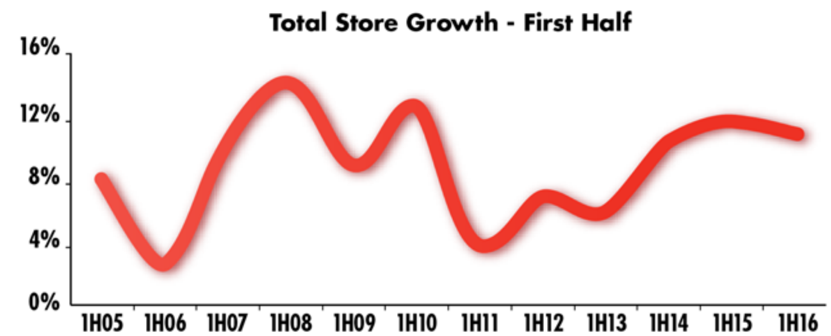
Half-year ended 31 December ($m)	2015	2014	↕%
Revenue	**5,500**	**4,959**	*10.9*
EBITDA	776	686	*13.1*
Depreciation & amortisation	(75)	(68)	*(10.3)*
EBIT	**701**	**618**	*13.4*
Less: Net property contribution[1]	33	14	*135.7*
Trading EBIT	**668**	**604**	*10.6*
RoC (R12, %)	35.8	31.6	
Safety (R12, AIFR)	23.0	27.9	
Total store sales growth (%)[2]	11.0	11.7	
Store-on-store sales growth (%)[2]	7.9	9.1	

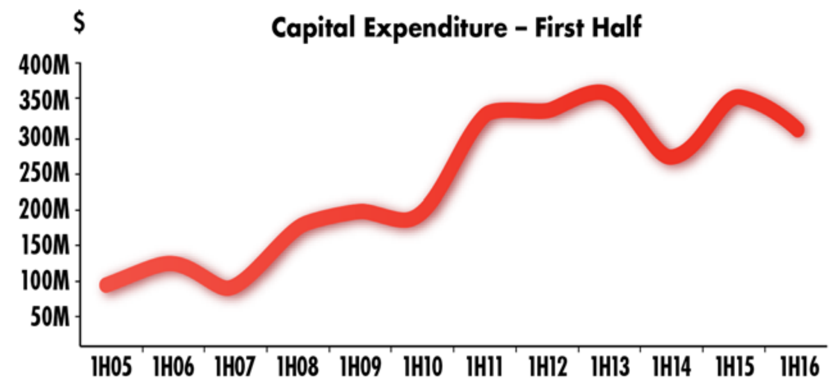
[1] Net property contribution includes external property income & expenses & gain or losses on disposals of freehold property.

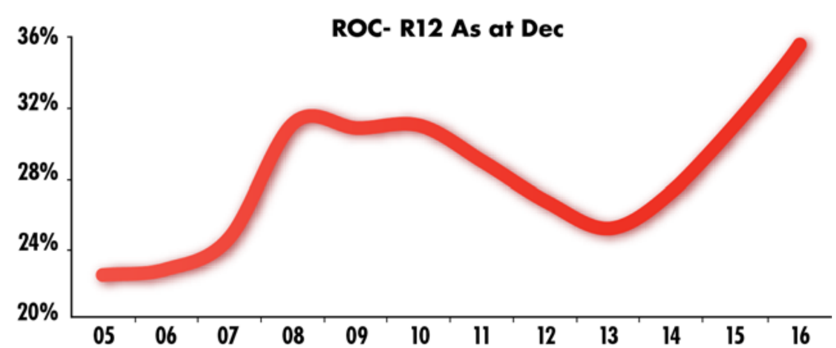
[2] December 2015 growth for Home Improvement represents the six month period 1 July 2015 to 31 December 2015 & 1 July 2014 to 31 December 2014. December 2014 growth for Home Improvement represents the six month period 1 July 2014 to 31 December 2014 & 1 July 2013 to 31 December 2013.

Home Improvement highlights

- Strong revenue uplift of 10.9%
  - Total store growth of 11.0%; store-on-store growth of 7.9%
  - Broad strength of trading performance across all major regions & all categories
  - Good improvement in consumer & commercial
- EBIT increase of 13.4%
  - Strong trading performance
  - Good cost control & process efficiencies
  - Continued value creation & network refresh costs
  - Favourable property development outcomes
- RoC (R12) uplift of 420 bps
  - Ongoing investment for growth
  - Active property divestment program





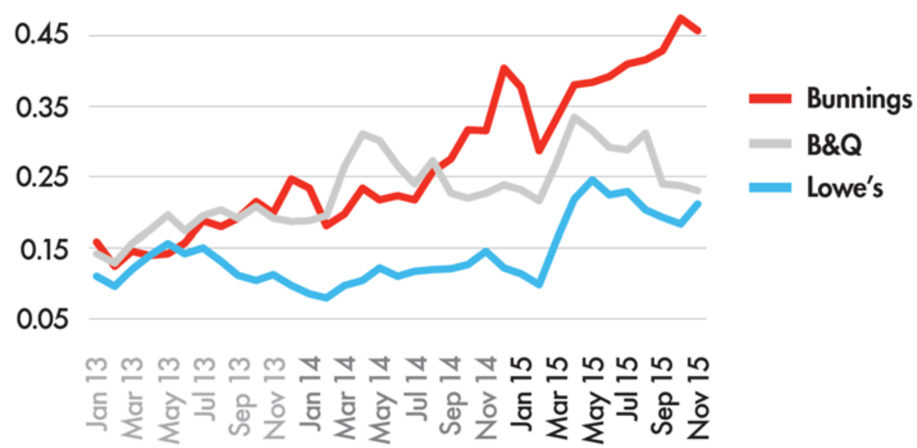


Home Improvement highlights

- Contributions from all growth drivers
  - Creating more value
  - Better customer experiences
  - Accelerating brand reach
    - Physical & digital
  - Expanding commercial presence
  - More merchandise innovation

- Investments strengthening core business
  - Team
  - Stock flow
  - Productivity
  - Community

Accelerating digital engagement - visits per capita per month



Acquisition of Homebase

- January 2016 announcement of agreement to acquire Homebase for £340 million (~A$700 million)
  - Further progress on operational/ integration plans
  - Completion likely within two weeks, subject to HRG's shareholder vote on 25 February 2016
  - Post completion, first 12 months focused on building strong business foundations
  - FY16 EBIT impact immaterial
  - More detailed update at June 2016 Strategy Briefing Day

Phase 1	Phase 2	Phase 3
Build strong business foundations	Introduce new Bunnings branded offer	Drive long-term growth
First 12 months	In 3 to 5 years	5 years plus

Home Improvement outlook

- Strategic agenda driving performance
  - Sales & earnings growth
  - Building a stronger business
- More for customers
  - Value & experience
  - Consumer & commercial
- Greater brand reach
  - Strong new store pipeline
  - Increased digital ecosystem investment
- Homebase acquisition completion & integration, subject to HRG shareholder approval

Office Supplies performance summary

Half-year ended 31 December ($m)	2015	2014	↕%
Revenue	**875**	**802**	*9.1*
EBITDA	70	61	*14.8*
Depreciation & 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	

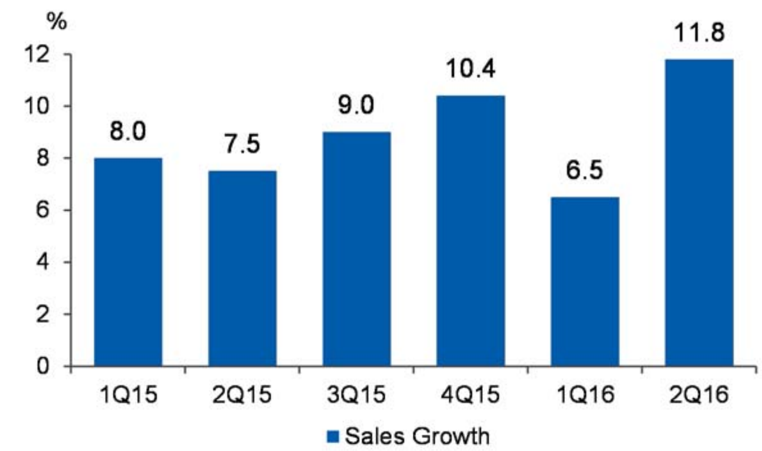
Office Supplies highlights

- Revenue growth of 9.1%
  - Strong store sales growth
  - 16 consecutive halves of store transaction growth
    - » More customers, more often
  - Annualised website sales c. $260 million
    - » Seven year 1H website sales CAGR of 21.4%
  - ‘Every channel’ investment continues to resonate

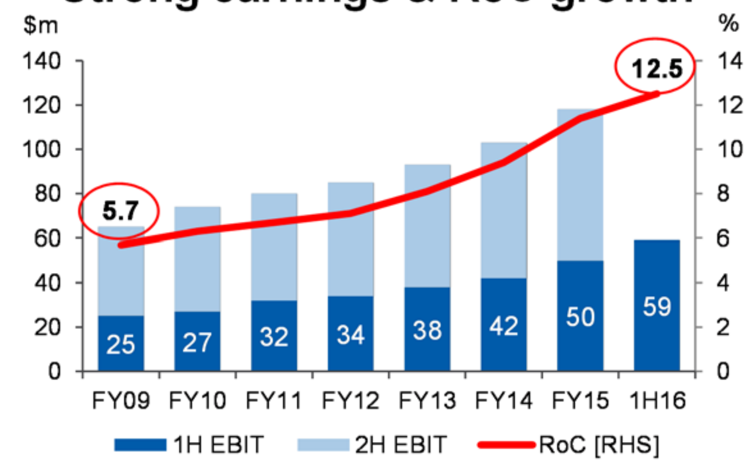
- EBIT up 18.0%
  - Seven year 1H EBIT CAGR of 13.1%
  - New categories delivering growth
  - Improvement in reducing cost & complexity

- RoC (R12) uplift of 202 bps
  - Earnings growth & productivity improvements

Sales growth momentum



Strong earnings & RoC growth



Office Supplies highlights

- Continuing investments in 'every channel' strategy
  - New & expanded categories
  - Store layout & design improvements
  - Ongoing website enhancements
  - Four new stores opened to extend reach
  - Positive results in B2B market
- Strong focus on customer offer
  - Differentiated 'one stop shop' offer
  - Price investments delivering more value
  - Lifting customer service in all channels

Office Supplies outlook

- Continue to drive ‘every channel’ agenda
  - Investment in range to meet customer needs & wants
  - Reach & engage more customers
    - Anywhere, Anyhow, Anytime
  - Provide compelling value to customers
  - Develop & deliver growth initiatives
  - Lift productivity, reduce cost & complexity
  - Develop & engage team
- Market expected to remain competitive
  - Pressure on sales & gross margin growth
  - Ongoing focus on cost & margin management

Kmart

Guy Russo
Managing Director

Kmart performance summary

Half-year ended 31 December ($m)	2015	2014	↕%
Revenue	**2,750**	**2,442**	*12.6*
EBITDA	368	333	*10.5*
Depreciation & 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 sales growth[1] (%)	12.4	5.3	
Comparable store sales growth[1] (%)	9.1	2.4	

[1] December 2015 growth reflects the 27 week period 29 June 2015 to 3 January 2016 & the 27 week period 30 June 2014 to 4 January 2015. December 2014 growth reflects the 27 week period 30 June 2014 to 4 January 2015 & the 27 week period 1 July 2013 to 5 January 2014.

Kmart highlights

- Double digit sales growth
  - Continued investment in price
  - Growth in customer transactions & units sold
  - New ranges that connected with customers
  - Contribution new stores & refurbishments

- Strong growth in EBIT & RoC
  - Productivity improvement across stores & supply chain
  - Enhanced product ranges
  - Effective working capital management
  - Effective management of foreign exchange impact

- Continued investment in store network
  - Opened three new Kmart stores
  - Completed 18 major Kmart store refurbishments
  - Opened four new & closed one Kmart Tyre & Auto stores

Kmart outlook

- Remain focused on growth through
  - Volume retailer
  - Operational excellence
  - Adaptable stores
  - High performance culture
- Continued focus on being lowest price
- Continue to refine & optimise product range
- Further growth & development of the multichannel offer
- Investment in the fleet through refurbishments & new store openings
- Close management of exchange rate impacts
- Safety to remain a key priority
- Continued focus on ethical sourcing

Target

Stuart Machin

Managing Director

Target

Target performance summary

Half-year ended 31 December ($m)	2015	2014	↕%
Revenue	**1,972**	**1,935**	*1.9*
EBITDA	119	112	*6.3*
Depreciation & 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 sales growth[1] (%)	1.6	(1.8)	
Comparable store sales growth[1] (%)	1.4	(1.0)	

[1] December 2015 growth reflects the 27 week period 28 June 2015 to 2 January 2016 & the 27 week period 29 June 2014 to 3 January 2015. December 2014 growth reflects the 27 week period 29 June 2014 to 3 January 2015 & the 27 week period 30 June 2013 to 4 January 2014.

Target highlights

- Sound transformation progress
- Higher customer transactions & units sold
- Further seven stores launched in new format, with encouraging results
- Profitable online sales growth
- Continued strong investment in lower prices as part of ‘first price, right price’ strategy
- Price deflation of 1.8%, with prices permanently lowered on over 1,000 products
- Initial benefits of supply chain investments being realised

Target outlook

- Transformation plan to continue, progressing through ‘Growth & Efficiency’ phase
- Expected rollout of new store format to a further seven stores in 2H FY16
- Continue to grow online sales & earnings
- Further reduce SKUs to better define fashion, style & quality
- Increase direct sourcing to support price investment & improve margins
- Continue to realise benefits of investment in supply chain & improve availability
- Continue to reduce costs & improve working capital

Industrials

Rob Scott

Managing Director

Wesfarmers Chemicals, Energy & Fertilisers

Wesfarmers Industrial and Safety

Wesfarmers Resources

Industrials performance summary

Half-year ended 31 December ($m)		2015	2014	↕%
Revenue	Chemicals, Energy & Fertilisers	753	810	*(7.0)*
	Industrial & Safety	927	835	*11.0*
	Resources	598	689	*(13.2)*
	Total	**2,278**	**2,334**	*(2.4)*
EBITDA	Chemicals, Energy & Fertilisers	161	144	*11.8*
	Industrial & Safety	57	67	*(14.9)*
	Resources	(44)	108	*n.m.*
	Total	**174**	**319**	*(45.5)*
EBIT	Chemicals, Energy & Fertilisers	104	95	*9.5*
	Industrial & Safety	36	50	*(28.0)*
	Resources	(118)	35	*n.m.*
	Total	**22**	**180**	*(87.8)*

Industrials highlights

- Improved safety performance
  - No Lost Time Injuries for Resources in calendar year 2015
- Downturn in mining & resources sector continued to adversely affect earnings
  - Partially offset by operational & cost improvements
- Chemicals, Energy & Fertilisers earnings up 9.5%
  - Increased contribution from chemicals business & Kleenheat; contribution from 13.7% interest in Quadrant Energy
  - Includes $30 million of closure costs in 1H FY16 associated with decision to cease PVC manufacturing
- Lower Industrial & Safety earnings, but in-line with 2H FY15 when excluding restructuring costs
  - Ongoing revenue & margin pressures due to reduced mining investment & business activity
  - ‘Fit for Growth’ business transformation commenced, with early restructuring costs incurred of $5 million in 1H FY16
- Resources earnings significantly lower in half due to lower export coal prices, with benefits of a lower Australian dollar largely offset by currency hedge losses of $70 million in 1H FY16

Chemicals, Energy & Fertilisers performance summary

Half-year ended 31 December ($m)		2015	2014	↕ %
Revenue	Chemicals	469	415	*13.0*
	Energy[1,2,3]	173	267	*(35.2)*
	Fertilisers	111	128	*(13.3)*
	Total	**753**	**810**	*(7.0)*
EBITDA		161	144	*11.8*
Depreciation & amortisation		(57)	(49)	*(16.3)*
EBIT[3,4]		**104**	**95**	*9.5*
External[1] 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	

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

Chemicals, Energy & Fertilisers highlights

- Strong earnings improvement
  - Higher earnings across chemicals businesses (excluding PVC); solid improvement in ammonia & ammonium nitrate with all plants operating at full capacity in period
  - Significant improvement in Kleenheat earnings following negotiation of improved terms for gas feedstock for LPG production
  - Includes contribution from 13.7% interest in Quadrant Energy
- Decision to cease PVC manufacturing from late February 2016 incurred $30 million of associated one-off costs in 1H FY16
- Strong WA harvest resulted in a positive first half for fertilisers, albeit with volumes & earnings below the prior corresponding period

Industrial & Safety performance summary

Half-year ended 31 December ($m)	2015[1]	2014	↕%
Revenue	**927**	**835**	*11.0*
EBITDA	57	67	*(14.9)*
Depreciation & amortisation	(21)	(17)	*(23.5)*
EBIT[2]	**36**	**50**	*(28.0)*
EBIT margin (%)	3.9	5.9	
RoC (R12 %)	4.2	9.3	
Safety (R12 LTIFR)	2.2	2.5	

[1] Includes six month contribution from the Workwear Group.

[2] Half-year ended 31 December 2015 includes $5 million of one-off restructuring costs associated with ‘Fit for Growth’ transformation.

Industrial & Safety highlights

- Revenue increase of 11.0%
  - Largely due to inclusion of Workwear Group's contribution which was acquired in December 2014
  - Increased market share in specialty services & large accounts through more integrated MRO solutions, more than offset by lower customer demand, notably in mining
  - Strong growth in Coregas driven by new distribution channels, including closer collaboration with Blackwoods & Bunnings
- Lower volumes & margins due to reduced mining investment & business activity across industrial markets, partially offset by benefits from cost reduction initiatives undertaken in FY15
  - FTE reduction of approximately 9% in Australia during 1H FY16
- Workwear Group performance impacted by lower demand in industrial wear segment
- 'Fit for Growth' restructure commenced in November 2015
  - Transformative change integrating Blackwoods, Protector Alsafe, Bullivants & related businesses into one market leading platform; reducing complexity & costs while improving customer offer; leveraging scale in merchandise, supply chain & branch network
  - Transformation benefits to support longer term earnings growth
  - Restructuring costs of approximately $35 million in FY16 with $5m incurred in 1H FY16

Resources performance summary

Half-year ended 31 December ($m)	2015	2014	↕ %
Revenue	**598**	**689**	*(13.2)*
Royalties[1]	(81)	(80)	*(1.3)*
Mining & other costs	(561)	(501)	*(12.0)*
EBITDA	(44)	108	*n.m.*
Depreciation & amortisation	(74)	(73)	*(1.4)*
EBIT	**(118)**	**35**	*n.m.*
RoC (R12%)	(7.0)	7.3	*n.m.*
Coal production (‘000 tonnes)	7,457	7,781	*(4.2)*
Safety (R12 LTIFR)	0.0	0.9	

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

Resources highlights

- Continued improvement in safety performance
  - No Lost Time Injuries reported in calendar year 2015
- Seaborne metallurgical coal markets remained in oversupply
  - Significant decline in US$ export revenue due to lower export coal prices
- Benefits of a lower Australian dollar largely offset by hedge book losses
  - FY16 currency hedges fully closed-out (hedge losses of $70 million in 1H FY16)
  - FY17 currency hedges largely closed-out
- Revenue impacted by an unfavourable metallurgical coal sales mix
  - Lower quality coal due to customer demand
  - Mine sequencing resulting in greater exposure to lower grade coal
- Financial performance continued to be adversely affected by Stanwell Corporation obligations
  - 1H FY16 included export rebate payments (cost of $35 million) & contracted domestic coal supplied below cost (in-period earnings impact of $42 million)

Resources highlights (continued)

- Very strong focus on cost control & productivity improvement at Curragh
  - 1H FY16 unit mine cash costs approximately 7% below FY15 & 35% below peak of 1H FY12
  - Lower coal production due to planned mine site shutdown to upgrade power related to a required overhaul of coal crushing facilities & adjustments to mine plan to facilitate lower mine cash costs in 2H FY16
  - Lower unit mine cash costs more than offset by higher port costs & higher inventory drawdown due to lower coal production
  - Employee headcount reduced by 16% during the half
  - Following completion of ROM upgrade, capital expenditure reduced to stay-in-business activity
- Sales volumes from Bengalla in line with 1H FY15
- Bengalla earnings lower than the prior corresponding period
  - Significant decline in export steaming coal prices & currency hedge losses that offset benefits of a lower Australian dollar
  - Mine cash costs increased as a result of greater maintenance activity & higher strip ratios

Industrials outlook

Chemicals, Energy & Fertilisers

- Overall outlook is positive; remains subject to international commodity prices, exchange rates & seasonal outcomes
- Chemicals earnings supported by contracted volumes & pricing but subject to ongoing good plant performances; second half ammonia earnings will be impacted by planned major shutdown
- PVC manufacturing to cease in 2H FY16, with all associated closure costs provided for in 1H FY16

Industrial & Safety

- Near-term trading environment expected to remain competitive
- Lower customer activity & increased margin pressure across mining & energy sectors expected to continue through FY16
- ‘Fit for Growth’ transformation to unlock efficiency benefits of scale & platform
  - Merger of Blackwoods & Protector Alsafe branches & rationalisation of DCs expected to be largely complete by July 2016
  - One-off restructuring costs in 2H FY16 of approximately $30 million
  - Improvement plans for New Zealand business & Workwear Group to be completed in 2H FY16
  - Given timing, benefits not expected to be material in 2H FY16, but expected to have an increasingly positive impact from FY17 onwards
  - Key management appointments in Workwear Group & Merchandising/Sourcing in 2H FY16

Industrials outlook (continued)

Resources

- Earnings largely dependent upon export coal pricing, with near-term outlook challenging
  - Global market remains over-supplied
  - Subdued forecasts for export coal pricing (3Q FY16 Curragh metallurgical coal pricing (US$) expected to be ~7% below 2Q FY16)
- Continued strong focus on operational productivity, cost control & capital discipline
- Curragh's metallurgical coal sales volume for FY16 forecast to be in the range of 7.3 to 7.8 million tonnes, lower than previously forecast
  - Impacted by significant wet weather in January & February 2016 (force majeure event)
  - Dependent upon mine operating performance, weather & key infrastructure availability
- Potential benefit of a lower Australian dollar will not be fully realised given locked-in currency hedge losses of $77 million in 2H FY16
- Stanwell Corporation obligations expected to continue to adversely impact earnings
- Management change at Bengalla well advanced
  - Following completion of New Hope Group's acquisition of 40 per cent interest in Bengalla, Bengalla Mining Company, owned proportionately by joint venture participants, to manage Bengalla

Group Balance Sheet & Cash Flow

Terry Bowen

Finance Director

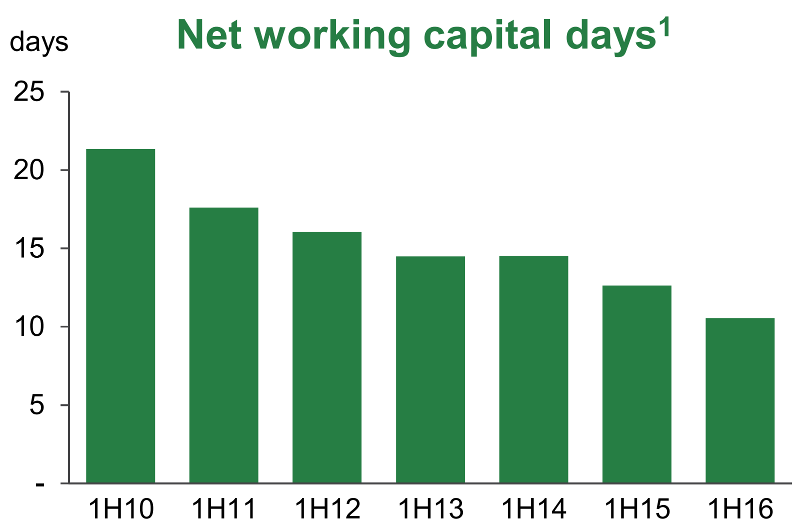
Other business performance summary

Half-year ended 31 December ($m)	Holding %	2015	2014	⬍ %
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[1]		3	19	*(84.2)*
Other		(4)	(13)	*69.2*
Corporate overheads		(67)	(66)	*(1.5)*
Total Other		**(10)**	**(26)**	*61.5*

[1] Excludes interest revenue from Coles Financial Services.

Working capital management

- Working capital well managed despite retail store network growth, a lower Australian dollar impacting inventory costs & retail sales growth
  - Good productivity improvement in net working capital days, falling 2.1 days to 10.5 days



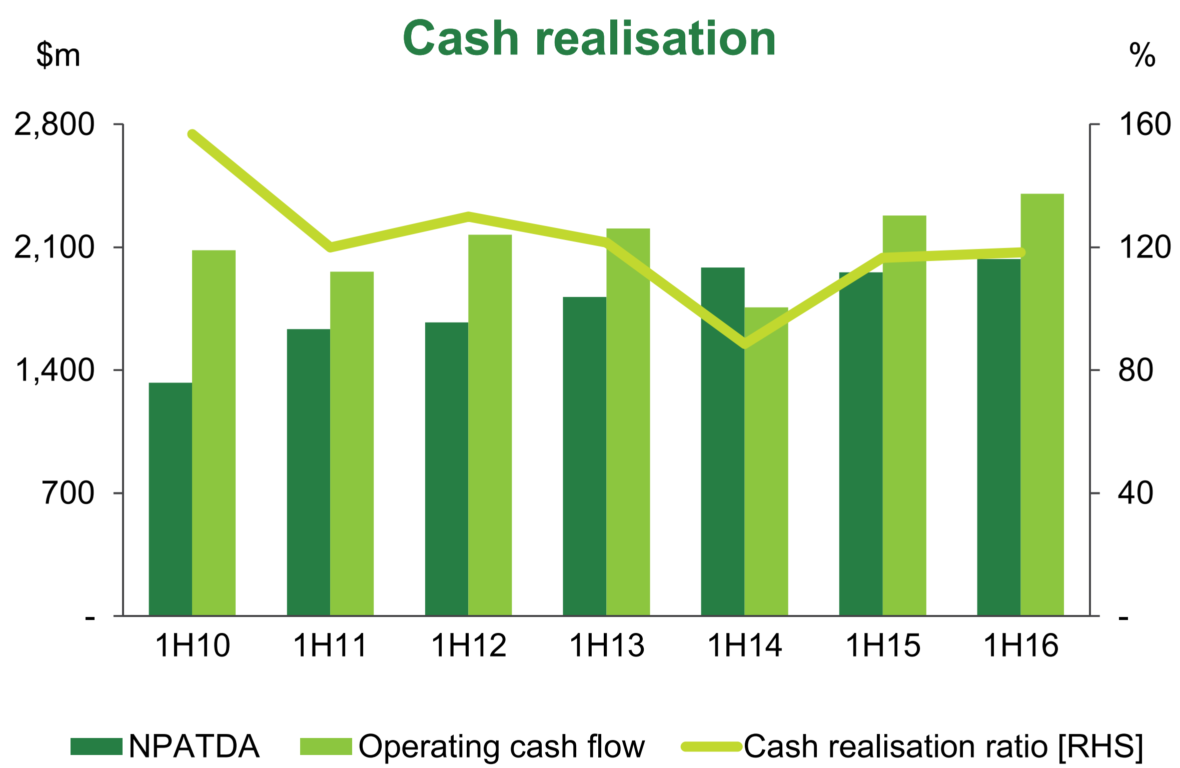
Half-year ended 31 December ($m)	2015	2014
Cash movement inflow/(outflow)[2]		
Receivables & prepayments	(13)	47
Inventory	(1,066)	(660)
Payables	1,345	941
Total	**266**	**328**
Working capital cash movement		
Retail	348	635
Other	(82)	(307)
Total	**266**	**328**

[1] Calculated as average net working capital balance divided by R12 revenue multiplied by 365.

[2] Cash movement relating to inventories, trade & other receivables, prepayments & trade & other payables.

Solid operating cash flow generation

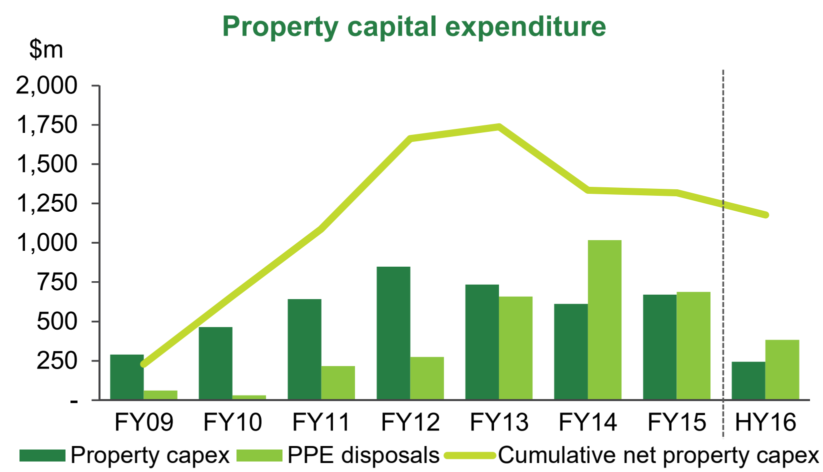
- Continued strong cash realisation
- Higher operating cash flow performance includes lower income tax paid as a result of higher prepayments in prior corresponding period



Capital investment & property recycling

- Effective deployment of capital to capture highest growth & return opportunities
  - Retail businesses comprised 89% of capital expenditure (in line with the pcp)
  - Coles HY16 RoC[2] of 30.0% (excl. goodwill)
  - HIOS HY16 RoC[2] of 49.5% (excl. goodwill)
  - Department Stores HY16 RoC[2] of 31.9% (excl. goodwill)
- Continued proactive management of property portfolio
  - Yield compression on freehold property disposal supporting good outcomes for Group
- FY16 net capital expenditure estimate of $1.3 to $1.6 billion, subject to net property investment

Half-year ended 31 December ($m)[1]	2015	2014	↕%
Coles	459	537	*(14.5)*
HIOS	337	370	*(8.9)*
Kmart	79	93	*(15.1)*
Target	66	78	*(15.4)*
WesCEF	21	39	*(46.2)*
Industrial & Safety	29	25	*16.0*
Resources	67	65	*3.1*
Other	1	-	*n.m.*
Total capital expenditure	**1,059**	**1,207**	*(12.3)*
Sale of PP&E	(384)	(308)	*(24.7)*
Net capital expenditure	**675**	**899**	*(24.9)*



[1] Capital investment provided on a cash basis.
[2] Rolling 12 months.

Debt strategy & credit agency ratings

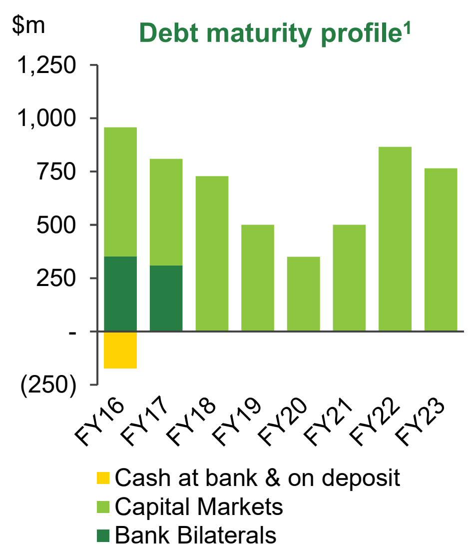
- Solid credit metrics
  - Cash interest cover (R12) improved to 19.3 times
  - Fixed charges cover (R12) stable at to 3.0 times
- 'All-in' effective borrowing cost further reduced to 4.63%
  - Reflecting active management of drawn borrowings & lower undrawn commitment fees
- 1H FY16 debt activity
  - Repayment of €500 million (A$756 million) Euro medium term note; partially replaced via bank bilateral facilities
- Debt strategy to diversify sourcing, pre-fund debt maturities, maintain access to diverse debt capital markets & ensure a good maturity spread profile
- Strong & stable credit ratings
  - Moody's A3 (stable outlook)
  - Standard & Poor's A- (negative outlook)

Net debt composition

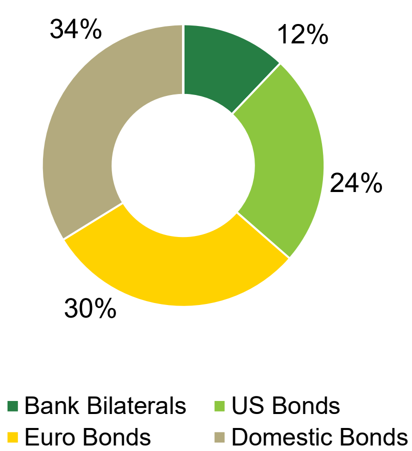
At 31 December ($m)	2015	2014
Net debt (reported)	(6,108)	(5,139)
Interest rate swap assets	847	630
Net debt[1] (post int. rate swap assets)	**(5,261)**	**(4,509)**

[1] December 2015 includes financing of credit book relating to the Coles credit card.

Debt maturity profile[1]



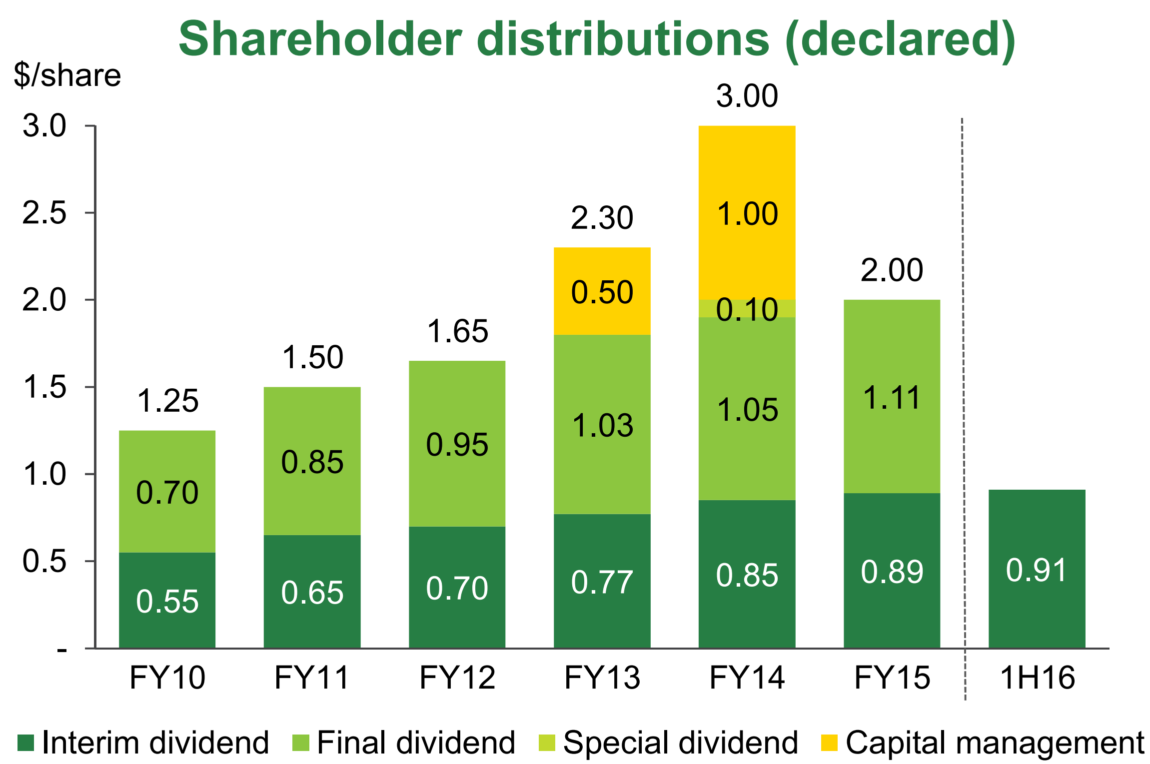
Debt sources[1]



[1] As at 31 December 2015.

Dividends

- Interim dividend of $0.91 per share fully-franked, up 2.2%; consistent with growth in EPS
  - Dividend record date 2 March 2016 with interim dividend payable 7 April 2016
  - Dividend investment plan; no underwrite; shares purchased on market; last day for application 3 March 2016



Outlook

Richard Goyder
Managing Director

Outlook

Retail

- Retail businesses have good sales momentum & are well positioned in an environment where consumers remain value-conscious with household budgets carefully managed
- In strongly competitive markets, performance is expected to be supported by ongoing focus on delivering further value, better service & improved ranges
- Strategies to also focus on merchandise innovation, supply chain productivity, digital engagement & store network improvement
- HRG shareholder approval meeting on 25 February 2016; Homebase transaction completion expected soon after, subject to shareholder approval
- Through newly created Department Stores division, streamlined coordination & better alignment of functions, expected to realise benefits for both businesses & Group

Industrials

- Outlook mixed; whilst outlook for WesCEF is generally positive, difficult trading environment for broader Industrials division, particularly Resources given current low commodity prices
- Industrial & Safety volumes & margins expected to stabilise in second half; earnings will be adversely affected by further restructuring costs associated with ‘Fit for Growth’ transformation; longer term earnings growth supported by benefits of transformation activities
- Resources to seek to further lower cost structure, but low commodity prices expected to remain a significant headwind to revenue; hedge currency losses in 2H FY16 expected to offset the likely benefit of a lower Australian dollar: Group continues to look at all options to maximise shareholder value from Resources business

Outlook (continued)

Group

- Generally optimistic in outlook
- Maintain a strong balance sheet
- Secure growth opportunities through entrepreneurial initiative
- Ensure sustainability through responsible long-term management
- Leverage & build human resource capability

Questions

Wesfarmers