2017 Half-year Results Briefing Presentation

To be held on Wednesday, 15 February 2017

Wesfarmers

Presentation outline

Group Performance Overview

Richard Goyder

Managing Director
Wesfarmers Limited

Financial overview

Half-year ended 31 December 2016	Reported	Variance to pcp
Operating revenue	$34,917m	*4.3%*
Earnings before interest & tax	$2,429m	*15.1%*
Net profit after tax	$1,577m	*13.2%*
Earnings per share (cps)	140.1	*12.8%*
Operating cash flow per share (wanos, incl. res shares) (cps)	234.9	*9.8%*
Return on equity[1] (R12)	10.2%	*20 bps*
Interim dividend per share (cps)	103	*13.2%*

[1] Excludes post-tax non-cash impairments of $1,844m relating to Target & Curragh recorded in the 2016 financial year.

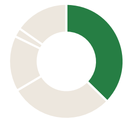
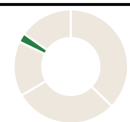
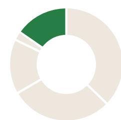
- Strong earnings growth for the half, with the results reflecting the benefits of the Group's conglomerate structure
- Total retail earnings broadly in line with the prior corresponding period, with very strong results for Bunnings Australia & New Zealand (BANZ), Kmart & Officeworks
- Industrials division reported significantly higher earnings, primarily driven by Resources
- Cash flow management a highlight; balance sheet further strengthened
- Interim dividend of $1.03 per share, an increase of 13.2%

Group performance summary

Half-year ended 31 December ($m)	2016	2015	var %
Revenue	34,917	33,462	*4.3*
EBITDA	3,064	2,749	*11.5*
EBIT	2,429	2,110	*15.1*
Net profit after tax	**1,577**	**1,393**	***13.2***
Operating cash flow	2,648	2,404	*10.1*
Net capital expenditure	400	675	*(40.7)*
Free cash flow	2,231	1,665	*34.0*
Earnings per share (cps)	140.1	124.2	*12.8*
Operating cash flow per share (wanos, incl. res shares) (cps)	234.9	213.9	*9.8*
Interim ordinary dividend (cps)	103	91	*13.2*
Net financial debt[1]	5,360	5,261	*1.9*
Return on equity[2] (R12, %)	10.2	10.0	*20 bps*
Interest cover[3] (R12, times)	18.9	19.3	*(2.1)*
Fixed charges cover[3] (R12, times)	2.7	3.0	*(10.0)*

[1] Interest bearing liabilities less cash at bank & on deposit, net of cross currency interest rate swaps & interest rate swap contracts.
[2] 2016 excludes post-tax non-cash impairments of $1,844m relating to Target & Curragh recorded in the 2016 financial year.
[3] 2016 excludes pre-tax non-cash impairments of $2,116m relating to Target & Curragh recorded in the 2016 financial year.

Divisional earnings

EBIT ($m) Half-year ended 31 December	2016	2015	var %	var $m	% of EBIT
Coles	**920**	**945**	***(2.6)***	***(25)***	 37%
Home Improvement	**722**	**701**	***3.0***	***21***	 29%
Bunnings Australia & NZ	770	701	*9.8*	*69*	
Bunnings UK & Ireland	(48)	-	*n.m.*	*n.m.*	
Department Stores	**387**	**393**	***(1.5)***	***(6)***	 16%
Target[1]	16	74	*(78.4)*	*(58)*	
Kmart	371	319	*16.3*	*52*	
Officeworks	**62**	**59**	***5.1***	***3***	 3%
Industrials	**377**	**22**	***n.m.***	***355***	 15%
WesCEF[2]	187	104	*79.8*	*83*	
Industrial & Safety[3]	52	36	*44.4*	*16*	
Resources	138	(118)	*n.m.*	*256*	

[1] 2016 includes a provision of $13m recognised for restructuring costs associated with the planned relocation of Target's store support office. 2015 includes rebate income of $21m recognised contrary to Group policy which was reversed in the second half of 2016, having no effect on the 2016 full-year results.
[2] 2016 includes a profit on sale of land of $22m. 2015 includes $30m of one-off restructuring costs associated with the decision to cease PVC manufacturing.
[3] 2015 includes $5m of restructuring costs associated with the 'Fit for Growth' transformation.

Divisional return on capital (RoC)

Rolling 12 months to 31 December	2016			2015	
	EBIT ($m)	Cap Emp ($m)	RoC (%)	RoC (%)	Variance (ppt)
Coles	**1,836**	**16,594**	**11.1**	**11.2**	***(0.1)***
Home Improvement[1]	**1,235**	**4,018**	**30.7**	**35.8**	***(5.1)***
Bunnings Australia & NZ	1,282	3,291	39.0	35.8	*3.2*
Bunnings UK & Ireland	n.a.	n.a.	n.a.	n.a.	n.a.
Department Stores	**269**	**2,937**	**9.2**	**14.8**	***(5.6)***
Target[2]	(253)	1,680	(15.1)	3.8	*(18.9)*
Kmart	522	1,257	41.5	36.6	*4.9*
Officeworks	**137**	**987**	**13.9**	**12.5**	***1.4***
Industrials	**403**	**3,747**	**10.8**	**4.5**	***6.3***
WesCEF[3]	377	1,500	25.1	15.7	*9.4*
Industrial & Safety[4]	80	1,358	5.9	4.2	*1.7*
Resources	(54)	888	(6.1)	(7.0)	*0.9*

[1] 2016 includes earnings & capital employed from Bunnings UK & Ireland. Bunnings UK & Ireland will be separately disclosed in the full-year results ended 30 June 2017 when the business will have 12 months of trading data under Wesfarmers ownership.

[2] 2016 includes a provision of $13m recognised for restructuring costs associated with the planned relocation of Target's store support office & $145m in restructuring costs & provisions.

[3] 2016 includes a profit on sale of land of $22m. 2015 includes $30m of one-off restructuring costs associated with the decision to cease PVC manufacturing.

[4] 2015 includes $5m of restructuring costs associated with the 'Fit for Growth' transformation.

Group Balance Sheet & Cash Flow

Terry Bowen

Finance Director
Wesfarmers Limited

Other business performance summary

Half-year ended 31 December ($m)	Holding %	2016	2015	var %
Share of profit of associates				
BWP Trust	25	18	56	*(67.9)*
Other	Various	13	2	*n.m.*
Sub-total share of profit of associates		**31**	**58**	***(46.6)***
Interest revenue[1]		3	3	-
Other		(6)	(4)	*(50.0)*
Corporate overheads		(67)	(67)	-
Total Other		**(39)**	**(10)**	***n.m.***

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

Operating cash flows

- Operating cash flows increased 10.1% to $2,648m
- Cash realisation[1] of 119.7%, up from 118.3% in the prior corresponding period
- Higher working capital inflow during the period
  - Inventory management initiatives across retail businesses
- Industrials movement due to higher receivables, primarily driven by higher coal prices

Half-year ended 31 December ($m)	2016	2015
Cash movement inflow/(outflow)		
Receivables & prepayments	(110)	(13)
Inventory	(617)	(1,066)
Payables	1,136	1,345
Total	**409**	**266**
Working capital cash movement		
Retail	634	348
Industrials & Other	(225)	(82)
Total	**409**	**266**

[1] Operating cash flows as a percentage of net profit after tax, before depreciation & amortisation, & NTIs.

Capital expenditure

- Gross capital expenditure declined $135m to $924m
  - Fewer store openings in Home Improvement
  - Reduced investment in Target
- Proceeds from property disposals increased $140m to $524m
  - Sale of Coles' interest in a number of joint venture properties to ISPT
  - Sale of land by WesCEF
- Net capital expenditure reduced 40.7% to $400m
- Free cash flows of $2,231m, 34.0% higher than prior year due to higher operating cash flows & lower net capital expenditure
- FY17 net capital expenditure of $1.1b to $1.3b expected, subject to net property investment

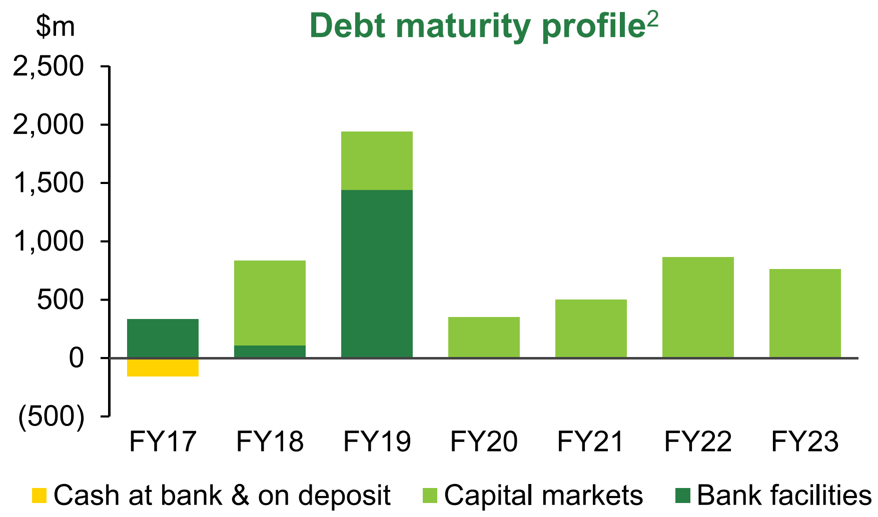
Half- year ended 31 December ($m)[1]	**2016**	**2015**	**var %**
Coles	463	459	*0.9*
Home Improvement	228	314	*(27.4)*
Kmart	85	79	*7.6*
Target	38	66	*(42.4)*
Officeworks	17	22	*(22.7)*
WesCEF	20	21	*(4.8)*
Industrial & Safety	16	29	*(44.8)*
Resources	53	67	*(20.9)*
Other	4	2	*n.m.*
Total capital expenditure	**924**	**1,059**	***(12.7)***
Sale of PP&E	(524)	(384)	*36.5*
Net capital expenditure	**400**	**675**	***(40.7)***

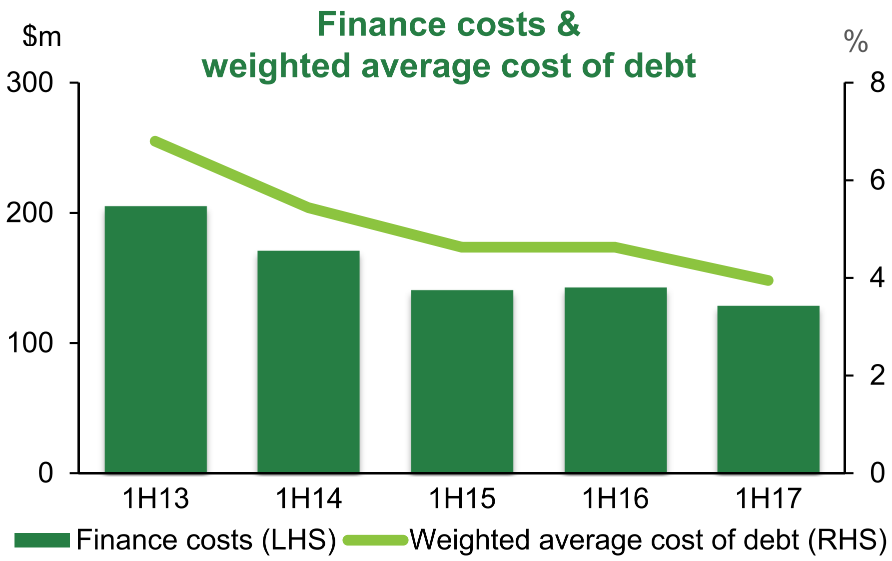
Half- year ended 31 December ($m)[1]	**2016**	**2015**	**var %**
Property	257	243	*5.8*
Plant & Equipment	605	774	*(21.8)*
Intangibles	62	42	*47.6*
Total capital expenditure	**924**	**1,059**	***(12.7)***

[1] Capital investment provided on a cash basis.

Debt management

- Net financial debt[1] of $5,360m, in line with prior corresponding period
- $500m of domestic medium term notes matured November 2016; repaid using existing cash balances & bank facilities
- 'All-in' effective borrowing cost further reduced by 68 bps to 3.95%
  - Reflects active management of debt sources & the benefit of lower interest rates
- Solid credit metrics
  - Cash interest cover[3] (R12) at 18.9 times
  - Fixed charges cover[3] (R12) at 2.7 times
- Strong & stable credit ratings
  - Moody's A3 (stable outlook)
  - Standard & Poor's A- (negative outlook)
- Sale of Coles' credit card receivables in February 2017; proceeds will be used to repay debt

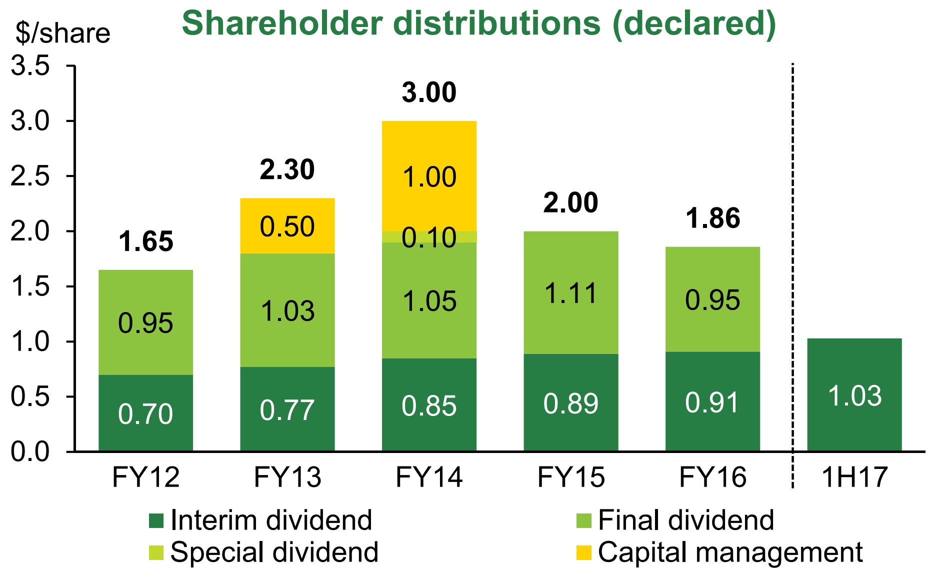


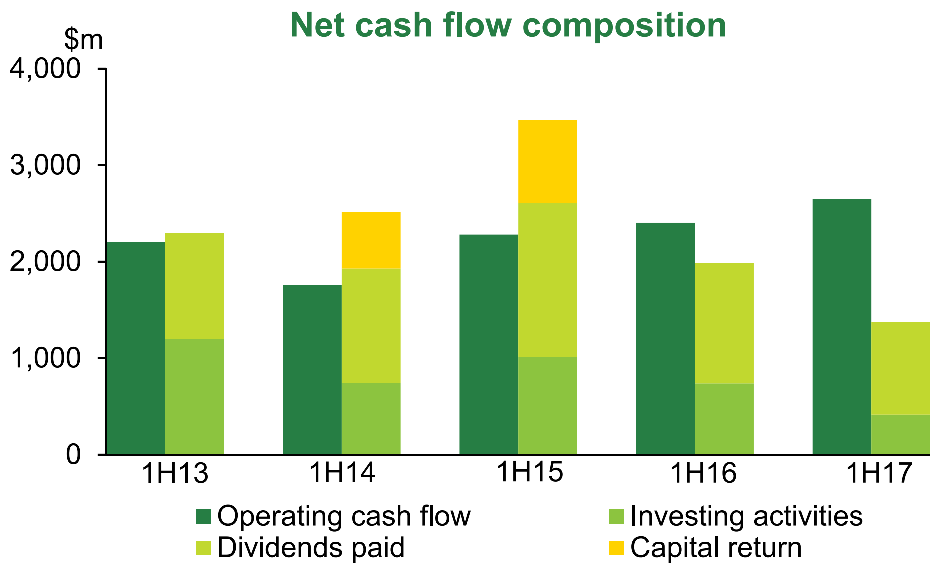


[1] Interest bearing liabilities less cash at bank & on deposit, net of cross currency interest rate swaps & interest rate swap contracts.
[2] As at 31 December 2016.
[3] Excludes pre-tax non-cash impairments of $2,116m relating to Target & Curragh recorded in the 2016 financial year.

Dividends

- Strong cash flow generation supporting a 13.2% increase in dividend per share
- Half-year dividend of $1.03 per share, fully franked
  - Dividend record date 21 February 2017
  - Half-year dividend payable 28 March 2017
  - Dividend investment plan; last day for application 22 February 2017





Coles

John Durkan

Managing Director
Coles

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

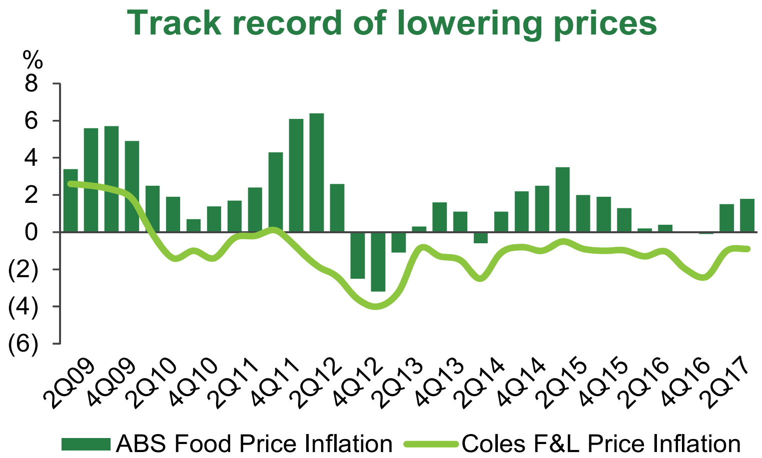
Coles performance summary

Half-year ended 31 December ($m)		2016	2015	var %
Coles	**Revenue**[1]	**20,056**	**20,087**	***(0.2)***
	EBITDA[2]	1,240	1,250	*(0.8)*
	Depreciation & amortisation	(320)	(305)	*(4.9)*
	EBIT[2]	**920**	**945**	***(2.6)***
	EBIT margin[2] (%)	4.6	4.7	
	RoC (R12, %)	11.1	11.2	
	Safety (R12, LTIFR)	8.4	7.6	
Food & Liquor	**Revenue**[1]	**16,878**	**16,496**	***2.3***
	Headline sales growth[3,4] (%)	2.2	5.4	
	Comparable sales growth[3,4] (%)	1.3	4.3	
	Inflation/(deflation)[3]	(0.9)	(1.2)	
Convenience	**Revenue**	**3,178**	**3,591**	***(11.5)***
	Total store sales growth[4] (%)	6.4	11.6	
	Comp. fuel volume growth[4] (%)	(13.3)	(3.8)	

1 Includes property revenue for 2016 of $10m & for 2015 of $13m.
2 Includes property EBIT for 2016 of $56m & for 2015 of $10m.
3 Includes hotels, excludes gaming revenue & property.
4 2016 growth reflects the 27 week period 27 June 2016 to 1 January 2017 & the 27 week period 29 June 2015 to 3 January 2016. 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.

Food & Liquor summary
Maintaining our focus on the customer

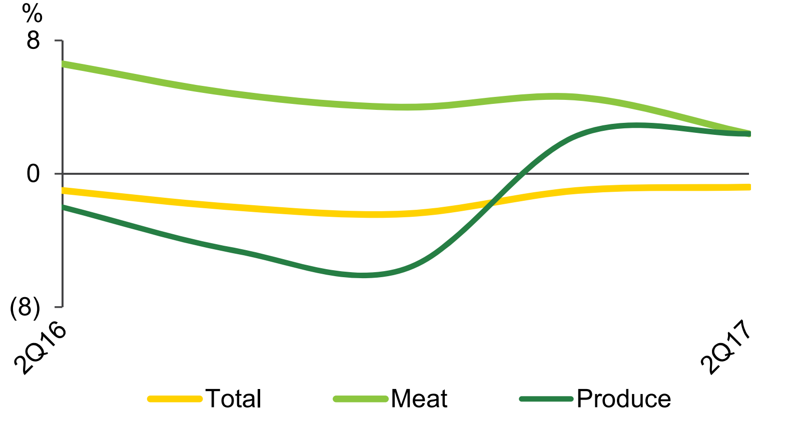
- Focusing on the customer in a competitive market
  - Over seven years of lowering prices for customers
  - Continued investment in service, availability & quality
- Continued positive momentum positions the business for sustainable long-term growth
  - Key customer metrics continued to improve, underpinning comparable sales growth
- EBIT declined by 2.6%
  - Significant investment in value driving lower shelf margin
  - Simplicity benefits partially mitigated the impact of shelf margin investment on EBIT
- Cash realisation was above 100%



Food & Liquor summary
Shelf margin deterioration a factor

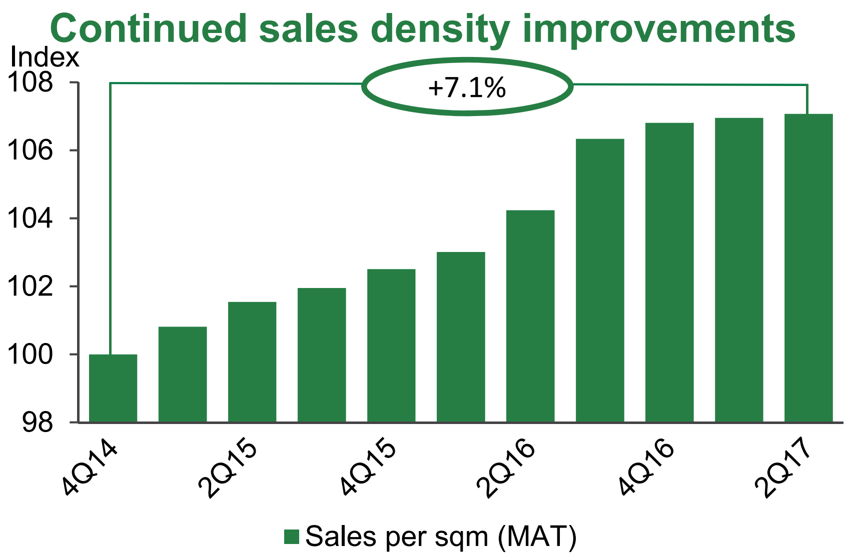
- Shelf margin lower than prior year
  - Represents gross margin excluding loss & logistics
  - Decline driven by proactive investment, including absorption of meat costs, & competition
- Continued investments in service, quality & availability
- Input cost increases in meat are a significant factor
  - Cost increases have not been fully reflected in prices
  - Meat accounts for ~20% of the shelf margin impact
- Shelf margin impact was more pronounced in 2Q17

Category sell price inflation



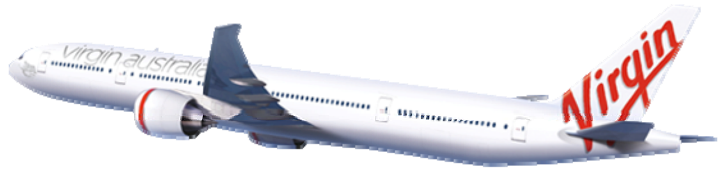
Food & Liquor highlights
Improving our customer offer

- Maintaining a consistent customer proposition
  - Focus remains on improving the customer offer
- Key metrics continue to improve
  - Continued growth in comparable transactions, basket size & sales density
  - Improved ‘Tell Coles’ metrics across the period demonstrate an overall improvement in customer service, availability & quality perceptions
- Continued growth in comparable sales
  - 2Q17 comparable growth in Food of 1.0%, building on 5.3% growth in the prior period
- Maintaining a customer focus in a period of increased competition will position the business for sustainable long-term growth



Food & Liquor highlights
New services & channels

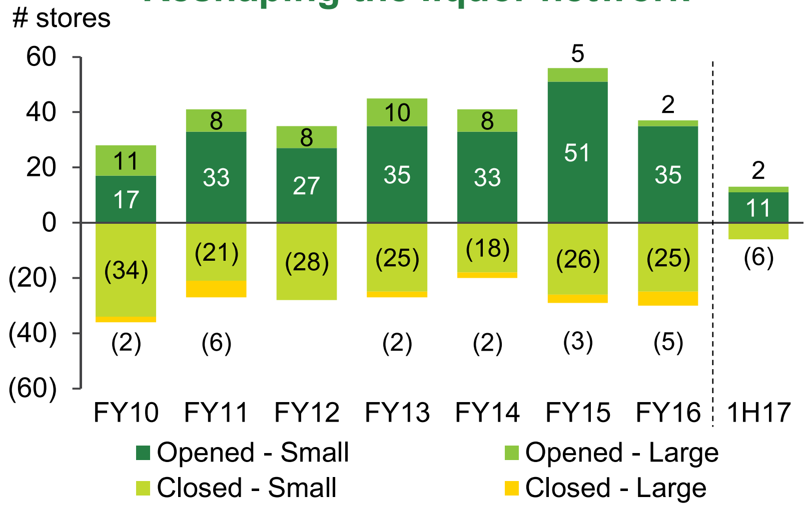
- Coles Online continues to achieve strong growth
  - Double digit transaction & sales growth
  - Cost control leading to profitable growth
- Delivering greater value through flybuys
  - Continued growth in active members
  - Partnership with Velocity Frequent Flyer to deliver more choice to customers
- Simplified portfolio through credit card distribution agreement with a global leader
  - 10-year partnership with Citi for distribution of Coles credit cards
  - Award winning credit card offer (Canstar, Mozo & Money magazine) further strengthened

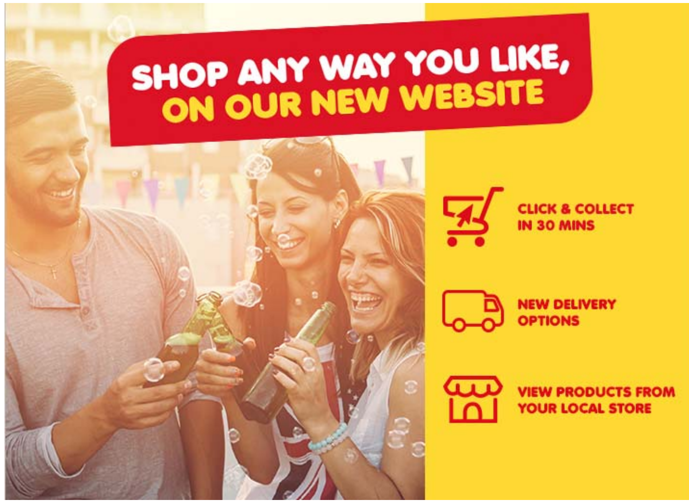


Food & Liquor highlights
Progressing the Liquor transformation

- Positive momentum continues
  - Five quarters of comparable sales growth
  - Strong transaction growth remains the driver
- Increased renewal activity
  - 92 Liquorland renewals completed
  - On track to deliver 200 renewals in FY17
  - Further trials of Liquor Market
- Enhanced omni-channel offer
  - All banners now offering click & collect
  - 30 min click & collect offered in Liquorland stores
- The five year turnaround is progressing as expected

Reshaping the liquor network

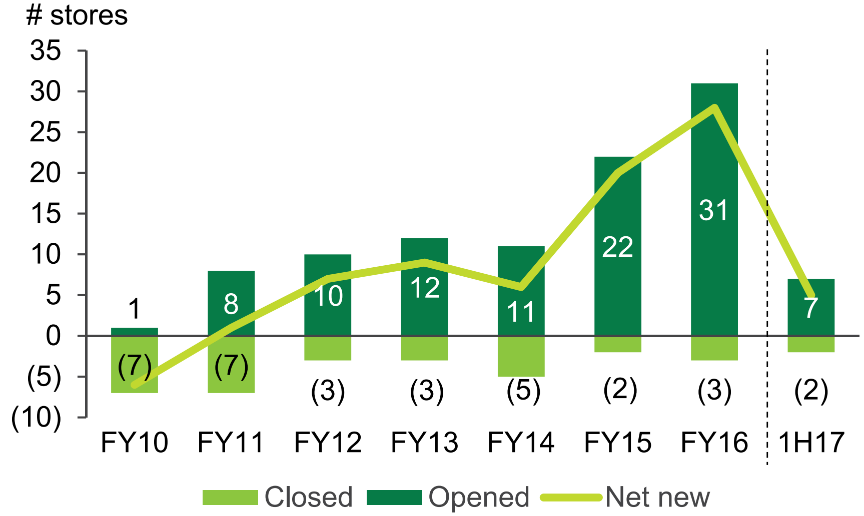




Convenience highlights
Fuelling convenience

- A market-leading convenience store offer
  - Strong growth in food-to-go offer
  - Focus on Every Day value & Coles Brand offer (eighth consecutive quarter of price deflation, excluding Tobacco)
- Maintaining a competitive fuel offer
- Fuel volumes remain in decline
  - Slowing market growth
  - Competitor openings
  - Changes in commercial terms of the Alliance

Expanding the convenience network



Coles outlook

- Relative to the prior comparable period, market growth has slowed & competition has increased
- Providing a market leading customer offer will remain the focus
- Decline in Food shelf margin due to significant investment in value; expected to persist through 2H17
- Coles believes a customer-led approach will best position the business for long-term growth
- Over the long-term, simplicity benefits will fund continued investment in the customer offer
- Maintain a focus on transforming liquor & providing a market leading convenience store offer
- Invest in new growth opportunities for the long term
- Continue to remain disciplined & returns focused in our capital management

Home Improvement

Michael Schneider
Managing Director BANZ

PJ Davis
Managing Director BUKI

Home Improvement performance summary

Half-year ended 31 December ($m)	2016	2015	var %
Revenue	**6,995**	**5,500**	***27.2***
Bunnings Australia & NZ	5,957	5,500	*8.3*
Bunnings UK & Ireland ($)	1,038	n.a.	
Bunnings UK & Ireland (£)	612	n.a.	
EBITDA	**833**	**776**	***7.3***
Bunnings Australia & NZ[1]	853	776	*9.9*
Bunnings UK & Ireland ($)	(20)	n.a.	
Bunnings UK & Ireland (£)	(12)	n.a.	
EBIT	**722**	**701**	***3.0***
Bunnings Australia & NZ[1]	770	701	*9.8*
Bunnings UK & Ireland ($)	(48)	n.a.	
Bunnings UK & Ireland (£)	(28)	n.a.	

[1] Includes net property contribution for 2016 of $44m & for 2015 of $33m.

Home Improvement performance summary (continued)

Half-year ended 31 December ($m)	2016	2015	var %
Revenue	**6,995**	**5,500**	***27.2***
EBITDA	833	776	*7.3*
Depreciation & amortisation	(111)	(75)	*(48.0)*
EBIT[1]	**722**	**701**	***3.0***
EBIT margin (%)	10.3	12.7	
RoC (R12, %)	30.7	35.8	
Bunnings Australia & NZ			
- RoC (R12, %)	39.0	35.8	
- Safety (R12, AIFR)	21.0	23.0	
- Total store sales growth[2] (%)	8.4	11.0	
- Store-on-store sales growth[2] (%)	6.5	7.9	

[1] Includes net property contribution for 2016 of $44m & for 2015 of $33m.

[2] 2016 growth for Home Improvement represents the six month period 1 July 2016 to 31 December 2016 & 1 July 2015 to 31 December 2015. 2015 growth for Home Improvement represents the six month period 1 July 2015 to 31 December 2015 & 1 July 2014 to 31 December 2014.

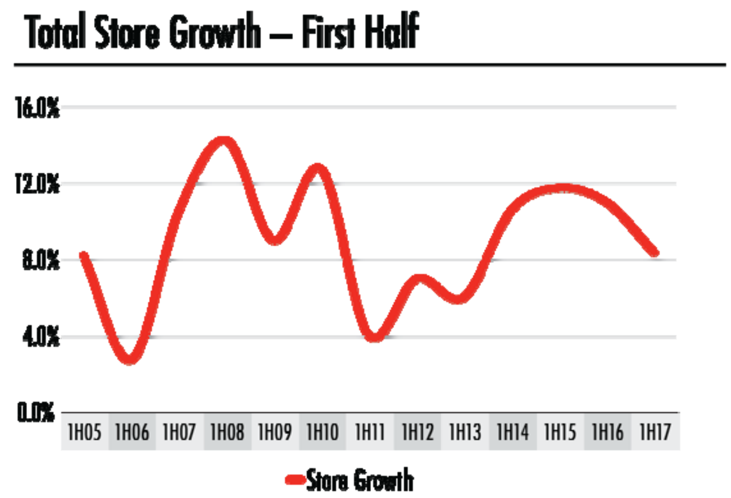
Home Improvement

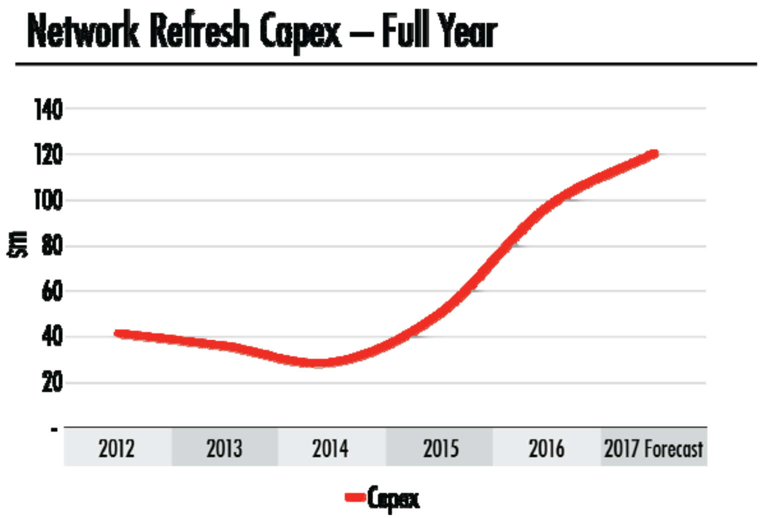
Michael Schneider
Managing Director BANZ

Home Improvement overview

Bunnings Australia & New Zealand (BANZ)

- Revenue uplift of 8.3%
  - Total store growth of 8.4%; store-on-store growth of 6.5%
  - Broad strength of trading performance across all major regions; consumer & commercial
  - Weather & stock liquidation impacts
- EBIT increase of 9.8%
  - Disciplined cost control
  - Continued value creation
  - Favourable property disposal outcomes
- Strong capital management discipline
  - Property recycling program
  - Reduced building & fit-out costs
  - Network refresh focus
- Store closure provisions recognised due to agreement with Home Consortium for new sites





Home Improvement overview

Bunnings Australia & New Zealand (BANZ)

- Good progress against strategic agenda:

<u>Creating better experiences</u>

- – Improved customer service metrics
- – More in-store activities
- – Ongoing range innovation
- – Even more team member training

<u>Strengthening the core</u>

- – Continued safety focus, reduced injury frequency
- – Better in-stock position, fewer gaps
- – Productivity & simplicity
- – Electricity & waste reductions

<u>Driving stronger growth</u>

- – Nine new stores opened
- – Further investments in customer value
- – Increased & updated digital content
- – Broader commercial market penetration

Home Improvement

PJ Davis
Managing Director BUKI

BUNNINGS warehouse BUNNINGS BUNNINGS TRADE HOMEBASE

Acquisition Overview: Three Phase Investment Plan

Phase 1	Phase 2	Phase 3
Build strong business foundations	Introduce new Bunnings branded offer	Drive long-term growth

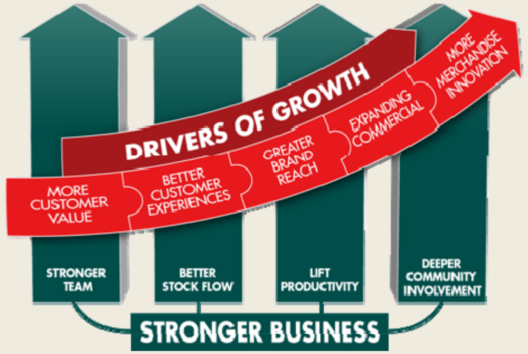
Phase 1

- Retail basics focus
- Invest in team
- Invest in core business activities
- Develop pilots for Bunnings Warehouse

Phase 2

- Combine essential local elements with best of Bunnings to build new business
- Warehouse format
- Lowest prices, wider choice with trusted brands, great service
- Easy to get to with hours to suit all customers
- Extensive digital engagement
- Servicing both consumer & trade
- "Everything you want under one roof"

Phase 3



First 12 months | In 3 to 5 years | 5 years plus

Home Improvement overview

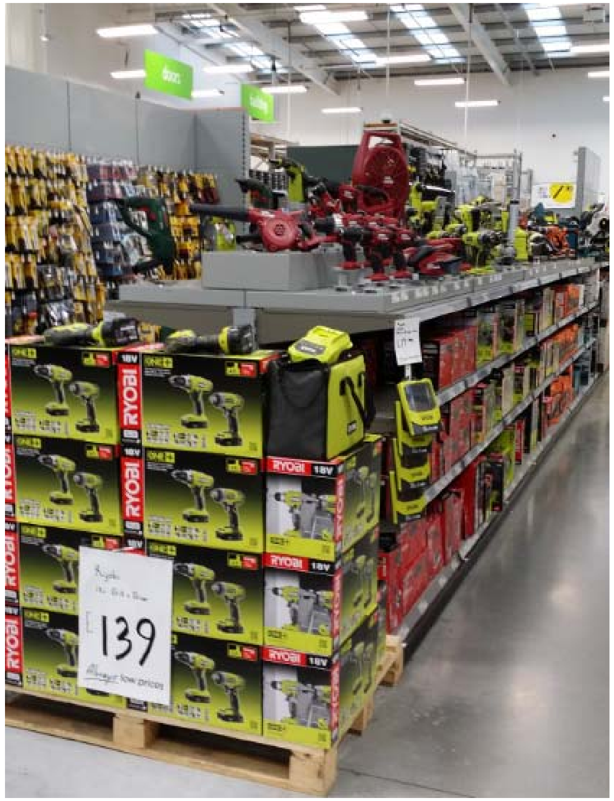
Bunnings United Kingdom & Ireland (BUKI)

- Solid progress on phase 1
- Revenue of £612m ($1,038m), EBIT loss £28m ($48m)
  - £13m ($21m) restructure costs included; concessions & transition activity
  - Price deflation in line with expectations
  - Clearance activity largely complete

Retail basics

- Higher stock weights & wider assortments
- Move to ‘Always Low Prices’
- 9.1% increase in transactions (like-for-like)
- Encouraging participation in core categories

HOMEBASE
Always low prices



Home Improvement overview

Bunnings United Kingdom & Ireland (BUKI)

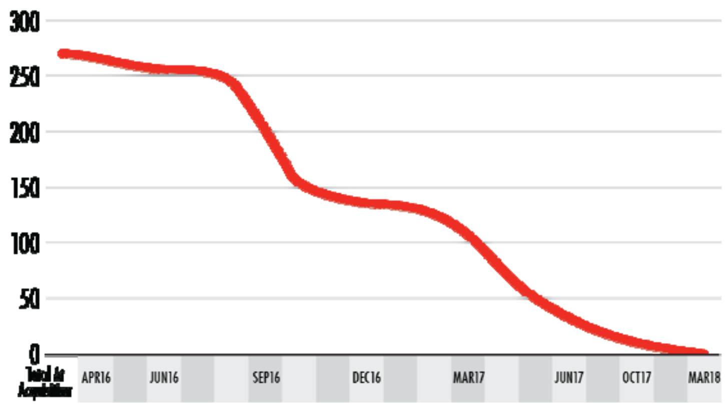
<u>Invest in team</u>

- Leadership development
- Service training for over 10,000 Team Members
- Supplier trained product knowledge

<u>Invest in core business activities</u>

- Separation well advanced
  - Majority of services transitioned
  - Home delivery & Information Technology remain
  - Trailing costs until August 2017
- Concession exits
  - Agreements reached with all concession holders
  - Additional space & no impediment to roll out

Total concessions in Homebase network by month



Home Improvement overview

Bunnings United Kingdom & Ireland (BUKI)

<u>First Bunnings Warehouse pilot launched</u>

- Strong Supplier support
- Widest range of trusted brands
- Positive customer feedback
- Expect to open four pilot stores in FY17

Successful pilots an absolute precursor to further investment

Home Improvement outlook

Bunnings Australia & NZ

- Dynamic competitive landscape
- Strong focus on long-term value creation
- Continued network reinvestment & expansion

Bunnings UK & Ireland

- Drive stronger Homebase operating performance
- Full separation & exit transitional services
- Continued focus on phase 1 activities
- Develop pilot stores

Department Stores

Guy Russo

Chief Executive Officer
Department Stores

Managing Director
Target

Department Stores performance summary

Half-year ended 31 December ($m)		2016	2015	var %
Revenue	Target[1]	1,623	1,972	*(17.7)*
	Kmart	2,996	2,750	*8.9*
	Total	**4,619**	**4,722**	***(2.2)***
EBITDA	Target[1]	59	119	*(50.4)*
	Kmart	427	368	*16.0*
	Total	**486**	**487**	***(0.2)***
EBIT	Target[1]	16	74	*(78.4)*
	Kmart	371	319	*16.3*
	Total	**387**	**393**	***(1.5)***

[1] 2016 includes a provision of $13m recognised for restructuring costs associated with the planned relocation of Target's store support office. 2015 includes rebate income of $21m recognised contrary to Group policy which was reversed in the second half of 2016, having no effect on the 2016 full-year results.

Target

Guy Russo

Managing Director
Target

Target performance summary

Half-year ended 31 December ($m)	2016	2015	var %
Revenue	**1,623**	**1,972**	***(17.7)***
EBITDA[1]	59	119	*(50.4)*
Depreciation & amortisation	(43)	(45)	*4.4*
EBIT[1]	**16**	**74**	***(78.4)***
EBIT margin (%)	1.0	3.8	
RoC (R12, %)	(15.1)	3.8	
Safety (R12, LTIFR)	3.4	4.4	
Total sales growth[2] (%)	(17.4)	1.6	
Comparable store sales growth[2] (%)	(18.2)	1.4	

[1] 2016 includes a provision of $13m recognised for restructuring costs associated with the planned relocation of Target's store support office. 2015 includes rebate income of $21m recognised contrary to Group policy which was reversed in the second half of 2016, having no effect on the 2016 full-year results.
[2] 2016 growth reflects the 27 week period 26 June 2016 to 31 December 2016 & the 27 week period 28 June 2015 to 2 January 2016. 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.

Target overview

- Further improvements in safety performance
  - 23% reduction in LTIFR
- Total sales decline of 17.4%
  - Difficult trading period, reflecting significant business transition
  - Deflation through conversion to EDLP, including Toy Sale exit
  - Buying programs & inventories reset, with lead times affecting availability of seasonal stock & fashion in womenswear & childrenswear
- Earnings include $13m for restructuring costs following binding commitments for relocation of Target's store support office
- Lower gross profit partially offset by good progress on cost base reset
  - Accelerated supply chain streamlining & restructuring of store support centre
  - Improvements in store productivity
- Improved merchandise disciplines & planning processes delivered SKU reductions & lower inventory
- Higher cash flow generation reflecting improved working capital management & moderated capital expenditure
- Opened one store & closed three stores (two conversions to Kmart)

Target outlook

- Outlook for balance of FY17 reflects a transitional year
- Sales momentum expected to remain challenging but further improvement in merchandise disciplines expected to support trade
- Continued focus on cost base, leveraging supply chain improvements & store productivity
- 2H17 earnings expected to be materially above the prior corresponding period as restructuring costs & provisions in the prior year are not repeated

Kmart

Ian Bailey

Managing Director
Kmart

Kmart performance summary

Half-year ended 31 December ($m)	2016	2015	var %
Revenue	**2,996**	**2,750**	***8.9***
EBITDA	427	368	*16.0*
Depreciation & amortisation	(56)	(49)	*(14.3)*
EBIT	**371**	**319**	***16.3***
EBIT margin (%)	12.4	11.6	
RoC (R12, %)	41.5	36.6	
Safety (R12, LTIFR)	6.2	6.9	
Total sales growth[1] (%)	9.1	12.4	
Comparable store sales growth[1] (%)	5.7	9.1	

[1] 2016 growth reflects the the 27 week period 27 June 2016 to 1 January 2017 & the 27 week period 29 June 2015 to 3 January 2016. 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.

Kmart overview

- Further improvements in safety performance
  - 10% reduction in LTIFR
- Strong sales performance; up 9.1% on last year
  - Further investment in price drove volume growth across all categories
  - Increased customer transactions & units sold
- EBIT growth of 16.3%
  - Strong contribution from everyday ranges sold at full price
  - Improved clearance & inventory quality
  - Continued benefits from sourcing & supply chain efficiency
- RoC increased 492 bps to 41.5%
  - Effective working capital management
- Continued investment in store network
  - Opened five new Kmart stores, including two Target conversions
  - Completed 15 major Kmart store refurbishments
  - Opened five new Kmart Tyre & Auto stores & closed three

Kmart outlook

- Focus on driving sustainable growth through
  - A great place to shop that is simple to run
  - Better products at even lower prices
- Continued focus on reducing cost of doing business
- Increased emphasis on understanding our customers
- Faster stock turns
- Continued investment in the store network through new store openings & refurbishments

Officeworks

Mark Ward

Managing Director
Officeworks

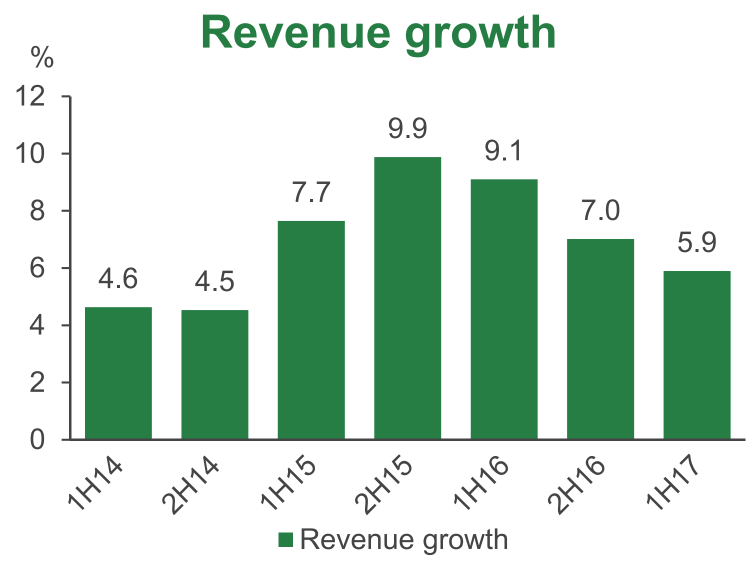
Officeworks performance summary

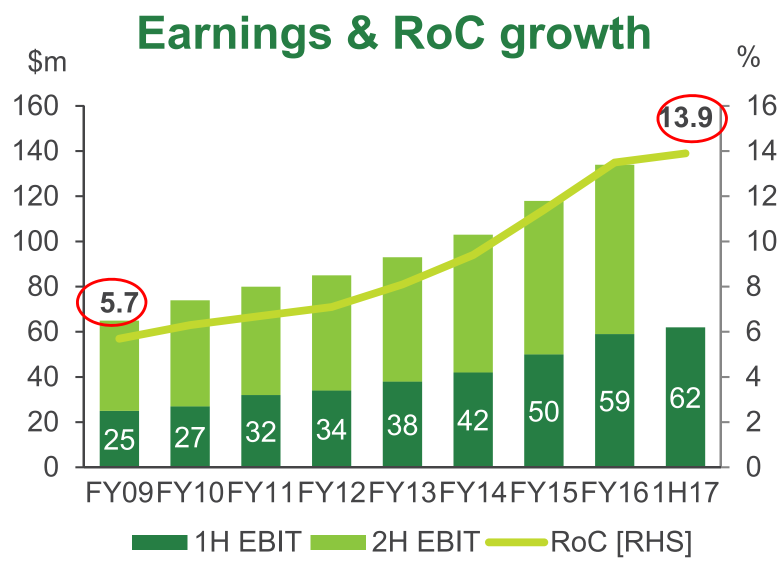
Half-year ended 31 December ($m)	2016	2015	var %
Revenue	**927**	**875**	***5.9***
EBITDA	74	70	*5.7*
Depreciation & amortisation	(12)	(11)	*(9.1)*
EBIT	**62**	**59**	***5.1***
EBIT margin (%)	6.7	6.7	
RoC (R12, %)	13.9	12.5	
Safety (R12, AIFR)	14.7	17.2	
Total sales growth[1] (%)	5.8	9.1	

[1] 2016 growth for Officeworks represents the six month period 1 July 2016 to 31 December 2016 & 1 July 2015 to 31 December 2015. 2015 growth for Officeworks represents the six month period 1 July 2015 to 31 December 2015 & 1 July 2014 to 31 December 2014.

Officeworks overview

- **Pleasing headline results**
  - Revenue growth of 5.9%
  - EBIT growth of 5.1%, eight year 1H CAGR of 12.0%
  - RoC (R12) up 136 bps to 13.9%
- **Intense focus on customer offer**
  - Merchandise layout & store design changes implemented
  - New & expanded product ranges
  - Price investment driving customer loyalty
  - Differentiated service proposition
- **Continued investment in extending 'every channel' reach**
  - Four new stores opened
  - Improved online functionality
  - Strong momentum in B2B segment
- **Effective cost control & disciplined inventory management**





Officeworks outlook

- Strong back-to-school trading results
- Pressure on sales & margin to continue
- Competitive landscape to continue to evolve
- Ongoing focus on strategic agenda
  - Strengthen & expand the core offer
  - Extend our ‘every channel’ reach
  - Embed great service in everything we do
  - Do things better
  - Improve & add more value-adding services
  - Invest in talent, diversity & team safety
  - Make a positive difference in the community

Industrials

Rob Scott
Managing Director
Industrials

Wesfarmers Chemicals, Energy & Fertilisers

Wesfarmers Industrial and Safety

Wesfarmers Resources

Industrials performance summary

Half-year ended 31 December ($m)		2016	2015	var %
Revenue	Chemicals, Energy & Fertilisers[1]	695	753	*(7.7)*
	Industrial & Safety	884	927	*(4.6)*
	Resources	742	598	*24.1*
	Total	**2,321**	**2,278**	***1.9***
EBITDA	Chemicals, Energy & Fertilisers[2]	225	161	*39.8*
	Industrial & Safety	73	57	*28.1*
	Resources	171	(44)	*n.m.*
	Total	**469**	**174**	***n.m.***
EBIT	Chemicals, Energy & Fertilisers[2]	187	104	*79.8*
	Industrial & Safety	52	36	*44.4*
	Resources	138	(118)	*n.m.*
	Total	**377**	**22**	***n.m.***

[1] Includes interest revenue from Quadrant Energy loan notes & excludes intra-division sales.
[2] 2016 includes $22m gain on sale of land. 2015 includes $30m of costs associated with the decision to cease PVC manufacturing.

Chemicals, Energy & Fertilisers performance summary

Half-year ended 31 December ($m)		2016	2015	var %
Revenue	Chemicals	412	469	*(12.2)*
	Energy[1]	182	173	*5.2*
	Fertilisers	101	111	*(9.0)*
	Total	**695**	**753**	***(7.7)***
EBITDA		225	161	*39.8*
Depreciation & amortisation		(38)	(57)	*33.3*
EBIT		**187**	**104**	***79.8***
EBIT excluding one-off items[2]		**165**	**134**	***23.1***
External sales volume[3] ('000 tonnes)	Chemicals	499	524	*(4.8)*
	LPG	55	74	*(25.7)*
	Fertilisers	234	214	*9.3*
RoC (R12, %)		25.1	15.7	
Safety (R12, LTIFR)		1.1	2.8	

[1] Includes interest revenue from Quadrant Energy loan notes & excludes intra-division sales.
[2] 2016 excludes a profit on sale of land of $22m. 2015 excludes $30m of one-off restructuring costs associated with the decision to cease PVC manufacturing.
[3] External sales exclude ammonium nitrate volumes transferred between chemicals & fertilisers business segments.

Chemicals, Energy & Fertilisers overview

- Consistently strong focus on safety led to a significant improvement in LTIFR
- Revenue declined 7.7%
  - Cessation of PVC manufacturing in chemicals
  - Lower global fertiliser pricing
  - Lower Saudi CP pricing & lower LPG exports offset by growth in natural gas retailing
- Strong growth in underlying earnings & RoC
  - Chemicals earnings increased largely due to higher AN sales volumes, lower raw material costs & the move to a PVC import model
  - Ammonia business negatively affected by lower selling prices & unplanned shutdowns
  - Kleenheat earnings improved as a result of continued strong growth in the natural gas retailing business; partially offset by lower earnings across the LPG & LNG businesses & a lower Saudi CP
  - One-off profit of $22m recognised from the sale of land

Industrial & Safety performance summary

Half-year ended 31 December ($m)	2016	2015	var %
Revenue	**884**	**927**	***(4.6)***
EBITDA	73	57	*28.1*
Depreciation & amortisation	(21)	(21)	-
EBIT[1]	**52**	**36**	***44.4***
EBIT margin (%)	5.9	3.9	
RoC (R12, %)	5.9	4.2	
Safety (R12, LTIFR)	1.0	2.2	

[1] 2015 includes $5m of one-off restructuring costs associated with the 'Fit for Growth' transformation.

Industrial & Safety overview

- Continued focus on safety awareness programs delivering improved safety performance
- Revenue declined 4.6% due to continuing subdued investment across mining & resources sectors
- Earnings improved during the half
  - Lower operating costs achieved through the ‘Fit for Growth' simplification program, completed during 1H17
  - Improved category management & pricing disciplines across Blackwoods
  - Higher earnings in Coregas with strong growth through Trade N Go & higher bulk sales
  - Workwear Group performance improved, driven by transformation activities focused on reducing cost-to-serve & improving merchandising capabilities
- Work continued to transform Blackwoods to a more customer-centric & competitive platform
  - Sales team realigned to customer segments
  - Merchandising & pricing strategies delivering margin benefits
  - Digital channels expanded through launch of BlackwoodsXpress.com.au
- Coregas expansion into the New Zealand market following acquisition of Supagas NZ in November 2016

Resources performance summary

Half-year ended 31 December ($m)	2016	2015	var %
Revenue	**742**	**598**	***24.1***
Royalties[1]	(90)	(81)	*(11.1)*
Mining & other costs	(481)	(561)	*14.3*
EBITDA	171	(44)	*n.m.*
Depreciation & amortisation	(33)	(74)	*55.4*
EBIT	**138**	**(118)**	***n.m.***
RoC (R12, %)	(6.1)	(7.0)	
Coal production ('000 tonnes)	7,532	7,457	*1.0*
Safety[2] (R12, LTIFR)	0.3	0.0	

[1] 2016 includes Stanwell rebate expense of $30m & 2015 includes $35m.

[2] Excluding Bengalla.

Resources overview

- LTIs remain low at Curragh – one LTI recorded in 12 months
- 24.1% increase in revenue
  - Significant increase in metallurgical & thermal coal prices during 2Q17, partially offset by impact of carryover tonnage
  - 1H17 sales mix: Hard 39%; Semi 26%; PCI 35%
  - Lower hedge book losses of $45m ($70m in 1H16)
- Wet weather disruptions during 1Q17 led to higher mine cash costs for the half
  - Strong production & mine cash cost recovery in 2Q17
  - Continued implementation of productivity initiatives & revised mine plan
  - Opportunistic use of contract fleet to take advantage of higher prices
- Benefit from lower depreciation & amortisation
- Stanwell obligations reduced 1H17 EBIT by $74m
- Settlement of the Stanwell litigation resulted in rebate & litigation provision releases of $35m
- Conditional Commonwealth approval received for the mining leases within the MDL 162 area, extending Curragh's mine life into the 2030s

Industrials outlook

Chemicals, Energy & Fertilisers

- Continued focus on strong operational & safety performance
- International commodity prices, exchange rates, seasonal & competitive factors expected to impact 2H17 earnings
  - Prevailing global ammonia prices are lower (in AUD) than at this time last year
  - Pricing lag associated with lower ammonia prices will adversely impact chemicals' selling prices & margins in 2H17
  - Cycling very strong Fertilisers earnings in 1H16
  - Newly announced & growing competition across WesCEF's markets

Industrial & Safety

- Low levels of new investment activity in traditional customer segments expected to continue
- Continue to implement performance improvement plans across Blackwoods, with a particular focus on enhancing customer service
- Workwear Group will continue to focus on turning around its underlying profitability

Industrials outlook

Resources

- Earnings heavily dependent upon export coal pricing & exchange rates, with export market conditions expected to remain highly volatile in the near-term
  - Recent spot prices trading significantly below the November 2016 peak of US$311 per tonne
- Curragh's forecast metallurgical coal sales volume for FY17 to be in the range of 8.0mt to 8.5mt, subject to mine operating performance, shipping, weather & key infrastructure availability
  - Estimated FY17 sales mix: Hard 38%; Semi 23%; PCI 39%
- Continue to focus on improving operational productivity, cost control & capital discipline
- Locked in hedge losses of $47m for 2H17
- Stanwell Corporation obligations expected to continue to adversely impact earnings
  - As a result of higher export prices, Stanwell export rebate obligations will increase to between $90m to $110m for the full-year
- Evaluation of strategic options for the Resources division remains ongoing

Outlook

Richard Goyder

Managing Director
Wesfarmers Limited

Outlook

Retail

- Generally optimistic outlook
- Strong momentum & market leading positions provide for a positive outlook for BANZ, Kmart & Officeworks
- Coles to continue to deliver strong customer proposition to support long-term growth in earnings & returns despite short-term margin pressures
- BUKI to focus on implementing pilot stores & continuing to reposition the business to drive a stronger operating performance
- Target's 2H17 earnings expected to improve as merchandising improves & restructuring costs incurred in the prior year are not repeated

Industrials

- Resources full-year result is expected to benefit from the material increases in coal prices; thermal & metallurgical coal prices are expected to remain highly volatile for the remainder of the year
- WesCEF performance subject to commodity prices, exchange rates, seasonal conditions & competitive factors
- Industrial & Safety merchandising & pricing strategies & cost savings are expected to mitigate impact of subdued market conditions

Outlook (continued)

Group

- Progressing strategic reviews of Resources & Officeworks
- Maintain a strong balance sheet & cash flow generation
- Secure growth opportunities through entrepreneurial initiatives
- Ensure sustainability through responsible long-term management

Questions

Wesfarmers