

2017 Full-year Results Supplementary Information

Thursday, 17 August 2017

(to be read in conjunction with the 2017 Full-year Results Briefing Presentation)



Presentation outline

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Group Balance Sheet & Cash Flow

Terry Bowen

Finance Director, Wesfarmers Limited



Group management balance sheet – overview

| Year ended 30 June (\$m) ¹ | 2017 | 2016 | Commentary |
|---|---------------|---------------|--|
| Inventories | 6,530 | 6,260 | Detailed working capital discussion provided on slide 5 |
| Receivables & prepayments | 1,936 | 1,950 | |
| Trade & other payables | (6,616) | (6,492) | |
| Other | 410 | 411 | |
| Net working capital | 2,260 | 2,129 | |
| Property, plant & equipment | 9,440 | 9,612 | Decrease due to the divestment of Coles' interest in joint venture properties to ISPT & sale of land by WesCEF |
| Intangibles | 18,936 | 19,073 | Decrease due to the impact of appreciating AUD:GBP on Homebase acquisition intangibles & sale of Coles' credit card receivables |
| Other assets | 622 | 619 | |
| Provisions & other liabilities | (3,676) | (3,770) | Decrease due to the utilisation of Homebase provisions recognised on acquisition & adjustment to Stanwell litigation provision |
| Total capital employed | 27,582 | 27,663 | |
| Net debt excluding financial services debt ² | (4,321) | (5,727) | Decrease due to repayment of debt during the year: <ul style="list-style-type: none"> \$500m of domestic medium term notes repaid in November 2016 Over \$900m debt repaid following sale of Coles' credit card receivables in February 2017 |
| Net tax balances | 680 | 1,013 | Reduction due to increased tax paid in FY17, largely driven by the improvement in Resources earnings |
| Total net assets | 23,941 | 22,949 | |

1. The above balances reflect the management balance sheet, which is based on different classification & groupings than the balance sheet in the Appendix 4E.

2. Net debt including cross currency swap assets / liabilities & excluding financing of credit book relating to the Coles credit card.

Balance sheet – working capital

| Year ended 30 June (\$m) ¹ | 2017 | 2016 | Commentary |
|---------------------------------------|--------------|--------------|--|
| Inventories | 6,530 | 6,260 | <ul style="list-style-type: none"> Retail network growth & investment in stock depth, partly offset by lower inventory in Target Higher fertiliser inventory in WesCEF |
| Receivables & prepayments | 1,936 | 1,950 | |
| Trade & other payables | (6,616) | (6,492) | <ul style="list-style-type: none"> Increase due to retail network growth & higher purchases to support sales growth, partly offset by lower inventory purchases at Target |
| Other | 410 | 411 | |
| Net working capital | 2,260 | 2,129 | |

1. The above table refers to balance sheet movements only. Working capital movements as shown on slide 12 of the 2017 Full-year Briefing Presentation exclude non-cash movements which are included in the table above.

Coles

John Durkan

Managing Director, Coles



coles

coles.com.au

coles
express

VINTAGE CELLARS

first CHOICE liquor

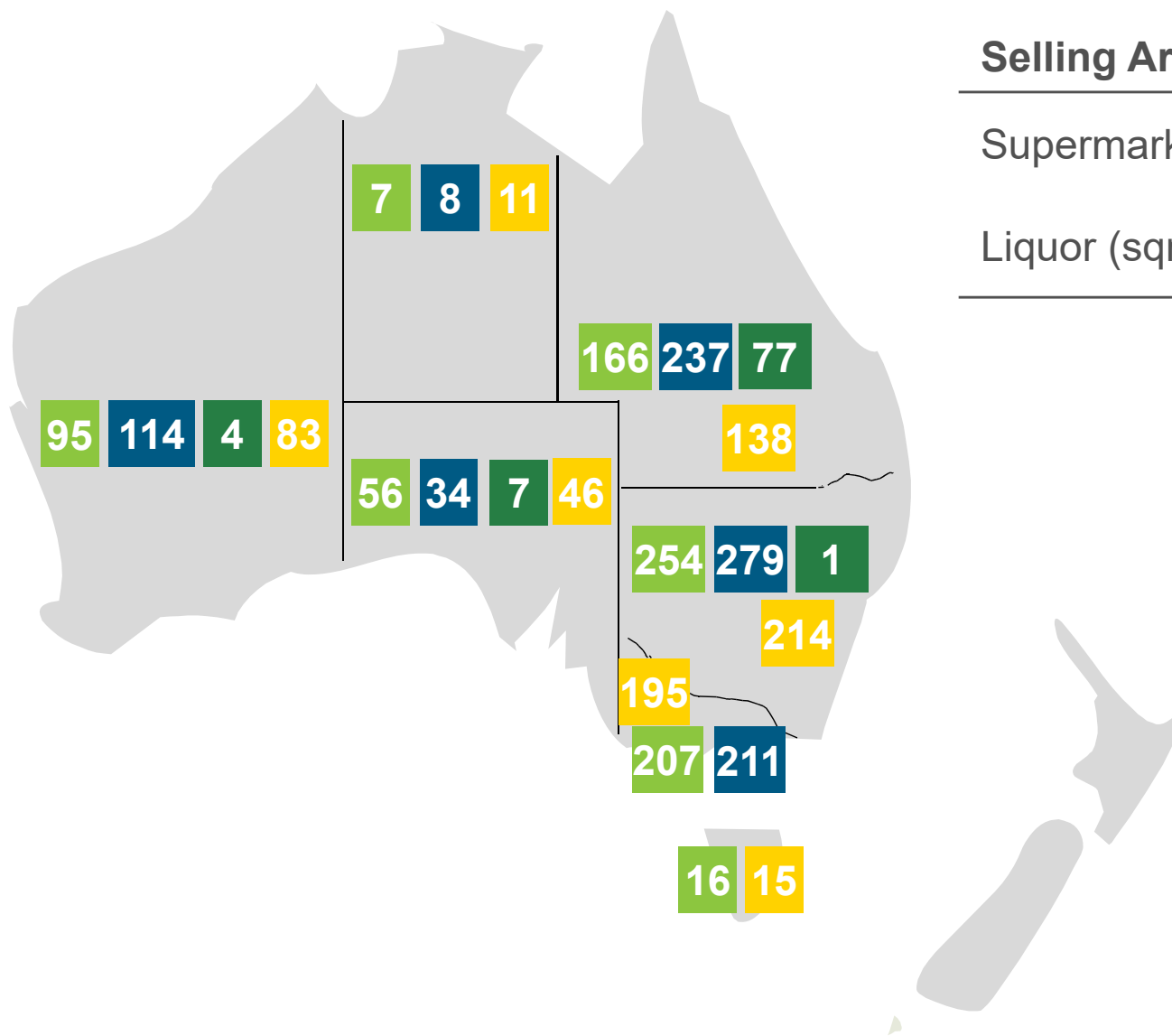
BI·LO

LIQUORLAND

spirit
HOTELS

coles Financial Services

Coles network as at 30 June 2017



Selling Area

Supermarkets (sqm) 1,835,743

Liquor (sqm) – ex hotels 211,373

- 801 Supermarkets
- 883 Liquor stores
- 89 Hotels
- 702 Convenience

Store network movements

| | Open at 30 June 2016 | Opened | Closed | Re-branded | Open at 30 June 2017 |
|---------------------------|----------------------------|-----------|-------------|------------|----------------------------|
| Supermarkets | | | | | |
| Coles | 786 | 21 | (8) | 1 | 800 |
| Bi-Lo | 1 | - | - | - | 1 |
| Total Supermarkets | 787 | 21 | (8) | 1 | 801 |
| Liquor | | | | | |
| First Choice | 97 | 3 | (1) | - | 99 |
| Vintage Cellars | 81 | 1 | - | - | 82 |
| Liquorland | 687 | 25 | (10) | - | 702 |
| Hotels | 89 | - | - | - | 89 |
| Total Liquor | 954 | 29 | (11) | - | 972 |
| Convenience | 690 | 17 | (5) | - | 702 |

Revenue reconciliation

| Year ended 30 June (\$m) | 2017 | | | 2016 | | |
|--|---------------|--------------|---------------|---------------|--------------|---------------|
| | Food & Liquor | Convenience | Total | Food & Liquor | Convenience | Total |
| Segment revenue (Gregorian)¹ | 33,084 | 6,133 | 39,217 | 32,564 | 6,678 | 39,242 |
| Less: Other revenue | (374) | (12) | (386) | (415) | (13) | (428) |
| Headline sales (Gregorian) | 32,710 | 6,121 | 38,831 | 32,149 | 6,665 | 38,814 |
| Less: Gregorian adjustment ² | (98) | (8) | (106) | (171) | (34) | (205) |
| Headline sales revenue (Retail)³ | 32,612 | 6,113 | 38,725 | 31,978 | 6,631 | 38,609 |

1. Segment revenue for Food & Liquor includes property revenue for 2017 of \$16m & for 2016 of \$25m.

2. Adjustment to headline sales revenue to reflect retail period end.

3. 2017 reflects the 52 week period 27 June 2016 to 25 June 2017 & 2016 reflects the 52 week period 29 June 2015 to 26 June 2016.

Home Improvement

Michael Schneider

Managing Director, Bunnings Group

Managing Director, Bunnings Australia & New Zealand



Bunnings Australia & NZ: store network locations

| | Bunnings Warehouse | Bunnings smaller formats | Bunnings Trade Centres |
|---------------------|--------------------|--------------------------|------------------------|
| Victoria | 57 | 13 | 5 |
| South Australia/NT | 16 | 4 | 2 |
| Tasmania | 6 | - | 1 |
| New South Wales/ACT | 72 | 17 | 7 |
| Queensland | 42 | 13 | 7 |
| Western Australia | 29 | 10 | 4 |
| New Zealand | 27 | 20 | 7 |

Bunnings UK & Ireland: store network locations

| | Homebase | Bunnings ¹ |
|---------------------|----------|-----------------------|
| Republic of Ireland | 11 | |
| Northern Ireland | 9 | |
| Scotland | 21 | |
| North England | 35 | |
| Midlands | 37 | |
| East England | 30 | 3 |
| London | 29 | |
| South England | 68 | 1 |
| Wales | 11 | |

1. Bunnings Warehouses in Hertfordshire (St Albans x 2, Hemel Hempstead) within "East of England" statistical region; Bunnings Warehouse in Buckinghamshire (Milton Keynes) within "South East" statistical region.

Home Improvement: store network locations

| | Open at 30 June 2016 | Opened | Closed | Open at 30 June 2017 | Expanded | Under construction 30 June 2017 |
|------------------------------------|----------------------------|--------|--------|----------------------------|----------|---------------------------------------|
| Australia & New Zealand | | | | | | |
| Bunnings Warehouse | 244 | 9 | (4) | 249 | - | 10 |
| Bunnings smaller formats | 70 | 8 | (1) | 77 | 1 | 3 |
| Bunnings Trade Centres | 33 | 1 | (1) | 33 | - | - |
| UK & Ireland | | | | | | |
| Bunnings | - | 4 | - | 4 | - | 1 |
| Homebase | 260 | - | (9) | 251 | - | - |

Department Stores

Guy Russo

Chief Executive Officer, Department Stores

Managing Director, Target



Target

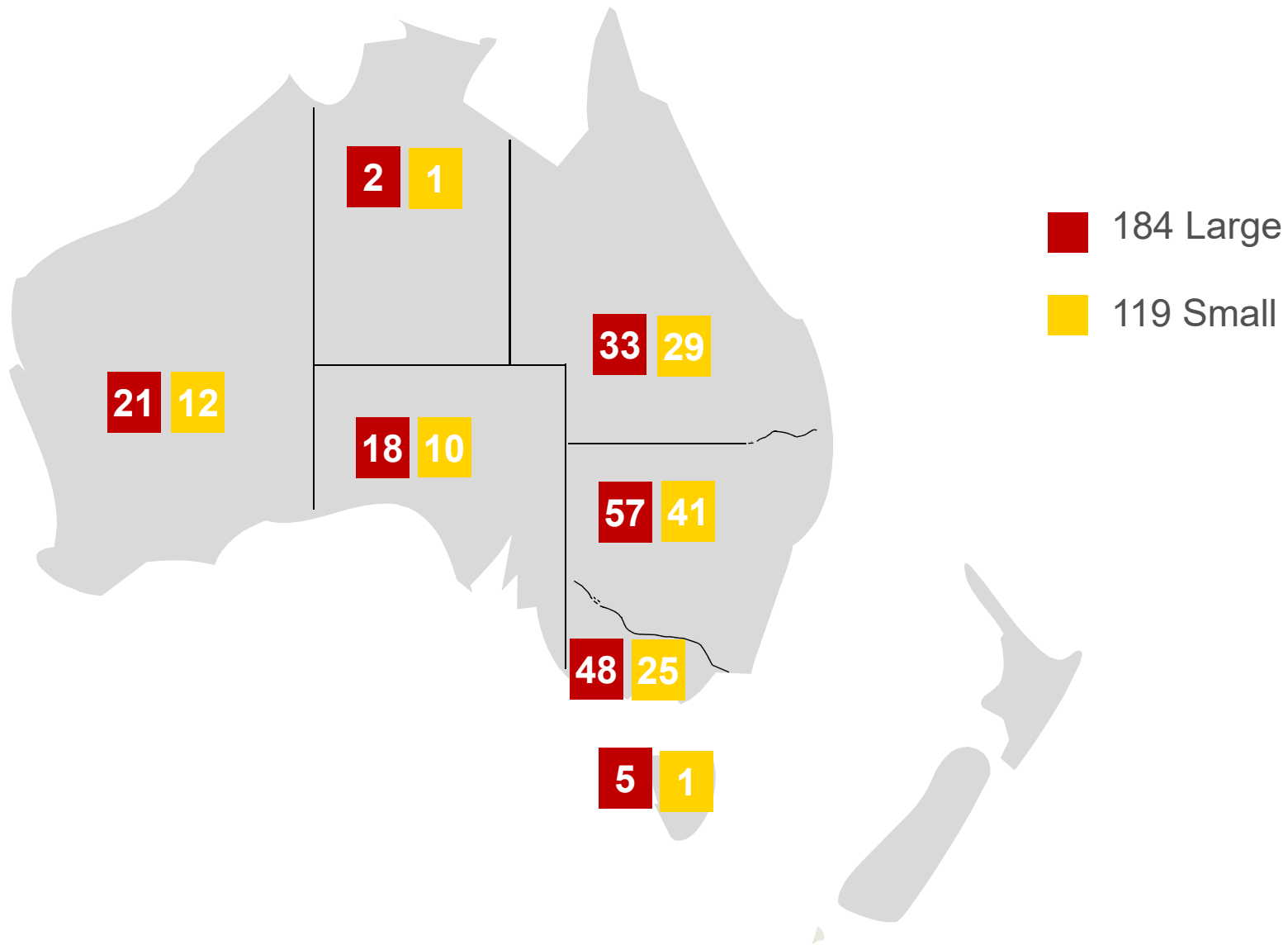
Guy Russo

Chief Executive Officer, Department Stores

Managing Director, Target



Target network



Store network movements

| | Open at 30 June 2016 | Opened | Closed | Open at 30 June 2017 |
|--------------|-------------------------|----------|------------------------|-------------------------|
| Large | 186 | 1 | (3) ¹ | 184 |
| Small | 120 | - | (1) | 119 |
| Total | 306 | 1 | (4)¹ | 303 |

1. Includes two Target stores converted to Kmart during the period.

Revenue reconciliation

| Year ended 30 June (\$m) | 2017 | 2016 | Var % |
|--|--------------|--------------|---------------|
| Segment revenue (Gregorian) | 2,950 | 3,456 | <i>(14.6)</i> |
| Less: Non sales revenue | (4) | (1) | |
| Headline sales (Gregorian) | 2,946 | 3,455 | <i>(14.7)</i> |
| Less: Gregorian adjustment ¹ | (5) | (16) | |
| Headline sales revenue (Retail)² | 2,941 | 3,439 | <i>(14.5)</i> |

1. Adjustment to headline sales revenue to reflect retail period end.

2. 2017 reflects the 52 week period 26 June 2016 to 24 June 2017 & 2016 reflects the 52 week period 28 June 2015 to 25 June 2016.

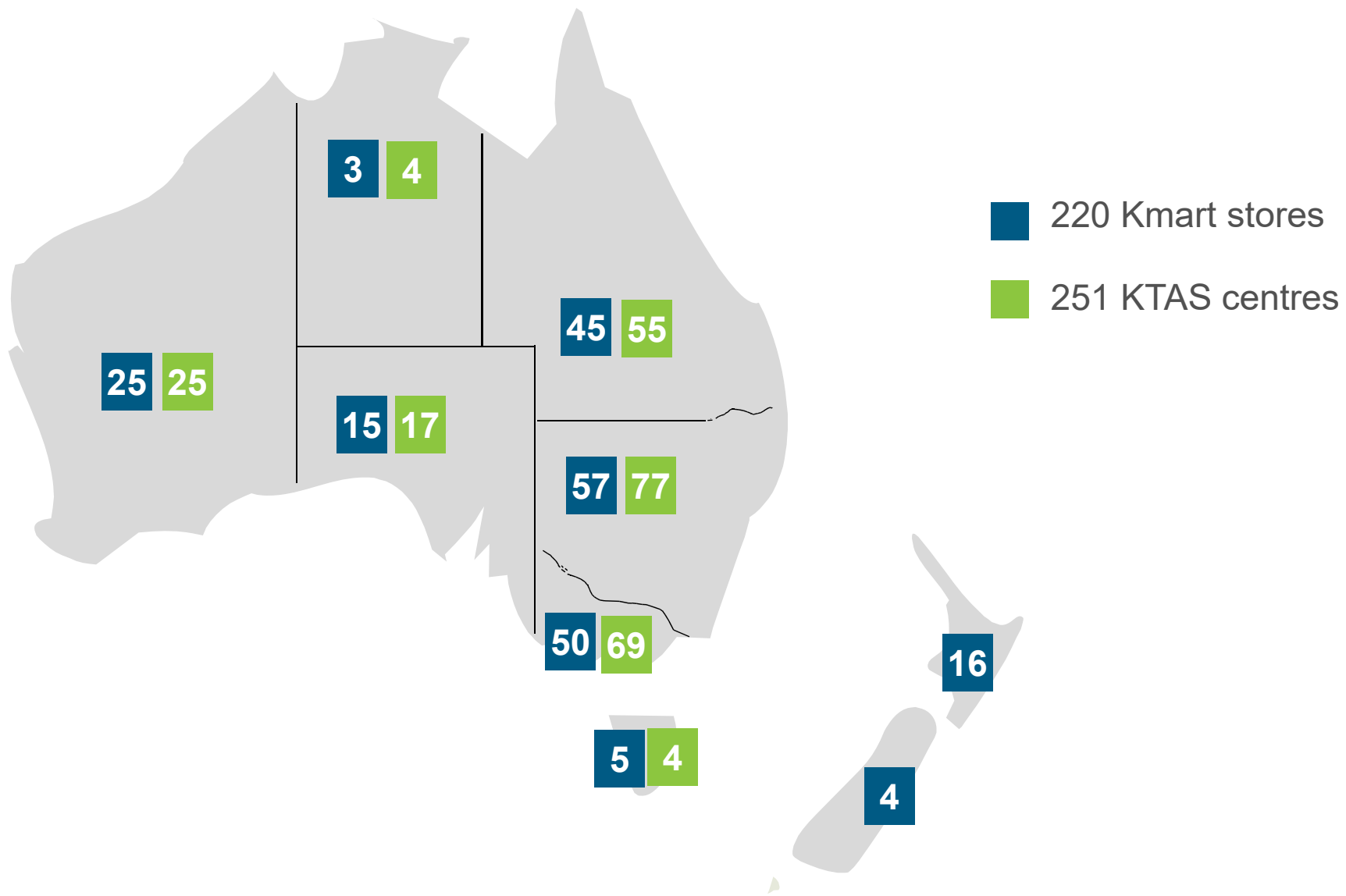
Kmart

Ian Bailey

Managing Director, Kmart



Kmart network



Store network movements

| | Open at 30 June 2016 | Opened | Closed | Open at 30 June 2017 |
|------------------------------|-------------------------|-----------------|--------|-------------------------|
| Kmart | 209 | 11 ¹ | - | 220 |
| Kmart Tyre & Auto | 248 | 7 | (4) | 251 |

1. Includes two Target stores converted to Kmart during the period.

Revenue reconciliation

| Year ended 30 June (\$m) | 2017 | 2016 | Var % |
|--|--------------|--------------|------------|
| Segment revenue (Gregorian) | 5,578 | 5,190 | 7.5 |
| Less: Non sales revenue | (1) | (2) | |
| Headline sales (Gregorian) | 5,577 | 5,188 | 7.5 |
| Add: Gregorian adjustment ¹ | (17) | (34) | |
| Headline sales revenue (Retail)² | 5,560 | 5,154 | 7.9 |

1. Adjustment to headline sales revenue to reflect retail period end.

2. 2017 reflects the 52 week period 27 June 2016 to 25 June 2017 & 2016 reflects the 52 week period 29 June 2015 to 26 June 2016.

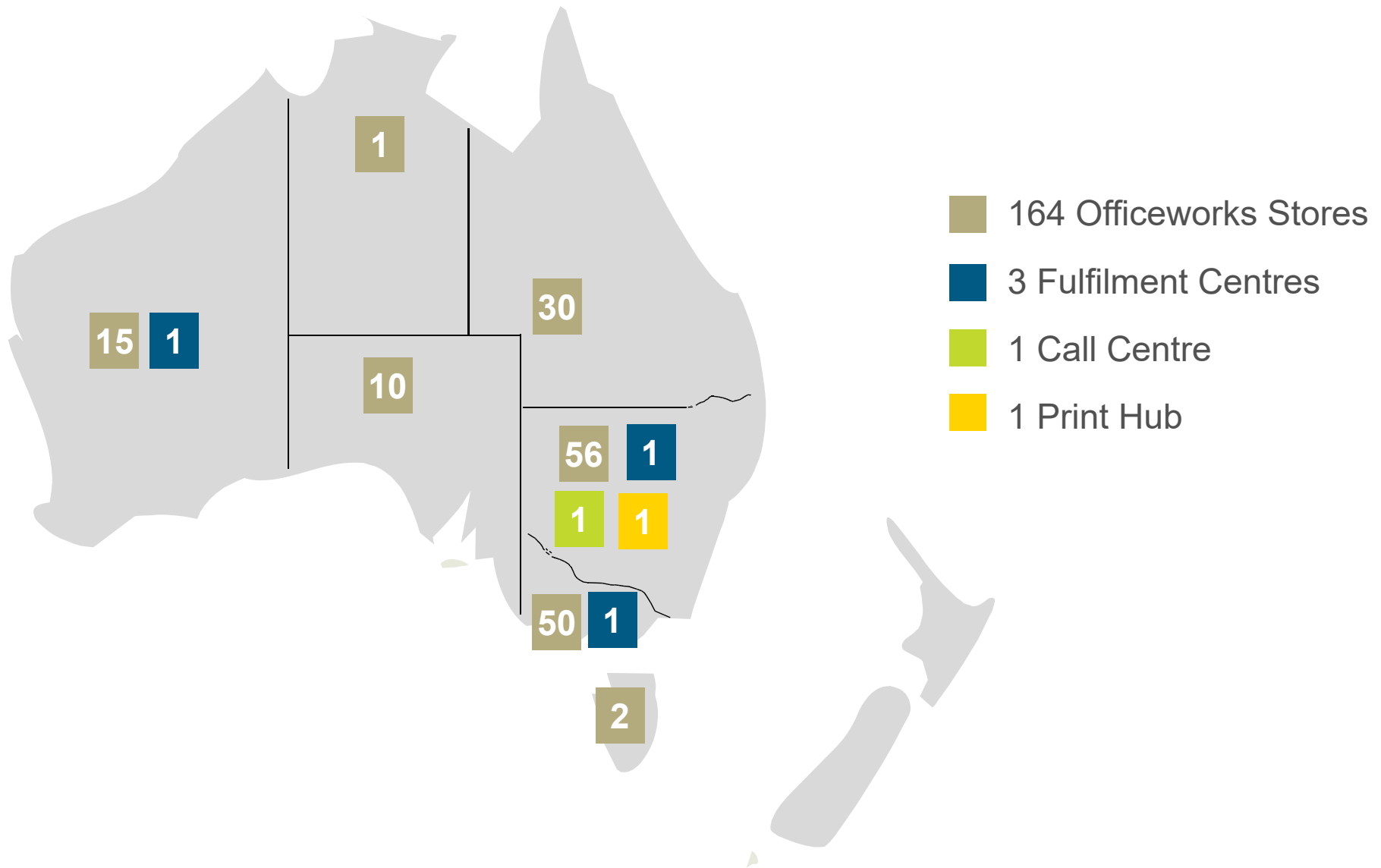
Officeworks

Mark Ward

Managing Director, Officeworks



Officeworks network



Store network movements

| | Open at 30 June 2016 | Opened | Closed | Open at 30 June 2017 |
|--------------------|-------------------------|--------|--------|-------------------------|
| Officeworks | 159 | 6 | (1) | 164 |

Industrials

Rob Scott

Managing Director, Industrials




Wesfarmers Chemicals,
Energy & Fertilisers


CSBP


Australian Vero


AGP


QNP


EVOL
LNG


Kleenheat


MODWOOD


Quadrant
Energy


Wesfarmers
Industrial and Safety


Blackwoods


NZ Safety Blackwoods


WORKWEAR
GROUP


coregas

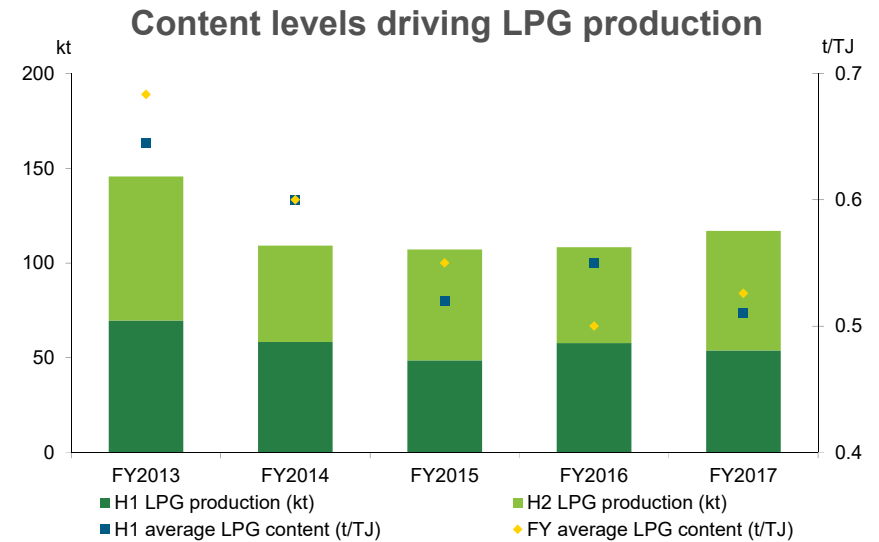
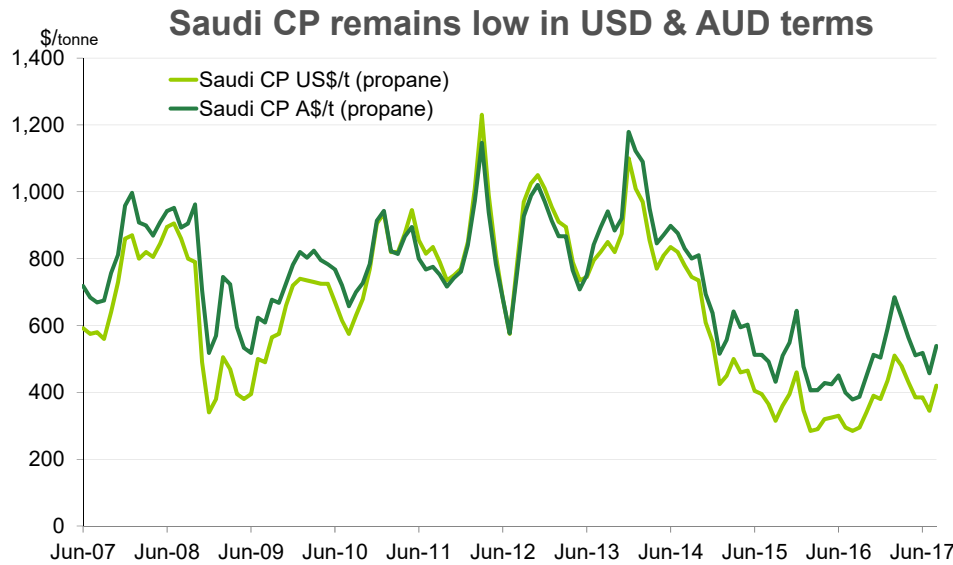
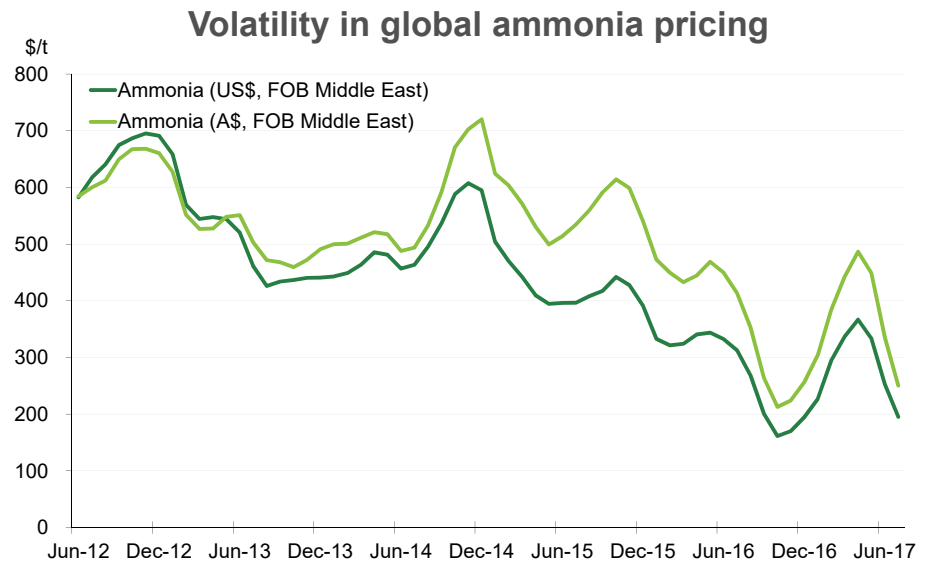
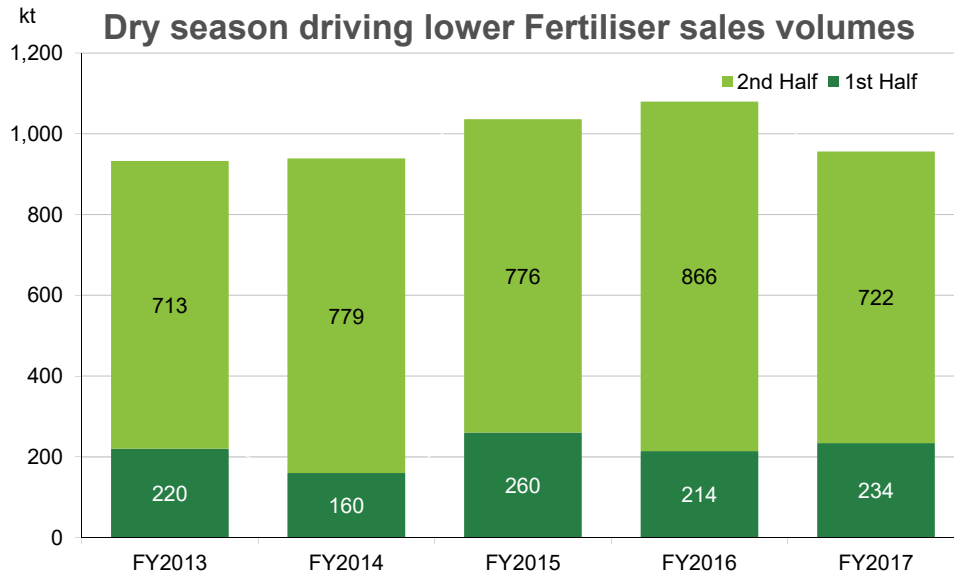

GREENCAP


Wesfarmers Resources


URRAGH


BENGALLA

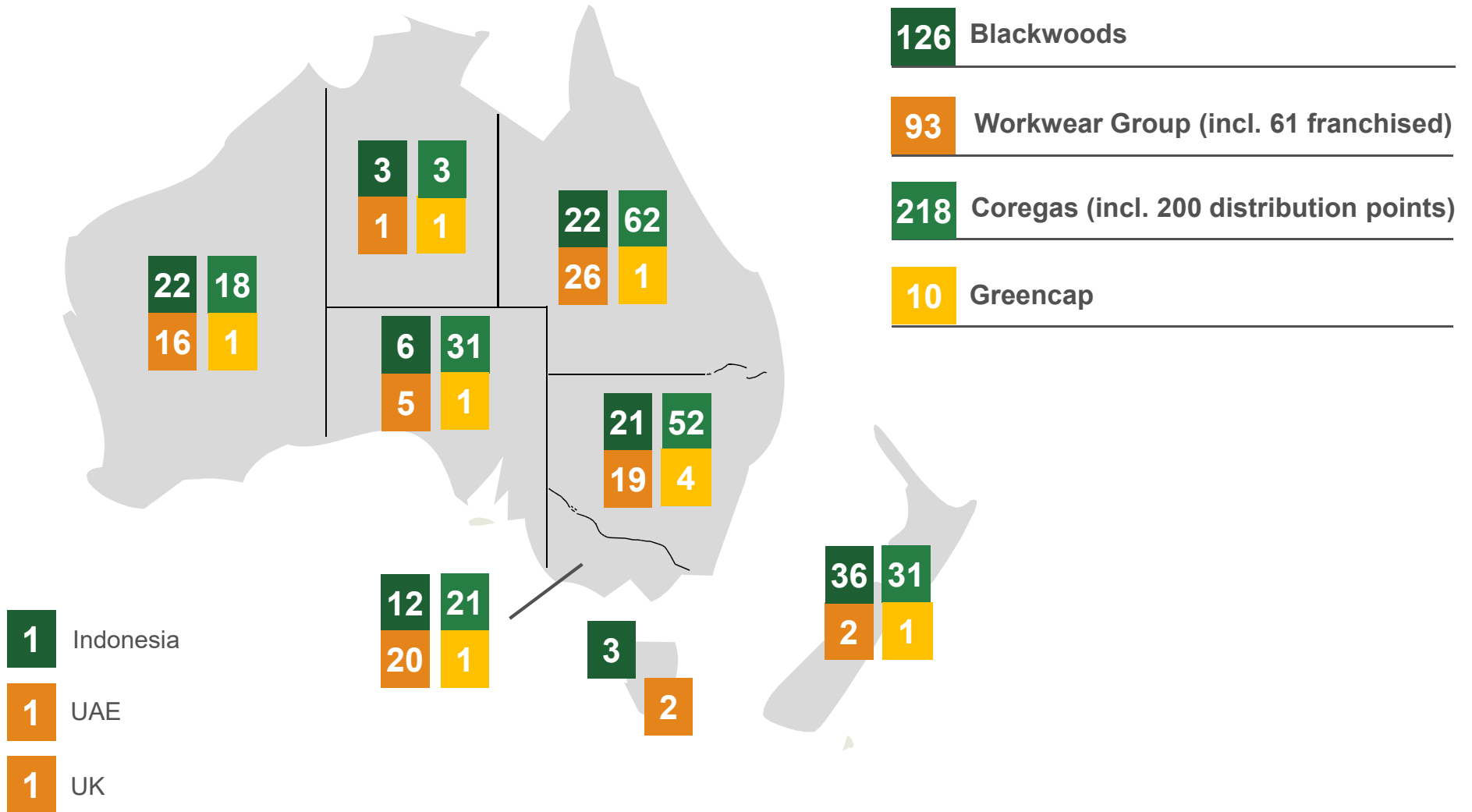
Chemicals, Energy & Fertilisers - Sales, pricing & production



Industrial & Safety - Distribution network

as at 30 June 2017

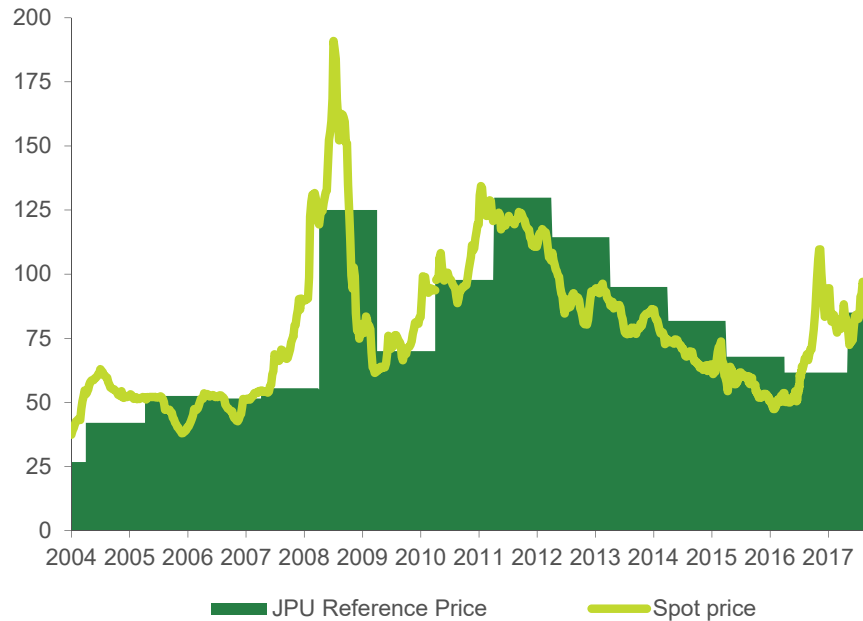
447 locations with 186 branches, 200 gas distribution points & 61 Workwear franchises



Australian coal market prices

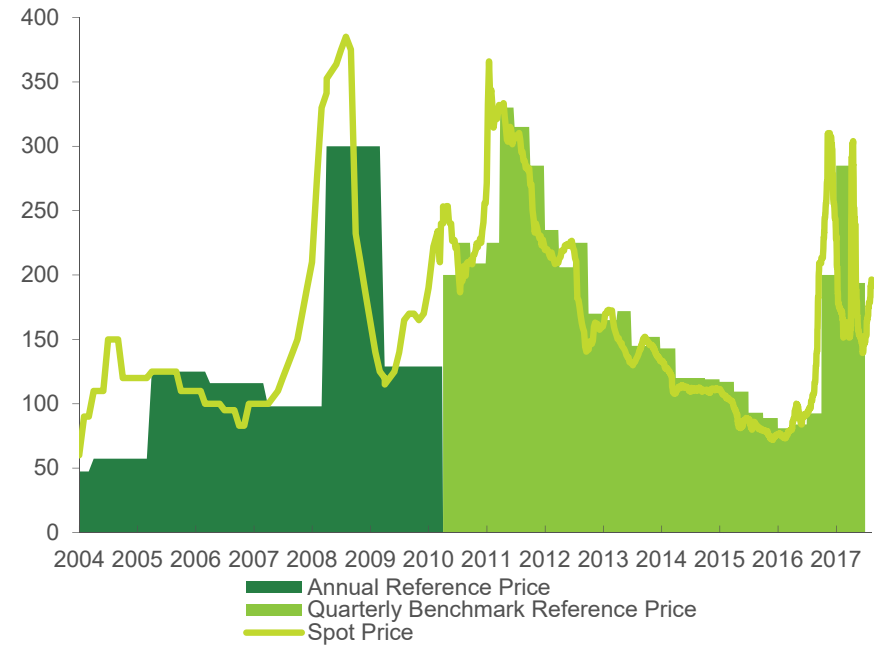
Australian steaming coal prices

US\$/tonne (nominal) FOB Australia (annual versus spot)



Australian hard coking coal prices

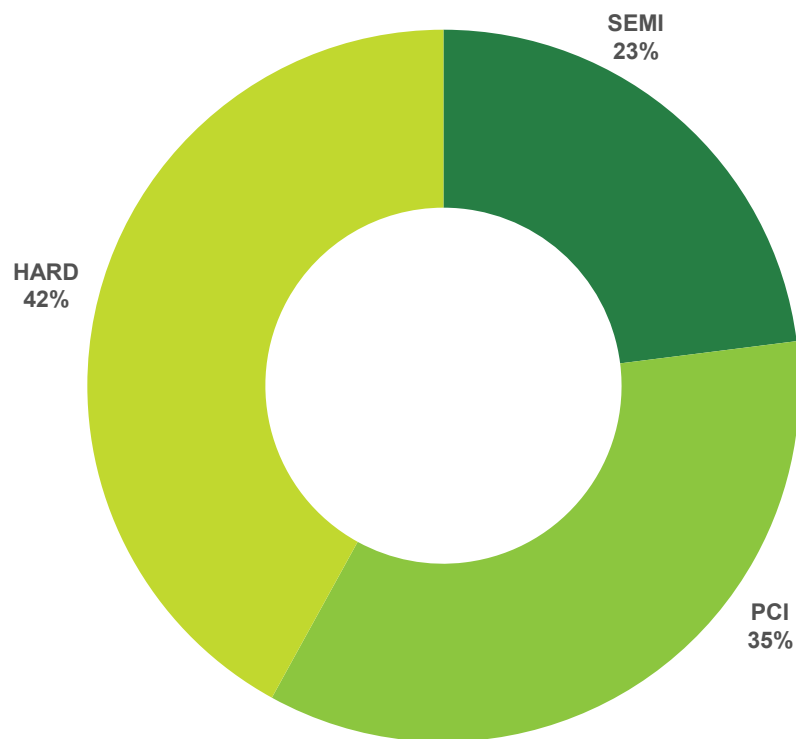
US\$/tonne (nominal) FOB Australia (annual versus spot)



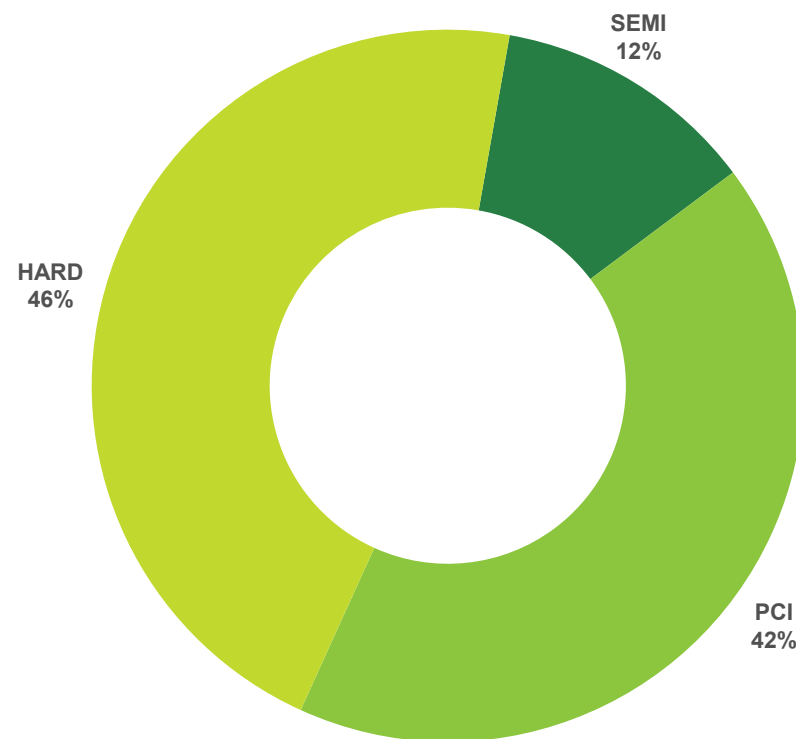
Source: Energy Publishing, Tex Report, Macquarie Research, CRU

Curragh export metallurgical sales product mix

FY17 Actual
8.2 million tonnes



FY18 Forecast
8.5 – 9.0 million tonnes



Resources – Coal production volumes

| Mine | Ownership | Coal Type | Year ended ('000 tonnes) | |
|----------------------------|-----------|---------------|--------------------------|---------------|
| | | | June 2017 | June 2016 |
| Curragh, QLD | 100% | Metallurgical | 8,227 | 7,316 |
| | | Steaming | 3,801 | 3,263 |
| Bengalla, NSW ¹ | 40% | Steaming | 3,437 | 3,384 |
| Total | | | 15,465 | 13,963 |

1. Wesfarmers attributable production.

Resources – Coal sales volumes

| Mine | Ownership | Coal Type | Year ended ('000 tonnes) | |
|----------------------------|-----------|---------------|--------------------------|---------------|
| | | | June 2017 | June 2016 |
| Curragh, QLD ¹ | 100% | Metallurgical | 8,162 | 7,488 |
| | | Steaming | 3,684 | 3,386 |
| Bengalla, NSW ² | 40% | Steaming | 3,408 | 3,382 |
| Total | | | 15,254 | 14,256 |

1. Curragh metallurgical coal sales excludes traded coal.

2. Wesfarmers attributable sales.

Resources – Financial summary

| Year ended 30 June ¹ (\$m) | 2017 | 2016 | Commentary |
|--|--------------|--------------|---|
| Export revenue | | | |
| Produced – Realised | 1,676 | 1,012 | Higher export coal sales prices & lower hedge book losses partially offset by a marginally higher Australian dollar |
| – Hedge book gains / (losses) | (92) | (147) | |
| Total | 1,584 | 865 | |
| Export mining & other costs ^{2,3} | (803) | (806) | Higher unit mine cash costs per tonne, offset by favourable inventory movement |
| Traded earnings | (1) | 3 | |
| Export contribution to earnings | 780 | 62 | |
| Stanwell Corporation obligations | | | |
| Domestic coal supply | (88) | (83) | |
| Export rebate | (98) | (65) | Export rebate higher due to increase in revenue in FY17 |
| Total | (186) | (148) | |
| Stanwell litigation provision release | 35 | - | |
| State government royalties | (164) | (78) | State government royalties higher due to higher revenue |
| EBITDA³ | 465 | (164) | |
| Depreciation & amortisation | (60) | (146) | |
| EBIT | 405 | (310) | |

1. Bengalla reported at 40% share.

2. Simple unit cost averages will be impacted by tonnage & cost structure variances between mines.

3. 2016 excludes \$850m pre-tax non-cash impairment of Curragh assets.



Wesfarmers