2018 Full-Year Results Briefing Presentation

To be held on Wednesday, 15 August 2018

Wesfarmers

Presentation outline

Group Performance Overview

Rob Scott
Managing Director, Wesfarmers Limited

Financial overview

Year ended 30 June ($m)	Reported	Excluding significant items[2]	Variance to pcp (exc. significant items[2])
Results from continuing operations[1]			
Earnings before interest & tax	4,061	4,367	*4.5*
Net profit after tax	2,604	2,904	*5.2*
Basic earnings per share (cps)	230.2	256.8	*4.9*
Results including discontinued operations[1]			
Net profit after tax	1,197	2,772	*(3.5)*
Basic earnings per share (cps)	105.8	245.1	*(3.8)*
Dividend per share (cps)	223	223	-

- Financial results reflect a year of significant change, with continued growth in continuing operations
  - Retail earnings (from continuing operations & excluding significant items) increased 5.2% during the year, with Bunnings Australia & New Zealand (BANZ), Department Stores and Officeworks achieving very strong results
  - Industrials earnings from continuing operations were also higher, supported by strong contributions from Chemicals, Energy & Fertilisers (WesCEF) and Bengalla
- Final dividend of $1.20 (fully-franked) per share; full-year ordinary dividend of $2.23 per share, in line with prior year

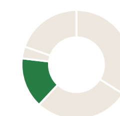
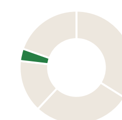
1. Discontinued operations relate to Curragh & Bunnings United Kingdom & Ireland (BUKI) which were disposed of during the 2018 financial year.
2. 2018 excludes the following pre-tax (post-tax) amounts: $931m ($1,023m) of impairments, write-offs & store closure provisions for BUKI; a $375m ($375m) loss on disposal of BUKI; & $306m ($300m) of non-cash impairments in Target, partially offset by a $120m ($123m) gain on disposal of Curragh.

Group performance summary

Year ended 30 June ($m)	2018	2017	Var %
Results from continuing operations[1]			
EBIT	4,061	4,177	*(2.8)*
EBIT (exc. significant items)[2]	4,367	4,177	*4.5*
Net profit after tax	2,604	2,760	*(5.7)*
Net profit after tax (excl. significant items)[2]	2,904	2,760	*5.2*
Earnings per share (excl. significant items)[2] (cps)	256.8	244.7	*4.9*
Results including discontinued operations[1]			
EBIT	2,796	4,402	*(36.5)*
EBIT (exc. significant items)[2]	4,288	4,402	*(2.6)*
Net profit after tax	1,197	2,873	*(58.3)*
Net profit after tax (excl. significant items)[2]	2,772	2,873	*(3.5)*
Earnings per share (excl. significant items)[2] (cps)	245.1	254.7	*(3.8)*
Operating cash flow	4,080	4,226	*(3.5)*
Net capex	1,209	1,028	*17.6*
Free cash flow	3,422	4,173	*(18.0)*
Cash realisation ratio[2,3]	100.6	102.1	*(1.5ppt)*
Full-year ordinary dividend (cps)	223	223	-
Net financial debt[4]	3,580	4,321	*(17.1)*

1. Discontinued operations relate to Curragh & BUKI which were disposed of during the 2018 financial year.
2. 2018 excludes the following pre-tax (post-tax) amounts: $931m ($1,023m) of impairments, write-offs & store closure provisions for BUKI, a $375m ($375m) loss on disposal of BUKI & $306m ($300m) of non-cash impairments in Target, partially offset by a $120m ($123m) gain on disposal of Curragh.
3. Operating cash flows as a percentage of net profit after tax, before depreciation & amortisation & significant items.
4. Interest bearing liabilities less cash at bank & on deposit, net of cross-currency interest rate swaps & interest rate swap contracts.

Divisional earnings summary

EBIT ($m) Year ended 30 June	2018	2017	Var %	Var $m	% of EBIT
Bunnings Australia & NZ	1,504	1,334	*12.7*	*170*	
Bunnings UK & Ireland[1]	(266)	(89)	*n.m.*	*(177)*	
Coles[2]	1,500	1,609	*(6.8)*	*(109)*	
Department Stores[3]	660	543	*21.5*	*117*	
Officeworks	156	144	*8.3*	*12*	
Industrials	*867*	*915*	*(5.2)*	*(48)*	
WesCEF[4]	390	395	*(1.3)*	*(5)*	
Industrial & Safety	118	115	*2.6*	*3*	
Resources[5]	359	405	*(11.4)*	*(46)*	

n.m. - not meaningful

1. 2018 excludes $931m of impairments, write-offs & store closure provisions for BUKI, and a $375m loss on disposal of BUKI.
2. 2017 includes $39m profit on sale of Coles' interest in a number of joint venture properties to ISPT.
3. 2018 excludes pre-tax non-cash impairments of $306m. 2017 includes $13m of restructuring costs associated with the planned relocation of Target's store support office.
4. 2017 includes a profit on sale of land of $22m & $33m relating to WesCEF's share of revaluation gains in Quadrant Energy.
5. 2018 for Resources reflects a nine month contribution from the Curragh coal mine before sale on 29 March 2018.

Divisional return on capital

Rolling 12 months to 30 June	2018			2017	
	EBIT ($m)	Cap Emp ($m)	RoC (%)	RoC (%)	Var (ppt)
Bunnings Australia & New Zealand	1,504	3,045	49.4	41.8	*7.6*
Coles	1,500	16,386	9.2	9.7	*(0.5)*
Department Stores[1]	660	2,013	32.8	24.1	*8.7*
Officeworks	156	939	16.6	14.7	*1.9*
WesCEF[2]	390	1,406	27.7	27.4	*0.3*
Industrial & Safety	118	1,409	8.4	8.4	-
Resources[3]	359	479	74.9	69.0	*5.9*

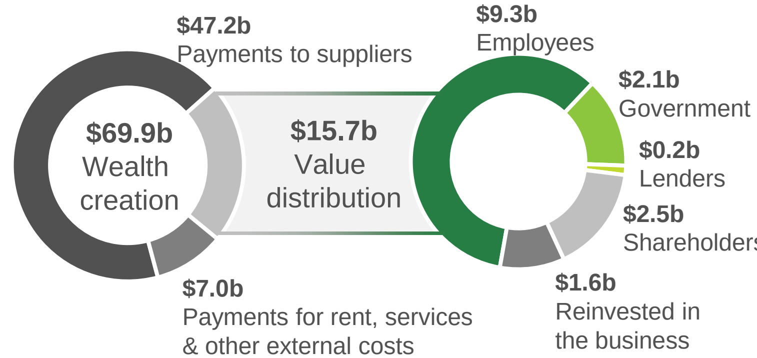
1. The increase in ROC in 2018 reflects lower capital employed as a result of a pre-tax non-cash impairment of $306m in Target in December 2017 as well as earnings growth.
2. 2017 includes a profit on sale of land of $22m & $33m relating to WesCEF's share of revaluation gains in Quadrant Energy.
3. 2018 Resources EBIT & capital employed (R12) reflects contribution from Curragh until 29 March 2018.

Long-term value creation

We are committed to creating value for shareholders, customers, employees & the communities we serve

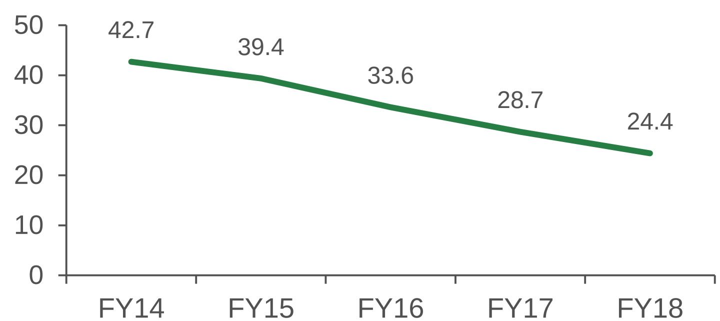
- Top 10 Australian taxpayer
- Relentless focus on providing safe workplaces
- Contributions to local communities through deep divisional connections
- Opportunity to improve diversity & people development
- Strong & respectful relationships with suppliers
- Focus on ethical sourcing & human rights
- Continuing to improve climate change resilience, especially energy efficiency

Wealth creation, value distribution[2]



Safety performance

Total recordable injury frequency rate (TRIFR)[1]



1. TRIFR is the number of lost time injuries & medical treatment injuries per million hours worked. 2017 has been restated due to maturation of data.
2. Numbers may not add due to rounding

Group Balance Sheet & Cash Flow

Anthony Gianotti

Chief Financial Officer, Wesfarmers Limited

Other business performance summary

Year ended 30 June ($m)	Holding %	2018	2017	Var %
Share of profit of associates				
BWP Trust	*25*	45	55	*(18.2)*
Other	*Various*	11	31	*(64.5)*
Sub-total share of profit of associates		**56**	**86**	***(34.9)***
Interest revenue[1]		12	8	*50.0*
Other		(66)	(23)	*n.m.*
Corporate overheads		(135)	(125)	*(8.0)*
Total Other (excluding significant items)		**(133)**	**(54)**	***n.m.***
Significant items[2]		(1,492)	-	*n.m.*
Total Other (including significant items)		**(1,625)**	**(54)**	***n.m.***

n.m. – not meaningful

1. Excludes interest revenue from Quadrant Energy loan and in 2017, Coles Financial Services.
2. 2018 includes the following pre-tax amounts: $931m of impairments, write-offs & store closure provisions for BUKI, a $375m loss on disposal of BUKI, $306m of non-cash impairments in Target & a $120m gain on disposal of Curragh.

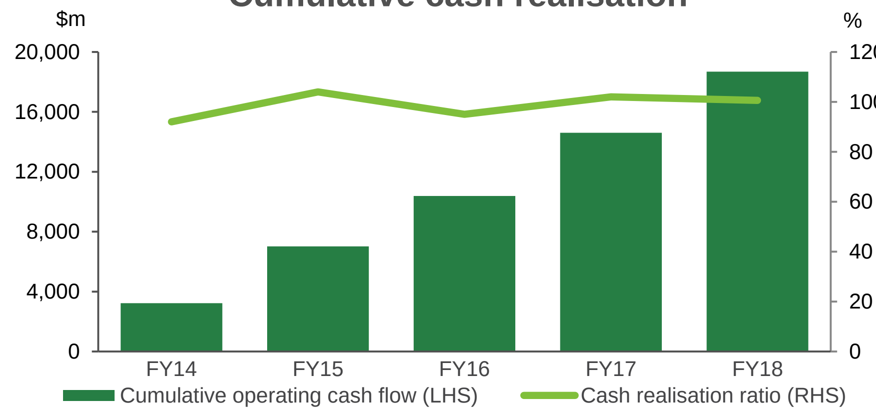
bwp TRUST GRESHAM INVESTMENT HOUSE WESPINE

Operating cash flows

- Operating cash flows of $4,080m, down $146m
  - Primarily driven by higher tax payments
  - Cash realisation ratio remains strong at 100.6%[1]
  - Highly cash generative portfolio
- Neutral working capital result
  - Net working capital investment in BANZ to support network growth
  - Improved working capital management in Target
  - Inventory clearance in BUKI prior to divestment
  - Receivables outflow primarily driven by year-end falling on Saturday (particularly Coles)
  - Increased payables in WesCEF due to timing of fertiliser shipments & higher ammonia purchases

Year ended 30 June ($m)	2018	2017
Cash movement inflow/(outflow)		
Receivables & prepayments	(225)	58
Inventory	(54)	(296)
Payables	279	165
Total	**-**	**(73)**
Working capital cash movement		
Retail	77	(11)
Industrials & Other	(77)	(62)
Total	**-**	**(73)**

Cumulative cash realisation[1]

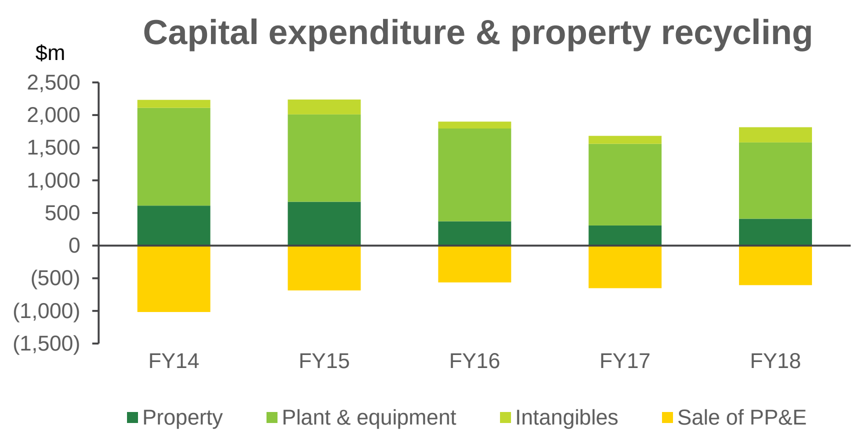


1. Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and significant items.

Capital expenditure

- Gross capital expenditure increased $134m to $1,815m
  - Increased number of BANZ store openings
  - Acquisition of Kmart brand name for $100m
- Proceeds from property disposals decreased $47m to $606m due to one-off items[2] in prior year:
  - BANZ property disposals of $338m
  - Coles property disposals of $213m
- Net capital expenditure increased to $1,209m
- FY19 net capital expenditure of $1.2b to $1.7b expected[4], subject to net property investment
  - Includes expected FY19 net capital expenditure for Coles of $600m to $800m, subject to net property investment

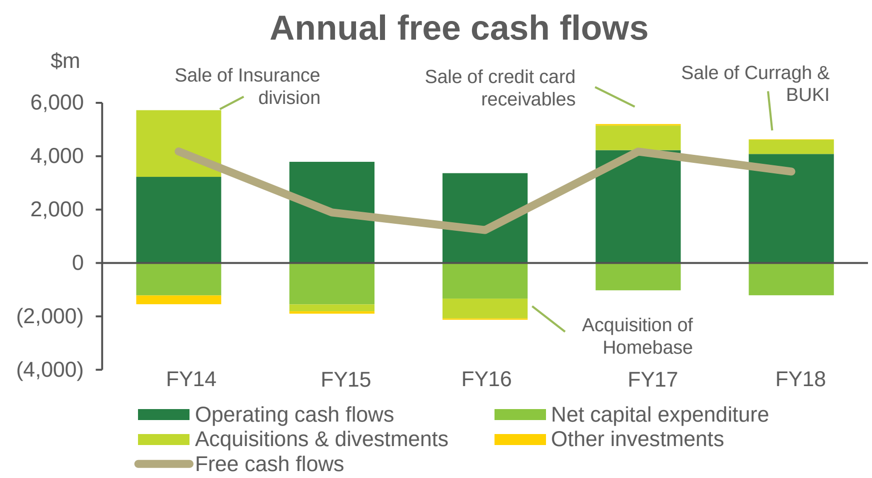
Year ended 30 June ($m)[1]	2018	2017	Var %
Coles	715	805	*(11.2)*
Bunnings Australia & NZ	497	367	*35.4*
Department Stores	293	225	*30.2*
Officeworks	45	36	*25.0*
WesCEF	60	44	*36.4*
Industrial & Safety	50	34	*47.1*
Resources	14	14	-
Other & Discontinued[3]	141	156	*(9.6)*
Gross capital expenditure	**1,815**	**1,681**	***8.0***
Sale of PP&E	(606)	(653)	*(7.2)*
Net capital expenditure	**1,209**	**1,028**	***17.6***



1. Capital investment provided on a cash basis.
2. Disposal of Coles' interest in a number of joint venture properties to ISPT & the sale of land by WesCEF.
3. Discontinued operations include Curragh & BUKI which were disposed of during the 2018 financial year.
4. Based on full-year contribution from Coles.

Free cash flows

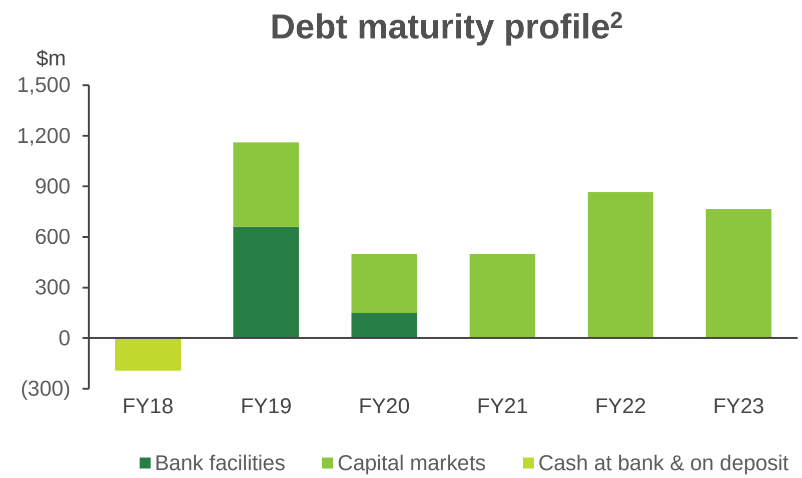
- FY18 free cash flows of $3,422m, $751m lower than last year
  - Lower operating cash due to higher tax payments
  - Higher net capital expenditure
  - Lower other investing cash flows of $551m
    - Proceeds on disposal of Curragh
    - Cash retained by BUKI for working capital & other financial obligations
    - Last year included proceeds of $947m from sale of Coles' credit card receivables
- Divestments announced in August 2018 to contribute to free cash flow in FY19:
  - Bengalla gross proceeds[1] of $860m
  - KTAS gross proceeds[1] of $350m

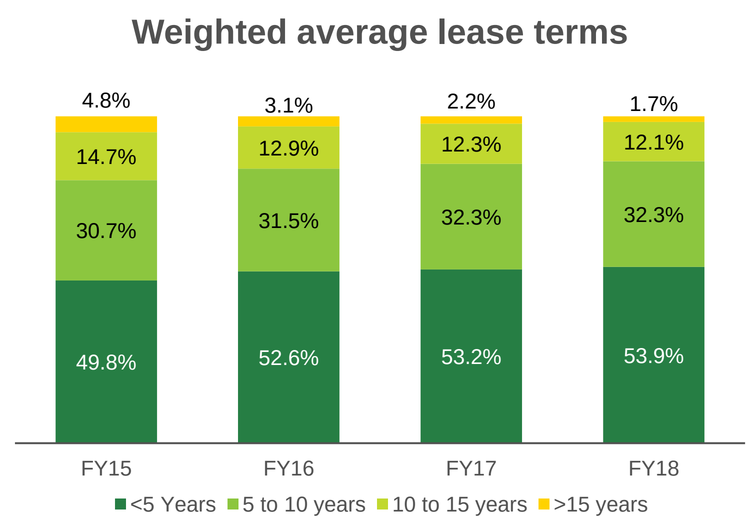


1. Subject to completion adjustments.

Balance sheet & debt management

- Net financial debt[1] of $3.6b as at 30 June 2018, down from $4.3b at 30 June 2017
  - US$750m bond ($728m including currency swaps) repaid in March 2018
  - £705m ($1,145m) of sterling denominated bank facilities cancelled following divestment of BUKI in June 2018
- Disciplined management of off-balance sheet leases continues
  - Progressive reduction in average lease tenure
  - Undiscounted lease commitments reduced by more than $2b following the disposal of BUKI
  - Undiscounted lease commitments for Wesfarmers totalled to $18.2b as at 30 June 2018; Coles lease commitments of $9.6b

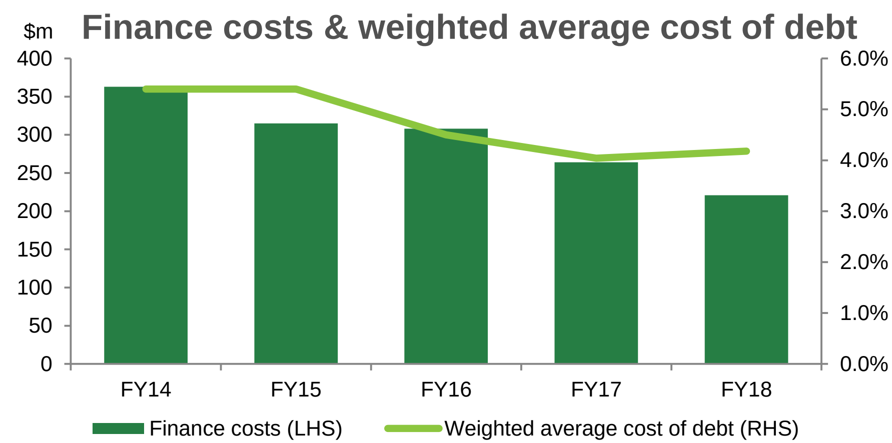




1. Interest bearing liabilities less cash at bank & on deposit, net of cross currency swaps & interest rate swap contracts.
2. As at 30 June 2018.

Finance costs & credit metrics

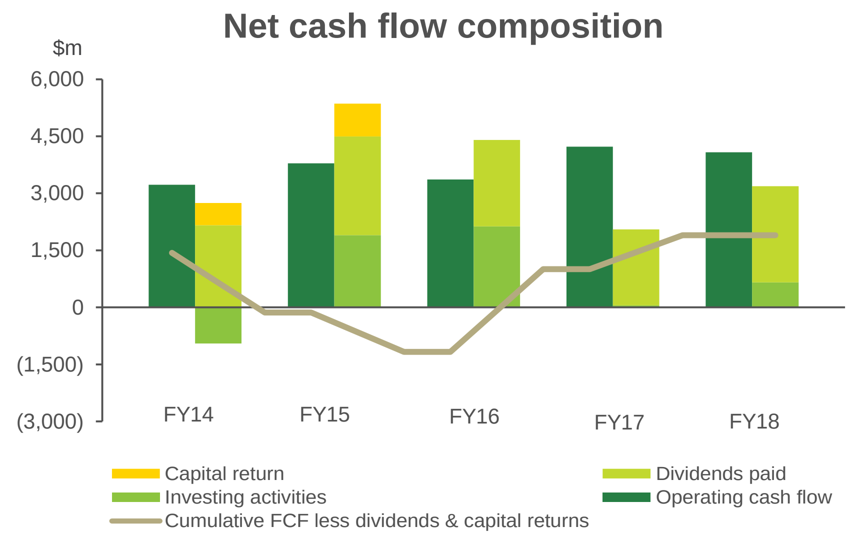
- All-in effective borrowing cost 4.18% in FY18 (FY17: 4.04%)
  - Increased weighting of higher cost bonds as lower cost bank debt was repaid
- Finance costs decreased by 16% due to lower average debt levels[1]
- Solid credit metrics
  - Cash interest cover (R12) at 30.4 times[2]
  - Fixed charges cover (R12) at 3.0 times[2]
- Strong & stable credit ratings
  - Moody's A3 (stable outlook)
  - Standard & Poor's A- (stable outlook)

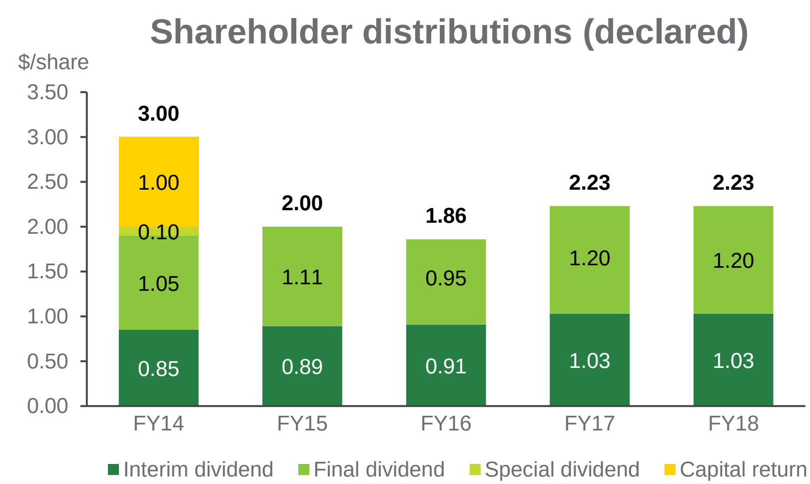


1. Excludes provision discount unwinds for discontinued operations in Curragh & BUKI; includes interest expense on GBP facilities.
2. 2018 excludes pre-tax significant items of $1,492m. 2016 excludes pre-tax non-cash impairments of $2,116m.

Dividends

- Cumulative dividend payments & capital management distributions of $13.0b since FY14
  - Funded by free cash flows
- Full-year dividend of $2.23 per share fully-franked, in line with previous year
  - Final dividend of $1.20 per share declared
  - Dividend record date 21 August 2018; final dividend payable 27 September 2018
- Dividend investment plan: not underwritten; last day for application 22 August 2018
  - Given stable cash flow performance & strong credit metrics, dividend plan shares to be purchased on market





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

Bunnings Australia & New Zealand

Michael Schneider

Managing Director, Bunnings Group

BUNNINGS warehouse BUNNINGS BUNNINGS TRADE

Bunnings Australia & New Zealand performance summary

Full-year ended 30 June ($m)	2018	2017	Var %
Revenue	**12,544**	**11,514**	***8.9***
EBITDA[1]	1,683	1,505	*11.8*
Depreciation & amortisation	(179)	(171)	*(4.7)*
EBIT[1]	**1,504**	**1,334**	***12.7***
EBIT margin[1] (%)	12.0	11.6	
RoC (R12, %)	49.4	41.8	
Safety (R12, AIFR)	14.3	18.9	
Total store sales growth[2] (%)	8.9	8.9	
Store-on-store sales growth[2] (%)	7.8	7.3	

1. Includes net property contribution for 2018 of $33m & 2017 of $43m.
2. 2018 growth reflects the 12 months to 30 June 2018 & the 12 months to 30 June 2017. 2017 growth reflects the 12 months to 30 June 2017 & the 12 months to 30 June 2016.

Bunnings Australia & New Zealand overview

- Sustained strong sales performance
  - Total store sales growth 8.9%; store-on-store growth of 7.8%
  - Sales growth in all trading regions; both consumer & commercial markets
  - Continued growth across all product categories
- EBIT growth of 12.7% to $1,504m
  - Operating cost leverage
  - Positive property divestment outcomes
  - One-off costs for store closures & asset writedowns in prior year
- RoC (R12) of 49.4%, up 7.6 ppts
  - 10 net new trading locations
  - Ongoing investment in network refurbishment
  - Property recycling program

Bunnings Australia & New Zealand overview (cont.)

Strong progress on strategic agenda

Creating better experiences

- Launch of online transactions for special orders
- Dedicated in-store commercial service offer
- More solar energy generation

Strengthening the core

- Continued safety focus with reduced injury frequency
- Improved supply chain efficiency
- Increased data analytics capability
- Store technology upgraded for greater productivity

Driving stronger growth

- Ongoing product range evolution; consumer & commercial
- Further investments in customer value

Bunnings Australia & New Zealand outlook

- Well-positioned for continued growth; sales growth in 1H19 to be moderated by the strong trading performance achieved in 1H18
- Dynamic competitive landscape
- Strong focus on maintaining a compelling & differentiated customer offer
- Continued network reinvestment & expansion
- Ongoing investments in customer value, range innovation & customer service
- Accelerated development of data & digital capabilities
- Expansion of value-adding customer services
- Broadening the addressable commercial market

Coles

John Durkan

Managing Director, Coles

coles | coles.com.au | coles express | Vintage Cellars | first choice liquor | Liquorland | spirit hotels | coles Financial Services

Coles performance summary

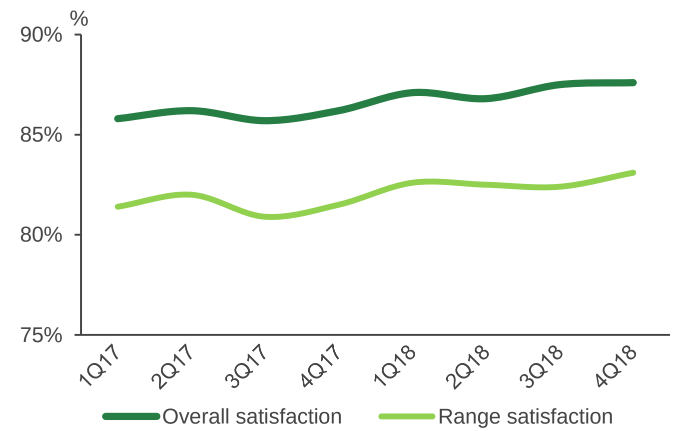
Year ended 30 June ($m)		2018	2017	Var %
Coles	**Revenue**[1]	**39,388**	**39,217**	***0.4***
	EBITDA[2]	2,151	2,256	*(4.7)*
	Depreciation & amortisation	(651)	(647)	*(0.6)*
	EBIT[2]	**1,500**	**1,609**	***(6.8)***
	EBIT margin[2] (%)	3.8	4.1	
	RoC (R12, %)	9.2	9.7	
	Safety (R12, TRIFR)	33.3	38.8	
Food & Liquor	**Revenue**[1]	**33,627**	**33,084**	***1.6***
	Headline sales growth[3,4] (%)	2.1	2.0	
	Comparable sales growth[3,4] (%)	1.1	1.0	
	Inflation/(deflation)[4]	(1.2)	(0.8)	
Convenience	**Revenue**	**5,761**	**6,133**	***(6.1)***
	Total store sales growth[4] (%)	1.6	4.6	
	Comp. fuel volume growth[4] (%)	(17.8)	(16.0)	

1. Includes property revenue for 2018 of $13m & for 2017 of $16m.
2. Includes property EBIT for 2018 of $24m & for 2017 of $57m.
3. Includes hotels, excludes gaming revenue & property.
4. 2018 growth reflects the period 26 June 2017 to 24 June 2018 & the period 27 June 2016 to 25 June 2017. 2017 growth reflects the period 27 June 2016 to 25 June 2017 & the period 29 June 2015 to 26 June 2016.

Food & Liquor overview

- Sales momentum steadily improved over the year
  - Acceleration in 4Q18, with comp growth of 1.8%
  - Improvement driven by customer transactions, unit growth & increased average basket size
  - Customer satisfaction improved to highest level in two years
  - Growth in Fresh market share
- FY18 EBIT of $1,500m
  - Prior year benefited from a one-off gain on property divestment & higher Financial Services earnings
  - Annualisation of investments made in the customer offer
  - Lower Convenience earnings
  - Higher employee costs from new EBA
  - Earnings growth achieved in 2H18
- Strong cash flow generation, with cash realisation over 100%[1]

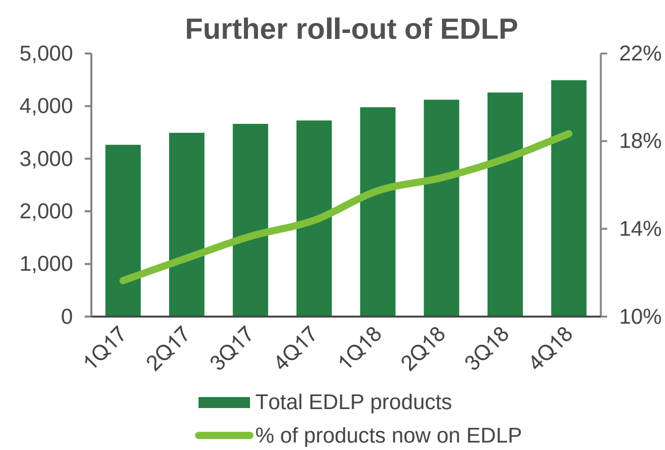
Customer satisfaction continues to improve



1. Operating cash flows before tax & after net capital expenditure as a percentage of EBIT.

Food & Liquor overview (cont.)

- Customer focus in a competitive market positions the business for sustainable long-term growth
  - **Pricing:** Lower fresh produce prices a key driver of deflation, ~4,500 products now on 'Everyday Low Pricing'
  - **Fresh:** Improved quality & a focus on deepening supplier relationships (e.g. 10 year Laurent partnership) led to market share gains
  - **Service:** Continued investment in team hours & training
  - **Range:** Simplification drove mix benefits, product innovation & improved availability metrics
  - **Customer feedback**: 'Tell Coles' improvements largely driven by better perceptions on quality, range & availability
  - **Store network:** 20 supermarkets opened & 51 renewals completed
  - **Efficiencies:** Cost benefits underpinned by the roll-out of 'OneTeam' & 'Stockless Stockrooms'
  - **Nurture Fund:** More than $12m in grants & interest-free loans provided to farmers in support of technological innovation

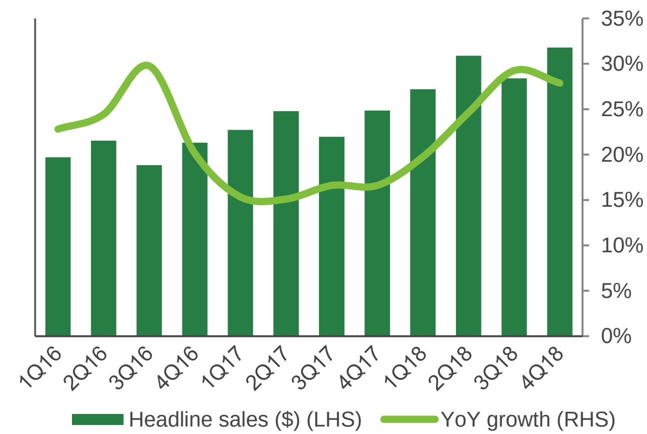


Food & Liquor overview: Online & flybuys

- Continued improvement in Coles Online customer experience
  - Strong double digit sales & transaction growth
  - Significant expansion in click & collect locations (992 as at 30 June)
  - Two fully operational Online fulfilment centres
  - Move to price parity with stores
  - Trialling ‘Drop N Go’ & same day delivery
  - More personal shopping alternatives & flexible delivery times to drive greater convenience for customers

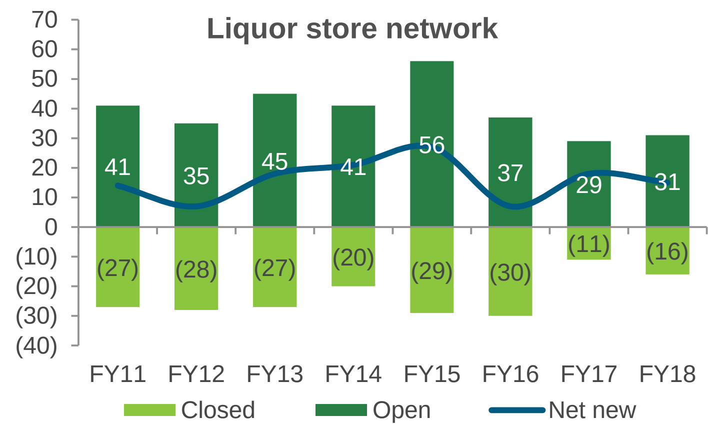
- flybuys continued to grow as one of Australia’s most popular & recognised loyalty programs
  - 8m+ active members & 20+ leading partners
  - Successful launch of flybuys app with >1m downloads
  - eBay partnership recently announced
  - Double-digit growth in number of points redeemed
  - flybuys to be an ongoing partnership between Coles & Wesfarmers

Coles online continues to grow



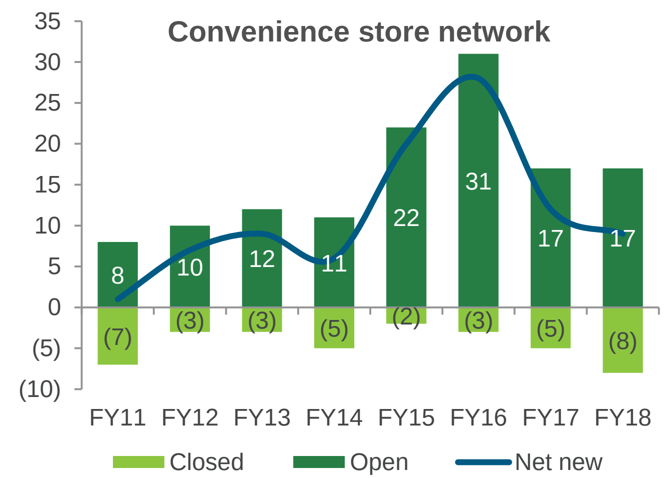
Food & Liquor overview: Liquor transformation progresses

- Positive sales momentum continued
  - 11 consecutive quarters of comparable sales growth
  - Growth in transactions, units & basket size
- Continued expansion & optimisation of the store network
  - 163 Liquorland renewals completed for the year
  - Next evolution Liquorland format trialled successfully
  - Liquor Market trial continues
- Focus on providing greater convenience
  - All banners now offering C&C, same & next day delivery
  - 30 minute C&C available across Liquorland network
- Key growth opportunities
  - Exclusive Brands portfolio expansion
  - Liquor Direct channel (>20% growth in FY18)
  - Productivity efficiencies



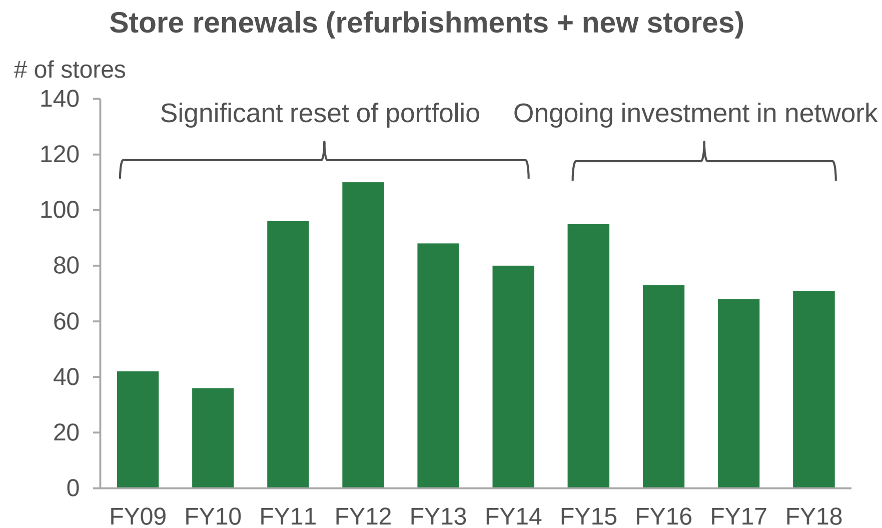
Convenience overview

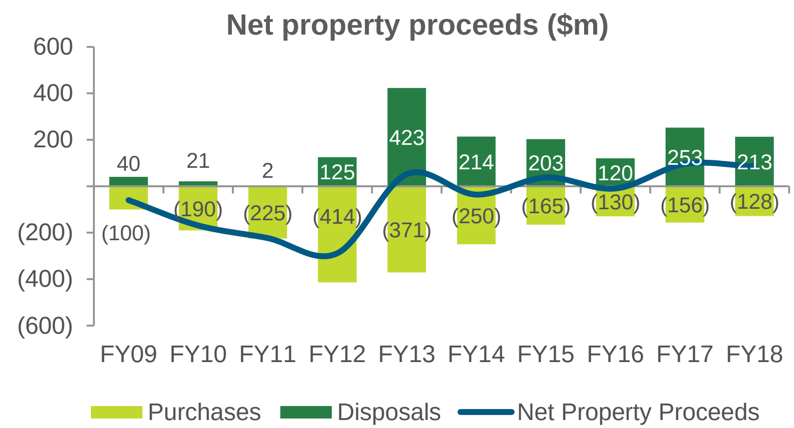
- Improved comparable store sales momentum
  - Comparable store sales of 4.6% in 4Q18
  - Double digit growth in food-to-go offering
  - Compelling ‘Every Day Value’ proposition
- Lower earnings driven by lower fuel volumes & commercial terms of Alliance agreement
- Continued emphasis on innovation
  - Roll out of food-to-go offer to 500+ stores by 1H19
  - C&C to be rolled out across the network by FY19
  - Trialling fresh food offer & new non-fuel format
- Further improvement to the site network
  - 17 new sites opened & 402 upgraded in FY18
- Key Alliance initiatives include V-Power Diesel rollout & network optimisation



Network investment

- History of disciplined capital allocation:
  - Focused on ROC & sales density metrics
  - Data-led approach to store ranging & layout (customer insights, flybuys analytics)
- Store network in good condition following decade-long investment program:
  - ~$9b of capital invested since FY09 (including 108 net supermarket openings & 561 refurbishments)
  - ~90% of supermarket network has been renewed
  - Average age of fleet now 8.1 years
  - Average age of top quartile stores is 5.7 years
  - Sales density improvement of 32% since FY09
- Investment in property offset by disposals through asset recycling program
  - Current book value of property assets ~$1.0b





Coles outlook

- Focus on execution of 'Fresh Tomorrow' strategy, centred on driving greater convenience & innovation for customers, is expected to position Coles for long-term growth
- Sales momentum has continued to increase in 1Q19, driven by a successful Little Shop campaign, other promotional initiatives, and improved store execution
- Underlying performance of supermarkets business is expected to improve
  - Annualisation of higher employee costs following the implementation of a new EBA in 2H18 is expected to be largely offset by cost efficiency benefits
- Liquor will progress its transformation, with further opportunities to build on sales & earnings momentum through Exclusive Brand expansion, new routes to market & productivity efficiencies
- Coles Express remains committed to providing a differentiated, market-leading shop offer underpinned by value pricing & food-to-go offers as well as a competitive fuel offer
- Disciplined & returns-focused capital management expected to support strong cash generation
- FY19 net capital expenditure expected to increase to $600 to $800m (subject to net property investment) with investments in strategic growth initiatives, including stores & supply chain
- Greater use of technology & productivity initiatives expected to drive long-term cost efficiencies & support future value investment

Department Stores

Guy Russo
Chief Executive Officer, Department Stores
Managing Director, Target

Department Stores performance summary

Year ended 30 June ($m)	2018	2017	Var %
Revenue	**8,837**	**8,528**	***3.6***
EBITDA[1]	862	739	*16.6*
Depreciation & amortisation	(202)	(196)	*(3.1)*
EBIT[1]	**660**	**543**	***21.5***
EBIT margin[1] (%)	7.5	6.4	
RoC[2] (R12, %)	32.8	24.1	
Safety (R12, LTIFR)	4.2	5.1	
Kmart			
Total sales growth[3] (%)	8.0	7.9	
Comparable sales growth[3] (%)	5.4	4.2	
Target			
Total sales growth[4] (%)	(4.7)	(14.5)	
Comparable sales growth[4] (%)	(5.1)	(14.9)	

1. 2018 excludes pre-tax non-cash impairments of $306m in Target. 2017 includes a provision of $13m of restructuring costs associated with the planned relocation of Target's store support office.
2. In addition to higher earnings, the increase in RoC in 2018 also reflects lower capital employed as a result of the non-cash impairments in Target in December 2017.
3. 2018 growth reflects the period 26 June 2017 to 24 June 2018 & the period 27 June 2016 to 25 June 2017. 2017 growth reflects the period 27 June 2016 to 25 June 2017 & the period 29 June 2015 to 26 June 2016.
4. 2018 growth reflects the period 25 June 2017 to 23 June 2018 & the period 26 June 2016 to 24 June 2017. 2017 growth reflects the period 26 June 2016 to 24 June 2017 & the period 28 June 2015 to 25 June 2016.

Department Stores overview

- Revenue increased 3.6% to $8.8b
  - **Kmart:** driven by double-digit growth in customer transactions & units sold as customers responded to improvements in the product offer & price investment
  - **Target:** growth in online, menswear & homewares more than offset by ongoing reset of product, price & range; online proposition further advanced through expanded ranges & improved customer convenience
- EBIT increased 21.5% to $660m; highest Department Stores earnings under Wesfarmers' ownership
  - **Kmart:** continued growth in earnings driven by strong sales growth, improved inventory management & productivity improvements in stores & supply chain
  - **Target:** earnings growth supported by improved trading margins reflecting increased levels of direct sourcing, lower markdowns & an improved sales mix, reduced shrinkage, & productivity improvements
- Improved return on capital due to increased earnings & continued focus on working capital management
- Disciplined & integrated management of the store network:
  - **Kmart:** opened 10 new stores[1], closed two stores & completed 20 refurbishments
  - **Target:** opened six previously committed new stores, closed six stores[1] & progressed Target renewal & space trials
  - **KTAS:** opened six new service centres & closed one centre

1. Includes one Target store converted to Kmart during the period.

Department Stores outlook

- The Department Stores division is well positioned for the future
- **Kmart** will continue to focus on:
  - Leading the lowest price in a highly competitive market
  - Maintaining strong brand perception for on-trend everyday items
  - Relentless pursuit of lowest cost & increasing operational productivity
  - Ongoing investment in the store network through refurbishments & new store openings
  - Continuing to innovate the store format to improve the customer experience, through new layouts & leveraging technology
  - Capitalising on the strength of its product offering in global markets
- **Target** to continue its business transformation focused on:
  - Improving product fashionability & quality
  - Accelerating the online proposition & optimising the store network
  - Progressing store renewal trials, resetting space & grades
  - Further reducing end-to-end costs & working capital
- On 13 August 2018, Wesfarmers announced the sale of KTAS to Continental AG for $350m

Officeworks

Mark Ward

Managing Director, Officeworks

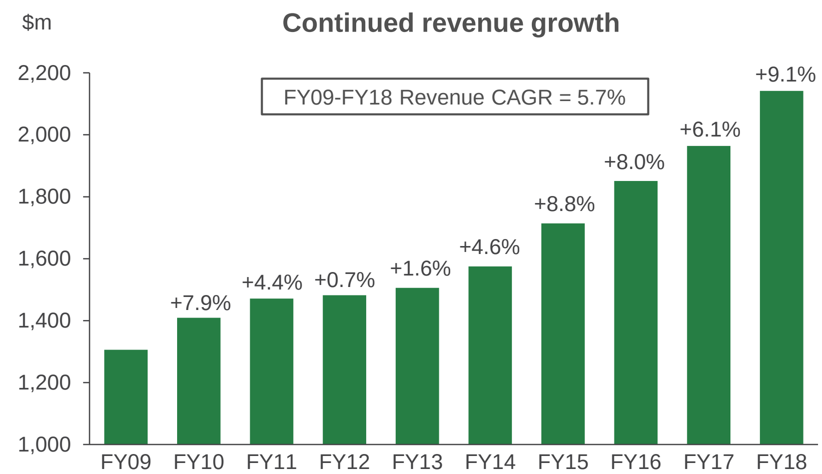
Officeworks performance summary

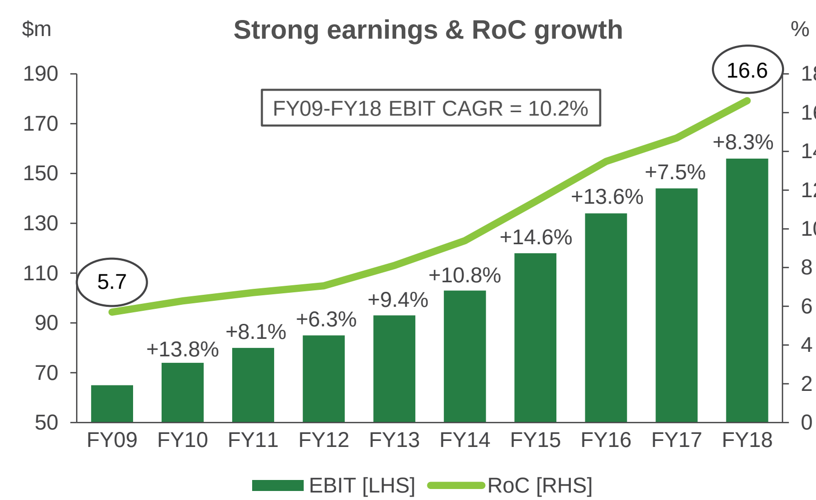
Year ended 30 June ($m)	2018	2017	Var %
Revenue	**2,142**	**1,964**	***9.1***
EBITDA	181	168	*7.7*
Depreciation & amortisation	(25)	(24)	*(4.2)*
EBIT	**156**	**144**	***8.3***
EBIT margin (%)	7.3	7.3	
RoC (R12, %)	16.6	14.7	
Safety[1] (R12, AIFR)	10.2	11.9	
Sales growth[2]	9.1	6.1	

1. 2017 has been restated due to maturation of data.
2. 2018 growth reflects the twelve months to 30 June 2018 & the twelve months to 30 June 2017. 2017 growth reflects the twelve months to 30 June 2017 & the twelve months to 30 June 2016.

Officeworks overview

- Strong headline results
  - Revenue growth of 9.1%
    - Sales growth in stores & online
  - EBIT growth of 8.3%
    - Effective gross margin & CODB management
  - RoC (R12) up 1.9 ppts to 16.6%
- Strong focus on customer offer
  - New & expanded product ranges
  - Merchandise layout & store design changes
  - Relentless focus on price, range & service
- Continued investment in 'every channel' strategy
  - Six new stores
  - Online enhancements, incl. 2-hour click & collect[1]
  - Strong momentum maintained in B2B segment
- Ongoing improvement in sales density

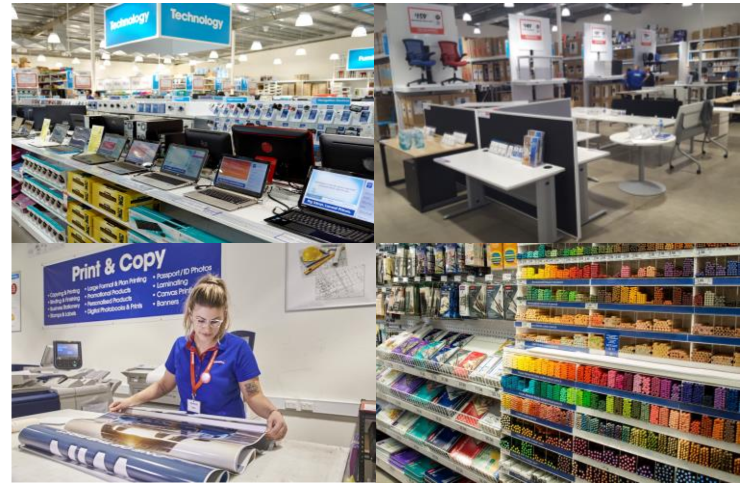


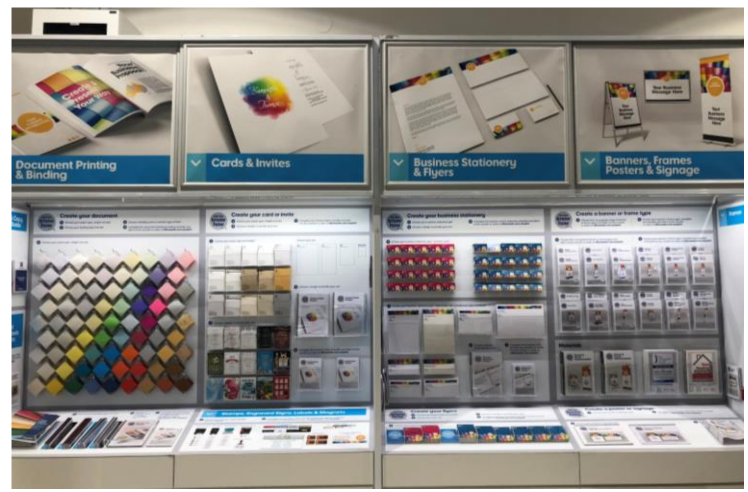


1. If the product is in stock at the store selected by the customer at the time of placing the order, it will be available to collect in as little as two hours.

Officeworks outlook

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





Industrials

David Baxby

Managing Director, Industrials

Industrials performance summary

Year ended 30 June ($m)		2018	2017	Var %
Revenue	Chemicals, Energy & Fertilisers[1]	1,830	1,639	*11.7*
	Industrial & Safety	1,750	1,776	*(1.5)*
	Resources[2]	1,689	1,746	*(3.3)*
	Total	**5,269**	**5,161**	***2.1***
EBITDA	Chemicals, Energy & Fertilisers[3]	469	472	*(0.6)*
	Industrial & Safety	159	158	*0.6*
	Resources[2]	416	465	*(10.5)*
	Total	**1,044**	**1,095**	***(4.7)***
EBIT	Chemicals, Energy & Fertilisers[3]	390	395	*(1.3)*
	Industrial & Safety	118	115	*2.6*
	Resources[2]	359	405	*(11.4)*
	Total	**867**	**915**	***(5.2)***

1. Includes interest revenue from Quadrant Energy loan notes & excludes intra-division sales.
2. 2018 includes contribution from Curragh to Resources revenue & earnings from the period 1 July 2017 to 29 March 2018.
3. 2017 includes a profit on sale of land of $22m & $33m relating to WesCEF's share of revaluation gains in Quadrant Energy.

Chemicals, Energy & Fertilisers performance summary

Year ended 30 June ($m)		2018	2017	Var %
Revenue	Chemicals	932	813	*14.6*
	Energy[1]	423	368	*14.9*
	Fertilisers	475	458	*3.7*
	Total	**1,830**	**1,639**	***11.7***
EBITDA		**469**	**472**	***(0.6)***
Depreciation & amortisation		(79)	(77)	*(2.6)*
EBIT		**390**	**395**	***(1.3)***
EBIT excluding significant items[2]		**390**	**340**	***14.7***
External sales volume[3] ('000 tonnes)	Chemicals	1,056	979	*7.9*
	LPG	145	103	*40.8*
	Fertilisers	988	956	*3.3*
RoC (R12, %)		27.7	27.4	
Safety (R12, LTIFR)		1.4	0.7	

1. Includes interest revenue from Quadrant Energy loan notes & excludes intra-division sales.
2. 2017 excludes a profit on sale of land of $22m & $33m relating to WesCEF's share of revaluation gains in Quadrant Energy.
3. External sales exclude AN volumes transferred between chemicals & fertilisers business segments.

Chemicals, Energy & Fertilisers overview

- Increased revenue, underlying earnings & ROC supported by strong demand for products
- Chemicals earnings increased compared to the prior year:
  - Strong WA EGAN[1] demand due to unplanned disruptions at competing Burrup AN plant resulting in opportunistic sales
  - Commencement of AN[2] emulsion sales & new EGAN contracts partially offset the impact of the expiry of a key contract
  - Improved natural gas input costs
  - Buoyant WA gold sector driving strong demand for sodium cyanide
- Strong Kleenheat earnings driven by higher Saudi CP[3], improved LPG plant performance & continued growth in natural gas retailing to ~198,000 residential customers
- Fertiliser earnings were impacted by lower margins in a competitive environment

1. Explosive grade ammonium nitrate.
2. Ammonium nitrate.
3. Saudi Contract Price (the international benchmark indicator for LPG).

Industrial & Safety performance summary

Year ended 30 June ($m)	2018	2017	Var %
Revenue	**1,750**	**1,776**	***(1.5)***
EBITDA	159	158	*0.6*
Depreciation & amortisation	(41)	(43)	*4.7*
EBIT	**118**	**115**	***2.6***
EBIT margin (%)	6.7	6.5	
RoC (R12, %)	8.4	8.4	
Safety (R12, LTIFR)	1.5	1.4	

Industrial & Safety overview

- Revenue 1.5% lower than prior year:
  - – Blackwoods revenue marginally below prior year with strong demand in the mining segment offset by lower sales in government, manufacturing & utilities
  - – Workwear Group revenue lower with strong demand in Australia offset by weaker demand in New Zealand & the UK, & impacts from a fire at a major distribution centre
  - – Coregas revenue increased due to growth in tonnage, bulk & New Zealand sales
- Earnings of $118m, up 2.6%:
  - – Blackwoods' earnings impacted by the ongoing investments to build capabilities across customer service, supply chain & digital
  - – Workwear Group earnings above prior year due to higher margin from sourcing initiatives
  - – Coregas earnings below prior year due to increased competition & higher energy costs

Resources performance summary

- Reflects nine months' contribution from Curragh Coal Mine prior to sale on 29 March 2018

Year ended 30 June ($m)	2018[1]	2017	Var %
Revenue	**1,689**	**1,746**	***(3.3)***
Royalties[2]	(331)	(262)	*(26.3)*
Mining & other costs	(942)	(1,019)	*7.6*
EBITDA[3]	**416**	**465**	***(10.5)***
Depreciation & amortisation	(57)	(60)	*5.0*
EBIT[3]	**359**	**405**	***(11.4)***
RoC (R12, %)	74.9	69.0	
Coal production ('000 tonnes)	12,523	15,465	(19.0)
Safety (R12, LTIFR)[4]	1.9	1.4	

1. 2018 includes contribution from Curragh for the period 1 July 2017 to 29 March 2018.
2. Includes Stanwell rebate expense of $179m for 2018 & $98m for 2017.
3. 2018 excludes profit on sale from the divestment of Curragh.
4. Excludes Bengalla. Curragh LTIFR to 29 March 2018.

Resources overview

- Sale of Curragh to Coronado Coal Group completed 29 March 2018
  - Nine month contribution drove decrease in FY18 revenue (down 3.3%) & EBIT (down 11.4%)
- Robust thermal & metallurgical coal export markets resulted in higher average prices
- Reduction in hedge book losses to $28m ($92m in FY17)
- Stanwell obligations reduced FY18 EBIT by $267m to 29 March 2018 ($186m for total FY17)
- Strong contribution from Bengalla with FY18 EBIT of $172m (based on 40% joint venture interest)
  - 6.9% increase in production with a focus on production debottlenecking
  - 25.2% increase in average US dollar thermal coal prices received

Industrials outlook

Chemicals, Energy & Fertilisers

- Production & demand for products is expected to remain robust
- Chemicals earnings in FY19 expected to be affected by an oversupply of EGAN in the WA market, subject to competitive factors
- Growing contribution from natural gas retailing, although at a lower rate due to increased competition

Industrial & Safety

- Market conditions & demand expected to remain generally stable
- Transformation program in Blackwoods to continue to create a leading customer experience & build a scalable platform for growth
- Turnaround of Workwear Group nearing completion, with focus on enhancing the product offer & revenue growth in key channels
- Continued margin pressure in Coregas expected to be largely offset by growth in healthcare & Trade N Go

Industrials outlook

Bengalla

- Sale of 40% interest in the Bengalla joint venture for $860m
- Completion expected Q2 2019 financial year
- The sale of Bengalla concludes the strategic review of Resources

Group Outlook

Rob Scott
Managing Director, Wesfarmers Limited

Outlook

- Following repositioning of the portfolio, Wesfarmers is well placed to deliver sustainable growth in earnings & improved shareholder returns
- Demerger expected to complete in November 2018
  - Coles to be demerged with a strong balance sheet providing significant flexibility
- Following the demerger, Wesfarmers will have a portfolio of cash generative businesses with good momentum in growing markets
- Continued focus on leveraging data & digital capabilities, developing great talent & teams, & driving entrepreneurial initiative
- The Group’s strong balance sheet position, cash flow generation & capital discipline will be prioritised enabling it to take advantage of growth opportunities to create value for shareholders over the long term

Questions

Appendix: Supplementary Information

Wesfarmers

Group management balance sheet – overview

Year ended 30 June ($m)[1]	2018	2017	Commentary
Inventories	6,011	6,530	Detailed working capital discussion provided on slide 54
Receivables & prepayments	1,939	1,936	
Trade & other payables	(6,552)	(6,616)	
Other	492	410	
Net working capital	**1,890**	**2,260**	
Property, plant & equipment	8,408	9,440	• Decrease due to divestments of Curragh & BUKI
Intangibles	17,860	18,936	• Decrease due to divestment of BUKI & impairment in Target, partially offset by purchase of Kmart brand name for $100m
Other assets	970	622	
Provisions & other liabilities	(3,187)	(3,676)	• Lower rehabilitation provisions as a result of the divestment of Curragh & lower provisions due to the divestment of BUKI
Total capital employed	**25,941**	**27,582**	
Net debt exc. financial services debt[2]	(3,580)	(4,321)	• Decrease due to repayment of US bond in March 2018 & higher cash on hand
Net tax balances	393	680	• Decrease partially due to write-off of BUKI deferred tax asset
Total net assets	**22,754**	**23,941**	

1. The above balances reflect the management balance sheet, which is based on different classification & groupings from the balance sheet in the Appendix 4E.
2. Net debt including cross currency swap assets / liabilities & for 2017, excluding financing of credit book relating to the Coles credit card.

Balance sheet – working capital

Year ended 30 June ($m)[1]	2018	2017	Commentary
Inventories	6,011	6,530	• Decrease reflects divestments of Curragh & BUKI, partially offset by increase in BANZ due to network growth
Receivables & prepayments	1,939	1,936	
Trade & other payables	(6,552)	(6,616)	• Decrease reflects divestments of Curragh & BUKI, partially offset by higher purchases & accruals in Coles & WesCEF
Other	492	410	• Higher cash in transit as 30 June 2018 was a Saturday
Net working capital	**1,890**	**2,260**	

1. The above table refers to balance sheet movements only. Working capital movements as shown on slide 11 exclude non-cash movements which are included in the table above.

Retail store networks

As at 30 June 2018

More than 3,800 locations across Australia & New Zealand

Brand	NSW/ACT	VIC	QLD	SA	WA	TAS	NT	NZ	Total
Bunnings									
Warehouse	76	57	43	14	32	7	3	27	259
Smaller format	18	13	15	3	9	-	-	20	78
Trade	7	4	7	2	3	1	-	8	32
Total Bunnings	**101**	**74**	**65**	**19**	**44**	**8**	**3**	**55**	**369**
Coles									
Supermarkets	253	208	171	56	97	16	8	-	809
Liquor	281	215	240	35	120	-	8	-	899
Hotels	1	-	76	7	4	-	-	-	88
Convenience	215	198	142	45	85	15	11	-	711
Total Coles	**750**	**621**	**629**	**143**	**306**	**31**	**27**	**-**	**2,507**
Department Stores									
Kmart	57	54	46	15	27	5	3	21	228
KTAS	76	73	56	17	26	4	4	-	256
Target – Large	59	47	34	18	22	5	2	-	187
Target – Small	39	25	29	9	12	1	1	-	116
Total Department Stores	**231**	**199**	**165**	**59**	**87**	**15**	**10**	**21**	**787**
Officeworks	**57**	**50**	**29**	**10**	**16**	**2**	**1**	**-**	**165**

Industrial & Safety distribution network

As at 30 June 2018

462 locations with 175 branches, 220 gas distribution points & 67 Workwear franchises

Brand	NSW/ ACT	VIC	QLD	SA	WA	TAS	NT	NZ	Other[1]	Total
Blackwoods	19	14	21	6	20	3	3	35	1	122
Workwear Group (incl. 67 franchised)	21	17	29	5	14	2	1	1	2	92
Coregas (incl. 220 distribution points)	82	25	56	26	17	1	3	28	-	238
Greencap	4	1	1	1	1	-	1	1	-	10

1. Other includes one Blackwoods location in Indonesia & two Workwear Group locations in the UAE & the UK.

Revenue reconciliation – Coles

Year ended 30 June ($m)	2018			2017		
	Food & Liquor	Conv.	Total	Food & Liquor	Conv.	Total
Segment revenue (Gregorian)[1]	**33,627**	**5,761**	**39,388**	**33,084**	**6,133**	**39,217**
Less: Other revenue	(231)	(18)	(249)	(374)	(12)	(386)
Headline sales (Gregorian)	**33,396**	**5,743**	**39,139**	**32,710**	**6,121**	**38,831**
Less: Gregorian adjustment[2]	(111)	(19)	(130)	(98)	(8)	(106)
Headline sales revenue (Retail)[3]	**33,285**	**5,724**	**39,009**	**32,612**	**6,113**	**38,725**

1. Segment revenue for Food & Liquor includes property revenue for 2018 of $13m & 2017 of $16m.
2. Adjustment to headline sales revenue to reflect retail period end.
3. 2018 for Coles reflects the 52 week period 26 June 2017 to 24 June 2018 & 2017 reflects the 52 week period 27 June 2016 to 25 June 2017.

Revenue reconciliation – Department Stores

Year ended 30 June ($m)	2018	2017
Segment revenue (Gregorian)	**8,837**	**8,528**
Less: Non sales revenue	(4)	(5)
Headline sales (Gregorian)	**8,833**	**8,523**
Less: Gregorian adjustment[1]	(26)	(22)
Headline sales revenue (Retail)[2]	**8,807**	**8,501**

1. Adjustment to headline sales revenue to reflect retail period end.
2. 2018 for Kmart reflects the 52 week period 26 June 2017 to 24 June 2018 & 2017 reflects the 52 week period 27 June 2016 to 25 June 2017.
   2018 for Target reflects the 52 week period 25 June 2017 to 23 June 2018 & 2017 reflects the 52 week period 26 June 2016 to 24 June 2017.

Wesfarmers