2014 Full-Year Results
Debt Investor Update

August 2014

100 years Thousands of stories

Wesfarmers

Group Performance Highlights

Group performance summary

Year ended 30 June ($m)	2014	2013	%
Revenue	62,348	59,832	*4.2*
EBITDA	5,273	4,729	*11.5*
EBIT	4,150	3,658	*13.4*
EBIT (excluding NTIs)[1]	3,786	3,658	*3.5*
EBIT from continuing operations (excluding NTIs)[1]	3,566	3,453	*3.3*
Finance costs	(363)	(432)	*16.0*
Net profit after tax	2,689	2,261	*18.9*
Net profit after tax (excluding NTIs)[1]	2,398	2,261	*6.1*
Operating cash flow	3,226	3,931	*(17.9)*
Fixed Charges Cover (times)	3.2	3.0	*6.7*
Cash Interest Cover (times)	15.9	12.2	*30.3*

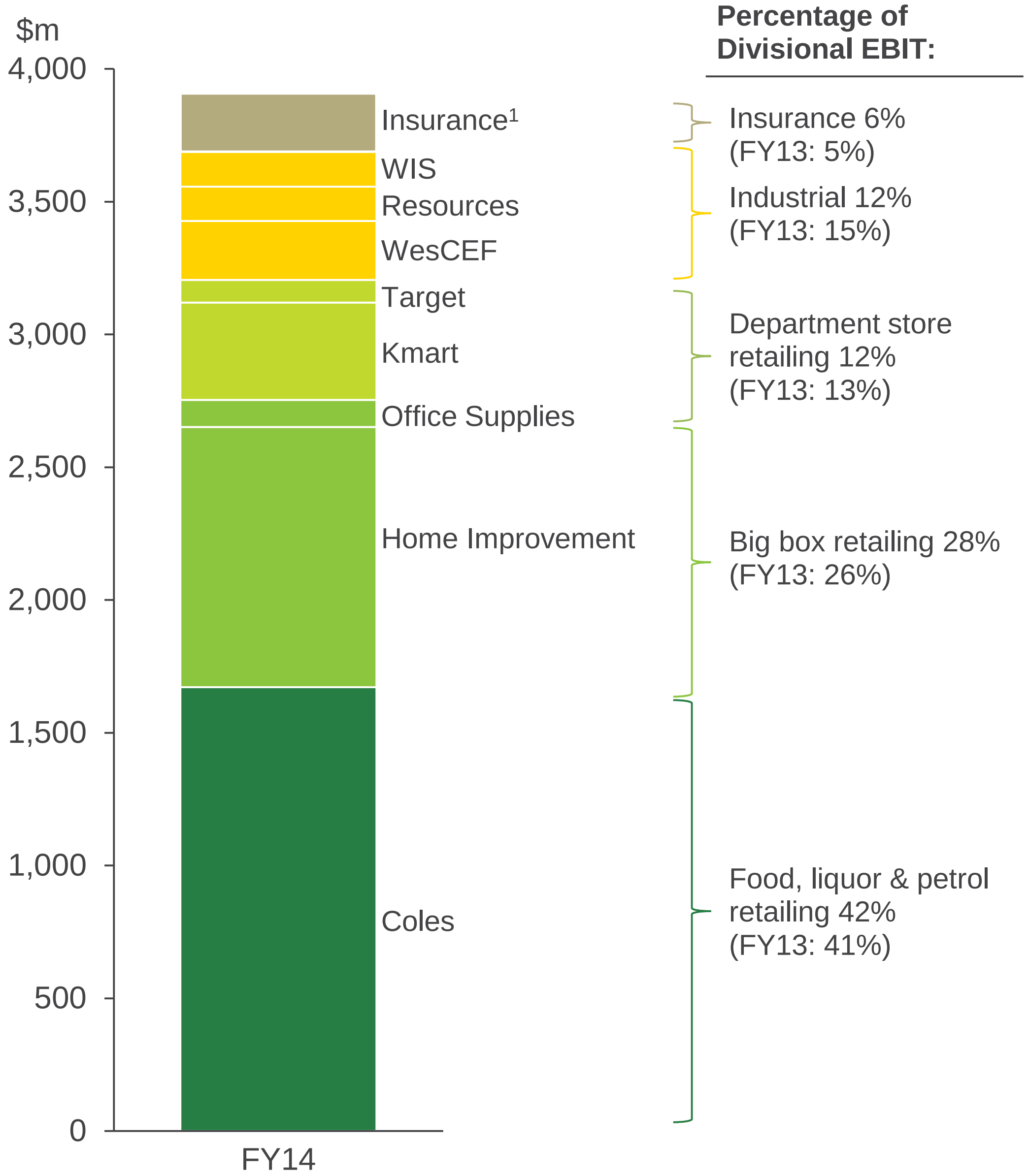
[1] 2014 includes $364 million of pre-tax NTIs ($291 million on a post-tax basis).

Financial highlights

- Solid increase in underlying profit
- Non-trading items (NTIs) contributed $291 million of after-tax profit for the year
- Underlying earnings growth largely driven by:
  - Stronger performances in Coles & Bunnings
  - Lower financing costs
- Strong focus on disciplined capital deployment & portfolio management demonstrated
  - Divestment of Insurance division & 40% interest in Air Liquide WA (ALWA)
- Final ordinary dividend of $1.05 per share declared, special 'Centenary' dividend of $0.10 per share declared & capital management of $1.00 per share announced
- Maintained strong balance sheet, access to capital & rating metrics headroom
- Continued to leverage & build human resource capability

Strength through diversified earnings

Divisional EBIT



Year ended 30 June ($m)	2014	2013	%
Coles	1,672	1,533	*9.1*
Home Improvement	979	904	*8.3*
Office Supplies	103	93	*10.8*
Kmart	366	344	*6.4*
Target	86	136	*(36.8)*
WesCEF	221	249	*(11.2)*
Resources	130	148	*(12.2)*
Industrial & Safety	131	165	*(20.6)*
Insurance[1]	220	205	*7.3*
Divisional EBIT	3,908	3,777	*3.5*
Other (excluding NTIs)	(122)	(119)	*(2.5)*
Non-trading items	364	-	*n.m.*
Group EBIT	4,150	3,658	*13.4*

[1] 2014 includes an increase in reserve estimates for the 22 February 2011 Christchurch earthquake (EQ2) of $45 million.

Divisional performance highlights

Coles

- Earnings growth driven by improvements in customer value, increased fresh sales, a better store experience & lower costs of doing business
- Increased customer transactions, basket size & fresh participation
- Continued investment of operational efficiencies into lower prices
- Liquor underperformance
- Lower fuel volumes, affected by capping of fuel discounts & higher fuel prices, reduced Convenience earnings

Bunnings

- Earnings increased strongly with improved sales momentum & growth in all regions & customer segments
- Effective property recycling supported return on capital uplift

Officeworks

- Sound execution of the ‘every channel’ strategy
- Category innovation & working capital improvements
- Strong improvements in earnings & return on capital

Divisional performance highlights (cont'd)

Kmart

- Earnings growth driven by further improvements in merchandising & store productivity
- Further growth in customer transactions & units sold
- Accelerated renewal activity

Target

- Lower margins from price deflation in a strongly competitive market
- Activity to turnaround business included many changes to processes & operations

WesCEF

- AN3 capacity expansion construction completed within time & to budget
- Chemicals earnings affected by planned & unplanned plant shutdowns
- Kleenheat Gas earnings affected by continued deterioration in LPG production economics
- Fertiliser earnings recovery

Divisional performance highlights (cont'd)

Resources

- Lower export coal prices affected revenue
- Strong focus on cost control
- Improved production & sales volume performance

Industrial & Safety

- Challenging industrial supply market conditions
- Focused on increasing market share of existing customers through product & category expansion
- Strong focus on cost control & network optimisation

Insurance

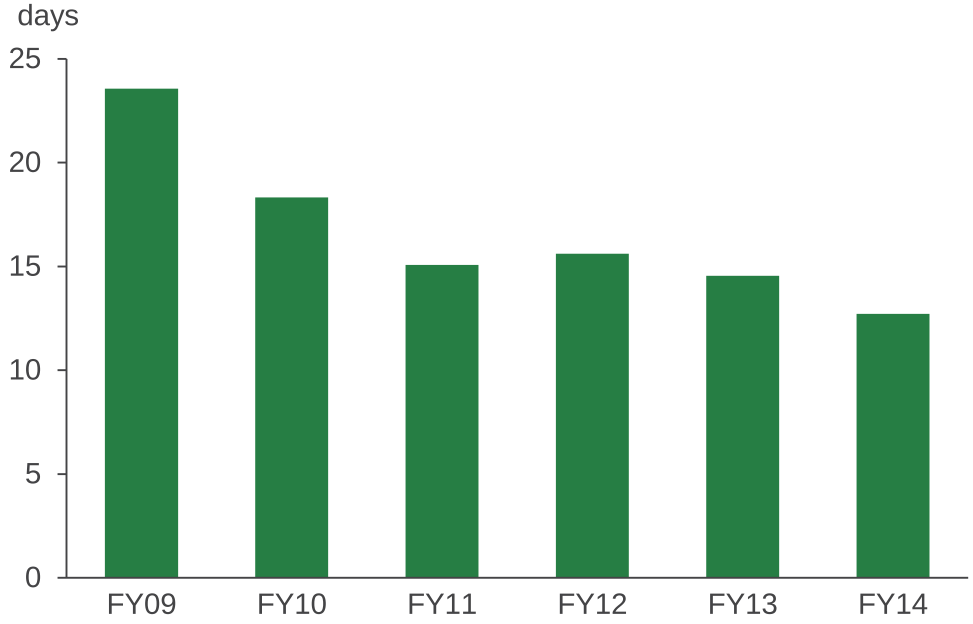
- Good result given divestment transaction activities for majority of year
- Growth in Coles personal lines, improved loss ratios & favourable claims experiences in Australian underwriting contributed to earnings growth
- Lower broking earnings due to an 11 month contribution

Working capital management

- Further reduction in net working capital days supported by business growth (1.8 days or 12.5% reduction in FY14; 10.8 days reduction since FY09)
- Reduced working capital cash flows in FY14
  - Year-end timing differences resulting in additional creditor payment run for Coles
  - Strong retail network growth driving increased inventory
  - Non-repeat of working capital turnaround in Kmart

Year ended 30 June ($m)	2014	2013
Cash movement inflow/(outflow)[1]:		
Receivables & prepayments	26	7
Inventory	(266)	(17)
Payables	(91)	552
Total	(331)	542
Working capital cash movement:		
Retail	(323)	577
Other	(8)	(35)
Total	(331)	542

Net working capital days[2]

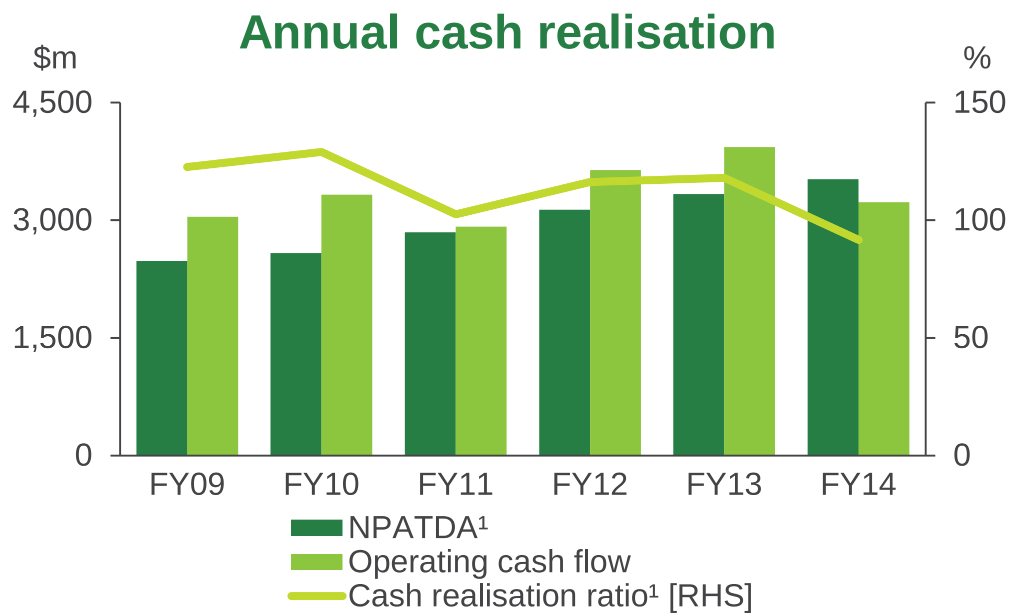


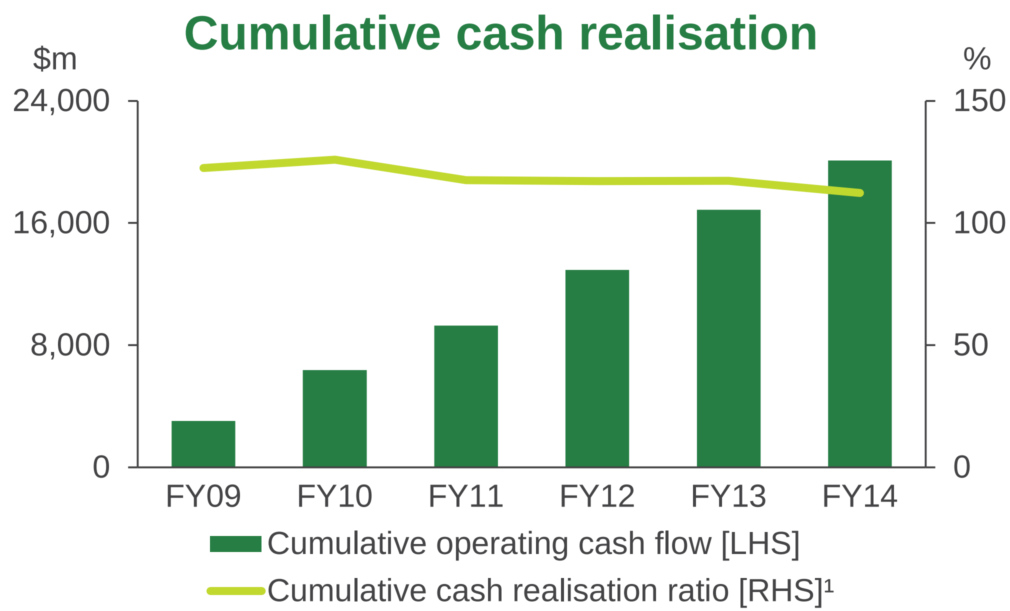
[1] Cash movement relating to inventories, trade & other receivables, prepayments & trade & other payables.

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

Solid operating cash flow generation

- NPATDA growth (excluding NTIs) 5.7% & cash realisation of 92%[1] (101% adjusted for year-end timing differences affecting creditors at Coles)
- Lower cash realisation in FY14 driven by lower working capital cash flows from retail portfolio
- Group remains highly cash generative, albeit historic cash realisation levels expected to moderate
  – Post working capital turnarounds of acquired Coles Group businesses





[1] Adjusted for significant & non-trading items.

Disciplined capital investment

- Effective deployment of capital to capture highest growth & returns opportunities
  - Coles & HIOS comprise 70% of FY14 capex
- Continued investment in store networks of Coles & Bunnings & accelerated Kmart store refurbishment activity
- AN3 & sodium cyanide debottlenecking construction completed
- Proactive management of property portfolio driving accelerated disposal activity
  - Proceeds from sale of PPE of $1,017 million up $358 million
- FY15 net capex estimate of $1.5 to $1.9 billion
  - Subject to net property investment

Year ended 30 June ($m)[1]	2014	2013	%
Coles	1,016	1,187	*(14.4)*
HI & OS	557	549	*1.5*
Kmart	162	95	*70.5*
Target	78	81	*(3.7)*
WesCEF	172	262	*(34.4)*
Resources[2]	163	79	*106.3*
Industrial & Safety	51	50	*2.0*
Insurance	31	25	*24.0*
Other	3	3	-
Total capital expenditure	2,233	2,331	*(4.2)*
Sale of PP&E	(1,017)	(659)	*54.3*
Net capital expenditure	1,216	1,672	*(27.3)*

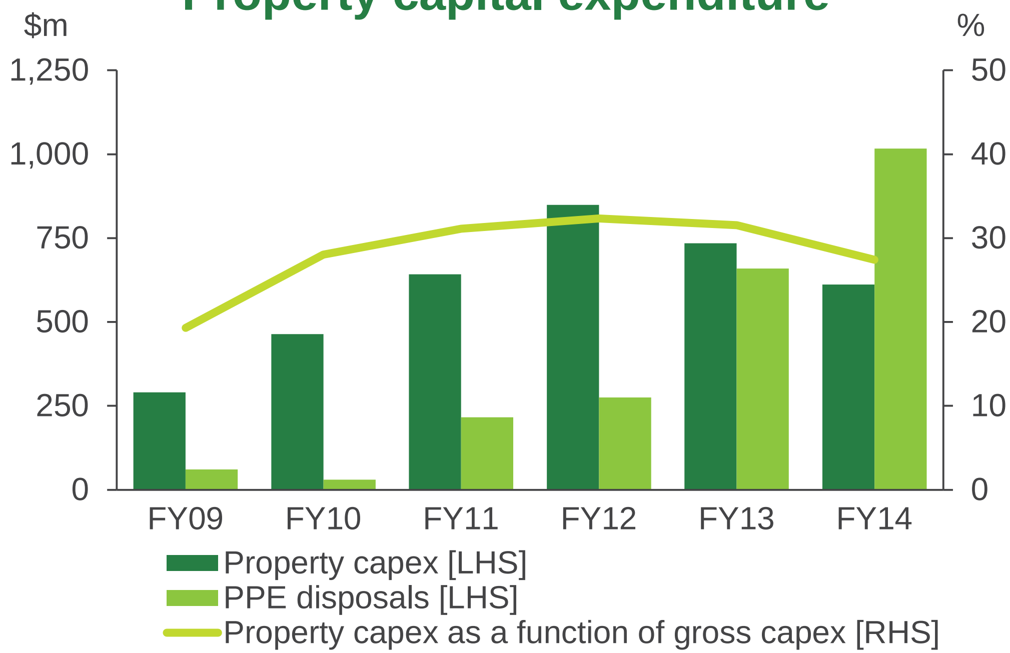
[1] Capital investment provided on a cash basis.

[2] 2014 includes the acquisition of MDL 162 for $70 million.

Property disposals increased

- Reduced net property capex driven by increased disposals
- Recent transactions
  - Sale & leaseback of 12 Bunnings stores to BWP Trust in FY14 realising $282 million
  - Sale & leaseback of 15 Bunnings warehouse properties via securitised lease transaction in August 2013 realising $309 million
  - Continued use of ISPT JV for Coles disposals (23 sites in JV)

Property capital expenditure



Coles

Coles performance summary

Year ended 30 June ($m)		2014	2013	↕ %
Coles Division	Revenue	37,391	35,780	*4.5*
	EBIT[1]	1,672	1,533	*9.1*
Food & Liquor	Revenue[2]	29,220	27,933	*4.6*
	Headline sales growth (%)[3,4]	4.7	5.5	
	Comparative sales growth (%)[3,4]	3.7	4.3	
	Trading EBIT[1,5]	1,536	1,368	*12.3*
	EBIT margin (%)	5.3	4.9	
Convenience	Revenue	8,171	7,847	*4.1*
	Total store sales growth (%)[3]	6.0	1.5	
	Comp fuel volume growth (%)[3]	(3.9)	2.3	
	Trading EBIT	136	165	*(17.6)*

[1] 2014 excludes a $94 million provision relating to restructuring activities within the Coles Liquor business (reported as a NTI).

[2] Includes property revenue for 2014 of $26 million & for 2013 of $28 million.

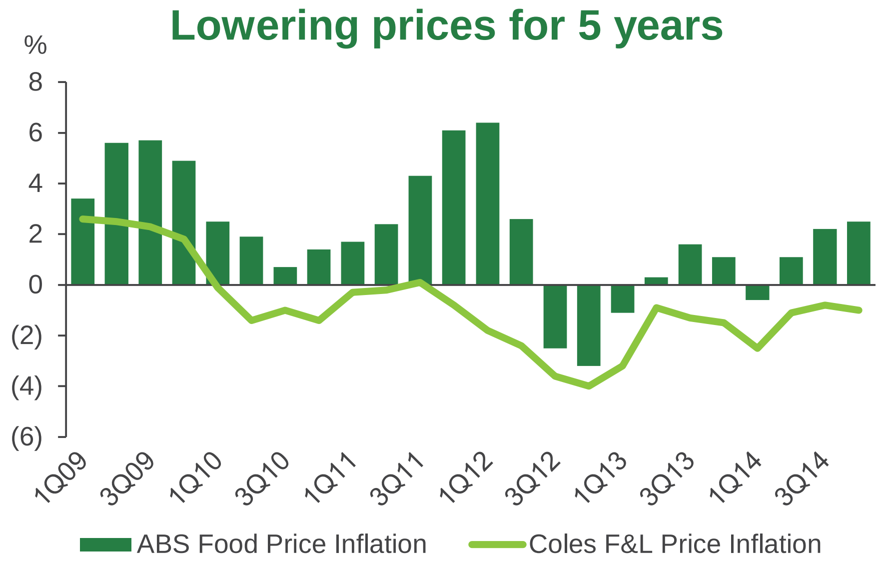
[3] 2014 growth reflects the 52 week period 1 July 2013 to 29 June 2014 & the 52 week period 2 July 2012 to 30 June 2013. 2013 growth reflects the 53 week period 25 June 2012 to 30 June 2013 & the 53 week period 27 June 2011 to 1 July 2012.

[4] Includes hotels, excludes gaming revenue & property.

[5] Includes property EBIT for 2014 of $20 million & for 2013 of $16 million.

Food & Liquor highlights
Focus on value, freshness & innovation

- Continued value leadership
  - ‘Celebrate Specials’, ‘Deeper Down Down’
  - Targeted value offers with ‘spend get cash’, ‘spend get points’ & ‘choose your offer’
  - Greater investment in trusted pricing going forward
- Further investment in fresh food & innovation
  - Supporting Australian suppliers with longer term, more collaborative relationships
  - New 10 year contract with Murray Goulburn to supply Coles brand milk to over 400 stores
  - Trialling new formats & displays e.g. scoop & weigh, open bread displays

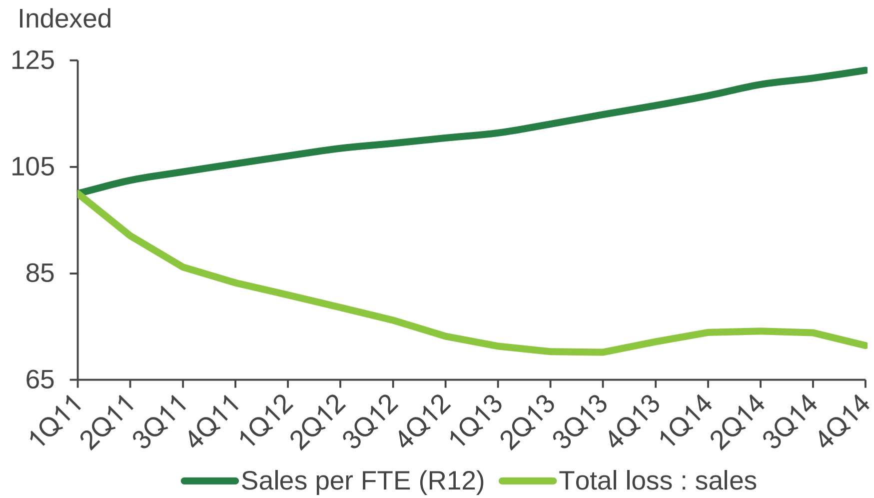


Open bread displays

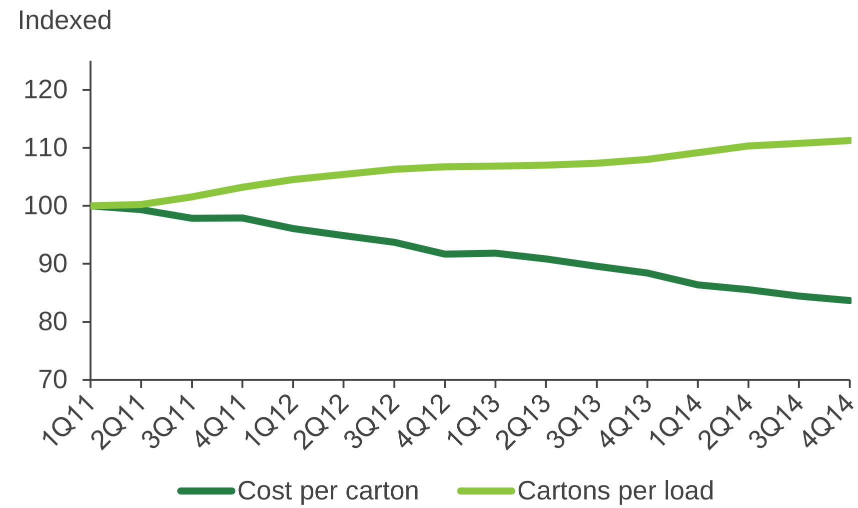
Food & Liquor highlights
Simplify supply chain & operations

- Simplified in-store operations
  - 430+ stores with ‘Easy Ordering’ for meat & bakery
  - Roll-out fresh produce ‘Assisted Ordering’
  - Reduced queue time with more than 5,000 assisted check-outs across 633 stores
  - Lowered total loss with ‘Sell More, Lose Less’
- More productive end-to-end supply chain
  - Continued to right-size the DC network
  - Ongoing improvements in DC productivity
  - Further optimisation of transport with better planning, greater utilisation & investing in more Coles owned trailers
- Investment for future efficiencies
  - Ongoing investment in new point-of-sale & workforce management systems

Continuing towards simpler store operations



Ongoing gains in supply chain efficiency



Food & Liquor highlights
Bold extension into new channels & services

- Expansion of financial services
  - Agreement to form a financial services joint venture with GE Capital Australia (August 2014)
  - Multiple new products launched e.g. 'no fee' credit card, life insurance, Coles Mobile Wallet
  - Expansion of $10 off groceries for financial services customers via flybuys redemption
- Deeper data analytics through flybuys to deliver greater value to customers
  - Two new flybuys partners driving more ways to earn
  - More than two million unique 'My Weekly Specials' emails a week
- Strong growth in Coles Online following relaunch
  - New customers up 48% & traffic up more than 70% in FY14

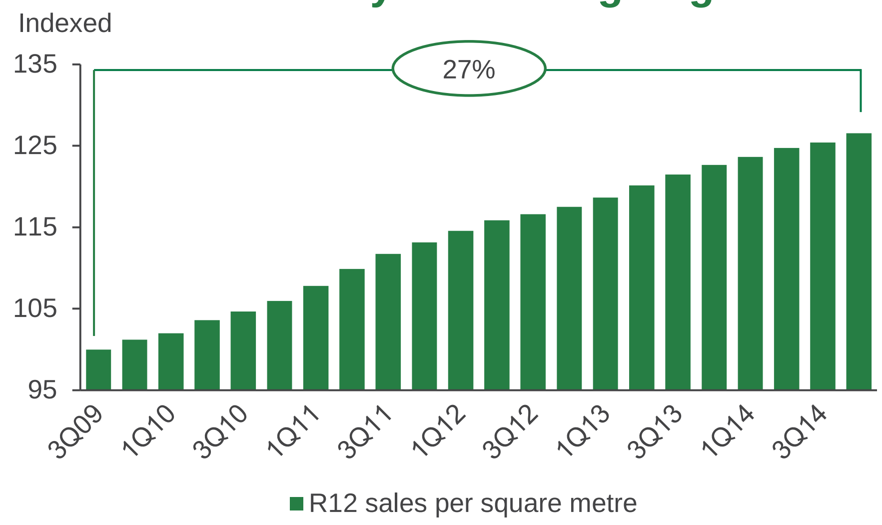
Coles Mobile Wallet

'My Weekly Specials' emails

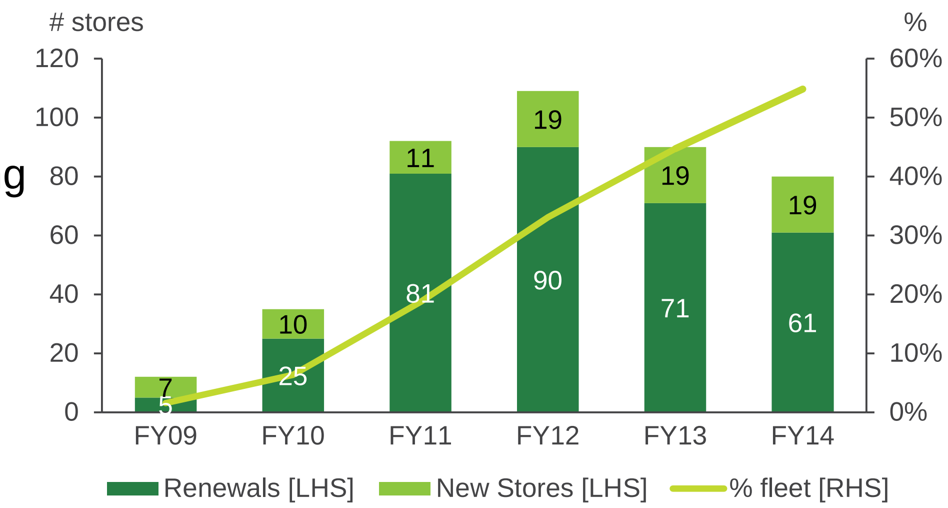
Food & Liquor highlights
Delivery of a better supermarket store network

- Continued sales density growth
  - Rebalancing ‘macro space’ layouts to optimise sales
- Stronger pipeline supporting increased space growth
  - Net space growth of 2.2% in FY14
  - Continued focus on priority network gaps
- Journey towards a fully renewed fleet
  - 418 stores in renewal format, representing 55% of the fleet
  - Launched eight food service superstores
- Continued to recycle capital
  - 23 properties sold during the financial year, generating $230 million
  - ISPT JV now with 23 properties & growing

Sales density continuing to grow



Journey towards a fully renewed fleet



Home Improvement & Office Supplies

100 years Thousands of stories

Wesfarmers

BUNNINGS warehouse

BUNNINGS

BUNNINGS TRADE

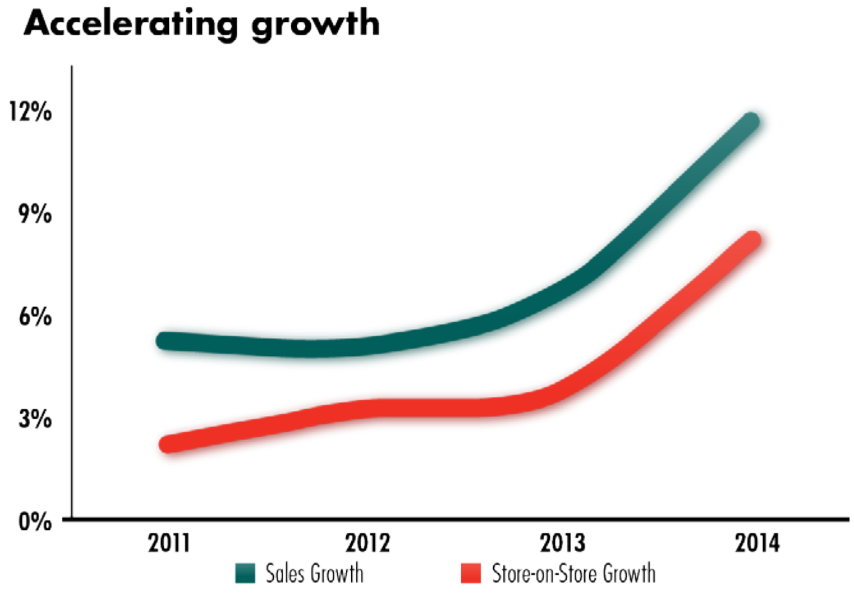
Officeworks

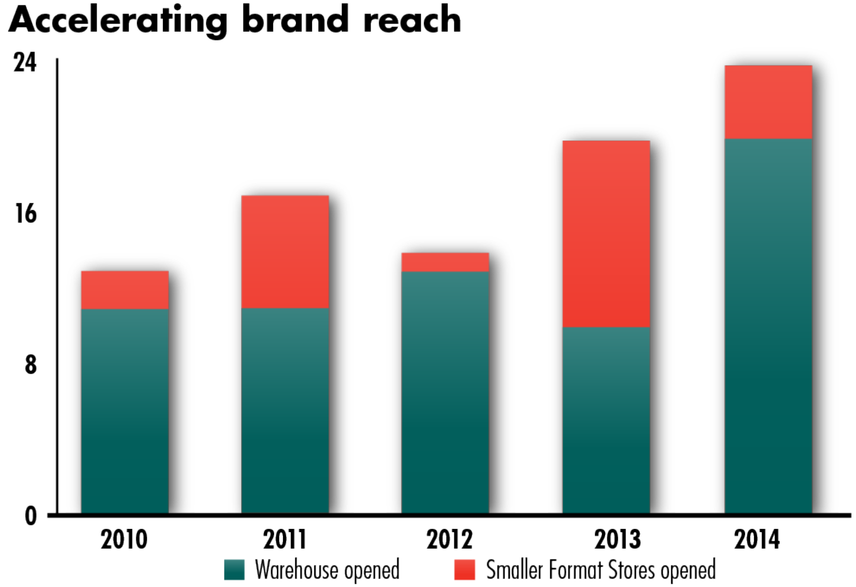
HIOS performance summary

Year ended 30 June ($m)		2014	2013	↕%
Revenue	Home Improvement	**8,546**	7,661	*11.6*
	Office Supplies	**1,575**	1,506	*4.6*
	Total	**10,121**	9,167	*10.4*
EBIT	Home Improvement	**979**	904	*8.3*
	Office Supplies	**103**	93	*10.8*
	Total	**1,082**	997	*8.5*

Home Improvement highlights

- Good sales growth
  - Total store sales growth of 11.7%
  - Good momentum in consumer & commercial
  - Store-on-store growth of 8.4%
- Strong uplifts across core business activities
  - Improving customer outcomes
    - » More value, wider range & better experiences
  - Deeper brand reach
    - » Opened record number of new Warehouses
  - Enhanced stock flow & productivity
- Continued team investments
  - Product knowledge, development & safety
  - Record engagement & retention levels



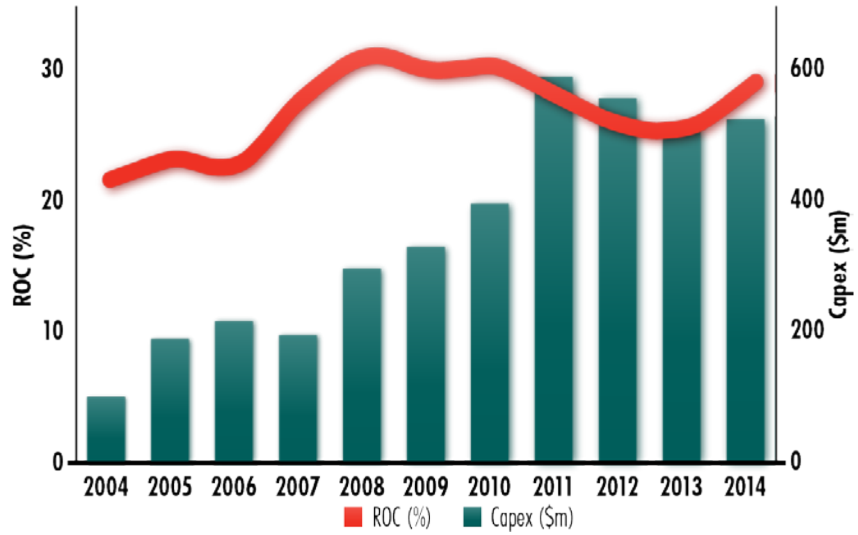


Home Improvement highlights

- Pleasing uplift in earnings
  - Gains from growth agenda & productivity work
  - Absorbing impacts
    - » Accelerated network development
    - » Creating more customer value
- High rate of network expansion continuing
  - Opened 20 warehouse stores in FY14
  - Expected to open at least 20 warehouse stores in FY15 & FY16
- ROC trending as planned
  - Growth investment delivering return uplift
  - Strong & innovative capital management

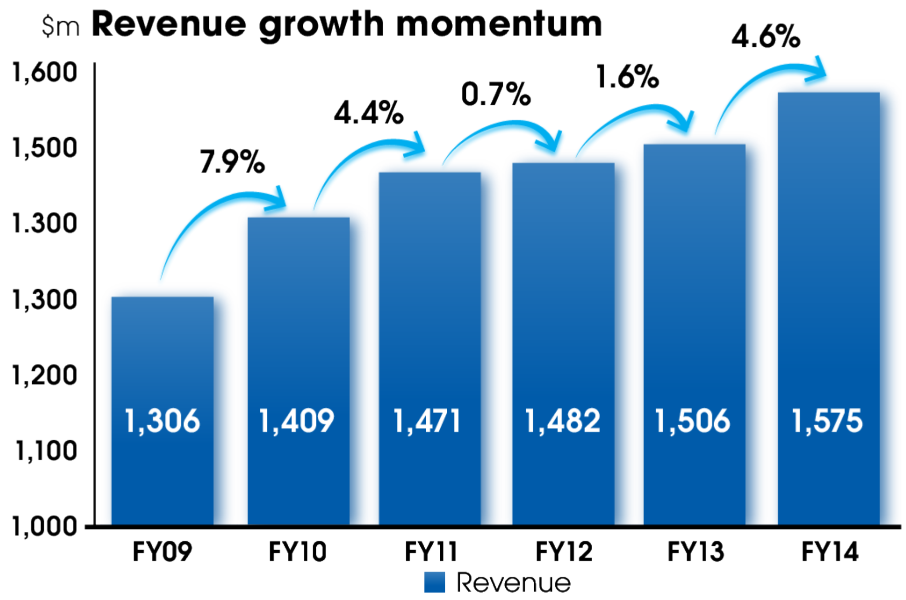
Investing to deliver the best offer everywhere

Investing for growth & delivering returns



Office Supplies highlights

- Pleasing revenue growth of 4.6%
  - Six years of continued store transaction growth
    - » 30 million store transactions achieved in FY14
  - Good outcomes from new ranges & layouts
  - Continued growth in online volumes
    - » Annualised online sales c.$190m

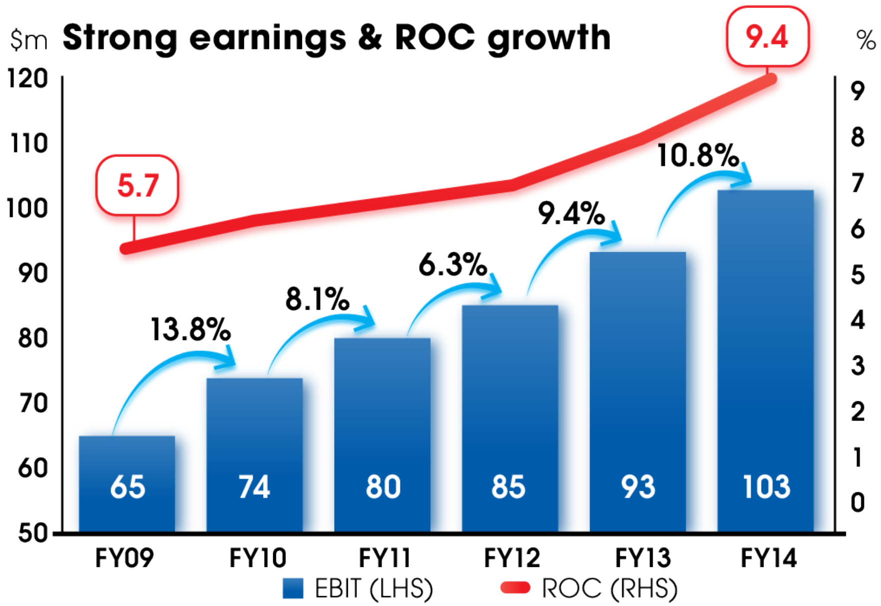


- Strong earnings growth of 10.8%
  - Achieved +$100m EBIT for first time
  - Five year EBIT CAGR of 9.6%
  - Ongoing focus on:
    - » Reducing CODB
    - » Driving productivity

Office Supplies highlights

- ‘Every Channel’ strategy continued to gain traction
  - Enhanced online platform launched
  - Six new stores opened
  - Strong gains in B2B market

- Strong growth in ROC of 15.8% driven by
  - Earnings growth
  - Business model productivity
  - Disciplined capital management



Kmart


Kmart
welcome
customer service
party


kids home clothing


mens

Kmart performance summary

Year ended 30 June ($m)	2014	2013	↕%
Revenue	**4,209**	4,167	*1.0*
EBIT	**366**	344	*6.4*
EBIT margin (%)	**8.7**	8.3	
Total sales growth[1] (%)	**0.9**	2.7	
Comparable store sales growth[1] (%)	**0.5**	2.1	

[1] 2014 growth reflects the 52 week period 1 July 2013 to 29 June 2014 & the 52 week period 2 July 2012 to 30 June 2013. 2013 growth reflects the 53 week period 25 June 2012 to 30 June 2013 & the 53 week period 27 June 2011 to 1 July 2012.

Kmart highlights

- Kmart's strategy continues to resonate with customers
  - 18 consecutive quarters of growth in transactions & units sold
  - Price leadership driving volume
- Growth in revenue, EBIT & return on capital
  - Enhanced range architecture
  - Improved productivity through end-to-end process engineering
  - Sourcing, pricing, inventory management & costs of doing business gains offset depreciation of A$
- Continued investment in store network
  - Opened five new Kmart stores & three new Kmart Tyre & Auto Service centres
  - Completed 16 major Kmart store refurbishments

Target


GREAT QUALITY
low prices
EVERY DAY
essentials
Hangers
12 pack
$2 50
Pick up a bag
that changes lives
Target proudly supports
The Alannah and Madeline Foundation
Target
$2 50

Target performance summary

Year ended 30 June ($m)	2014	2013	↕%
Revenue	**3,501**	3,658	*(4.3)*
EBIT[1]	**86**	136	*(36.8)*
EBIT margin (%)	**2.5**	3.7	
Total sales growth[2] (%)	**(4.2)**	(1.7)	
Comparative store sales growth[2] (%)	**(5.3)**	(3.3)	

[1] 2014 excludes a $677 million impairment of Target's goodwill (reported as a NTI).

[2] 2014 growth reflects the 52 week period 30 June 2013 to 28 June 2014 & the 52 week period 1 July 2012 to 29 June 2013. 2013 growth reflects the 53 week period 24 June 2012 to 29 June 2013 & the 53 week period 26 June 2011 to 30 June 2012.

Target highlights

- A challenging year with earnings affected by progressive introduction of a 'first price, right price' strategy resulting in price deflation ahead of sourcing benefits
- Implementation of many changes to fix the basics; adverse earnings impact offset by a number of benefits which are not to be repeated
  - High levels of clearance of aged & seasonal stock (affected launch of spring/summer 2014 range) [-]
  - Non-repeat of heavy promotional activity of prior year (mixed customer reaction to reduced levels of promotional activity) [-]
  - Changes to inventory processes & return of stock loss performance to historical levels [+]
  - Lower costs of doing business mainly due to reduced consulting costs [+]
- Transformation plan progressed despite challenging trading:
  - New leadership team in place
  - Clear purpose & strategy in place with a focus on delivery
  - Where product is right, sales have improved
  - Customer transactions have stabilised

Resources

Resources performance summary

Year ended 30 June ($m)	2014	2013	↕%
Revenue	**1,544**	1,539	*0.3*
Royalties[1]	**(221)**	(262)	*15.6*
Mining & other costs	**(1,033)**	(978)	*(5.6)*
EBITDA	**290**	299	*(3.0)*
Depreciation & amortisation	**(160)**	(151)	*(6.0)*
EBIT	**130**	148	*(12.2)*
Coal production ('000 tonnes)	**15,759**	13,730	*14.8*

[1] Includes Stanwell rebate expense for 2014 of $102 million & for 2013 of $154 million.

Resources highlights

- Continued improvement in safety performance
  - 12 months lost time injury free (March 2013 to February 2014)
  - Strong safety performance with good reduction in LTIFR
- Record production & sales of metallurgical coal during FY14
- Continued focus on cost control & productivity improvement at Curragh
  - Achieved unit mine cash costs in 2H FY14 37% below 1H FY12 peak
  - Unit mine cash costs (excluding carbon tax) 11.1% lower than the previous year; favourable geological conditions supported cost performance in 2H FY14
- Lower export prices resulted in further decline in export revenue, partly offset by higher sales volumes in FY14
- Acquisition of MDL162 adjacent to Curragh for $70 million completed in January 2014
- Low capital cost expansion of Bengalla to 10.7mtpa ROM tonnes approved
  - Expanded production expected from FY16

Chemicals, Energy & Fertilisers

Industrial & Safety

Other businesses performance summary

Full-Year ended 30 June ($m)		2014	2013	↕ %
Revenue	Chemicals, Energy & Fertilisers [1]	**1,812**	1,805	*0.4*
	Industrial & Safety	**1,621**	1,647	*(1.6)*
EBIT	Chemicals, Energy & Fertilisers [2]	**221**	249	*(11.2)*
	Industrial & Safety	**131**	165	*(20.6)*

[1] Includes Kleenheat Gas & ALWA (prior to the sale of the 40 per cent interest in ALWA in December 2013).
[2] Includes ALWA earnings for the period prior to divestment in December 2013 (includes $95 million gain on sale of 40 per cent interest in ALWA, reported as a NTI).

Chemicals, Energy & Fertilisers highlights

- $95 million gain on sale of 40% interest in ALWA & agreement to sell Kleenheat Gas east coast LPG distribution business (subject to ACCC clearance)
- Expansion of ammonium nitrate production capacity from 520ktpa to 780ktpa completed within budgeted time & cost
- Lower second-half chemicals earnings than prior year, as previously foreshadowed
  - Repair costs & reduced production from NA/AN2 plant unscheduled outage
  - Ammonia earnings slightly below last year, with strong plant performance largely offset by new gas supply arrangements
  - Sodium cyanide continued to be challenged by less favourable market conditions due to lower gold prices
  - Australian Vinyls performance significantly improved on recent years, although production economics remain challenging
- Kleenheat Gas earnings below prior year reflecting further expected declines in LPG content in Dampier to Bunbury Natural Gas pipeline
- Record harvest & strong grain pricing benefited the financial position for the majority of WA growers, leading to improved fertiliser earnings in the second half

Industrial & Safety highlights

- Sustained market pressures
  - Reduced activity levels & strong cost focus from industrial customers
  - Good momentum in New Zealand & Coregas
- Good progress on realignment of cost base
  - Network rationalised through closure of 25 branches & 7.1% reduction in headcount[1]
  - Investment in state of the art facilities with increased process automation
- Improved alignment to customer needs through unique Business Stream value propositions
- Execution of new growth platforms
  - New home brands gaining strong traction in market
  - Safety services capability enhanced through Greencap acquisition
  - Step change in gas distribution capabilities through Blackwoods / Bunnings channels
  - Developed integrated offers for large customers
- Continued focus on safety behaviours, with improved outcomes (TRIFR) achieved

[1] Excluding Greencap.

Insurance

Insurance performance summary

Year ended 30 June ($m)	2014	2013	↕%
Revenue	**2,167**	2,083	*4.0*
EBITA Underwriting	**168**	136	*23.5*
EBITA Broking[1]	**65**	86	*(24.4)*
EBITA Other	**-**	(4)	*n.m.*
EBITA Insurance Division	**233**	218	*6.9*
EBITA Insurance Division (excluding EQ2)[2]	**278**	218	*27.5*
EBIT Insurance Division	**220**	205	*7.3*

[1] Reflects earnings for 11 months ending 31 May 2014 prior to the sale of the broking & premium funding businesses.

[2] Excludes $45 million impact on underwriting earnings from reserve increases in relation to EQ2.

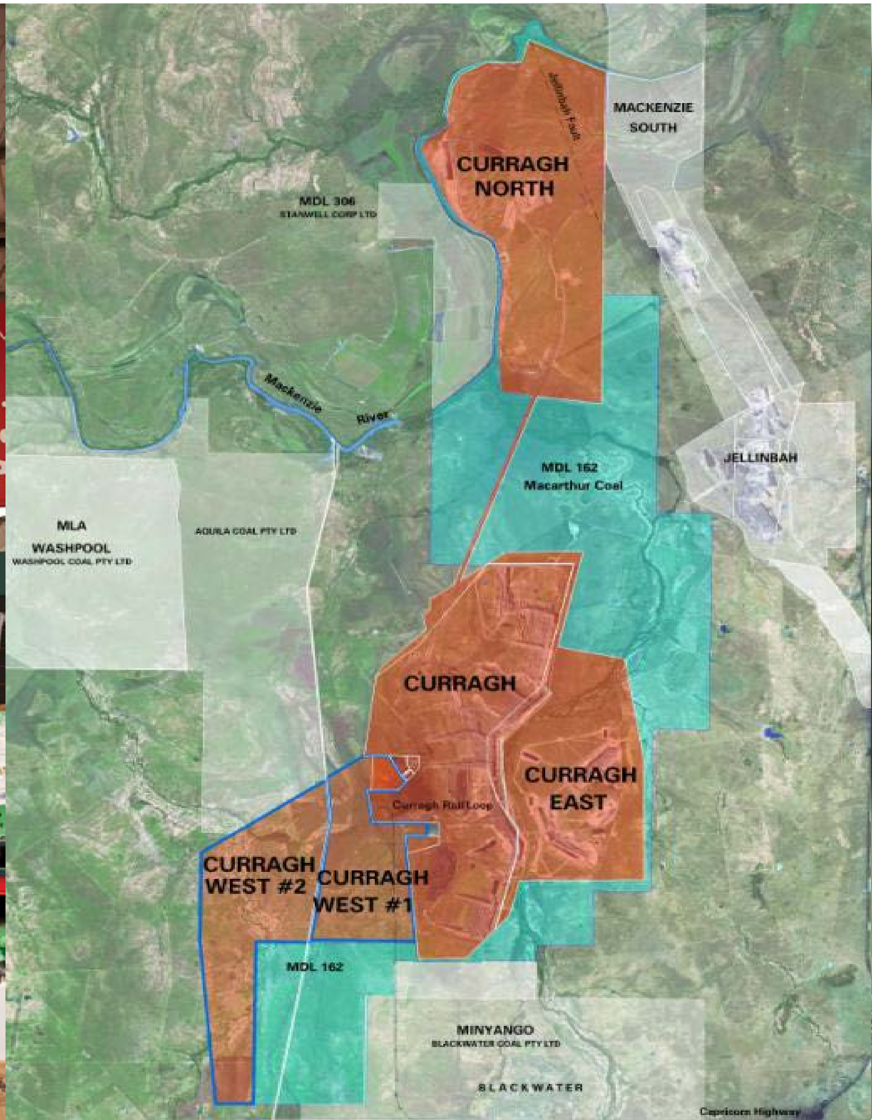
Insurance highlights

- Underwriting
  - Completion of sale of business to Insurance Australia Group on 30 June 2014
  - Continued improvement in loss ratios through disciplined underwriting practices & favourable claims experience across most portfolios
  - Solid growth in gross written premium despite softening in premium rates across commercial classes
  - Strong growth in Coles Insurance personal lines portfolio with policies in force now >350,000
  - Claims from natural perils below internal expectations
  - EQ2 reserves remained stable in the second half, but $45 million higher than 30 June 2013
- Broking
  - Completion of sale of business to Arthur J Gallagher on 16 June 2014 – result reflects 11 months of trading to 31 May 2014
  - Revenue higher & earnings above prior year on a like for like basis
  - Strong revenue & earnings growth in NZ
  - Challenging SME trading conditions & softening premium rates constrained growth in Australia
- Strong contribution from premium funding

Outlook


coles
Hand picked,
hand packed
and hand
delivered.


D.I.Y.
WORKSHOPS
BUNNINGS
warehouse
FOAM MAT
Paint Shop
FOAM MATS


CURRAGH
NORTH
MACKENZIE
SOUTH
MDL 306
STANWELL CORP LTD
Mackenzie
River
JELLINBAH
MDL 162
Macarthur Coal
MLA
WASHPOOL
WASHPOOL COAL PTY LTD
AQUILA COAL PTY LTD
CURRAGH
CURRAGH
EAST
Curragh Rail Loop
CURRAGH
WEST #2
CURRAGH
WEST #1
MDL 162
MINYANGO
BLACKWATER COAL PTY LTD
BLACKWATER
Capricorn Highway

Outlook

Retail

- Growth to be supported by continued improvements to service & customer propositions, investments in value, merchandise innovation & expanded channel reach through optimised store networks & digital platforms
- Focus to continue on increased operational productivity & supply chain efficiency
- Target to continue to undergo significant change as it progresses its transformation plan

Industrial

- Good market positions support a positive long-term outlook
- WesCEF: full-year contribution from expanded ammonium nitrate capacity; planned shutdown, higher gas costs & loss of carbon abatement income expected to adversely affect chemicals earnings; strong recent grain harvest affords a positive outlook for fertilisers, subject to seasonal conditions
- Resources & Industrial & Safety: challenging near-term conditions to continue; ongoing cost reduction focus; well placed to respond to market recovery

Outlook (cont'd)

Group

- Strengthen existing businesses through operating excellence & satisfying customer needs
- Secure growth opportunities through entrepreneurial initiative
- Renew the portfolio through value-adding transactions
- Ensure sustainability through responsible long-term management
- Leverage & build human resource capability
- Continue safety improvement focus

Debt Management

Financial discipline is core to Wesfarmers' strategy

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Maintaining prudent capital structure and strong credit rating is important to Wesfarmers

Ability to raise capital and maintain balance sheet strength

- Recent activity
  - Mar 13: A$350 million 7 year Australian domestic bond
  - Mar 13: US$750 million 5 year Rule 144A bond
  - Apr 13: A$1.25 billion refinancing of syndicated facility with individual bank facilities
  - Nov 13: A$579 million return of capital and share consolidation
  - Dec 13: Reclassification of partially protected shares into Wesfarmers ordinary shares on a one for one basis
  - Jun 14: Receipt of Insurance divestment proceeds of $2.9 billion used to repay bank debt with the remaining balance invested in short term bank deposits
- Future activity
  - Sep 14: A$500 million 5 year domestic bonds maturing
  - Dec 14: A$1.25 billion syndicated facility maturing
  - Dec 14: A$1.1 billion proposed capital management distribution with no impact on credit ratings

Capital management – announced

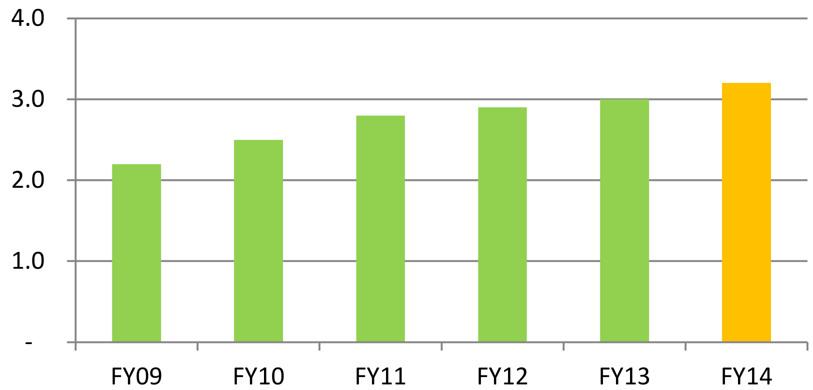
- Capital management of $1.00 per fully-paid ordinary share
  - Distribution to shareholders of approximately $1.1 billion
  - Returns portion of Group's surplus capital equitably to shareholders while maintaining balance sheet flexibility
  - Expected to comprise a capital component representing 65 - 75% of the distribution; fully-franked dividend component to represent the balance
  - Dividend Investment Plan intended to apply to dividend component
  - Equal & proportionate share consolidation to apply to capital component
- Subject to:
  - ATO ruling on taxation treatment
  - Approval by shareholders at AGM (20 November 2014)
- Payment expected in December 2014, subject to approvals

Maintaining strong credit metrics

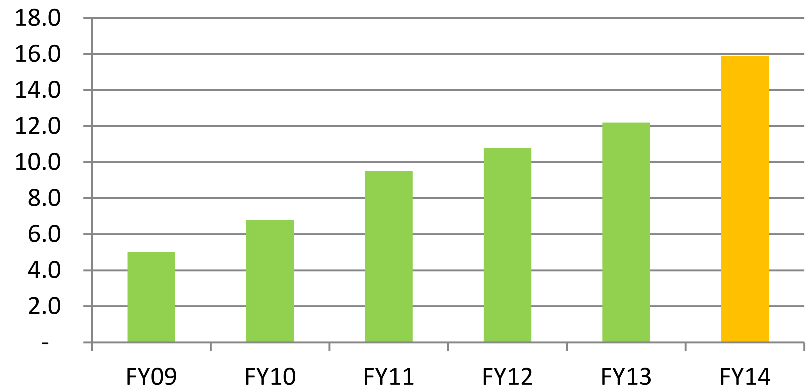
Solid credit metrics

- Strong credit ratings: Moody's A3 (stable); Standard & Poor's A- (stable)
  - Favourable revision of credit metric targets
- Continued strength in Group's debt service position
  - Gross debt of $5.1 billion, net debt of $3.4 billion
  - Strong liquidity position, supported by >$4.0 billion of committed undrawn facilities
  - Improvement in key debt service ratios

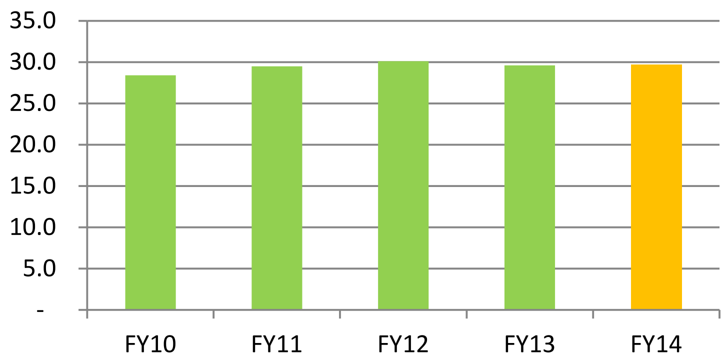
Fixed charges cover ratio (times)



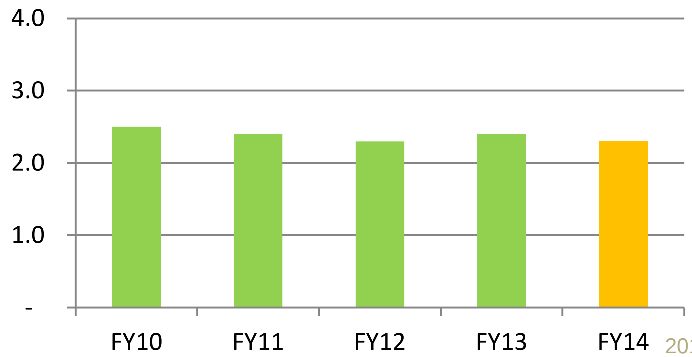
Cash interest cover ratio (times)



S&P FFO / Debt - lease adj. (%)*



S&P Debt / EBITDA – lease adj. (times)*



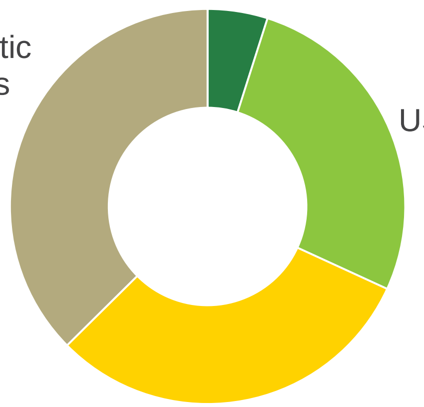
*FY10 to FY13 sourced from S&P & FY14 based on internal Wesfarmers estimates applying methodology used by credit agencies.

Pro-active debt management

Refinancing objectives

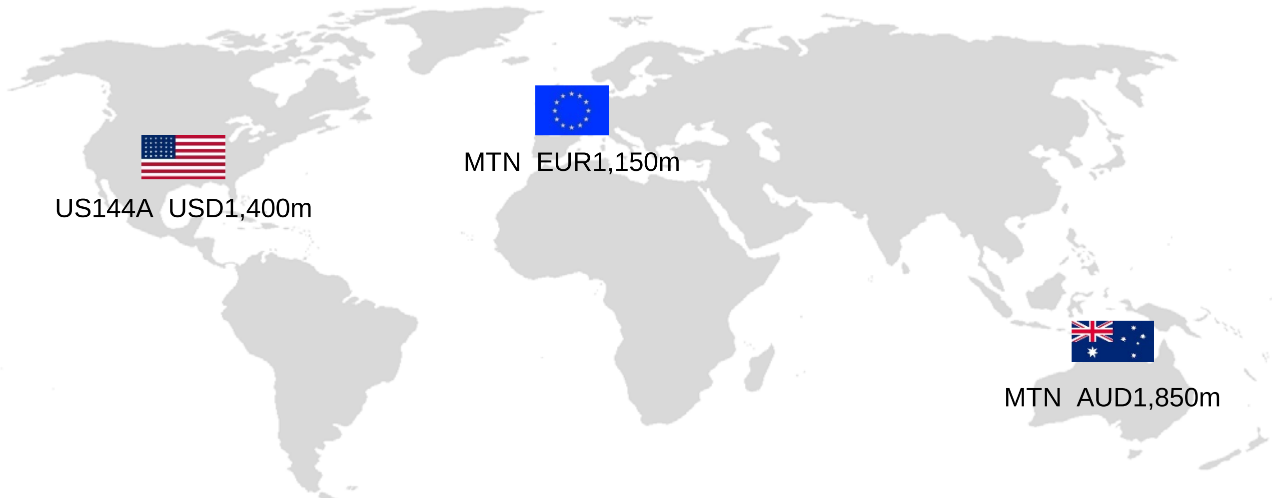
- Focus on extending maturity profile and maintaining liquidity headroom in revolving and bilateral facilities
- Commitment to maintain diversity of funding sources including the domestic and international debt capital markets
- Standard terms and conditions across all DCM programmes, with a common guarantee structure that applies to all funding arrangements

Funding Diversity at 30 June 2014

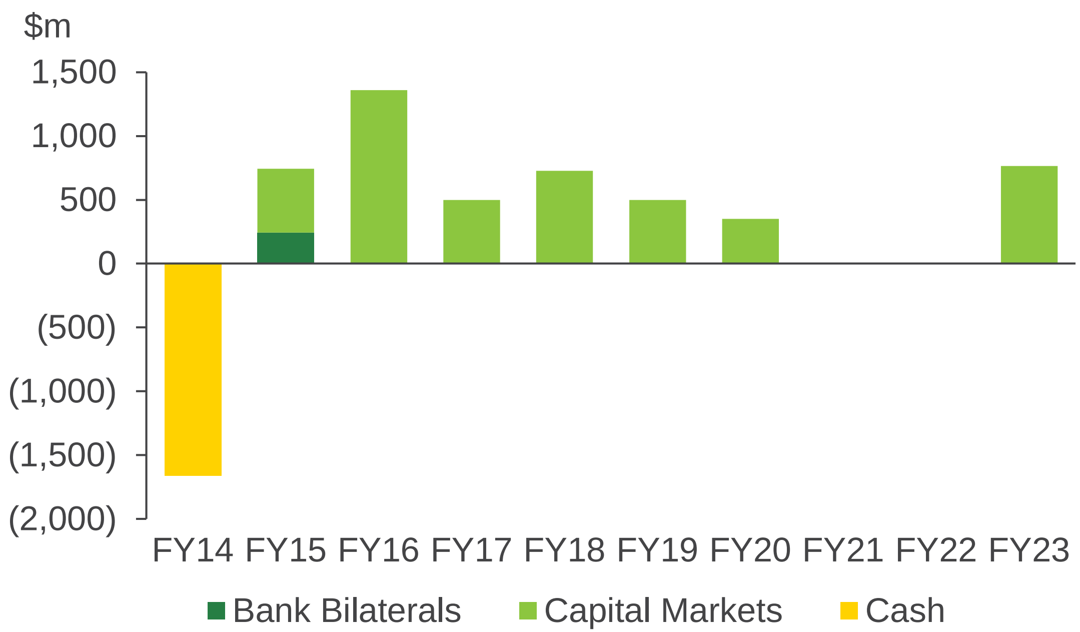


Pro-active debt management

Geographical DCM Funding Diversity



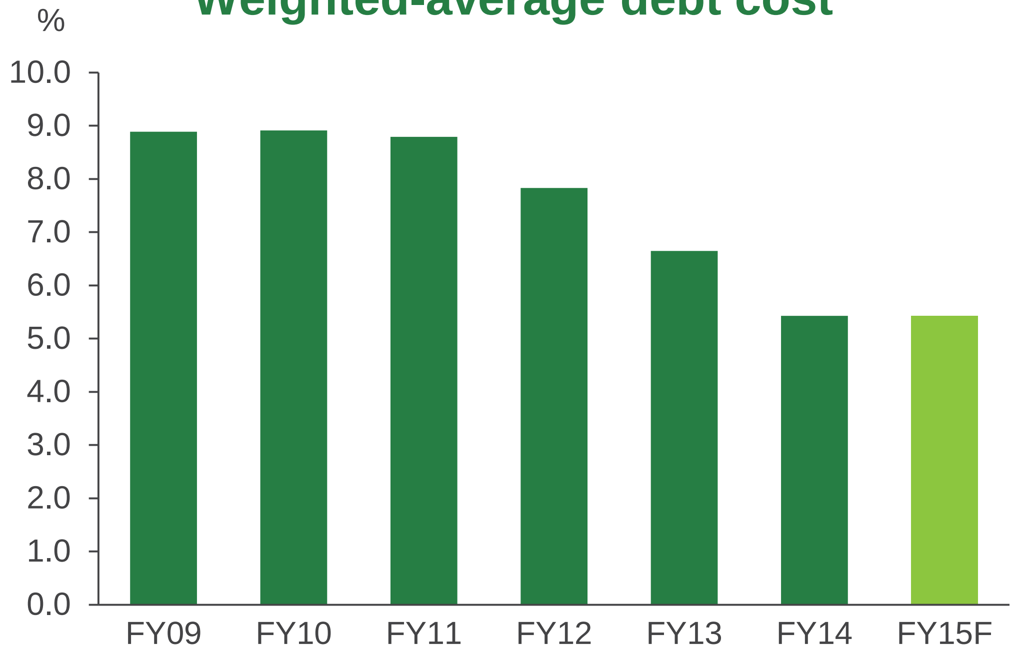
Maturity Profile at 30 June 2014



Further decline in funding costs

- Effective cost of debt reduced in FY14 to 5.4%; FY15F c. 5.4%
- Interest cost savings expected to moderate in FY15
  - Due to debt mix (lower ratio of short-term drawn debt)

Weighted-average debt cost

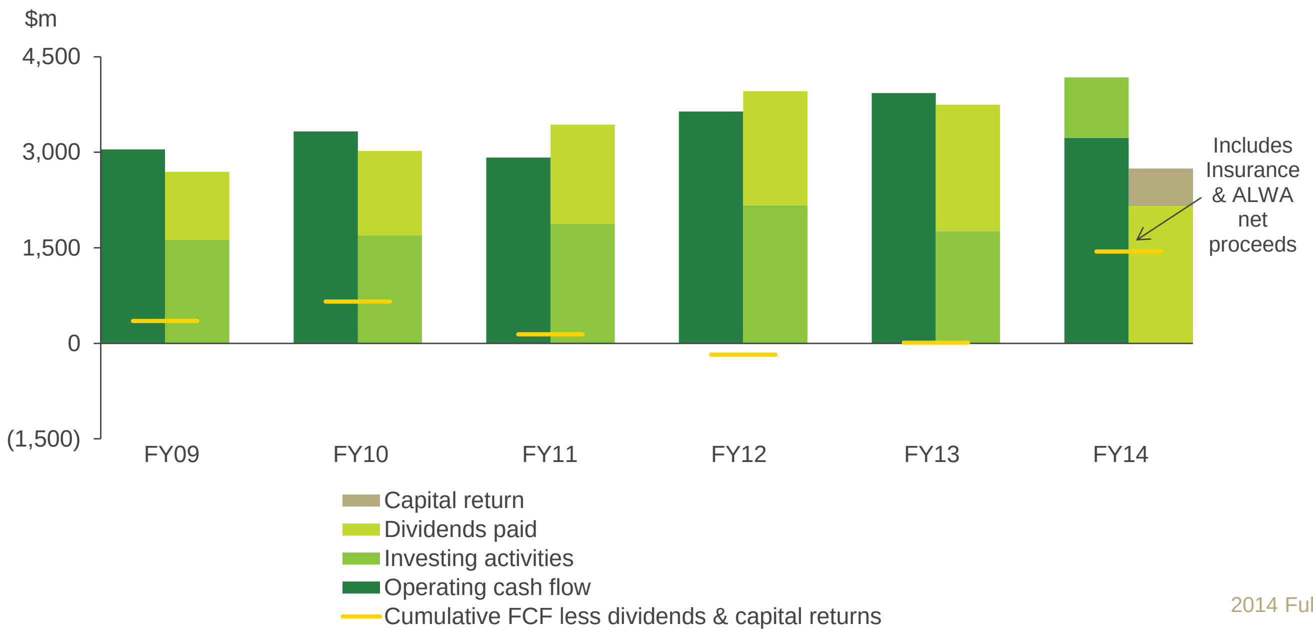


Through the cycle cash flows

Dividend policy

- Dividend policy takes into account through the cycle free cash flow requirements and debt refinancing
- Strong phase of capital expenditure led growth
- Dividend investment plan neutralised since 2008/09 final dividend; potential to preserve cash
- Continued focus on working capital improvements
- Focus on maintaining strong credit metrics
- Potential cash proceeds from future asset sales
  - Retail property, once sites are developed
  - Recycling capital via property monetisation is a current focus for the Group
  - Other asset sales post 30 June 2014 (FY2014 PPE sales $1,017 million)

Net cash flow composition



Questions

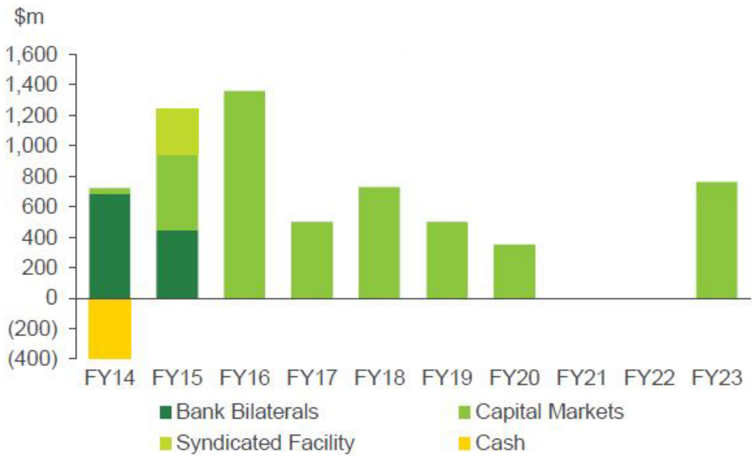
http://www.wesfarmers.com.au/debt-investors.html

Debt Investors

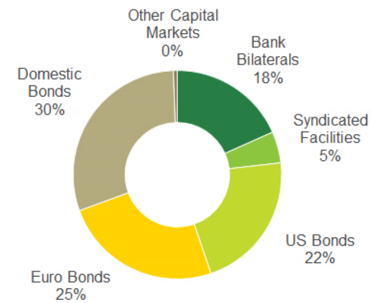
Debt Overview | Key Debt Data | Credit Metrics | Credit Ratings | Debt | Financial Risk Management | Debt Presentations & Results | Contact

		1H FY2014
Long term credit rating *	Standard & Poor's	A- (Stable outlook)
	Moody's	A3 (Stable outlook)
Gross debt (interest-bearing loans and borrowings) (A$m)		6,433
Cash at bank and on deposit (A$m)		394
Gross debt less cash at bank and on deposit (A$m)		6,039
Finance costs (includes non-interest expenses) (A$m)		179
Net debt to equity (%)		24
Fixed charges cover (R12) (times)		3.0
Net interest cover - cash basis (R12) (times)		13.8

Debt maturity profile at 31 December 2013



Funding sources at 31 December 2013



Debt

Bank debt

Domestic debt capital markets

Programme documentation

- A$4,000,000,000 Note Programme Information Memorandum - 31 January 2014

Debt issuance

Amount (AUD million)	Coupon	Issuance	Maturity	Tenor (years)	Reuters reference	Series	Pricing Supplement
400	8.250%	Sep-09	Sep-14	5	AUWES0914	WESF06	Document download
100	BBSW + 2.6%	Sep-09	Sep-14	5	AUWS0914F	WESF07	Document download
500	6.000%	Nov-11	Nov-16	5	AUWES1116	WESF08	Document download
500	6.250%	Mar-12	Mar-19	7	AUWES0319	WESF10	Document download
350	4.750%	Mar-13	Mar-20	7	AUWES0320	WESF11	Document download

Offshore debt capital markets

Guaranteed deed poll

Financial covenants

100 years Thousands of stories

Wesfarmers

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