# 2016 Full-year Results
# Debt Investor Update

# Group Performance Overview

# Group performance summary

| Full-year ended 30 June ($m) | 2016 | 2015 | var % |
|---|---|---|---|
| Revenue | 65,981 | 62,447 | *5.7* |
| EBIT | 1,346 | 3,759 | *(64.2)* |
| EBIT (exc. significant items)[1] | 3,607 | 3,759 | *(4.0)* |
| **Net profit after tax** | **407** | **2,440** | ***(83.3)*** |
| **Net profit after tax (exc. significant items)[1]** | **2,353** | **2,440** | ***(3.6)*** |
| Operating cash flow | 3,365 | 3,791 | *(11.2)* |
| Net capital expenditure | 1,336 | 1,552 | *(13.9)* |
| Free cash flow | 1,233 | 1,893 | *(34.9)* |
| Full-year ordinary dividend (cps) | 186 | 200 | *(7.0)* |
| Net financial debt[2] | 6,537 | 5,515 | *18.5* |
| Interest Cover (cash basis) (R12, times)[3] | 16.8 | 20.5 | *(18.0)* |
| Fixed Charges Cover (R12, times)[3] | 2.7 | 3.0 | *(10.0)* |

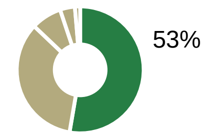
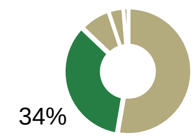
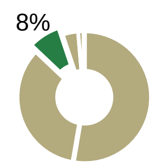
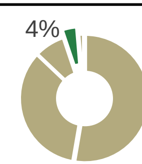
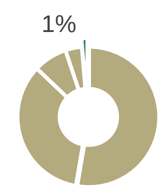
- Solid performances across the Group's retail portfolio & WesCEF, offset by losses at Target & Resources
- Capital expenditure discipline maintained, with continued investment in enhancing retail store networks with strong returns on incremental capital

[1] 2016 excludes the following pre-tax (post-tax) amounts: $1,266m ($1,249m) non-cash impairment of Target; $850m ($595m) non-cash impairment of Curragh; & $145m ($102m) of restructuring costs & provisions to reset Target.

[2] Interest bearing liabilities less cash at bank & on deposit, net of cross currency swaps.

[3] 2016 excludes pre-tax non-cash impairments of $2,116 million relating to Target ($1,266m) and Curragh ($850m).

# Divisional earnings

| EBIT ($m) year ended 30 June | 2016 | 2015 | var % | var $ | Divisional EBIT FY2016 |
|---|---|---|---|---|---|
| **Coles** | **1,860** | **1,783** | ***4.3*** | ***77*** |  |
| **Home Improvement** | **1,214** | **1,088** | ***11.6*** | ***126*** |  |
| Bunnings Australia & NZ | 1,213 | 1,088 | *11.5* | *125* | |
| Bunnings UK & Ireland[1] | 1 | - | - | - | |
| **Department Stores** | **275** | **522** | ***(47.3)*** | ***(247)*** |  |
| Kmart | 470 | 432 | *8.8* | *38* | |
| Target[2] | (195) | 90 | *n.m.* | *(285)* | |
| **Officeworks** | **134** | **118** | ***13.6*** | ***16*** |  |
| **Industrials** | **47** | **353** | ***(86.7)*** | ***(306)*** |  |
| WesCEF[3] | 294 | 233 | *26.2* | *61* | |
| Industrial & Safety[4] | 63 | 70 | *(10.0)* | *(7)* | |
| Resources | (310) | 50 | *n.m.* | *(360)* | |

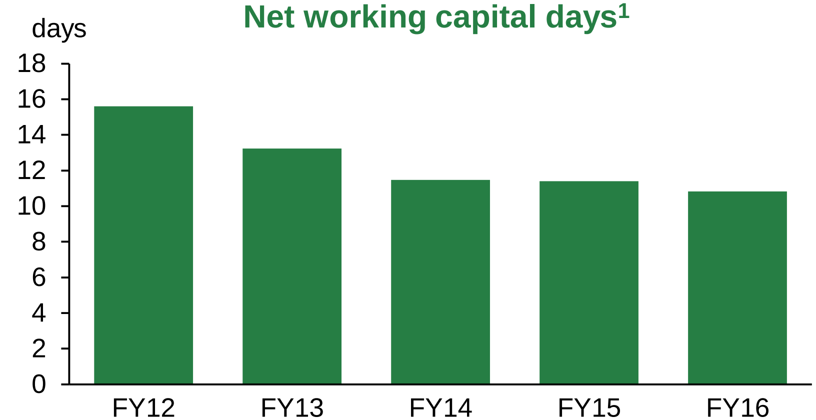
[1] Represents trading from the Homebase acquisition from 28 February 2016.[2] 2016 includes $145m in restructuring costs & provisions to reset Target.[3] 2016 includes $32m in costs relating to ceasing PVC manufacturing. 2015 includes net $10m gain from one-off restructuring, comprising a gain on sale of Kleenheat's east coast LPG distribution business and asset writedowns, as well as insurance proceeds. [4] 2016 includes $35m in restructuring costs. 2015 includes $20m in restructuring costs.

# Working capital management

- Working capital outflows in the retail portfolio were partially offset by working capital inflows in the Industrials division
- Retail movement driven by
  - Investments to improve stock availability in Homebase
  - Investments to support sales growth across the retail businesses
  - Depreciation of the AUD
- Industrials movement driven by
  - Lower coal production in Resources
  - Timing of fertiliser & ammonia shipments
  - The conversion to a PVC import model in WesCEF
- Net working capital days declined from 15.6 days in FY12 to 10.8 days in FY16

| Year ended 30 June ($m) | 2016 | 2015 |
|---|---|---|
| **Cash movement inflow/(outflow)** | | |
| Receivables & prepayments | (51) | 47 |
| Inventory | (444) | (128) |
| Payables | 259 | 219 |
| **Total** | **(236)** | **138** |
| **Working capital cash movement** | | |
| Retail | (390) | 255 |
| Industrials & Other | 154 | (117) |
| **Total** | **(236)** | **138** |

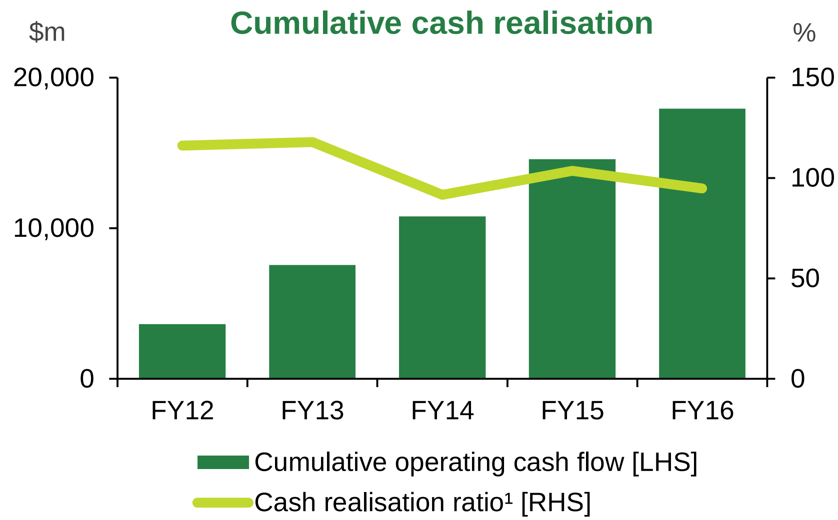
**Net working capital days[1]**




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

# Cash flow generation

- FY16 operating cash flows declined 11.2% to $3,365m due to higher working capital investment
- Cash realisation[1] of 94.9%
  - Decrease driven by higher working capital
  - Cash realisation excluding the investments made to improve stock availability in Homebase was 99.7%

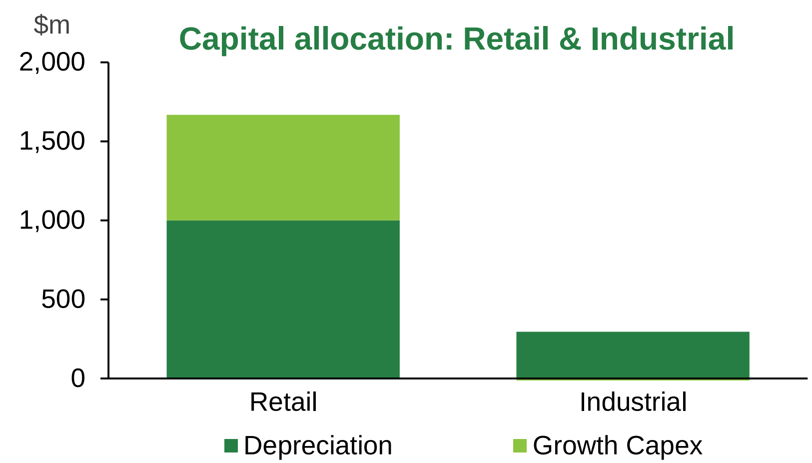



[1] Adjusted for significant one-offs, discontinued operations & non-trading items. 2016 excludes non-cash impairments of Target & Curragh.

# Capital expenditure

- Capital deployed to high return opportunities
  - Coles & Home Improvement comprised 70% of capital expenditure
  - Coles FY16 RoC[2] of 30.0% (excluding goodwill)
  - Home Improvement FY16 RoC[2] of 48.6% (excluding goodwill)
  - Kmart FY16 RoC[2] of 96.5% (excluding goodwill)
- Free cash flows of $1,233m, 34.9% lower than prior year due to $665m acquisition of Homebase
- FY17 net capital expenditure of $1.3b to $1.6b expected, subject to net property investment

| Year ended 30 June ($m)[1] | 2016 | 2015 | var % |
|---|---|---|---|
| Coles | 797 | 941 | *(15.3)* |
| Home Improvement | 538 | 711 | *(24.3)* |
| Kmart | 163 | 169 | *(3.6)* |
| Target | 129 | 127 | *1.6* |
| Officeworks | 40 | 39 | *2.6* |
| WesCEF | 60 | 56 | *7.1* |
| Industrial & Safety | 52 | 57 | *(8.8)* |
| Resources | 116 | 137 | *(15.3)* |
| Other | 4 | 2 | *100.0* |
| **Total capital expenditure** | **1,899** | **2,239** | ***(15.2)*** |
| Sale of PP&E | (563) | (687) | *(18.0)* |
| **Net capital expenditure** | **1,336** | **1,552** | ***(13.9)*** |




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

# Coles


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

# Coles performance summary

| Year ended 30 June ($m) | | 2016 | 2015 | var % |
|---|---|---|---|---|
| **Coles Division** | **Revenue[1]** | **39,242** | **38,201** | ***2.7*** |
| | EBITDA[2] | 2,475 | 2,347 | *5.5* |
| | Depreciation & amortisation | (615) | (564) | *(9.0)* |
| | **EBIT[2]** | **1,860** | **1,783** | ***4.3*** |
| | EBIT margin[2] (%) | 4.7 | 4.7 | |
| **Food & Liquor** | **Revenue[1]** | **32,564** | **30,784** | ***5.8*** |
| | Headline sales growth[3,4] (%) | 5.1 | 5.3 | |
| | Comparable sales growth[3,4] (%) | 4.1 | 3.9 | |
| | Inflation/(deflation) | (1.7) | (0.8) | |
| **Convenience** | **Revenue** | **6,678** | **7,417** | ***(10.0)*** |
| | Total store sales growth[4] (%) | 11.1 | 9.8 | |
| | Comp. fuel volume growth[4] (%) | (7.9) | (3.7) | |

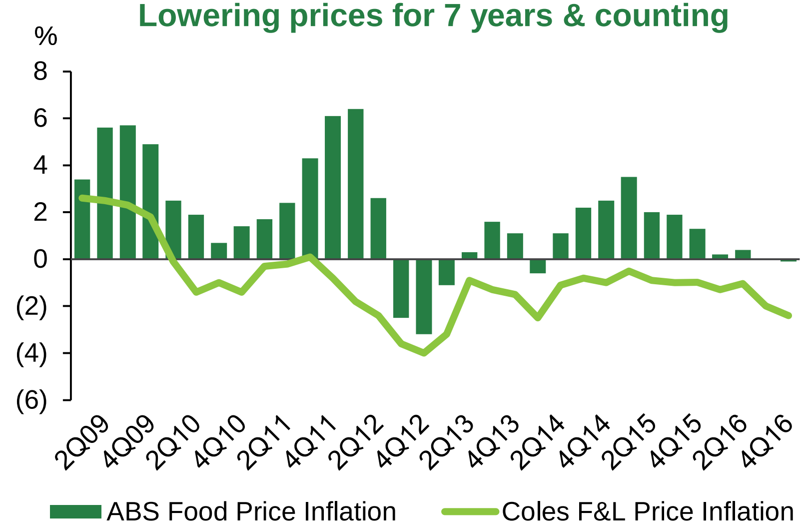
[1] Includes property revenue for 2016 of $25m & 2015 of $29m.
[2] Includes property EBIT for 2016 of $17m & 2015 of $14m.
[3] Includes hotels, excludes gaming revenue & property.
[4] 2016 growth reflects the period 29 June 2015 to 26 June 2016 & the period 30 June 2014 to 28 June 2015. 2015 growth reflects the period 30 June 2014 to 28 June 2015 & the period 1 July 2013 to 29 June 2014.

# Food & Liquor highlights
## Creating trusted value with customers

- Lowering the cost of the weekly shop for customers
  - 7.5% cumulative deflation from FY09
  - More than 3,100 products at Every Day prices as at 30 June
  - Largest Coles brand activation to date, with nearly 1,000 products added to Every Day pricing through June & July
- Fresh offering continues to drive growth
  - Growth in key metrics of items per basket, basket size & transactions per week
  - More fresh heroes on Every Day including whole chickens & chicken schnitzel in 4Q FY16
  - Continued investment to improve quality & availability for customers
- Continued investment in service
  - Investing in our team members to improve our offering with over 8,000 store team members trained in a craft skill in FY16
  - Over 450,000 hours of incremental service invested through 2H FY16




**Lowering prices for 7 years & counting**



# Food & Liquor highlights
## Driving greater simplicity

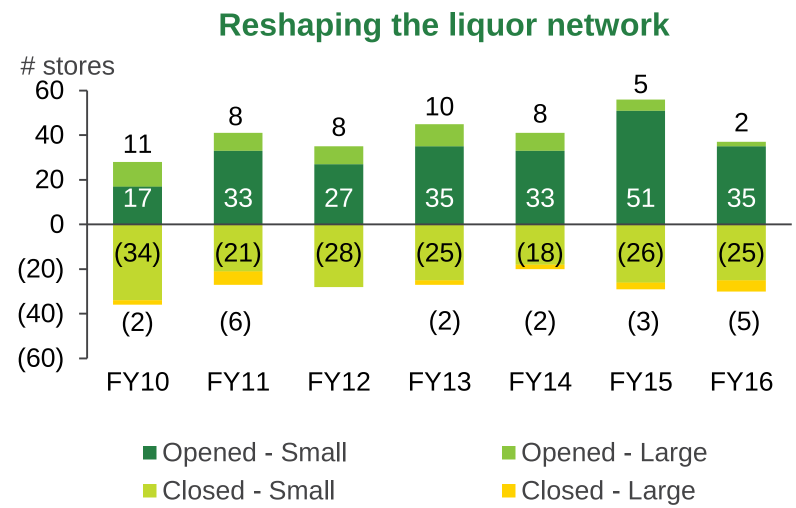
- Building long-term supplier partnerships
  - More long-term strategic partnerships with Australian growers to improve quality & availability
  - Longer term end-to-end planning from supplier to shelf, reducing volatility & improving availability
  - Coles Nurture Fund products launched in stores
- More efficient supply chain
  - Reduced cost & improved availability throughout the network
  - Smarter systems to improve forecasting, flow of stock & reduce handling through the network
- Simpler & smarter stores
  - One Team roll-out to accelerate in FY17 to improve team member rostering
  - Continuous improvement of in-store processes to step change peak time availability
  - Customer-led range reduction making stores easier to shop

# Food & Liquor highlights
## Boldly extending into new services & channels

- Extending convenience with Coles Online
  - First standalone online supermarket launched in Victoria in April 2016
  - FY16 transaction growth & sales growth of ~25%
  - Delivering a world class customer experience with a new website in early FY17
- Leveraging flybuys to deliver better value
  - Continued growth in the key metrics of active households & average basket size
  - Double-digit growth in points redeemed, reflecting efforts to provide personalised offers to customers
  - Introduced flybuys travel to further broaden the appeal of the program to customers
- More value through Coles Financial Services
  - Over 1 million customer accounts & growing
  - Winner of Money Magazine's Credit Card Issuer of the Year 2016


# Food & Liquor highlights
## Progressing the Liquor transformation

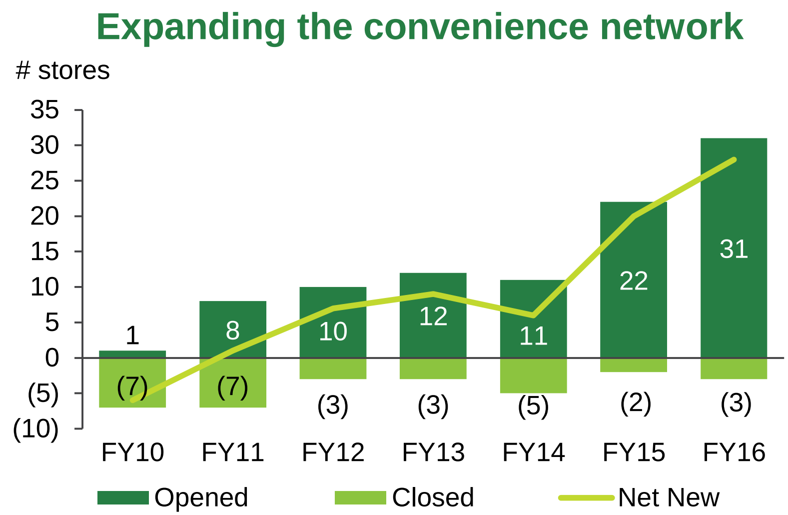
- Positive comparable sales growth achieved through 2H FY16
- Continued optimisation of the network in FY16
  - 30 underperforming stores closed
  - 37 new stores opened
- Accelerating the Liquorland renewals
  - More than 180 since transformation began
  - 200 planned for FY17
- Next phase to focus on
  - Continued value investment & range simplification
  - Continued trial of new First Choice offer
  - Penetration of exclusive brands
  - Growth of Liquor Direct
  - Simplification of processes





# Convenience highlights
## Convenience shop sales growing strongly

- Convenience shop sales growth remains strong
  - 11.1% headline sales growth driven by record transaction growth
  - Strong growth in food-to-go underpinned by new sandwich & bakery ranges
  - Compelling value through Every Day & Coles Brand drove seventh consecutive quarter of price deflation (excluding Tobacco)
- Continuing to improve the site network
  - 31 new sites opened in FY16
  - A further 28 upgraded with bold branding
  - Currently trialling a new format in three locations
- Fuel volumes declined
  - FY16 headline volumes down 4.4%, comparable volumes down 7.9%




# Home Improvement

# Home Improvement performance summary

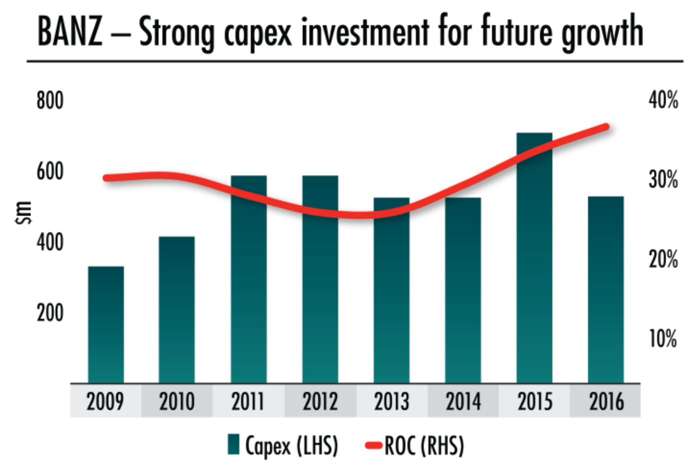
| Year ended 30 June ($m) | 2016 | 2015 | var % |
|---|---|---|---|
| **Revenue**[1] | **11,571** | **9,534** | ***21.4*** |
| Bunnings Aust & NZ | 10,575 | 9,534 | *10.9* |
| Bunnings UK & Ireland[1] ($) | 996 | n.a. | |
| | | | |
| **EBIT**[1,2] | **1,214** | **1,088** | ***11.6*** |
| Bunnings Aust & NZ | 1,213 | 1,088 | *11.5* |
| Bunnings UK & Ireland[1] ($) | 1 | n.a. | |
| EBIT margin[1,2] (%) | 10.5 | 11.4 | |

[1] Includes trading from the Homebase acquisition from 28 February 2016.
[2] Includes net property contribution for FY16 of $46m & FY15 of $40m.

# Home Improvement highlights

**Bunnings Australia and New Zealand**

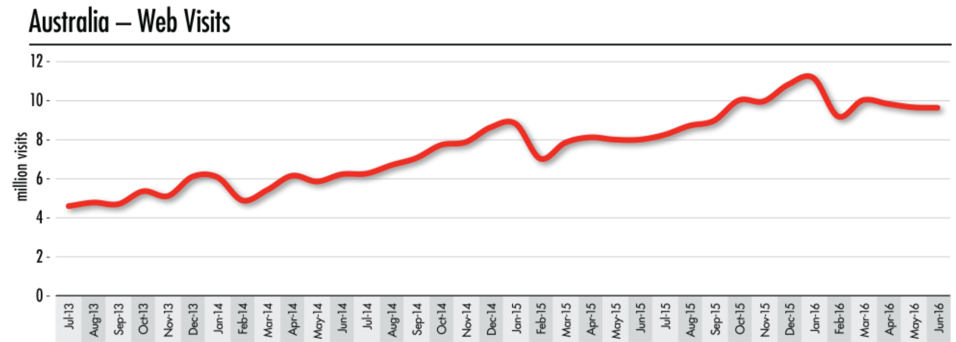
- Strong sales growth
  - Total store sales growth of 11.1%
    - » Store-on-store growth of 8.1%
  - Positive across Australia (all regions) & New Zealand
  - Good momentum in consumer & commercial
  - Solid growth across all categories
- Good increase in EBIT
  - Gains from all parts of growth agenda
  - Productivity initiative benefits
  - Absorbing value creation & development impacts
- Pleasing RoC levels given the strength of reinvestment

# Home Improvement highlights (continued)

## Bunnings Australia and New Zealand (cont.)

- Wider brand reach
  - Deeper engagement in digital eco-system
  - 22 new trading locations opened
  - Several new properties may become available as a result of Masters closure
- Continued team investment
  - More training investment (product, project)
  - Improved safety & enhanced diversity
- Better for customers
  - Improved stock availability & service intensity
  - More value funded by process efficiencies
- Continued commercial expansion
  - Broader market engagement
- Smooth transition to new leadership structure
  - Talent depth supporting Homebase related changes




# Home Improvement highlights (continued)

**Bunnings United Kingdom and Ireland (Homebase)**

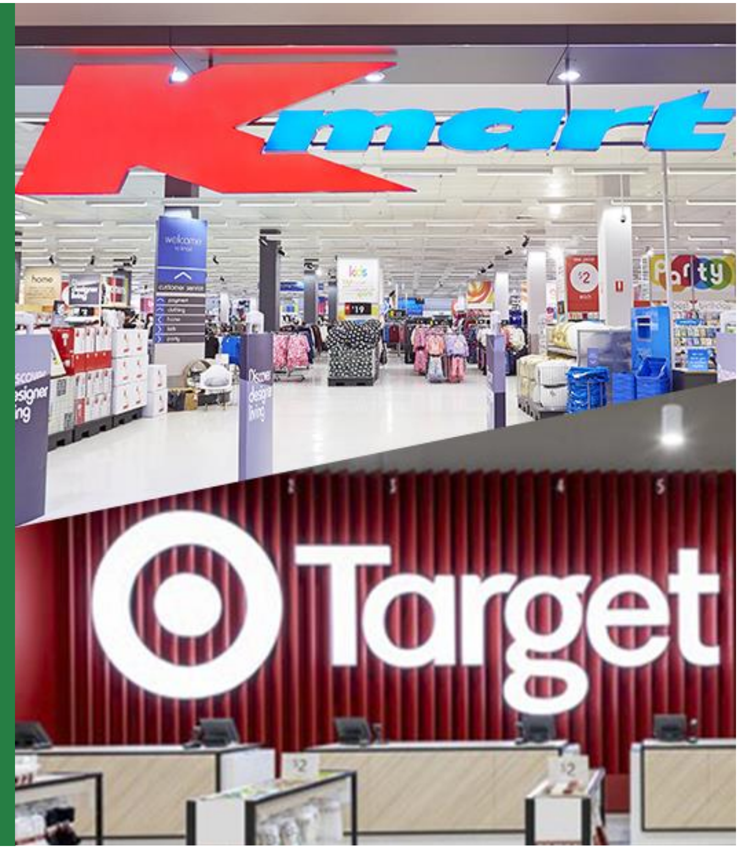
- Repositioning of Homebase well underway
  - New trading strategies implemented
    - » Merchandising, pricing, marketing & operations
    - » Reshaped with home improvement & garden market focus
  - Wider product choices & deeper stock holdings supported by ~£60 million ($115 million) inventory investment
  - Pleasing team engagement; development investments
- Steady trading across initial four months of ownership
  - Disruption from change agenda well managed
  - Encouraging increase in underlying participation
    - » 7.5% increase in store transactions (like-for-like)
- FY16 EBIT result includes restructuring & one-off repositioning costs

# Home Improvement highlights (continued)

**Bunnings United Kingdom and Ireland (cont.)**

- New leadership team well established
- Special purpose Advisory Board in place
- Transition, integration & separation activity well advanced
  - Many transitional services already terminated
- Preparation commenced for Bunnings Warehouse pilots
  - Expect to open 4 to 6 pilot stores in FY17
  - Successful pilots a pre-cursor to further investment

# Department Stores



# Department Stores performance summary

| Year ended 30 June ($m) | | 2016 | 2015 | var % |
|---|---|---|---|---|
| **Revenue** | Kmart | 5,190 | 4,553 | *14.0* |
| | Target | 3,456 | 3,438 | *0.5* |
| | **Total** | **8,646** | **7,991** | ***8.2*** |
| **EBITDA** | Kmart | 571 | 521 | *9.6* |
| | Target[1] | (105) | 176 | *n.m.* |
| | **Total** | **466** | **697** | ***(33.1)*** |
| **EBIT** | Kmart | 470 | 432 | *8.8* |
| | Target[1] | (195) | 90 | *n.m.* |
| | **Total** | **275** | **522** | ***(47.3)*** |

[1] 2016 excludes pre-tax non-cash impairment of $1,266m & includes $145m of restructuring costs & provisions.

# Kmart highlights

- Revenue growth across all categories, underpinned by increased customer transactions & units sold
- Strong growth in EBIT & RoC
  - Improvement in range architecture
  - Greater value across all price tiers
  - Improved efficiency in all operational areas
  - Strong working capital management
- Successfully managing exchange rate headwind
- Continued investment in the store network
  - Opened six new Kmart stores
  - Completed 37 major Kmart store refurbishments
  - Opened four new Kmart Tyre & Auto Service centres


# Target highlights

- Progress since creation of Department Stores division in February 2016
  - Renewed vision, values & strategy
  - Cost base reduction & business reset
    - » Right-sized store support centre & advanced office relocation
    - » Accelerated supply chain streamlining, with further eight off-sites exited
    - » Rationalised ranges & exited slow moving & deleted products
  - Inventory levels reduced to ~15 weeks from ~20 weeks
  - Advanced store network & renewal program review
- 2H FY16 earnings adversely affected by restructuring costs of $145m, high levels of seasonal clearance & a lower Australian dollar
- Pre-tax non-cash impairment of $1,266m reflecting short-term outlook & changes in the strategic plan
- Continued improvements in safety performance
  - 9% reduction in LTIFR; 18% reduction in new claims


# Officeworks

Officeworks

# Officeworks performance summary

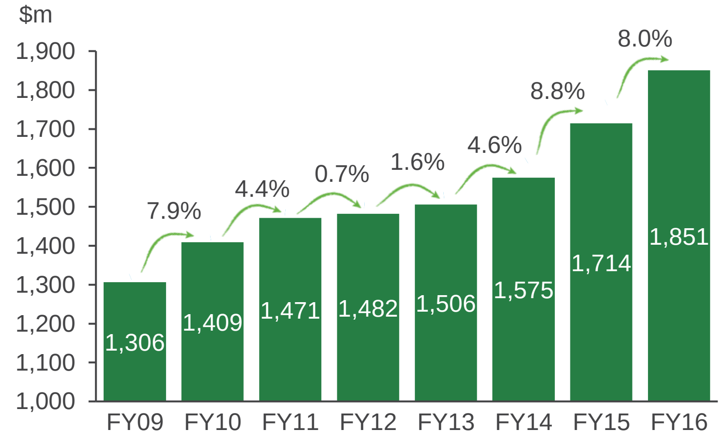
| Year ended 30 June ($m) | 2016 | 2015 | var % |
|---|---|---|---|
| **Revenue** | **1,851** | **1,714** | ***8.0*** |
| EBITDA | 156 | 139 | *12.2* |
| Depreciation & amortisation | (22) | (21) | *(4.8)* |
| **EBIT** | **134** | **118** | ***13.6*** |
| EBIT margin (%) | 7.2 | 6.9 | |
| Total sales growth[1] (%) | 8.1 | 8.8 | |

[1] 2016 growth reflects the period 1 July 2015 to 30 June 2016 & the period 1 July 2014 to 30 June 2015. 2015 growth reflects the period 1 July 2014 to 30 June 2015 & the period 1 July 2013 to 30 June 2014.

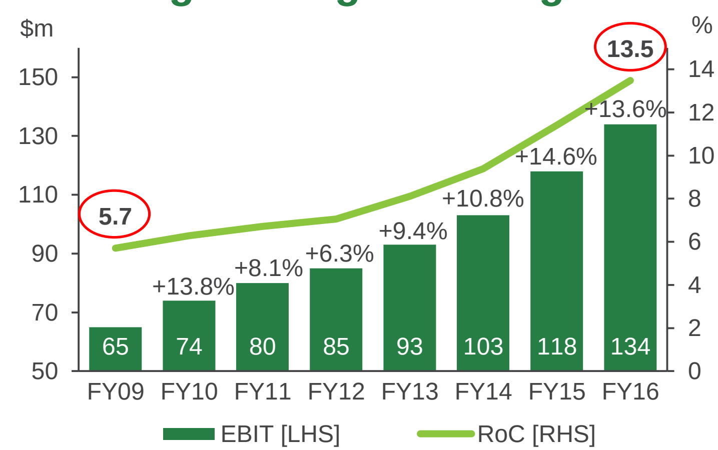
# Officeworks highlights

- Strong headline results
  - Revenue growth of 8.0%
  - EBIT growth of 13.6%, six year CAGR of 10.9%
  - RoC up 207 basis points to 13.5%
- Continued investment in ‘every channel’ strategy
  - Clicks & bricks working together
  - Six new stores
  - Store layout & design changes lifting sales & margin
  - Online offer (including mobile)
- Ongoing investment in the offer
  - New & expanded ranges, exclusive international brands
  - Price investments delivering more value
  - Engaged team providing great service
  - Strong momentum maintained in B2B segment

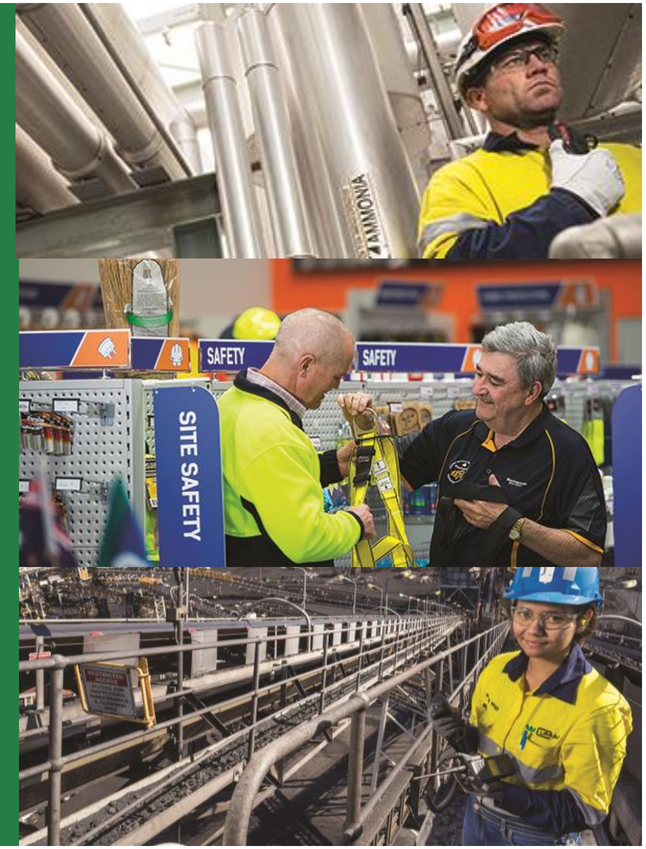
## Revenue growth momentum




## Strong earnings & RoC growth



# Industrials




Wesfarmers Chemicals, Energy & Fertilisers

Wesfarmers Industrial and Safety

Wesfarmers Resources

# Industrials performance summary

| Year ended 30 June ($m) | | 2016 | 2015 | var % |
|---|---|---|---|---|
| **Revenue** | Chemicals, Energy & Fertilisers | 1,820 | 1,839 | *(1.0)* |
| | Industrial & Safety | 1,844 | 1,772 | *4.1* |
| | Resources | 1,008 | 1,374 | *(26.6)* |
| | **Total** | **4,672** | **4,985** | ***(6.3)*** |
| **EBITDA** | Chemicals, Energy & Fertilisers[1] | 400 | 345 | *15.9* |
| | Industrial & Safety[2] | 105 | 108 | *(2.8)* |
| | Resources[3] | (164) | 215 | *n.m.* |
| | **Total** | **341** | **668** | ***(49.0)*** |
| **EBIT** | Chemicals, Energy & Fertilisers[1] | 294 | 233 | *26.2* |
| | Industrial & Safety[2] | 63 | 70 | *(10.0)* |
| | Resources[3] | (310) | 50 | *n.m.* |
| | **Total** | **47** | **353** | ***(86.7)*** |

[1] 2016 includes $32m of one-off restructuring costs associated with the closure of PVC manufacturing. 2015 includes net $10m gain from one-off restructuring, comprising a gain on sale of Kleenheat's east coast LPG distribution business and asset writedowns, as well as insurance proceeds.
[2] 2016 includes $35m of restructuring costs associated with the 'Fit for Growth' transformation. 2015 includes $20m of restructuring costs.
[3] 2016 excludes $850m pre-tax non-cash impairment of Curragh assets.

# Chemicals, Energy & Fertilisers highlights

- Strong growth in earnings & RoC
  - Higher Chemicals earnings with plants operating at full capacity (excluding the planned major shutdown of the ammonia plant in 2H FY16)
  - Significant increase in Kleenheat earnings following improved terms for gas feedstock & growth in natural gas retailing
  - Strong Fertilisers earnings with above average 2015 WA harvest & positive start to the current season
- PVC manufacturing ceased in 2H FY16 ($32m of closure costs incurred in the 1H FY16)
  - Commenced PVC import business
- Divisional result includes full-year earnings contribution from 13.7% interest in Quadrant Energy (acquired in June 2015)

# Industrial & Safety highlights

- Revenue increase of 4.1% largely due to the full-year contribution of Workwear Group (acquired in December 2014)
  - Lower demand from mining & construction customers
  - Strong growth in Coregas driven through the Blackwoods platform & 'Trade n Go' rollout
  - Sales & margin pressure in Workwear Group's Industrial business, partially offset by growth in Corporate Wear
- Improvement in underlying earnings driven by 'Fit for Growth' cost savings & simplifications
- 'Fit for Growth' restructure largely complete
  - Completed 17 branch & 4 DC mergers in Australia & 7 branch mergers in NZ
  - Reduced FTEs by over 700
  - Sales & merchandising functions consolidated to create national capabilities
  - One-off restructuring costs of ~$35m in FY16
  - ~$35m annualised cost savings with ~$20m achieved in FY16
  - Some cost savings to be reinvested in improving capabilities

# Resources highlights

- 26.6% decline in revenue
  - Seaborne metallurgical coal markets remain in oversupply, resulting in lower export prices
  - Unfavourable metallurgical coal sales mix, driven by customer demand & mine sequencing
  - Benefits of lower exchange rate more than offset by $147m of hedge book losses
  - Sales volumes negatively affected by wet weather events in 2H FY16 (force majeure declared)
- Stanwell obligations reduced FY16 EBIT by $148m
- FY16 Curragh unit mine cash costs ~30% below 1H FY12 peak & ~3% below FY15 despite Q3 wet weather events
  - An expert panel review was completed to identify further cost & productivity improvements
- Curragh recorded a pre-tax non-cash impairment charge of $850m
- Mining leases granted over the MDL162 tenement, extending Curragh's mine life
  - State approvals received & Commonwealth approvals ongoing
- Bengalla management internalisation completed in March 2016

# Outlook

# Outlook

## Retail

- Well positioned to continue delivering growth in an increasingly competitive environment where consumers are expected to remain value-conscious
- Ongoing focus on delivering further value, better service & improved ranges supported by merchandise innovation & productivity improvements
- Continue to invest in digital engagement & growing & refurbishing store networks
- Establishing Bunnings UK & Ireland pilot stores & restructuring underlying business infrastructure to drive long-term earnings growth

## Industrials

- Outlook remains challenged in the short-term
  - Resources to seek further cost structure reductions, with revenue subject to commodity price & exchange rate volatility
  - Industrial & Safety has largely completed the ‘Fit for Growth’ transformation, with cost savings to be reinvested in capability & performance improvements to drive long-term earnings growth
- WesCEF performance subject to commodity prices, exchange rates, seasonal conditions & competitive factors

# Outlook (continued)

## Group

- Maintain a strong balance sheet & cash flow generation
- Secure growth opportunities through entrepreneurial initiatives
- Ensure sustainability through responsible long-term management
- Leverage & build human resource capability

# Debt Management

# Financial discipline is core to Wesfarmers' strategy

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

**Ability to raise capital and maintain balance sheet strength**

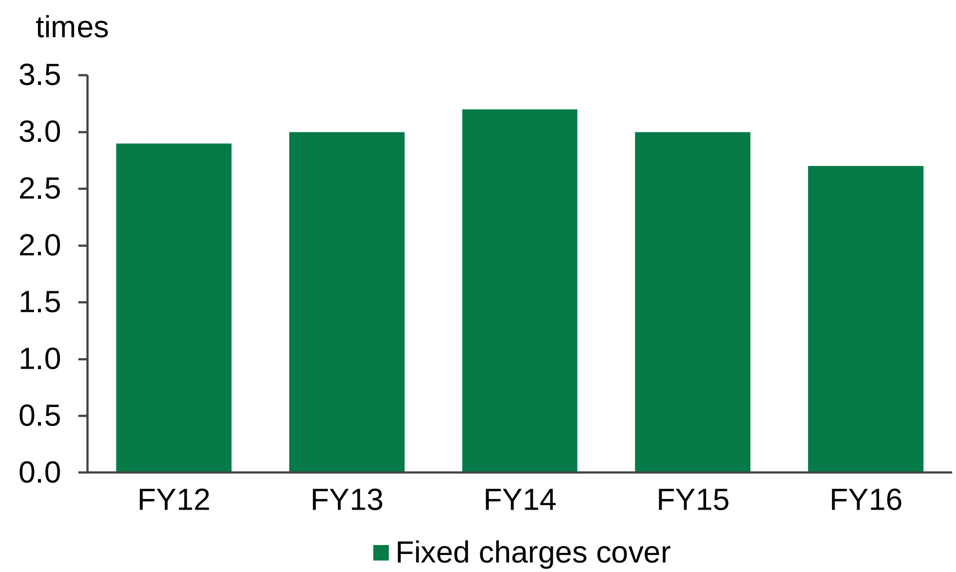
- Recent activity
  - Jul 15: Repaid €500 million (A$756 million) five-year Euro bond
  - Jan 16: Extended A$925 million existing bank facilities to 2019
  - Feb 16: New £630 million one-year and three-year bank facilities to fund acquisition of Homebase (including working capital and capital expenditure requirements)
  - May 16: Repaid US$650 million (A$604 million) five-year US 144A bond
  - Jun 16: New $500 million three-year bank facilities to further increase liquidity
- Future maturities
  - Nov 16: A$500 million five-year domestic bonds
  - Ongoing refinancing of bank facilities
- Future activities
  - Continue to monitor debt capital markets for favorable issuance opportunities

# Maintaining strong credit metrics

**Solid credit metrics**

- Strong credit ratings: Moody's A3 (stable); Standard & Poor's A- (negative)
- Continued strength in Group's debt service position
  - Net financial debt[1] of $6.5 billion, gross financial debt of $6.7 billion
  - Net financial debt increased $1,022 million largely driven by the acquisition of Homebase & working capital investments in the retail portfolio
  - Strong liquidity position, supported by $2.3 billion of committed undrawn facilities

**Fixed charges cover ratio (times) (R12) [2]**



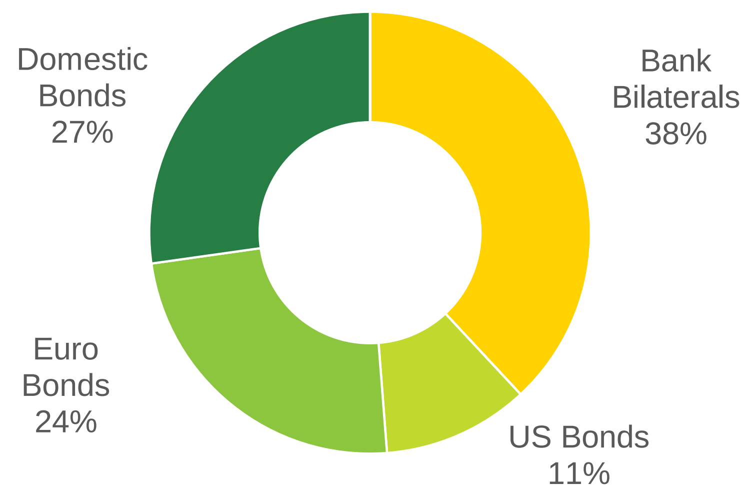

[1] Interest bearing liabilities less cash at bank & on deposit, net of cross currency swaps.
[2] Excludes non-cash impairment of Target & Curragh.

# Pro-active debt management

**Refinancing objectives**

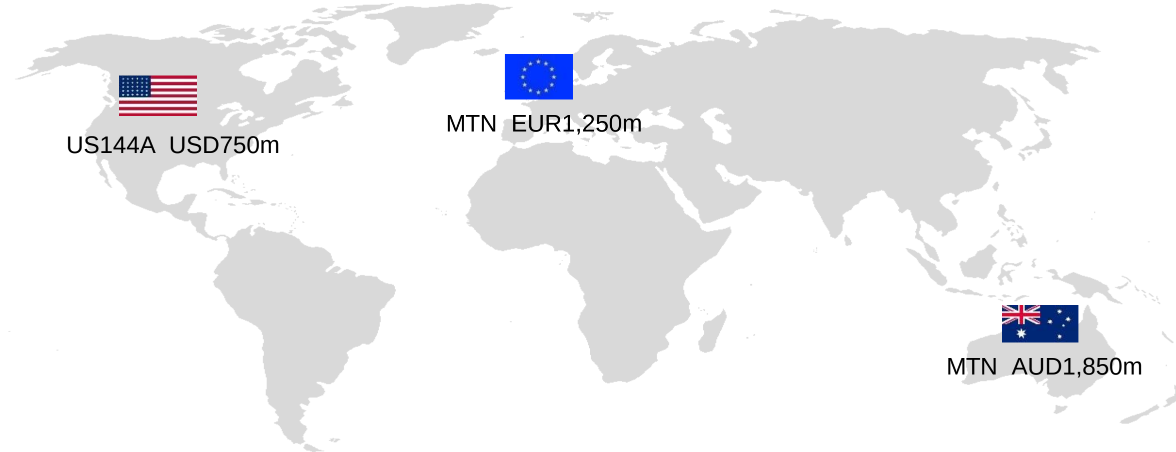
- Continued focus on maturity profile and maintaining liquidity headroom in revolving bilateral bank facilities
- Commitment to maintain diversity of funding sources including the domestic and international debt capital markets
- Standard terms and conditions across all  DCM programmes, with a common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

**Funding Diversity at 30 June 2016**

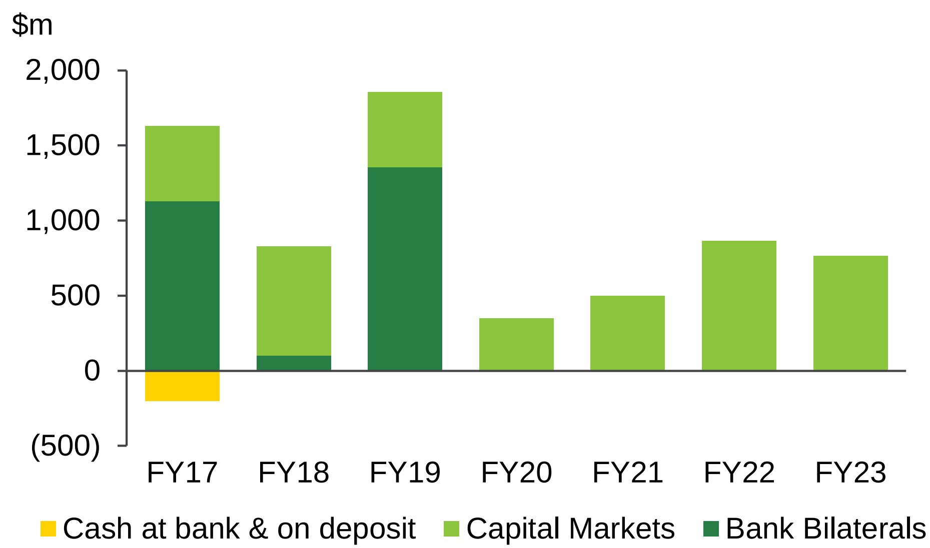


# Pro-active debt management

**Geographical DCM Funding Diversity**

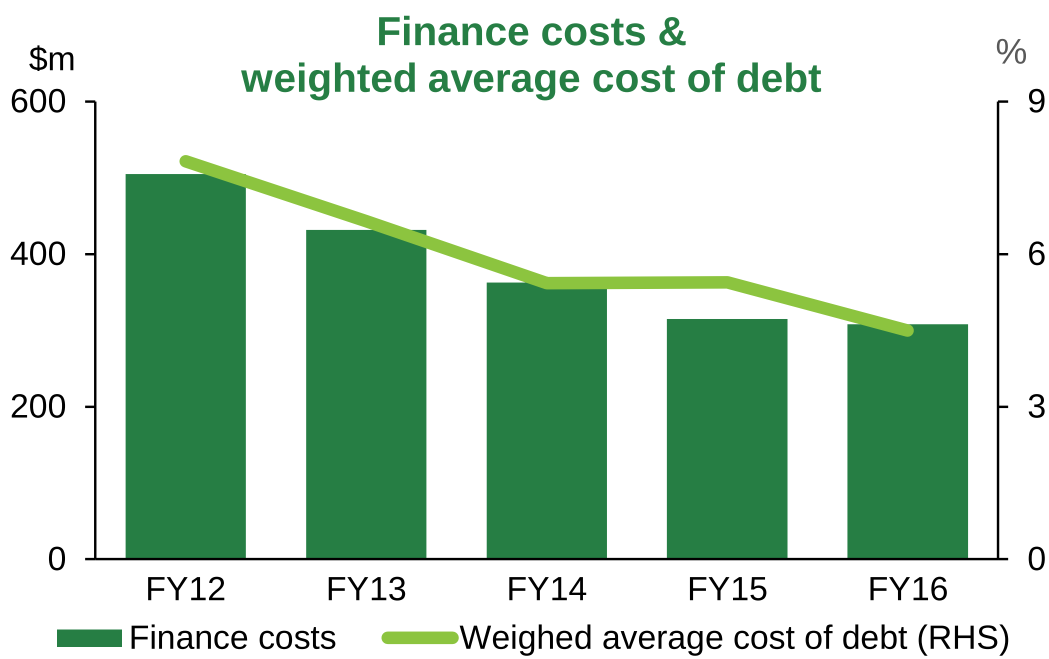



**Maturity Profile at 30 June 2016**



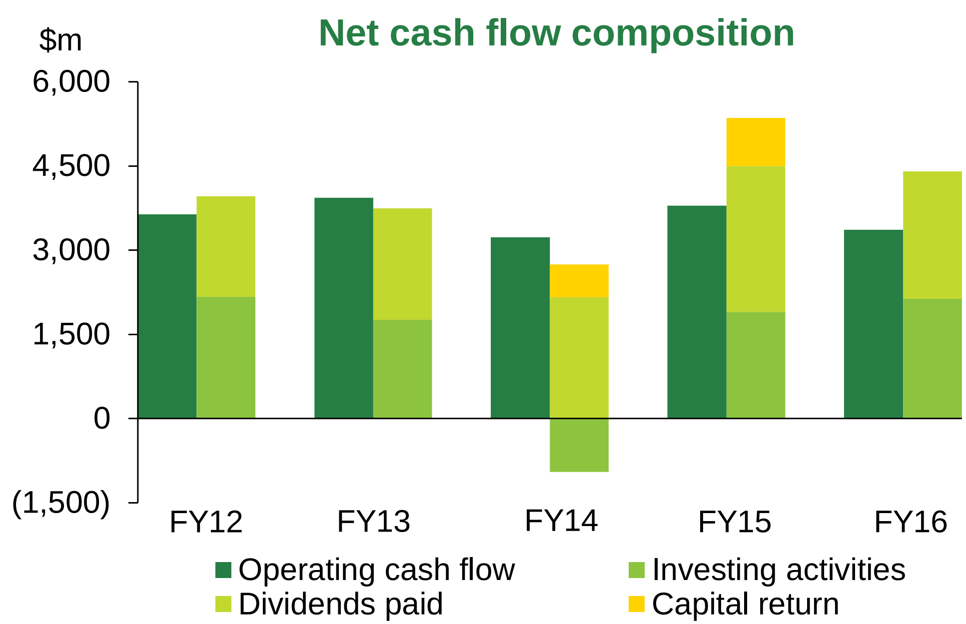
# Reduced funding costs

- All-in' effective borrowing cost further reduced to 4.50%
- Reflects active management of debt sources & the benefit of lower base rates



# Capital management considerations

- 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
- Potential cash proceeds from future asset sales; recycling capital via property monetisation remains a current focus for the Group
- Focus on maintaining strong credit metrics



# Questions

Wesfarmers