

FIVE-YEAR HISTORY – FINANCIAL PERFORMANCE AND KEY METRICS

GROUP FINANCIAL PERFORMANCE

Half-year ended 31 December (\$m) ¹	2016	2015	2014	2013	2012
Summarised income statement					
Revenue	34,917	33,462	31,970	31,853	30,614
EBITDA	3,064	2,749	2,657	2,710	2,574
Depreciation and amortisation	(635)	(639)	(581)	(556)	(531)
EBIT	2,429	2,110	2,076	2,154	2,043
Finance costs	(149)	(152)	(158)	(179)	(229)
Income tax expense	(703)	(565)	(542)	(546)	(529)
NPAT	1,577	1,393	1,376	1,429	1,285
Profit from continuing operations ² excl. NTIs ³	1,577	1,393	1,376	1,271	n.a.
Profit/(losses) from discontinued ops. ² and NTIs ³	-	-	-	158	n.a.
Summarised balance sheet					
Total assets	41,399	41,790	40,541	43,876	43,159
Total liabilities	17,632	16,828	15,797	18,147	17,285
Net assets	23,767	24,962	24,744	25,729	25,874
Net debt	5,916	6,108	5,139	6,039	5,127
Summarised cash flow statement					
Operating cash flows	2,648	2,404	2,281	1,757	2,207
Add/(less): Net capital expenditure	(400)	(675)	(899)	(557)	(1,120)
Add/(less): Other investing cash flows	(17)	(64)	(113)	(184)	(80)
Add/(less): Total investing cash flows	(417)	(739)	(1,012)	(741)	(1,200)
Free cash flow	2,231	1,665	1,269	1,016	1,007
Add/(less): Financing cash flows	(2,104)	(1,682)	(1,831)	(1,247)	(779)
Net increase/(decrease) in cash	127	(17)	(562)	(231)	228
Distributions to shareholders (cents per share)					
Interim ordinary dividend	103	91	89	85	77
Capital management (paid)	-	-	100	50	-
Key performance metrics					
Earnings per share (cents per share)	140.1	124.2	121.0	124.2	111.4
Operating cash flow per share ⁴ (cents per share)	234.9	213.9	200.1	152.2	190.7
Cash realisation ratio ⁵ (%)	119.7	118.3	116.6	88.5	121.5
Return on equity (R12, %) (excluding discontinued operations and NTIs)	10.2	10.0	9.7	9.0	n.a.
Return on equity (R12, %)	2.5	10.0	10.4	9.4	8.8
Net tangible asset backing per share (\$ per share)	4.23	5.05	4.92	4.38	4.63
Interest cover ⁶ (cash basis) (R12, times)	18.9	19.3	18.1	13.8	11.8
Fixed charges cover ⁶ (R12, times)	2.7	3.0	3.1	3.0	2.9

¹ All figures are presented as last reported.

² 2014 and 2013 income statement balances have been restated for the classification of the Insurance division as a discontinued operation. 2014 discontinued operations include the \$95 million gain on sale on disposal of WesCEF's 40 per cent interest in ALWA.

³ 2014 excludes \$743 million of post-tax NTIs including a \$677 million impairment of Target's goodwill and a \$66 million Coles Liquor restructuring provision.

⁴ Calculated by dividing operating cash flows by the weighted average number of ordinary shares (including reserved shares) on issue during the year.

⁵ Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and NTIs.

⁶ 2016 excludes pre-tax non-cash impairments of \$2,116 million relating to Target and Curragh recorded in the 2016 financial year.

DIVISIONAL KEY PERFORMANCE METRICS

Half-year ended 31 December (\$m) ¹	2016	2015	2014	2013	2012
COLES					
Divisional performance					
Revenue	20,056	20,087	19,483	18,946	18,047
EBITDA	1,240	1,250	1,171	1,076	984
Depreciation and amortisation	(320)	(305)	(276)	(240)	(229)
EBIT	920	945	895	836	755
EBIT margin (%)	4.6	4.7	4.6	4.4	4.2
ROC (R12, %)	11.1	11.2	10.6	10.0	9.2
Capital expenditure (cash basis)	463	459	537	554	665
Food & Liquor					
Revenue ²	16,878	16,496	15,559	14,770	14,104
Headline sales growth ^{3,4} (%)	2.2	5.4	5.3	4.7	5.0
Comparable store sales growth ^{3,4} (%)	1.3	4.3	4.2	3.6	3.8
Convenience					
Revenue	3,178	3,591	3,924	4,176	3,943
Total sales growth ^{3,5} (%)	(11.2)	(8.4)	(6.2)	5.6	4.0
Total fuel volume growth ³ (%)	(9.8)	(0.6)	(4.6)	(0.5)	3.2
Comparable fuel volume growth ³ (%)	(13.3)	(3.8)	(6.9)	(0.7)	2.0
Total convenience store sales growth ³ (%)	6.4	11.6	11.5	2.6	0.1
Comparable convenience store sales growth ³ (%)	2.5	7.9	8.1	2.9	(2.2)
HOME IMPROVEMENT					
Revenue ⁶	6,995	5,500	4,959	4,434	4,017
EBITDA ^{6,7}	833	776	686	625	581
Depreciation and amortisation ⁶	(111)	(75)	(68)	(63)	(63)
EBIT ^{6,7}	722	701	618	562	518
EBIT margin ^{6,7} (%)	10.3	12.7	12.5	12.7	12.9
ROC ⁶ (R12, %)	30.7	35.8	31.6	27.6	25.5
Total sales growth ⁸ (%)	8.3	10.9	11.9	10.5	5.8
Total store sales growth ⁸ (%)	8.4	11.0	11.7	10.6	6.0
Store-on-store sales growth ⁸ (%)	6.5	7.9	9.1	7.2	3.4

¹ All figures are presented as last reported.

² Includes property.

³ Based on retail period (rather than Gregorian reporting). Refer to Additional Disclosures (page 43) for applicable retail period.

⁴ Includes hotels, excludes gaming revenue and property income.

⁵ Includes fuel sales.

⁶ 2016 includes Homebase.

⁷ Includes net property contribution for 2016 of \$44 million; 2015 of \$33 million; 2014 of \$14 million; 2013 of \$6 million; and for 2012 of \$5 million.

⁸ Includes BANZ only.

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Half-year ended 31 December (\$m) ¹	2016	2015	2014	2013	2012
DEPARTMENT STORES					
Divisional performance					
Revenue	4,619	4,722	4,377	4,286	4,369
EBITDA	486	487	445	412	468
Depreciation and amortisation	(99)	(94)	(86)	(82)	(74)
EBIT	387	393	359	330	394
Capital expenditure (cash basis)	123	145	171	135	100
Target					
Revenue	1,623	1,972	1,935	1,965	2,070
EBITDA ²	59	119	112	113	187
Depreciation and amortisation	(43)	(45)	(42)	(43)	(39)
EBIT ²	16	74	70	70	148
EBIT margin ² (%)	1.0	3.8	3.6	3.6	7.1
ROC (R12, %)	(15.1)	3.8	3.2	1.9	7.1
Capital expenditure (cash basis)	38	66	78	46	51
Total store sales growth ³ (%)	(17.4)	1.6	(1.8)	(4.4)	1.2
Comparable store sales growth ³ (%)	(18.2)	1.4	(1.0)	(4.2)	(1.8)
Kmart					
Revenue	2,996	2,750	2,442	2,321	2,299
EBITDA	427	368	333	299	281
Depreciation and amortisation	(56)	(49)	(44)	(39)	(35)
EBIT	371	319	289	260	246
EBIT margin (%)	12.4	11.6	11.8	11.2	10.7
ROC (R12, %)	41.5	36.6	29.0	26.8	22.8
Capital expenditure (cash basis)	85	79	93	89	49
Total store sales growth ³ (%)	9.1	12.4	5.3	1.7	3.5
Comparable store sales growth ³ (%)	5.7	9.1	2.4	0.3	3.0
OFFICEWORKS					
Revenue	927	875	802	745	712
EBITDA	74	70	61	53	50
Depreciation and amortisation	(12)	(11)	(11)	(11)	(12)
EBIT	62	59	50	42	38
EBIT margin (%)	6.7	6.7	6.2	5.6	5.3
ROC (R12, %)	13.9	12.5	10.5	8.7	7.5
Total sales growth (%)	5.8	9.1	7.8	4.5	0.3

¹ All figures are presented as last reported.

² 2016 includes a provision of \$13 million recognised for restructuring costs associated with the planned relocation of Target's store support office. 2015 includes rebate income of \$21 million recognised contrary to Group policy which was reversed in the second half of 2016, having no effect on the 2016 full-year results.

³ Based on retail period (rather than Gregorian reporting). Refer to Additional Disclosures (page 43) for applicable retail period.

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Half-year ended 31 December (\$m) ¹	2016	2015	2014	2013	2012
INDUSTRIALS					
Divisional performance					
Revenue	2,321	2,278	2,334	2,340	2,438
EBITDA	469	174	319	380	416
Depreciation and amortisation	(92)	(152)	(139)	(138)	(131)
EBIT	377	22	180	242	285
Capital expenditure (cash basis)	89	117	129	176	188
Chemicals, Energy and Fertilisers					
Chemicals revenue	412	469	415	377	357
Energy revenue ^{2,3}	182	173	267	315	300
Fertilisers revenue	101	111	128	80	118
Total revenue ³	695	753	810	772	775
EBITDA ^{2,3,4}	225	161	144	157	154
Depreciation and amortisation	(38)	(57)	(49)	(47)	(50)
EBIT ^{2,3,4}	187	104	95	110	104
ROC (R12, %)	25.1	15.7	13.4	17.1	19.8
Capital expenditure (cash basis)	20	21	39	126	118
<i>Sales volumes ('000 tonnes)</i>					
Chemicals	499	524	455	416	406
LPG ³	55	74	108	128	143
Fertilisers	234	214	260	160	220

¹ All figures are presented as last reported.

² Includes interest revenue from Quadrant Energy loan notes and excludes intra-division sales.

³ Includes Kleenheat (including east coast LPG operations prior to sale in February 2015), ALWA prior to December 2013 divestment, Bangladesh LPG joint venture prior to January 2012 divestment and enGen prior to August 2011 divestment.

⁴ 2016 includes a profit on sale of land of \$22 million. 2015 includes \$30 million of one-off restructuring costs associated with the decision to cease PVC manufacturing.

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Half-year ended 31 December (\$m) ¹	2016	2015	2014	2013	2012
Industrial and Safety					
Revenue	884	927	835	804	837
EBITDA	73	57	67	88	101
Depreciation and amortisation	(21)	(21)	(17)	(15)	(13)
EBIT	52	36	50	73	88
EBIT margin (%)	5.9	3.9	5.9	9.1	10.5
ROC (R12, %)	5.9	4.2	9.3	13.5	16.2
Capital expenditure (cash basis)	16	29	25	17	18
Resources					
Revenue	742	598	689	764	826
Royalties ²	(90)	(81)	(80)	(121)	(148)
Mining and other costs	(481)	(561)	(501)	(508)	(517)
EBITDA	171	(44)	108	135	161
Depreciation and amortisation	(33)	(74)	(73)	(76)	(68)
EBIT	138	(118)	35	59	93
ROC (R12, %)	(6.1)	(7.0)	7.3	7.8	19.4
Capital expenditure (cash basis)	53	67	65	33	52
<i>Curragh export metallurgical sales mix (%)</i>					
Hard	39	30	41	34	40
Semi	26	31	35	34	30
PCI	35	39	24	32	30
<i>Mine performance – Curragh (QLD) ('000 tonnes)</i>					
Metallurgical coal production volumes	3,919	3,986	4,580	4,029	3,867
Steaming coal production volumes	1,899	1,791	1,543	1,740	1,662
Metallurgical coal sales volumes ³	4,127	4,175	4,271	4,053	3,770
Steaming coal sales volumes	1,888	1,819	1,542	1,829	1,629
<i>Mine performance – Bengalla (NSW) ('000 tonnes)</i>					
Steaming coal production volumes ⁴	1,714	1,680	1,658	1,685	1,488
Steaming coal sales volumes ⁴	1,725	1,733	1,726	1,787	1,504

¹ All figures are presented as last reported.

² Includes Stanwell royalty expense for 2016 of \$30 million; 2015 of \$35 million; 2014 of \$34 million; 2013 of \$62 million; and 2012 of \$91 million.

³ Excludes traded coal.

⁴ Wesfarmers' attributable volumes.