

Five-year history – financial performance and key metrics

Group financial performance

Half-year ended 31 December (\$m) ¹	2017	2016	2015	2014	2013
Summarised income statement					
Revenue	35,903	34,917	33,462	31,970	31,853
EBITDA	1,763	3,064	2,749	2,657	2,710
Depreciation and amortisation	(650)	(635)	(639)	(581)	(556)
EBIT	1,113	2,429	2,110	2,076	2,154
Finance costs	(114)	(149)	(152)	(158)	(179)
Income tax expense	(787)	(703)	(565)	(542)	(546)
NPAT	212	1,577	1,393	1,376	1,429
Profit from continuing operations ² excl. sig.items ³	1,535	1,577	1,393	1,376	1,271
Profit/(losses) from discontinued ops. ² and sig.items ³	(1,323)	-	-	-	158
Summarised balance sheet					
Total assets	40,467	41,399	41,790	40,541	43,876
Total liabilities	17,638	17,632	16,828	15,797	18,147
Net assets	22,829	23,767	24,962	24,744	25,729
Net debt	4,401	5,916	6,108	5,139	6,039
Summarised cash flow statement					
Operating cash flows	2,897	2,648	2,404	2,281	1,757
Add/(less): Net capital expenditure	(686)	(400)	(675)	(899)	(557)
Add/(less): Other investing cash flows	17	(17)	(64)	(113)	(184)
Add/(less): Total investing cash flows	(669)	(417)	(739)	(1,012)	(741)
Free cash flow	2,228	2,231	1,665	1,269	1,016
Add/(less): Financing cash flows	(1,399)	(2,104)	(1,682)	(1,831)	(1,247)
Net increase/(decrease) in cash	829	127	(17)	(562)	(231)
Distributions to shareholders (cents per share)					
Interim ordinary dividend	103	103	91	89	85
Capital management (paid)	-	-	-	100	50
Key performance metrics					
Earnings per share (cents per share)	18.7	140.1	124.2	121.0	124.2
Operating cash flow per share ⁵ (cents per share)	255.7	234.9	213.9	200.1	152.2
Cash realisation ratio ⁶ (excluding sig. items ³) (%)	132.6	119.7	118.3	116.6	88.5
Return on equity (R12, %)	6.4	2.5	10.0	10.4	9.4
Return on equity (R12, %) (excluding discontinued ops. ² and sig.items ⁴)	12.0	10.2	10.0	9.7	9.0
Net tangible asset backing per share (\$ per share)	4.31	4.23	5.05	4.92	4.38
Interest cover ⁴ (cash basis) (R12, times)	28.8	18.9	19.3	18.1	13.8
Fixed charges cover ⁴ (R12, times)	3.0	2.7	3.0	3.1	3.0

¹ All figures are presented as last reported.

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

³ 2017 excludes pre-tax (post-tax) significant items of \$931 million (\$1,023 million) relating to BUKI and \$306 million (\$300 million) relating to Target.

⁴ 2016 excludes the following pre-tax (post-tax) amounts: \$1,266 million (\$1,249 million) non-cash impairment of Target; \$850 million (\$595 million) non-cash impairment of Curragh; and \$145 million (\$102 million) of restructuring costs and provisions to reset Target.

⁵ Calculated by dividing operating cash flows by the weighted average number of ordinary shares (including reserved shares) on issue during the year.

⁶ Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and significant items. Excludes discontinued operations.

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Divisional key performance metrics

Half-year ended 31 December (\$m) ¹	2017	2016	2015	2014	2013
Bunnings Australia and New Zealand					
Revenue	6,566	5,957	5,500	4,959	4,434
EBITDA	953	853	776	686	625
Depreciation and amortisation	(89)	(83)	(75)	(68)	(63)
EBIT ²	864	770	701	618	562
EBIT margin ² (%)	13.2	12.9	12.7	12.5	12.7
ROC (R12, %)	47.0	39.0	35.8	31.6	27.6
Capital expenditure (cash basis)	275	212	314	352	265
Total sales growth (%)	10.0	8.3	10.9	11.9	10.5
Total store sales growth (%)	10.1	8.4	11.0	11.7	10.6
Store-on-store sales growth (%)	9.0	6.5	7.9	9.1	7.2
Bunnings United Kingdom and Ireland					
Revenue	875	1,038	n.a.	n.a.	n.a.
EBITDA ³	(140)	(20)	n.a.	n.a.	n.a.
Depreciation and amortisation	(25)	(28)	n.a.	n.a.	n.a.
EBIT ³	(165)	(48)	n.a.	n.a.	n.a.
EBIT margin ³ (%)	(18.9)	(4.6)	n.a.	n.a.	n.a.
ROC (R12, %)	(22.0)	n.a.	n.a.	n.a.	n.a.
Capital expenditure (cash basis)	56	16	n.a.	n.a.	n.a.
Total sales growth (£, %)	(15.2)	n.a.	n.a.	n.a.	n.a.
Store-on-store sales growth (£, %)	(13.4)	n.a.	n.a.	n.a.	n.a.

n.a. = not applicable

¹ All figures are presented as last reported.

² Includes net property contribution for 2017 of \$30 million; 2016 of \$44 million; 2015 of \$33 million; 2014 of \$14 million; and for 2013 of \$6 million.

³ 2017 excludes pre-tax non-cash significant items of \$931 million including non-cash impairments, write-offs and provisions. 2016 includes \$21 million of restructuring and one-off repositioning costs.

Five-year history – financial performance and key metrics

Divisional key performance metrics (continued)

Half-year ended 31 December (\$m) ¹	2017	2016	2015	2014	2013
COLES					
Divisional performance					
Revenue ²	19,978	20,056	20,087	19,483	18,946
EBITDA	1,121	1,240	1,250	1,171	1,076
Depreciation and amortisation	(331)	(320)	(305)	(276)	(240)
EBIT	790	920	945	895	836
EBIT margin (%)	4.0	4.6	4.7	4.6	4.4
ROC (R12, %)	9.0	11.1	11.2	10.6	10.0
Capital expenditure (cash basis)	377	463	459	537	554
Food & Liquor					
Revenue ²	17,056	16,878	16,496	15,559	14,770
Headline sales growth ^{3,4} (%)	1.9	2.2	5.4	5.3	4.7
Comparable store sales growth ^{3,4} (%)	0.9	1.3	4.3	4.2	3.6
Convenience					
Revenue	2,922	3,178	3,591	3,924	4,176
Total sales growth ^{3,5} (%)	(8.0)	(11.2)	(8.4)	(6.2)	5.6
Total fuel volume growth ³ (%)	(18.6)	(9.8)	(0.6)	(4.6)	(0.5)
Comparable fuel volume growth ³ (%)	(19.3)	(13.3)	(3.8)	(6.9)	(0.7)
Total convenience store sales growth ³ (%)	0.9	6.4	11.6	11.5	2.6
Comparable convenience store sales growth ³ (%)	0.4	2.5	7.9	8.1	2.9

¹ All figures are presented as last reported.

² Includes property.

³ Based on retail period (rather than Gregorian reporting). Refer to page 44 for applicable retail period.

⁴ Includes hotels, excludes gaming revenue and property income.

⁵ Includes fuel sales.

Five-year history – financial performance and key metrics

Divisional key performance metrics (continued)

Half-year ended 31 December (\$m) ¹	2017	2016	2015	2014	2013
DEPARTMENT STORES					
Revenue	4,769	4,619	4,722	4,377	4,286
EBITDA ²	518	486	487	445	412
Depreciation and amortisation	(103)	(99)	(94)	(86)	(82)
EBIT ²	415	387	393	359	330
EBIT margin ² (%)	8.7	8.4	8.3	8.2	7.7
ROC ³ (R12, %)	26.2	9.2	14.8	11.8	9.6
Capital expenditure (cash basis)	201	123	145	171	135
Kmart					
- Total sales growth ⁴ (%)	8.6	9.1	12.4	5.3	1.7
- Comparable sales growth ⁴ (%)	5.4	5.7	9.1	2.4	0.3
Target					
- Total sales growth ⁴ (%)	(6.2)	(17.4)	1.6	(1.8)	(4.4)
- Comparable sales growth ⁴ (%)	(6.5)	(18.2)	1.4	(1.0)	(4.2)
OFFICEWORKS					
Revenue	1,017	927	875	802	745
EBITDA	80	74	70	61	53
Depreciation and amortisation	(12)	(12)	(11)	(11)	(11)
EBIT	68	62	59	50	42
EBIT margin (%)	6.7	6.7	6.7	6.2	5.6
ROC (R12, %)	15.7	13.9	12.5	10.5	8.7
Total sales growth (%)	9.8	5.8	9.1	7.8	4.5

¹ All figures are presented as last reported.

² 2017 excludes a pre-tax non-cash impairment of \$306 million for Target. 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 2016 includes \$158 million in restructuring costs and provisions for Target. In addition to higher earnings, the increase in ROC in 2017 also reflects lower capital employed as a result of non-cash impairments in Target in June 2016 and December 2017.

⁴ Based on retail period (rather than Gregorian reporting). Refer to page 44 for applicable retail period.

Five-year history – financial performance and key metrics

Divisional key performance metrics (continued)

Half-year ended 31 December (\$m) ¹	2017	2016	2015	2014	2013
INDUSTRIALS					
Divisional performance					
Revenue	2,704	2,321	2,278	2,334	2,340
EBITDA	538	469	174	319	380
Depreciation and amortisation	(89)	(92)	(152)	(139)	(138)
EBIT	449	377	22	180	242
Capital expenditure (cash basis)	83	89	117	129	176
Chemicals, Energy and Fertilisers					
Chemicals revenue	439	412	469	415	377
Energy revenue ^{2,3}	223	182	173	267	315
Fertilisers revenue	102	101	111	128	80
Total revenue ³	764	695	753	810	772
EBITDA ^{3,4}	223	225	161	144	157
Depreciation and amortisation	(35)	(38)	(57)	(49)	(47)
EBIT ^{3,4}	188	187	104	95	110
ROC (R12, %)	28.0	25.1	15.7	13.4	17.1
Capital expenditure (cash basis)	30	20	21	39	126
<i>Sales volumes ('000 tonnes)</i>					
Chemicals	494	499	524	455	416
LPG ³	81	55	74	108	128
Fertilisers	253	234	214	260	160

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.

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.

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Divisional key performance metrics (continued)

Half-year ended 31 December (\$m) ¹	2017	2016	2015	2014	2013
Industrial and Safety					
Revenue	869	884	927	835	804
EBITDA	73	73	57	67	88
Depreciation and amortisation	(21)	(21)	(21)	(17)	(15)
EBIT	52	52	36	50	73
EBIT margin (%)	6.0	5.9	3.9	5.9	9.1
ROC (R12, %)	8.3	5.9	4.2	9.3	13.5
Capital expenditure (cash basis)	19	16	29	25	17
Resources					
Revenue	1,071	742	598	689	764
Royalties ²	(220)	(90)	(81)	(80)	(121)
Mining and other costs	(609)	(481)	(561)	(501)	(508)
EBITDA	242	171	(44)	108	135
Depreciation and amortisation	(33)	(33)	(74)	(73)	(76)
EBIT	209	138	(118)	35	59
ROC (R12, %)	77.0	(6.1)	(7.0)	7.3	7.8
Capital expenditure (cash basis)	34	53	67	65	33
<i>Curragh export metallurgical sales mix (%)</i>					
Hard	48	39	30	41	34
Semi	12	26	31	35	34
PCI	40	35	39	24	32
<i>Mine performance – Curragh (QLD) ('000 tonnes)</i>					
Metallurgical coal production volumes	4,106	3,919	3,986	4,580	4,029
Steaming coal production volumes	1,873	1,899	1,791	1,543	1,740
Metallurgical coal sales volumes ³	4,468	4,127	4,175	4,271	4,053
Steaming coal sales volumes	1,923	1,888	1,819	1,542	1,829
<i>Mine performance – Bengalla (NSW) ('000 tonnes)</i>					
Steaming coal production volumes ⁴	1,880	1,714	1,680	1,658	1,685
Steaming coal sales volumes ⁴	1,822	1,725	1,733	1,726	1,787

¹ All figures are presented as last reported.

² Includes Stanwell export rebate expense for 2017 of \$123 million; 2016 of \$30 million; 2015 of \$35 million; 2014 of \$34 million; and 2013 of \$62 million.

³ Excludes traded coal.

⁴ Wesfarmers' attributable volumes.