2015 Half-Year results
Briefing presentation

19 February 2015

Presentation outline

Group Performance Highlights

Wesfarmers

Richard Goyder
Managing Director, Wesfarmers Limited

Financial highlights

Half-Year ended 31 December 2014	Variance to prior corresponding period			
Reported			*Continuing operations*[1]	
Operating revenue of $32.0b	▲	*0.4%*	▲	*4.0%*
EBIT of $2,076m	▼	*(3.6%)*	▲	*5.9%*
NPAT of $1,376m	▼	*(3.7%)*	▲	*8.3%*
Earnings per share of $1.21	▼	*(2.6%)*	▲	*9.6%*
Return on equity (R12) of 10.4%	▲	*100 bps*	▲	*77 bps*[1,2]

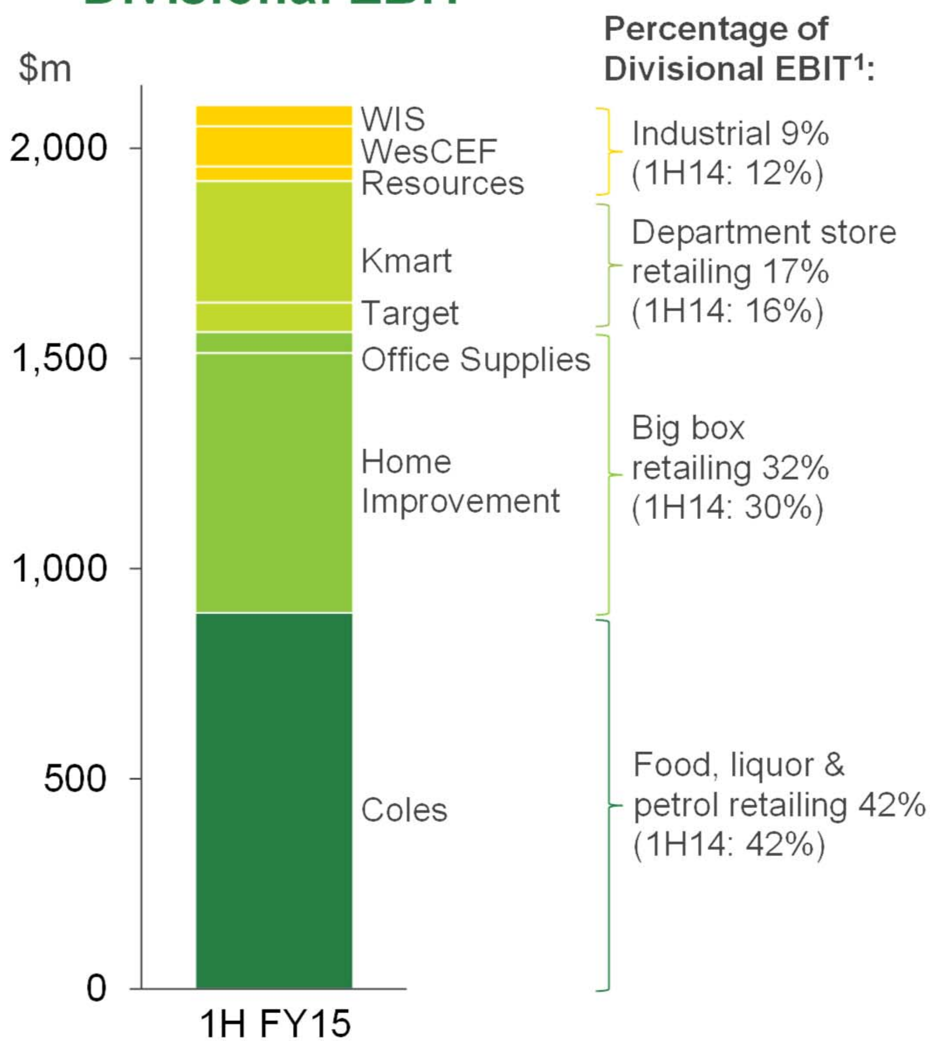
- Solid underlying earnings growth driven by:
  - A strong performance in the Group's retail portfolio; partly offset by
  - Reduced earnings from the industrial portfolio where lower commodity prices resulted in challenging market conditions
- Managed the portfolio to deliver satisfactory returns to shareholders:
  - Increased interim dividend to 89 cents per share reflecting underlying earnings growth & continued strong cash generation
  - Capital management of $1.00 per share in December 2014 returning $1,148 million

[1] The Insurance division (classified as a discontinued operation) contributed $99 million and $63 million of pre-tax and post-tax earnings respectively in the first half of the 2014 financial year, and $121 million and $82 million of pre-tax and post-tax earnings respectively in the second half of the 2014 financial year. Discontinued operations for the 2014 half-year also includes the $95 million gain (pre and post-tax) on disposal of WesCEF's interest in Air Liquide WA (ALWA).

[2] NTIs for the 12 month period to 31 December 2014 included $196m of post-tax earnings (a $939 million gain on disposal of the Insurance division, a $677 million non-cash impairment of Target's goodwill and a $66 million Coles Liquor restructuring provision).

Strength through diversified earnings

Divisional EBIT



[1] Excluding discontinued operations.
[2] Discontinued operations for 1H14 included Insurance EBIT of $99m and the $95 million gain on disposal of WesCEF's interest in ALWA.

Half-Year ended 31 December ($m)	2014	2013	%
Coles	895	836	*7.1*
Home Improvement	618	562	*10.0*
Office Supplies	50	42	*19.0*
Kmart	289	260	*11.2*
Target	70	70	-
WesCEF	95	110	*(13.6)*
Resources	35	59	*(40.7)*
Industrial & Safety	50	73	*(31.5)*
Divisional EBIT from continuing operations	**2,102**	**2,012**	***4.5***
Other	(26)	(52)	*50.0*
Group EBIT from continuing operations	**2,076**	**1,960**	***5.9***
Discontinued operations[2]	-	194	*n.m.*
Group EBIT	**2,076**	**2,154**	***(3.6)***

Return on capital

- Focus on return on capital to deliver satisfactory shareholder returns

Rolling 12 months to 31 December	2014 EBIT ($m)	2014 Cap Emp ($m)	2014 ROC (%)	2013 ROC (%)
Coles	1,731	16,301	10.6	10.0
Home Improvement	1,035	3,277	31.6	27.6
Office Supplies	112	1,067	10.5	8.7
Kmart	395	1,361	29.0	26.8
Target	86	2,702	3.2	1.9
Chemicals, Energy & Fertilisers	207	1,548	13.4	17.1
Resources	107	1,465	7.3	7.8
Industrial & Safety	108	1,165	9.3	13.5

Divisional performance highlights

Coles

- Good supermarket result
- Ongoing improvements in productivity & operational efficiencies funded greater investment in lower prices
- Increased customer transactions, volumes, average basket size & sales density

Officeworks

- Continued execution of the ‘every channel’ strategy
- Sales growth achieved in store & online
- Strong growth in earnings & return on capital

Bunnings

- Earnings growth supported by strong trading performance, productivity improvements & good cost management
- Sales uplifts achieved in consumer & commercial areas & across all product categories & all trading regions

Kmart

- Earnings growth driven by continued focus on investment of business efficiencies in lower prices, improved product ranges & strong inventory management
- Sales growth supported by accelerated new store roll out & refurbishments

Divisional performance highlights (continued)

Target

- Earnings reflected a challenging first quarter with markdowns undertaken to clear excess winter inventory
- Improved sales momentum in the second quarter
- Progress made on transformation plan

WesCEF

- Lower earnings with an improved result from fertilisers more than offset by a sharp decline in Kleenheat Gas earnings
- Chemicals earnings affected by phasing in of new gas supply arrangements & loss of carbon abatement income, which offset improved ammonium nitrate (AN) contribution

Resources

- Significant decline in export metallurgical & steaming coal prices affected revenues
- Increased sales volumes & a lower A$:US$ exchange rate partly offset lower prices
- Continued strong cost control

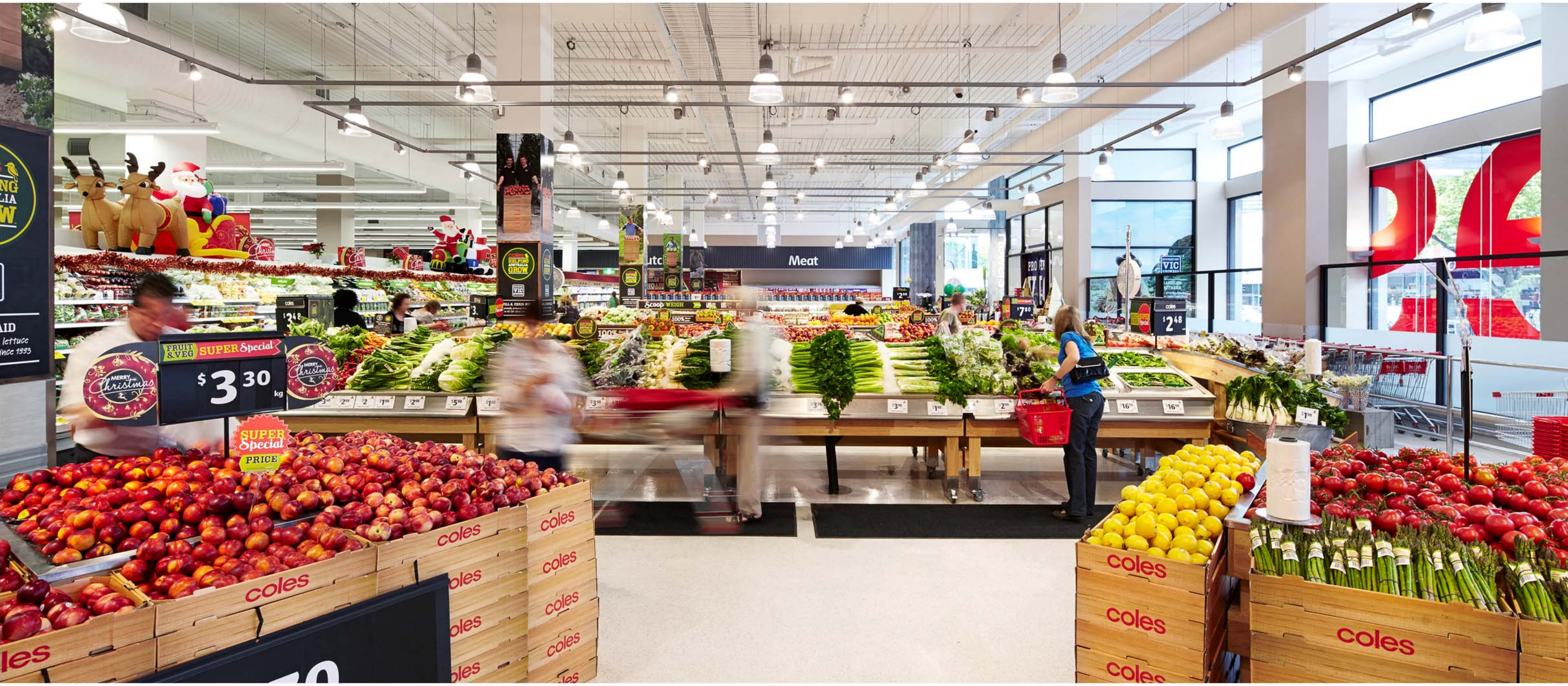
Industrial and Safety

- Earnings adversely affected by customers' continued focus on cost reduction & reduced business activity across most industrial sectors, impacting margins
- Acquisition of Pacific Brands' Workwear business completed in December 2014

Coles

Wesfarmers

John Durkan
Managing Director



coles | coles.com.au | coles express | Vintage Cellars | first choice liquor | BI-LO | LIQUORLAND | spirit HOTELS

Coles performance summary

Wesfarmers

Half-Year ended 31 December ($m)		2014	2013	↕ %
Coles Division	Revenue	19,483	18,946	*2.8*
	EBITDA	1,171	1,076	*8.8*
	Depreciation & amortisation	(276)	(240)	*(15.0)*
	EBIT	895	836	*7.1*
	ROC (R12 %)	10.6	10.0	
	Safety (R12 LTIFR)	7.6	8.7	
Food & Liquor	Revenue[1]	15,559	14,770	*5.3*
	Headline sales growth (%)[2,3]	5.3	4.7	
	Comparative sales growth (%)[2,3]	4.2	3.6	
	Trading EBIT[4]	821	755	*8.7*
	EBIT margin (%)	5.3	5.1	
Convenience	Revenue	3,924	4,176	*(6.0)*
	Total store sales growth (%)[2]	11.5	2.6	
	Comp fuel volume growth (%)[2]	(6.9)	(0.7)	
	Trading EBIT	74	81	*(8.6)*

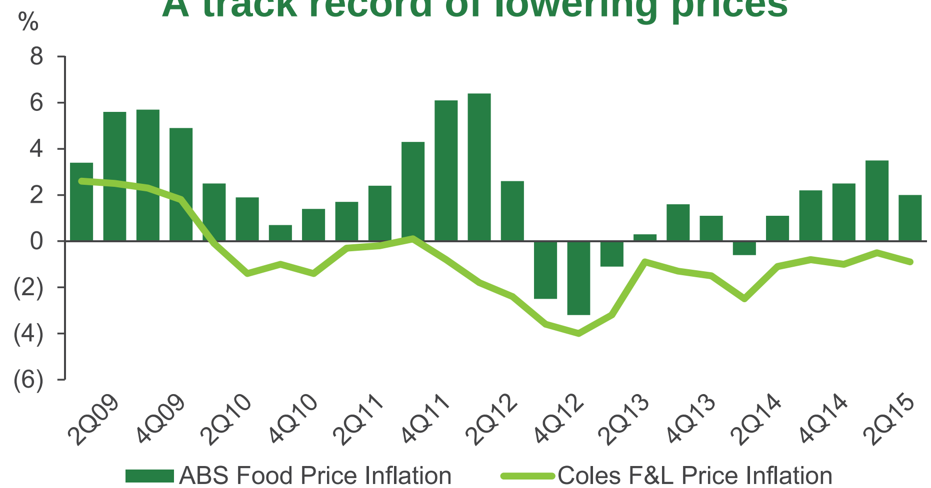
[1] Includes property revenue for the half-year ended 31 December 2014 of $15 million and for the half-year ended 31 December 2013 of $13 million.
[2] 2015 growth reflects the 27 week period 30 June 2014 to 4 January 2015 and the 27 week period 1 July 2013 to 5 January 2014. 2014 growth reflects the 27 week period 1 July 2013 to 5 January 2014 and the 27 week period 2 July 2012 to 6 January 2013.
[3] Includes hotels, excludes gaming revenue and property.
[4] Includes property EBIT for the half-year ended 31 December 2014 of $8 million and for the half-year ended 31 December 2013 of $10 million.

Food & Liquor highlights

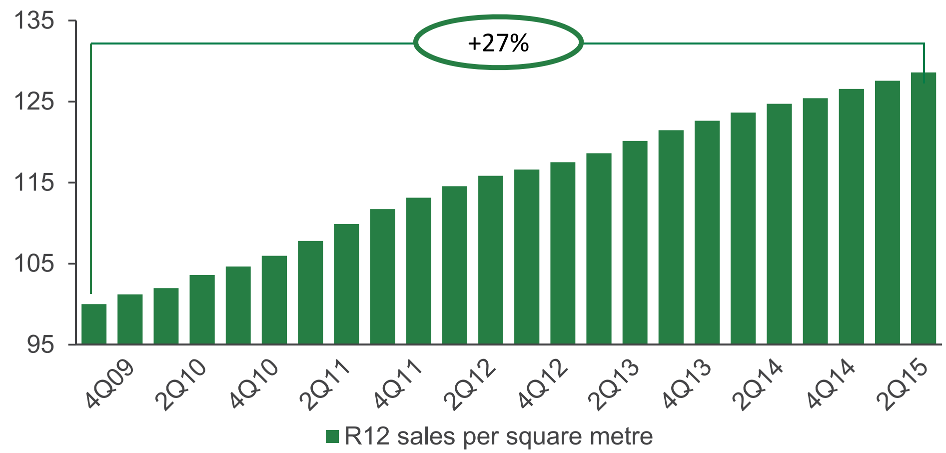
Extending value leadership & focus on freshness

- Reduced the cost of the weekly shopping basket
  - Continued long-term process of greater investment in trusted low prices
  - Compelling weekly specials
  - Coles brand providing a high quality low price alternative
  - Relevant & personalised flybuys offers
- Focussed on fresh food
  - Double digit growth in fresh produce
  - Deeper & more collaborative relationships with Australian suppliers
  - More long-term contracts, e.g. 10 year contract with Sundrop Farms for truss tomatoes
- Continued sales density improvements
  - 3.0% net selling area growth for 12 months to 31 December 2014
  - 492 stores now in renewal format, representing 64% of the fleet

A track record of lowering prices



Continued sales density improvements

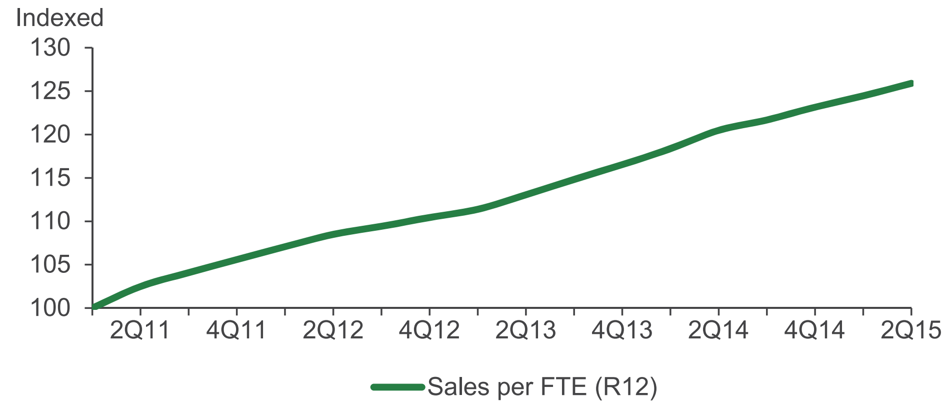


Food & Liquor highlights
Project Unity delivering greater simplicity

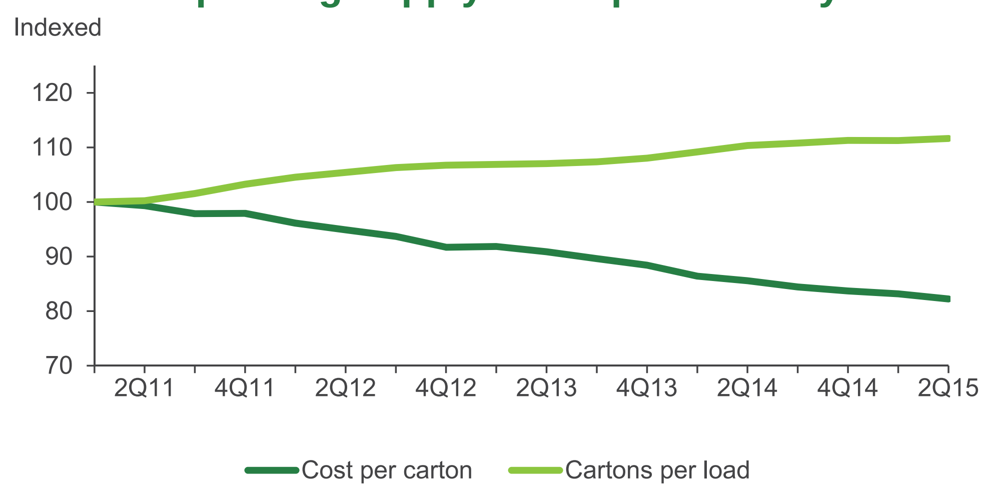
- Simplified in-store operations
  - “Easy” or “Assisted Ordering” completed for meat, bakery & fresh produce
  - Greater efficiency through more assisted check-outs, customer facing scanners & better training
  - Reduced paperwork & complexity

- More productive supply chain
  - Continued to right-size the DC network
  - Investment in better processes & systems to improve DC productivity
  - Trailer roll-out completed in VIC & QLD
  - Progressed introduction of transport planning & tracking systems progressed (Ortec & Isotrak)

Simpler store operations for greater efficiency



Improving supply chain productivity



Food & Liquor highlights
Extending into new services & channel

- Strong growth in Coles Online
  - Accelerated sales growth
  - Better value with “Every Day” prices now available
  - More convenient with over 100 “click & collect” sites in total & expanding
  - Improved picking productivity

- Delivering greater value through flybuys
  - Over 7.1 million active members & growing
  - More flybuys partners with the launch of ‘eShops’

- Expanding financial services
  - Better value through product innovation (e.g. extended, no interest period on credit card balance transfers)

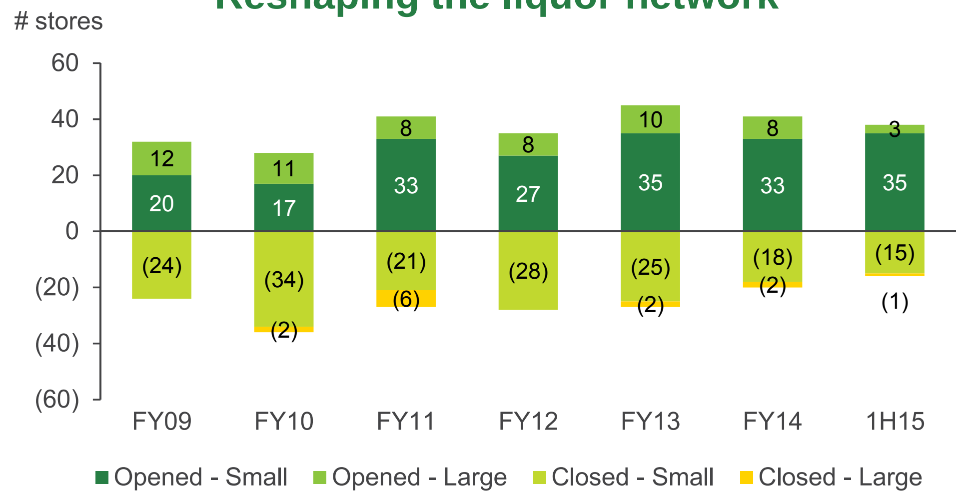
Refrigerated “click & collect” lockers

Market leading financial services initiatives

Food & Liquor highlights
Transforming liquor

- Liquor performance remained challenging
- Long-term transformation
  - Progressed clearance of excess & inactive stock
  - Initiated first stage of price reductions e.g. ‘Low Prices’ campaign in Liquorland
  - Commenced Liquorland range reset
  - Early steps in improving operational efficiencies with better planning across all three brands
  - Continued reshaping the store network, closing 16 underperforming stores & opening 38 stores (29 opened stores co-located with supermarkets)
  - Further work required to improve the customer offer & experience

Reshaping the liquor network

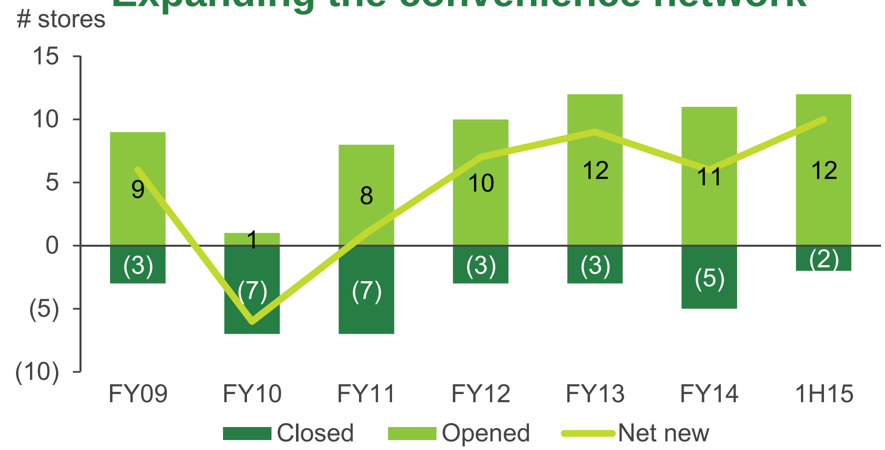


Lower prices at Liquorland

Convenience highlights
Fueling convenience

- Lower fuel volumes due to reduced fuel docket discounts given undertaking with ACCC
- Continued focus on the right fuel offer
  - Growing premium fuel volume
  - Trialling new fuel value initiatives for customers in select markets
- A growing convenience store offer
  - Improved value proposition (e.g. stronger in-store promotions, ‘Only at Coles Express’ specials)
  - Better range & customer offer
  - ‘Expresso to go’ & frozen carbonated beverages rolled-out to more than 300 stores
- Accelerated network expansion
  - Opened 12 new sites & closed two sites during the first half
  - Strong partnership with Viva Energy, with eight alliance sites opened

Expanding the convenience network



Driving value for customers

COLES CUTS HOLIDAY FUEL COSTS FOR SYDNEY DRIVERS

E10 and regular 91 RON ULP as low as $1 until 4 January with up to 14cpl discounts

Coles outlook

- Consumers to continue to seek more value
- Greater investment in value & fresh food to drive sales
- Simplify operations & reduce the cost of doing business to reinvest in value
- Maintain a strong focus on transforming liquor
- Invest in new growth opportunities for the long term
- Disciplined & returns-focussed capital management

Home Improvement & Office Supplies

John Gillam
Managing Director

HIOS performance summary

Half-Year ended 31 December ($m)		2014	2013	↕ %
Revenue	Home Improvement	4,959	4,434	*11.8*
	Office Supplies	802	745	*7.7*
	Total	5,761	5,179	*11.2*
EBITDA	Home Improvement	686	625	*9.8*
	Office Supplies	61	53	*15.1*
	Total	747	678	*10.2*
EBIT	Home Improvement	618	562	*10.0*
	Office Supplies	50	42	*19.0*
	Total	668	604	*10.6*

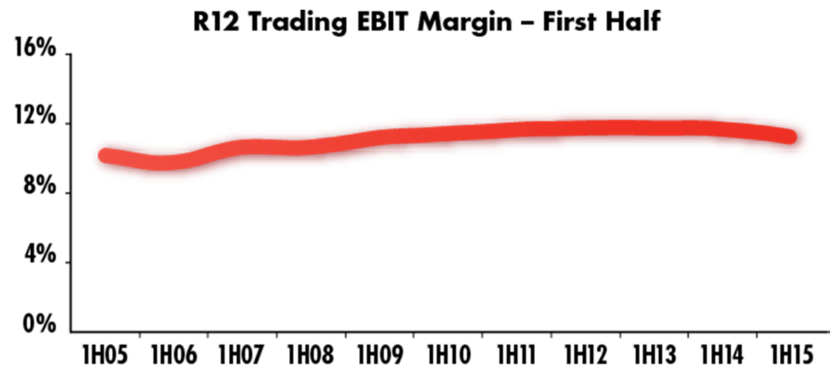
Home Improvement performance summary

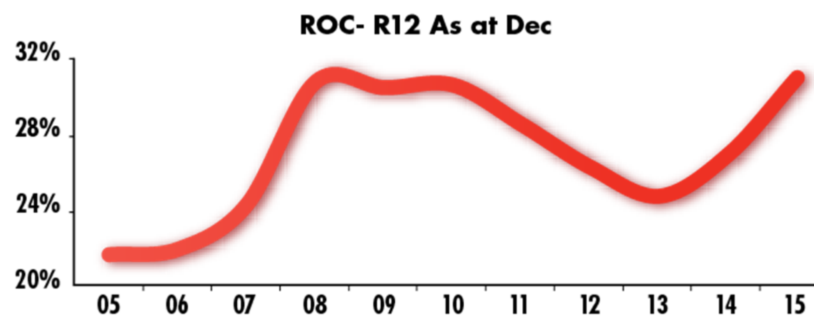
Half-Year ended 31 December ($m)	2014	2013	↕ %
Revenue	4,959	4,434	*11.8*
EBITDA	686	625	*9.8*
Depreciation & amortisation	(68)	(63)	*(7.9)*
EBIT	618	562	*10.0*
Trading EBIT margin (%)	12.2	12.6	
ROC (R12 %)	31.6	27.6	
Safety (R12 AIFR)	27.6	29.4	

Home Improvement highlights

Wesfarmers

- Strong revenue growth of 11.8%
  - Total store 11.7%; store-on-store 9.1%
  - Positive in all regions & all categories
  - Good momentum in consumer & commercial
  - Absolute growth of $525m (on 1H14)
- EBIT increase of 10.0%
  - Strong underlying trading
  - Productivity gains & good cost discipline
  - Absorbing value creation & network development costs
- ROC (R12) uplift of 395bp



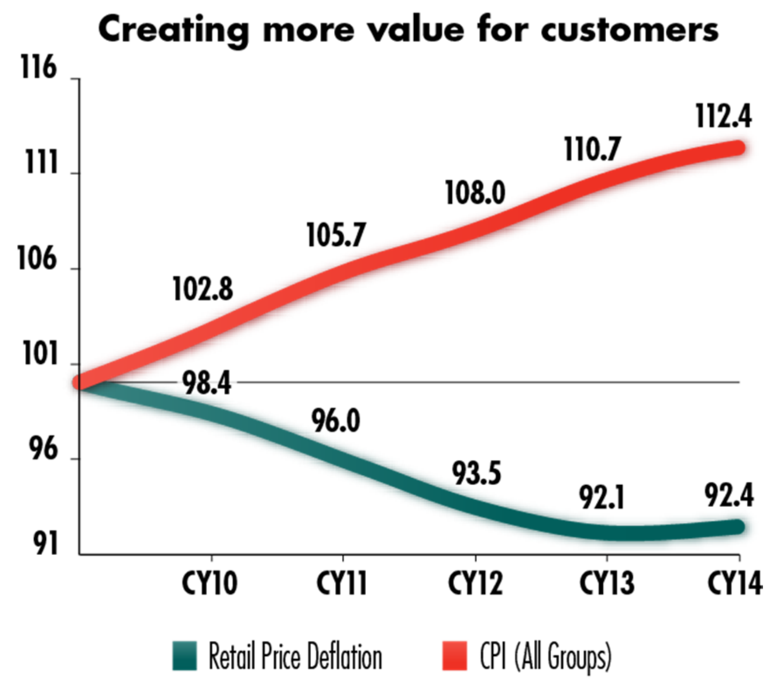


BUNNINGS warehouse   BUNNINGS   BUNNINGS TRADE

Home Improvement highlights

- Contributions from all growth drivers
  - Creating more value
  - Better customer experiences
  - Accelerating brand reach
    - » Wider & deeper digital ecosystem
    - » Increasing physical network
  - Expanding commercial presence
  - More merchandise innovation

- Investments strengthening core business
  - Team, stock flow, productivity, community



Home Improvement outlook

- Strategic agenda driving performance
  - Sales & earnings growth
  - Building a stronger business
- More for customers
  - Value & experience
  - Consumer & commercial
- Greater brand reach
  - Strong store pipeline; expected to open ~20 warehouses in FY15
  - Increased digital ecosystem investment

Office Supplies performance summary

Wesfarmers

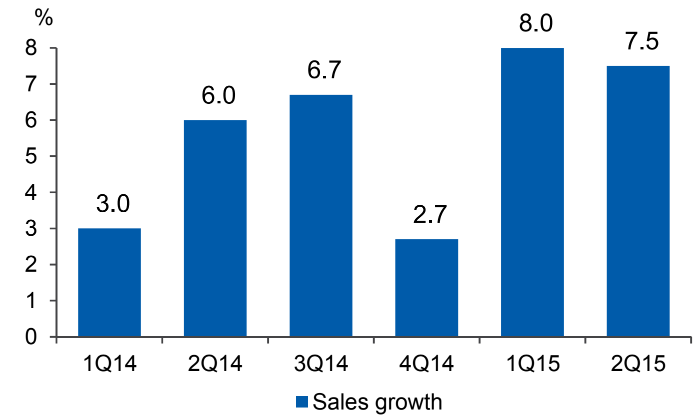
Half-Year ended 31 December ($m)	2014	2013	⬍ %
Revenue	802	745	*7.7*
EBITDA	61	53	*15.1*
Depreciation & amortisation	(11)	(11)	-
EBIT	50	42	*19.0*
EBIT margin (%)	6.2	5.6	
ROC (R12 %)	10.5	8.7	
Safety (R12 AIFR)	20.5	25.8	

Officeworks

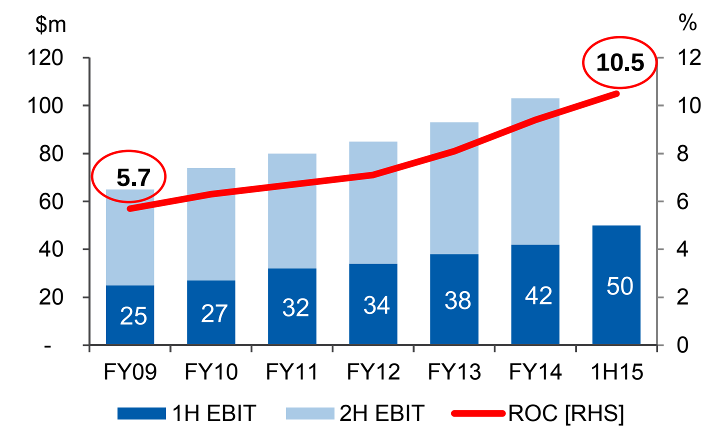
Office Supplies highlights

- Continuing cycle of strong earnings & ROC growth
- Revenue growth of 7.7%
  - Strong store sales growth
  - 14 consecutive halves of store transaction growth
  - Six year 1H online sales CAGR of 17.9%
    - » Annualised online sales c. $200 million
- 1H EBIT up 19.0%, ROC (R12) up 20.7%
  - Six year 1H EBIT CAGR of 12.2%
  - New categories & store layout investment driving sales growth
  - Online investment received favourably by customers
  - Ongoing focus on profitable sales growth

Sales growth momentum



Strong earnings & ROC growth



Officeworks

Office Supplies highlights

- In-store merchandising investment
  - Improved layouts & expanded ranges
  - Delivering sales & margin uplift
- Strong & continuous growth in SME market
  - Multi-dimensional service investment
    - » Stores, online, call centre, mobile, face-to-face
  - Significant opportunity for further profitable sales growth
- Ongoing 'every channel' investment
  - Continued online sales growth & improved experience
  - Network enhancement & expansion (including three new stores in 1H15)

Officeworks

Office Supplies outlook

- Well positioned for 2H15
  - More customers expected to respond favourably to offer
- Continued growth driven strategic initiatives & additional ROC-enhancing investment
  - Drive ‘every channel’ agenda
  - Improve customer offer & service
  - Grow revenue in B2B market
  - Reduce complexity & CODB
  - Develop & engage team

Kmart

Guy Russo
Managing Director

Kmart performance summary

Half-Year ended 31 December ($m)	2014	2013	↕%
Revenue	2,442	2,321	*5.2*
EBITDA	333	299	*11.4*
Depreciation & amortisation	(44)	(39)	*(12.8)*
EBIT	289	260	*11.2*
EBIT margin (%)	11.8	11.2	
ROC (R12 %)	29.0	26.8	
Safety (R12 LTIFR)	7.1	8.0	
Total sales growth[1] (%)	5.3	1.7	
Comparative store sales growth[1] (%)	2.4	0.3	

[1] 2014 growth reflects the 27 week period 30 June 2014 to 4 January 2015 and the 27 week period 1 July 2013 to 5 January 2014. 2013 growth reflects the 27 week period 1 July 2013 to 5 January 2014 and the 27 week period 2 July 2012 to 6 January 2013.

Kmart highlights

- Growth in revenue
  - Sustained focus on lowering prices
  - Continued growth in customer transactions
  - Strong trading over the second quarter & Christmas period
- Increase in EBIT & return on capital
  - Improvement in product ranges
  - Effective working capital management
  - Increased efficiency across the store network & supply chain
  - Effective management of foreign exchange impact
- Investment in store network
  - Opened eight new Kmart stores, including two replacement stores
  - Completed 15 major Kmart store refurbishments
  - Opened five new Kmart Tyre & Auto stores
- Continued improvement in team member safety

Kmart outlook

- Ongoing focus on growth
  - Volume retailer
  - Operational excellence
  - Adaptable stores
  - High performance culture
- Relentless focus on being lowest price in the market
- Continued investment in accelerated refurbishment & new store opening programs
- Further growth through product range optimisation
- Close management of the declining Australian dollar
- Safety to remain a key priority
- Continued focus on ethical sourcing

Target

Stuart Machin
Managing Director

Target performance summary

Half-Year ended 31 December ($m)	2014	2013	↕%
Revenue	1,935	1,965	*(1.5)*
EBITDA	112	113	*(0.9)*
Depreciation & amortisation	(42)	(43)	*2.3*
EBIT	70	70	-
EBIT margin (%)	3.6	3.6	
ROC (R12 %)	3.2	1.9	
Safety (R12 LTIFR)	4.9	7.3	
Total sales growth[1] (%)	(1.8)	(4.4)	
Comparative store sales growth[1] (%)	(1.0)	(4.2)	

[1] 2014 growth reflects the 27 week period 29 June 2014 to 3 January 2015 and the 27 week period 30 June 2013 to 4 January 2014. 2013 growth reflects the 27 week period 30 June 2013 to 4 January 2014 and the 27 week period 1 July 2012 to 5 January 2013.

Target highlights

Wesfarmers

- Year-on-year earnings growth in Q2 offset by clearance in Q1, as previously indicated
- Customer & volume growth supported by investment in lower prices
- First Christmas in 3 years with comparable store sales growth

Outstanding customer experience

Better customer experience, supported by the delivery of new store formats

Profitable online sales growth

Right product choices

Edited ranges leading to option reduction & lower markdown spend

Fashion & style backed by good quality

New products helping to re-establish fashion, style & quality credentials as well as delineate 'good, better, best' range architecture

Low prices

Average selling prices reduced further, with direct sourcing increasing & supplier rationalisation ongoing

Better, simpler, cheaper

Opened 3 new regional replenishment centres, while continuing to right size CODB

Team with personality & pride

Safety performance improved, with LTIFR of 4.9

Target outlook

- Deliver the Transformation Plan
  - Improve stock availability through ‘Factory to Customer’ program
  - Refine & roll-out new store formats
  - Improve & deliver greater consistency in store standards
  - Grow online sales & earnings
  - Further reduce SKUs to better define fashion, style & quality
  - Continue to deliver ‘first price, right price’ strategy
  - Manage foreign currency movements to minimise margin impact
  - Continue to remove complexity & improve efficiency across the business

- Continue to build momentum through ‘Great Quality. Lower Prices. Every Day.’

Chemicals, Energy & Fertilisers

Wesfarmers

Tom O'Leary
Managing Director

Wesfarmers Chemicals Energy & Fertilisers | CSBP | Australian Vinyls | AGA | QNP | EVOL LNG | KleenheatGas | MODWOOD | Premier Power Sales

Chemicals, Energy & Fertilisers
Performance summary

Half-Year ended 31 December ($m)		2014	2013	↕ %
Revenue	Chemicals	415	377	*10.1*
	Energy[1]	267	315	*(15.2)*
	Fertilisers	128	80	*60.0*
	Total	810	772	*4.9*
EBITDA[2]		144	157	*(8.3)*
Depreciation & amortisation		(49)	(47)	*(4.3)*
EBIT[2]		95	110	*(13.6)*
External[3] sales volume ('000t):	Chemicals	455	416	*9.4*
	LPG	108	128	*(15.6)*
	Fertilisers	260	160	*62.5*
ROC (R12 %)[2]		13.4	17.1	
Safety (R12 LTIFR)		3.1	2.9	

[1] Includes Kleenheat Gas and ALWA (prior to the sale of the 40 per cent interest in ALWA in December 2013).

[2] Excludes a $95 million gain on sale of the 40 per cent interest in ALWA, reported as a NTI, but includes ALWA earnings for the period prior to divestment in December 2013.

[3] External sales exclude AN volumes transferred between chemicals and fertiliser business segments

Chemicals, Energy & Fertilisers highlights

- In chemicals, higher contribution from ammonium nitrate (AN) following the recent capacity expansion offset by:
  - Increased gas input costs in ammonia business & loss of carbon abatement income ($20m in 1H15)
  - Ongoing challenging economic conditions for Australian Vinyls (AV)
  - Planned ammonia maintenance shutdown
- Lower divisional EBIT driven by a sharp decline in Kleenheat Gas earnings, partially offset by a strong contribution from fertilisers:
  - Significantly lower Kleenheat Gas earnings reflecting reduced LPG selling prices due to a marked decline in Saudi CP (the international benchmark pricing indicator for LPG) & lower LPG content in the DBNGP
  - Higher fertiliser earnings due to increased sales volumes following good seasonal rainfalls & early 2015 season purchasing by farmers

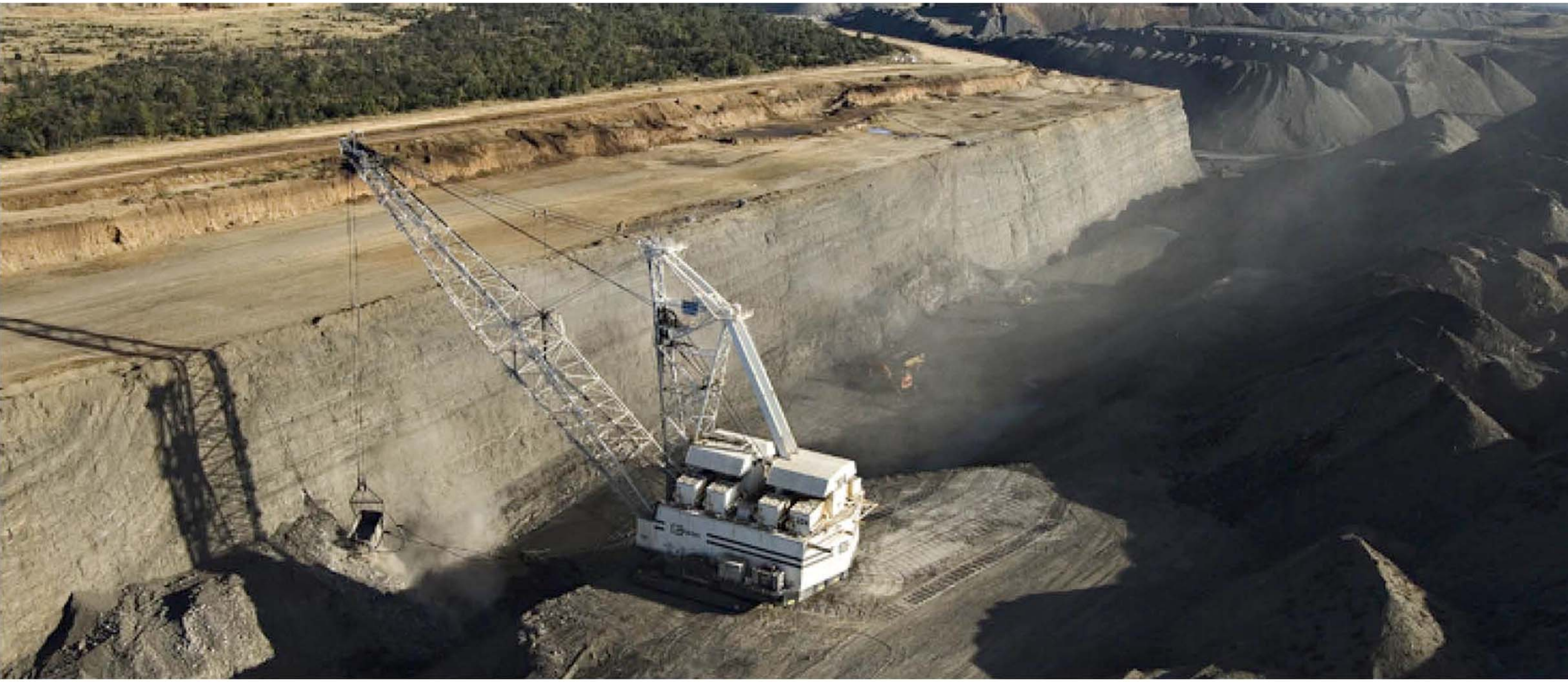
Chemicals, Energy & Fertilisers outlook

- Ongoing strong demand for AN & ammonia
- In chemicals, increased second half AN earnings contribution from expanded capacity expected to be offset by:
  - Higher gas input costs & loss of carbon abatement income (~$30 million in 2H15)
  - Weaker sodium cyanide demand & pricing
  - Ongoing margin pressure in AV
- Kleenheat Gas expected to be affected by significantly lower forecast Saudi CP
- Completion of the sale of East Coast LPG distribution business (cleared by the ACCC in December 2014) expected during the March 2015 quarter
- Good harvest & strong grain pricing has improved the financial position of many WA farmers; full year fertiliser earnings will be dependent on the seasonal break

Resources

Wesfarmers

Stewart Butel
Managing Director



Wesfarmers Resources

CURRAGH

BENGALLA

Resources performance summary

Wesfarmers

Half-Year ended 31 December ($m)	2014	2013	↕ %
Revenue	689	764	*(9.8)*
Royalties[1]	(80)	(121)	*33.9*
Mining & other costs	(501)	(508)	*1.4*
EBITDA	108	135	*(20.0)*
Depreciation & amortisation	(73)	(76)	*3.9*
EBIT	35	59	*(40.7)*
ROC (R12%)	7.3	7.8	
Coal production (‘000 tonnes)	7,781	7,454	*4.4*
Safety (R12 LTIFR)	0.9	0.6	

[1] Includes Stanwell rebate expense for half-year ended 31 December 2014 of $34 million & for half-year ended 31 December 2013 of $62 million.

Resources highlights

- Continued strong safety performance
- Record Curragh coal production & sales volumes during calendar year 2014
- Lower export coal prices partly offset by higher sales volumes
- Continued strong cost performance
  - Recorded unit mine cash costs for the half 32% below 1H12 peak; less favourable geological conditions experienced compared to 2H14
  - Unit mine cash costs ~6% lower than 1H14
- Rio Tinto announcement (November 2014) of a significant increase to Bengalla coal reserves[1]
- MDL 162 feasibility study progressed

[1] Refer slide 35 (Coal Reserves & Resources Notes) in the 2015 Half-Year Results Supplementary Information also dated 19 February 2015.

Resources outlook

- Export markets
  - Global metallurgical coal market remains in near-term over supply
  - Continued low export metallurgical & steaming coal prices expected in 2H15
- Financial year 2015
  - Forecast Curragh metallurgical coal sales of 8.0mt – 9.0mt
  - Estimated full-year sales mix (Hard 42%; Semi 31%; PCI 27%)
  - Weighted average export metallurgical coal price (US$) reduction of 1% in March 2015 quarter
  - Full-year Stanwell royalty estimate of $55 - $70 million (assuming A$:US$0.81 during 2H15)
  - Continued focus on sustaining cost reductions achieved

Industrial & Safety

Wesfarmers

Olivier Chretien
Managing Director

Industrial & Safety performance summary

Half-Year ended 31 December ($m)	2014	2013	↕ %
Revenue	835	804	*3.9*
EBITDA	67	88	*(23.9)*
Depreciation & amortisation	(17)	(15)	*(13.3)*
EBIT	50	73	*(31.5)*
EBIT margin (%)	5.9	9.1	
ROC (R12 %)	9.3	13.5	
Safety (R12 TRIFR)	10.4	12.8	

Industrial & Safety highlights

- Earnings impacted by volume & margin pressures
- Continued very subdued customer & project activity across most sectors
  - Margins remained under pressure from intense competition & rising cost of imports
- Resetting cost base & investing in customer value in response to ongoing weak market conditions
  - Maintained strong service & cost to serve focus while investing in value to retain/grow share
  - Restructured several specialist businesses (total WIS FTEs[1] down 11% over past 18 months)
  - Conducted in-depth review with key suppliers (wave 1); expanded own brand penetration
  - Launched new automated Blackwoods DC in Greystanes (NSW) & restructured supply chain to increase capabilities & improve efficiency through better planning
  - Expanded safety, consulting & integrated services offer & Coregas distribution channels
  - Advanced new ERP (JD Edwards) business transformation program
- Acquired Workwear division of Pacific Brands (December 2014) & NSCA[2] (August 2014)

[1] Excluding acquisitions
[2] National Safety Council of Australia

Industrial & Safety outlook

- Weakness in customer activity & margin pressure expected to continue in 2H15
  - Margin pressure from ongoing intense competition & higher cost of imports due to declining AUD
- Continue focus on maintaining & growing market share & reducing cost of doing business
  - Continuing investment in targeted key accounts with attractive pricing offers
  - Further restructuring of underperforming businesses
  - Resetting cost & inventory base & becoming leaner through process simplification
- Building market leading position in Workwear
  - Developing strategic agenda focussed on growth & service excellence with implementation to commence
  - Legacy supply chain / service issues, integration costs & declining AUD to impact near-term performance
- Multiple growth opportunities being developed
  - Building stronger position with SMEs[1], continued industry diversification & online channel expansion
  - Developing range with a focus on strategic suppliers & own brands
  - Developing innovative integrated models & expanding service offering
  - Continuing to evaluate acquisition opportunities, including offshore, to complement organic growth
- Restructuring costs across portfolio & Workwear integration to impact short-term performance

[1] Small & Medium Enterprises

Balance Sheet & Cash Flow

Wesfarmers

Terry Bowen
Finance Director, Wesfarmers Limited

Other business performance summary

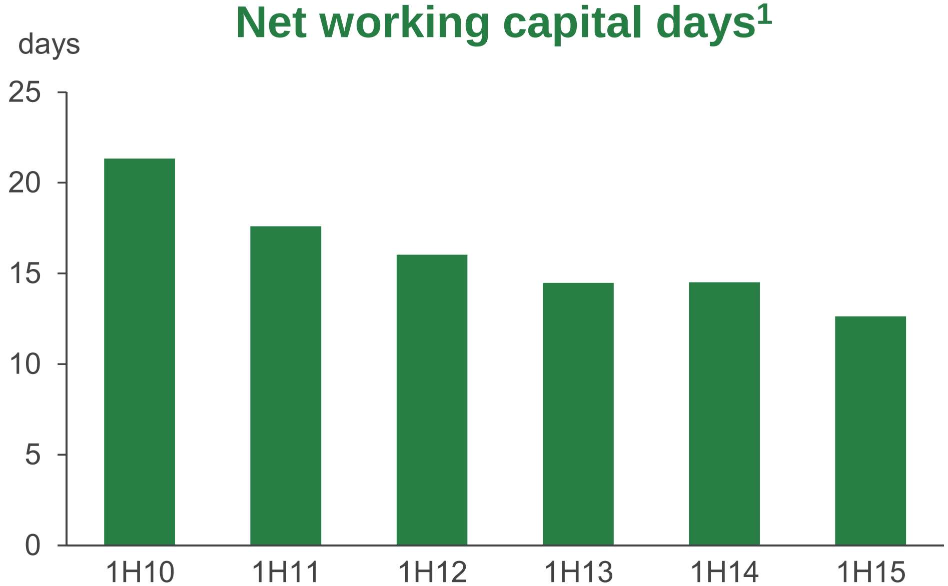
Half-Year ended 31 December ($m)	Holding %	2014	2013	%
Share of profit of associates:				
BWP Trust	*24*	29	16	*81.3*
Other	*Various*	5	2	*150.0*
Sub-total		34	18	*88.9*
Interest revenue		19	3	*533.3*
Other		(13)	(14)	*7.1*
Corporate Overheads		(66)	(59)	*(11.9)*
Total Other (from continuing operations)		(26)	(52)	*50.0*
Discontinued operations[a]		-	194	*n.m.*
Total 'Other business'		(26)	142	*n.c.*

[a] The Insurance division was classified as a discontinued operation in half-year 2014 given its divestment in June 2014. Includes the $95 million gain on disposal of WesCEF's interest in ALWA.

Working capital management

- Further reduction in net working capital days supported by business growth (1.9 days or 13.1% reduction on prior corresponding period)

Net working capital days[1]



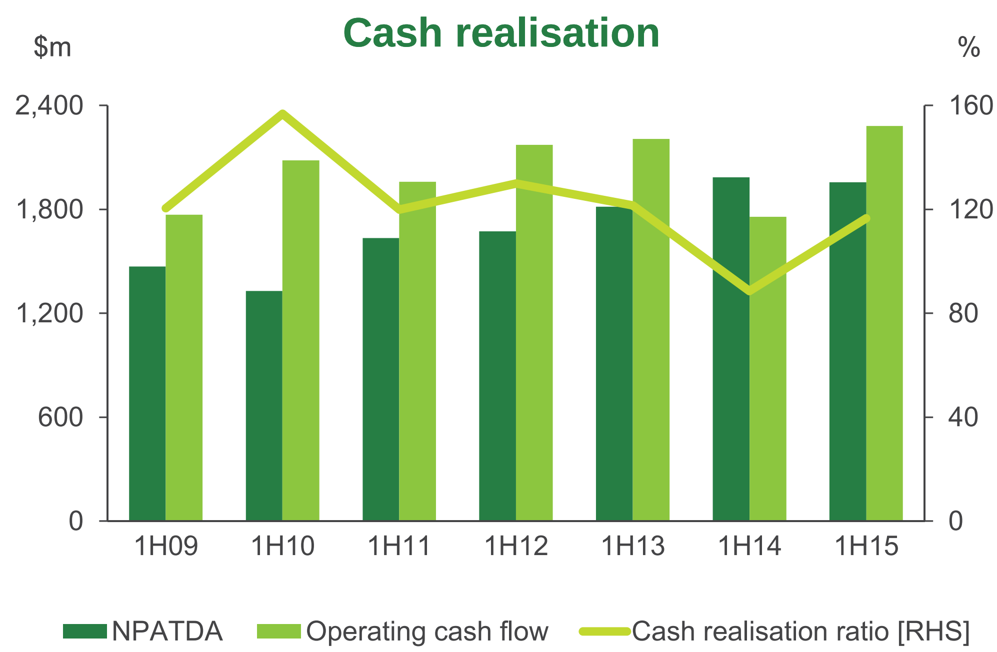
- Increased working capital cash inflows from retail portfolio:
  - Higher creditors at period end due to business growth
  - Year-end timing differences (additional creditor payment run for Coles in 1H14)
  - Strong inventory focus including greater rate of seasonal sell-through

Half-Year ended 31 December ($m)	2014	2013
Cash movement inflow/(outflow)[2]:		
Receivables & prepayments	47	91
Inventory	(660)	(715)
Payables	941	451
Total	330	(173)
Working capital cash movement:		
Retail	635	37
Other	(305)	(210)
Total	330	(173)

[1] Calculated as average net working capital balance divided by R12 revenue multiplied by 365.
[2] Cash movement relating to inventories, trade & other receivables, prepayments & trade & other payables.

Operating cash flow generation

- Improved cash realisation of 116.6% in 1H15:
  - Higher working capital cash inflows from retail portfolio (timing of creditor payments at Coles in prior corresponding period & strong inventory focus)
- Group remains highly cash generative, albeit historic cash realisation levels expected to moderate

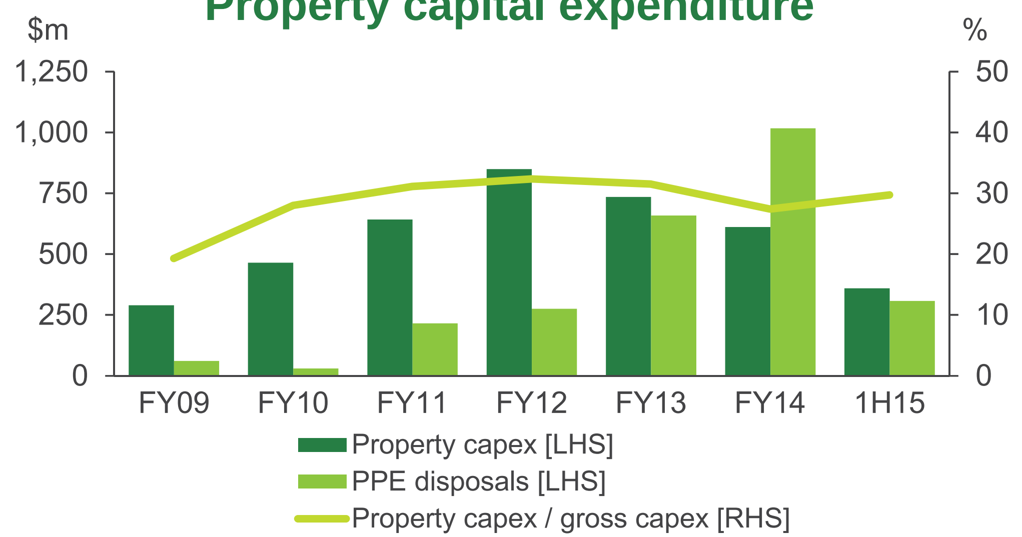


Capital investment & property recycling

- Effective deployment of capital to capture highest growth & return opportunities
  - Coles & HIOS comprise 75% of 1H15 capital expenditure
  - Capital investment evaluations include operating lease commitments
- Continued proactive management of property portfolio
- FY15 net capital expenditure estimate of $1.5 to $1.9 billion
  - Subject to net property investment

Half-Year ended 31 December ($m)[1]	2014	2013	%
Coles	537	554	*(3.1)*
HIOS	370	280	*32.1*
Target	78	46	*69.6*
Kmart	93	89	*4.5*
Resources	65	33	*97.0*
Industrial & Safety	25	17	*47.1*
WesCEF	39	126	*(69.0)*
Other[2]	-	15	*n.m.*
Total capital expenditure	1,207	1,160	*4.1*
Sale of PP&E	(308)	(603)	*(48.9)*
Net capital expenditure	899	557	*61.4*

Property capital expenditure

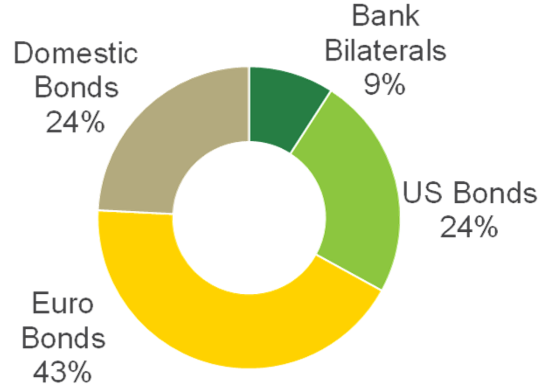


[1] Capital investment provided on a cash basis.
[2] Includes discontinued operations.

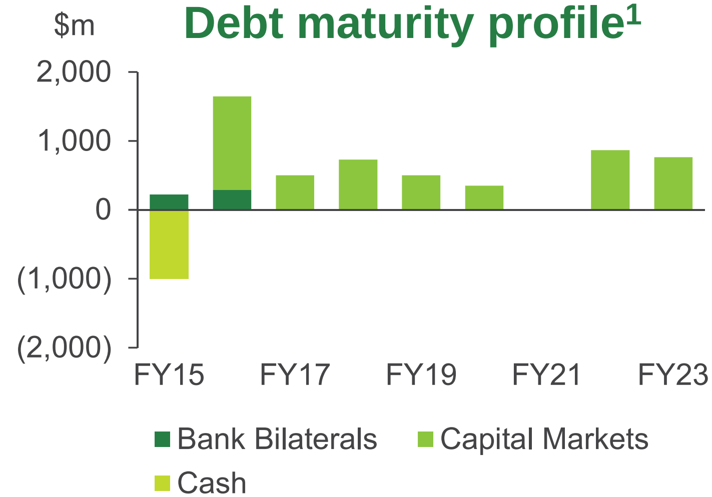
Diversity of funding sources & risk management of maturities

- Debt strategy to diversify sourcing, pre-fund debt maturities, maintain access to diverse debt capital markets & ensure a good maturity profile
- 1H15 debt activity:
  - €600 million 7-year bond issue (October 2014)
  - Repayment of A$500 million medium term notes & cancellation of A$1.25 billion of committed but undrawn syndicated facilities (September 2014)

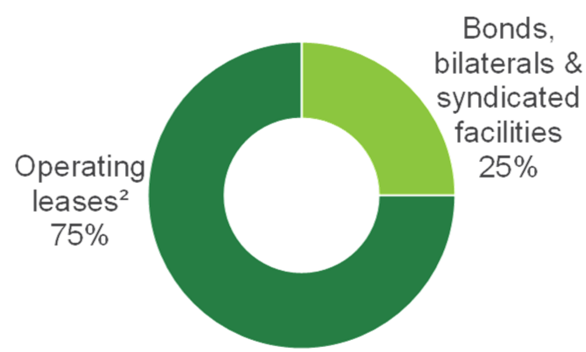
Debt sources[1]



Debt maturity profile[1]



Fixed financial obligations[1]



[1] Amounts shown based on the drawn amount at balance date of 31 December 2014.
[2] As at 31 December 2014. Represents future undisclosed minimum lease payments under non-cancellable operating leases.

Credit metrics & ratings

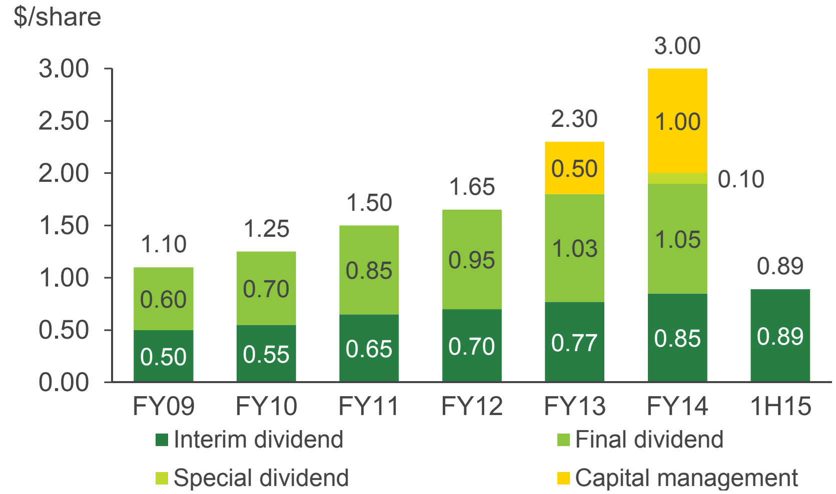
- Solid credit metrics
  - Debt:EBITDA[1] (R12) of 1.0 times (from 1.1 times in 1H14)
  - Cash interest cover (R12) improved to 18.1 times (from 13.8 times in 1H14)
  - Fixed charges cover (R12) improved to 3.1 times (from 3.0 times in 1H14)
- Strong & stable credit ratings
  - Standard & Poor's A- (stable) & Moody's A3 (stable)

[1] Adjustments made to EBITDA and debt, consistent with bank definitions, for material disposals, regulated subsidiaries (e.g. Insurance division prior to divestment) and associate interests.

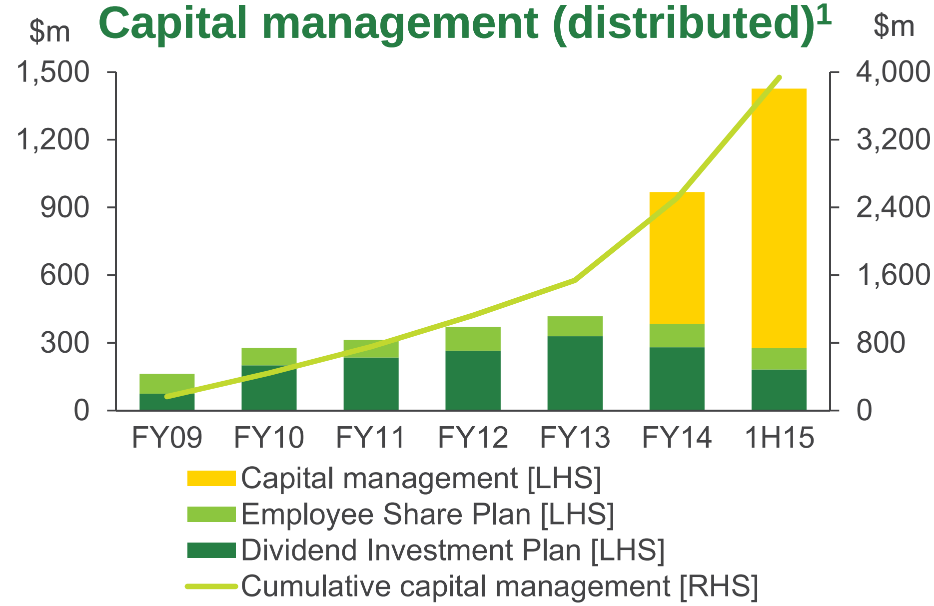
Dividends & capital management

- Interim dividend of $0.89 per share fully-franked, up 4.7%
  - Dividend investment plan; no underwrite; shares purchased on market
  - Dividend record date 26 February 2015; interim dividend payable 2 April 2015
- Capital management of $1.00 per share in December 2014, returning $1,148 million to shareholders including a proportionate share consolidation of the capital component (75 cents per share)

Shareholder distributions (declared)



Capital management (distributed)[1]



[1]Represents aggregate capital management undertaken within respective financial periods; each financial period includes all forms of capital management (e.g. DIP, ESP & capital return)

Outlook

Richard Goyder
Managing Director, Wesfarmers Limited

Outlook

Retail

- Group's portfolio of retail businesses positioned well
- Continued reinvestment of productivity gains & cost savings expected to support ongoing improvements to value & range propositions
- Ongoing optimisation & expansion of store networks
- Continued advancement of digital capabilities & online offers

Industrial

- Continued strong focus on operational productivity & cost control
- External trading environment expected to remain challenging for remainder of financial year

Outlook (continued)

Group

- Generally optimistic as domestic economy transitions
- Maintain a strong balance sheet
- Secure growth opportunities through entrepreneurial initiative
- Ensure sustainability through responsible long-term management
- Leverage & build human resource capability
- Continue safety improvement focus

Questions

Wesfarmers