2019 Full-year Results
Debt Investor Update

Wesfarmers

Group Performance Overview

Wesfarmers

Progress on strategic agenda: FY19 highlights

Portfolio management

- Significant portfolio repositioning
- Successful demerger of Coles
- Divestments of Bengalla, Kmart Tyre & Auto (KTAS) & stake in Quadrant Energy

People

- Divisional leadership - Kmart Group, Officeworks, Target
- Corporate Office - Corporate Affairs, Company Secretariat, Advanced Analytics Centre
- Wesfarmers Board - director & strategic advisor appointments

Data & digital

- Investment in Advanced Analytics Centre accelerating divisional data capabilities
- Significant investments to step-change digital offer
- Strong growth (33%) in online sales with improved customer experience

Capital allocation & management

- Ongoing focus on organic & adjacent growth opportunities
- Acquisition of Catch Group completed, Kidman shareholder vote on 5 September 2019
- Special dividend in April 2019

Managing businesses for long-term success

Our divisions remain focused on managing their businesses for long-term success & value creation

A relentless focus on customers

- Maintaining price leadership
- Investing in digital to meet the evolving needs of customers
- Ensuring reliable & high quality supply through operational excellence
- Deeply engaged in the communities in which we operate

Investing for the long term

- Constant product innovation
- Improving back-end systems & processes
- Disciplined pursuit of value-accretive opportunities to add capabilities, channels or new technology

Building on unique capabilities & platforms

- Leading market positions
- Scalable platforms
- Expanding addressable markets by developing new channels, products or services
- People with extensive operating experience & knowledge

Financial overview

Year ended 30 June ($m)	2019	2018	Var %
Results from continuing operations[1]			
EBIT	2,974	2,344	*26.9*
EBIT (excl. significant items)	2,974	2,650	*12.2*
NPAT	1,940	1,409	*37.7*
NPAT (excl. significant items)	1,940	1,709	*13.5*
Earnings per share (excl. significant items) (cps)	171.5	151.1	*13.5*
Results including discontinued operations[1]			
EBIT	6,818	2,796	*n.m.*
EBIT (excl. significant items)	3,561	4,288	*(17.0)*
NPAT	5,510	1,197	*n.m.*
NPAT (excl. significant items)	2,339	2,772	*(15.6)*
Earnings per share (excl. significant items) (cps)	206.8	245.1	*(15.6)*
Operating cash flow	2,718	4,080	*(33.4)*
Net capital expenditure	827	1,209	*(31.6)*
Free cash flow	2,963	3,422	*(13.4)*
Full-year ordinary dividend (cps)	178	223	*(20.2)*
Special dividend (cps)	100	-	*n.m.*
Net financial debt[2]	2,116	3,580	*(40.9)*

n.m. = not meaningful

1. Discontinued operations relate to Coles, KTAS, Bengalla & Quadrant Energy. 2018 discontinued operations relate to Curragh & BUKI which were disposed of during FY18.
2. Interest bearing liabilities less cash at bank, on deposit, net of cross-currency interest rate swaps & interest rate swap contracts.

Divisional earnings summary

EBIT ($m) Year ended 30 June	2019	2018	Var %	% of divisional EBIT	RoC (%)
Bunnings Australia & New Zealand	1,626	1,504	*8.1*		*50.5*
Kmart Group (continuing operations)[1,2]	540	626	*(13.7)*		*29.1*
Industrials (continuing operations)[2]	519	497	*4.4*		*18.5*
WesCEF	*433*	*379*	*14.2*		*32.6*
Industrial & Safety	*86*	*118*	*(27.1)*		*5.8*
Officeworks	167	156	*7.1*		*17.0*
Divisional EBIT	**2,852**	**2,783**	***2.5***		
Other	122	(133)	*n.m.*		
Group EBIT – continuing operations	**2,974**	**2,650**	***12.2***		
Discontinued operations	587	1,638	*(64.2)*		
Significant items	3,257	(1,492)	*n.m.*		
Group EBIT	**6,818**	**2,796**	***n.m.***		

n.m. = not meaningful

1. 2018 excludes a pre-tax impairment of $306 million relating to Target.
2. 2019 discontinued operations comprise Coles, KTAS, Quadrant Energy and Bengalla. 2019 discontinued operations comprise Curragh and BUKI.

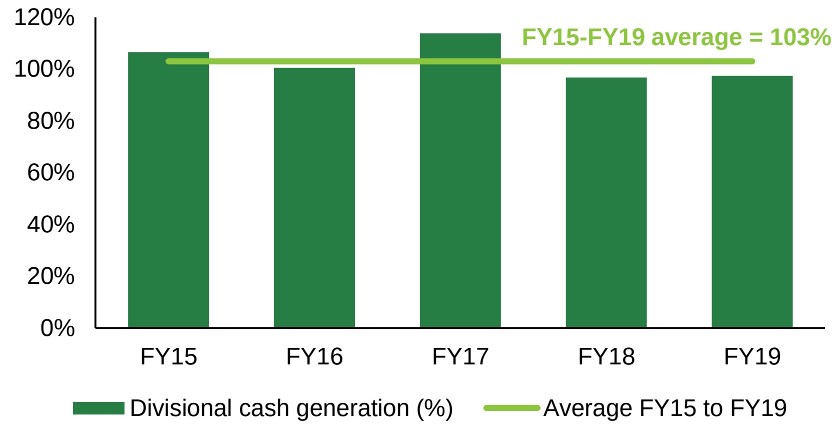
Operational highlights

- **Bunnings:** Continued sales growth in consumer & commercial, in all product categories & across all major trading regions; growth reflects diversity of customer base & resilience of product offering despite softening conditions in residential housing market
- **Kmart Group**
  - **Kmart:** Strong sales growth in online offer supported by extension of click & collect service; implemented initiatives to address stock flow & productivity issues to support future growth evidenced by improvement in sales momentum at the end of the period
  - **Target:** Online proposition continues to advance with expanded ranges & improved customer experience; remained profitable with costs well controlled
- **Chemicals, Energy & Fertilisers:** Chemicals earnings benefited from record production & higher pricing for sodium cyanide; growth in Energy earnings benefited from favourable market environment for Kleenheat
- **Officeworks:** Strong revenue & EBIT growth; ‘Every channel’ approach delivering strong sales growth in both stores & online

Operating & free cash flows

- Divisional cash generation[1] from continuing operations[2] remained strong at 97%
- Reported operating cash flows of $2,718m impacted by
  - Demerger of Coles resulting in removal of Coles earnings & the usual working capital unwind in December
  - Divestment of Bengalla, KTAS & Quadrant and removal of associated earnings & cash flows
- Reported group cash realisation ratio[3] of 86%, impacted by the timing of the demerger of Coles, non-cash gain on investment in Barminco, non-cash earnings in Group's interest in Coles & gains on property disposals in Bunnings
- Reduction in reported free cash flows to $2,963m primarily reflects the reduction in operating cash flows following portfolio activity

Divisional cash generation[1]
excluding discontinued operations[2]



1. Divisional operating cash flows before tax after net capital expenditure divided by divisional EBIT.
2. Includes contribution from KTAS & Quadrant.
3. Operating cash flows as a percentage of net profit after tax, before depreciation, amortisation & significant items. Includes discontinued operations,

Capital expenditure

Continuing operations

- Gross capital expenditure from continuing operations decreased $80m to $860m
  - Decrease in Kmart Group capital expenditure due to brand acquisition in FY18
  - Industrial & Safety increase primarily due to investment in Coregas healthcare

Group (including discontinued operations)

- Gross capital expenditure decreased $459m to $1,356m
- Proceeds from property disposals decreased $77m to $529m
  - Bunnings property disposals of $481m

FY20 guidance

- Net capital expenditure of $550m to $750m expected[3], subject to net property investment & portfolio changes

Year ended 30 June ($m)[1]	2019	2018	Var %
Bunnings	470	497	*(5.4)*
Kmart Group	205	286	*(28.3)*
Officeworks	42	45	*(6.7)*
WesCEF	58	60	*(3.3)*
Industrial & Safety	83	50	*66.0*
Other	2	2	-
Gross capital expenditure	**860**	**940**	***(8.5)***
Sale of PP&E	(497)	(364)	*36.5*
Net capital expenditure	**363**	**576**	***(37.0)***
Net capital expenditure in discontinued operations[2]	464	633	*(26.7)*
Group (including discontinued)			
Gross capital expenditure	**1,356**	**1,815**	***(25.3)***
Sale of PP&E	(529)	(606)	*(12.7)*
Net capital expenditure	**827**	**1,209**	***(31.6)***

1. Capital investment provided on a cash basis.
2. Discontinued operations comprise Coles, KTAS, Bengalla & Quadrant Energy in 2019 & Curragh & BUKI in 2018.
3. Excludes Catch & Kidman.

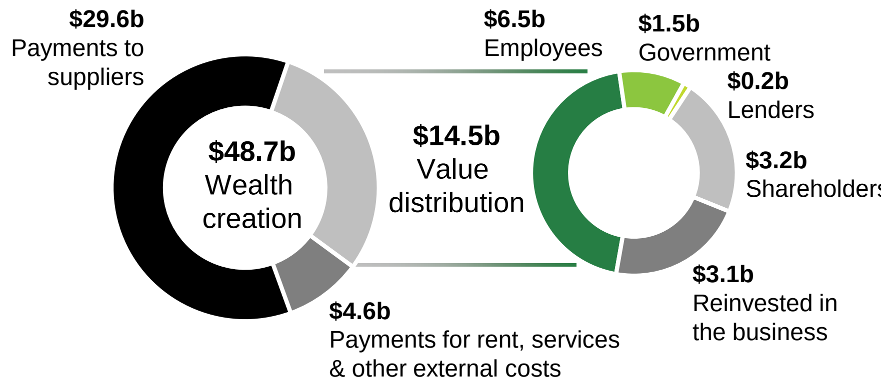
Long-term value creation

We are committed to delivering satisfactory returns to our shareholders

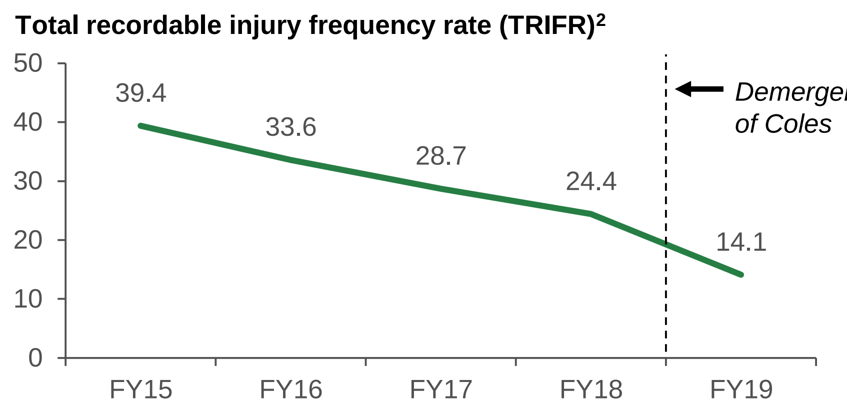
We believe this is only possible to achieve over the long term by:

- **anticipating the needs of our customers and delivering competitive goods and services**
- **looking after our team members and providing a safe, fulfilling work environment**
- **engaging fairly with our suppliers, and sourcing ethically and sustainably**
- **supporting the communities in which we operate**
- **taking care of the environment**
- **acting with integrity and honesty in all of our dealings**

Wealth creation & value distribution[1]



Safety performance



1. Numbers may not add due to rounding.
2. TRIFR is the number of lost time injuries & medical treatment injuries per million hours worked. TRIFR excludes discontinued operations in FY19.

Building trust - aligned with shareholder value over the long term

Wesfarmers is committed to improving the ways we impact our community & the environment, to ensure we continue to create value in the future

Key focus areas include[1]:

People	**Safety, development & diversity**	• Continue relentless focus on providing safe workplaces • Provide team members with development opportunities • Recognise the importance of a diverse team: - Progress made on gender balance with 45 per cent of Group Leadership Team female; opportunity to improve representation in other senior management roles - Currently just over 1,700 Indigenous team members; target to reach employment parity (three per cent) by 2022
Suppliers	**Ethical sourcing & human rights**	• Kmart Group to reinforce its market-leading ethical sourcing program • Updated ethical sourcing and modern slavery policy to introduce minimum standards relating to modern slavery; embed updated policy into processes, including reporting, procurement & M&A due diligence • Extend ethical sourcing focus to goods not for re-sale and services • Publish 4th Modern Slavery Statement in September 2019
Environment	**Climate change resilience**	• Continue implementation of recommendations of Taskforce on Climate-related Financial Disclosures (TCFD) • FY19 Annual Report to include additional disclosure • Significant work undertaken to consider impact of climate change under different scenarios and identify risks and opportunities • Developing proactive strategies to improve our resilience to climate change

1. For more details see Wesfarmers FY19 Annual Report and Sustainability website

Outlook

Wesfarmers

Outlook

Operational

- **Bunnings:** Well positioned for continued growth through further investment in customer value & expanding addressable markets into new channels & services; moderated trading conditions are expected to continue
- **Kmart Group**
  - **Kmart**: Ended the period with improved sales momentum & will continue to focus on maintaining lowest price leadership & continued improvements to the product offer
  - **Target:** Accelerate the repositioning of its customer proposition by elevating quality & style progressively re-weighted towards apparel, soft home & toys
- **Chemicals, Energy & Fertilisers:** Production & demand for WesCEF products is expected to remain robust; AN to continue to benefit from ongoing disruption at competing Burrup plant but medium term earnings will be affected by an oversupply of EGAN in WA
- **Industrial & Safety:** Market conditions & demand in Australia expected to remain generally stable, but weakness in New Zealand markets expected to persist; successful implementation of the ERP[1], supply chain & digital investments is key for the Blackwoods business
- **Officeworks:** Continue to focus on execution of strategic agenda; earnings growth will be impacted by investments in customer value & team member wages

Group

- The Group, with a significantly strengthened balance sheet, will continue to build on its unique capabilities & platforms to take advantage of growth opportunities within its existing businesses, recently acquired investments & to pursue transactions that create value for shareholders over the long term

1. Enterprise Resource Planning.

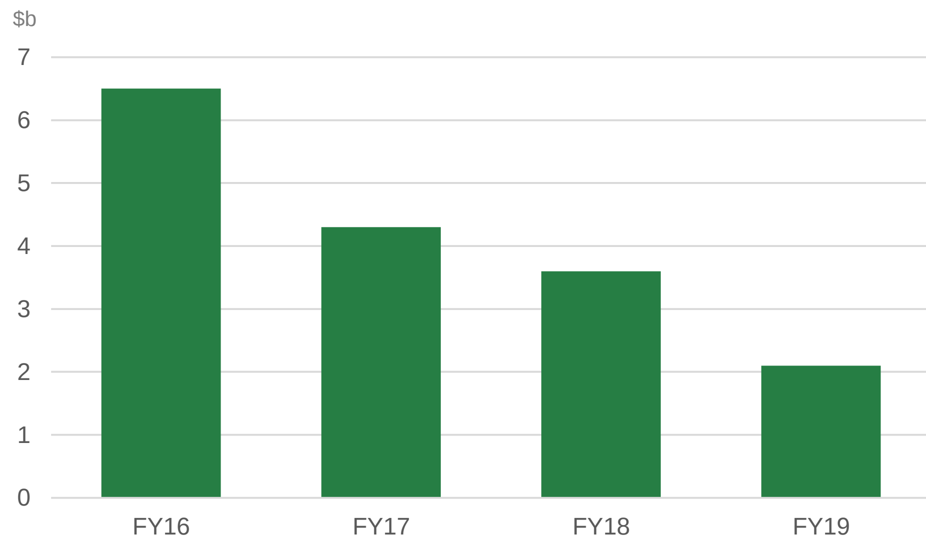
Debt Management

Wesfarmers

Maintaining strong credit ratings and balance sheet

- Strong credit ratings: Moody's A3 (Stable); Standard & Poor's A- (Stable)
- Maintaining prudent capital structure and strong credit rating is important to Wesfarmers
- Continued strength in Group's debt position
  - Strong liquidity position, supported by $3.0b of undrawn bank facilities
  - Net financial debt[1] of $2.1b as at 30 June 2019

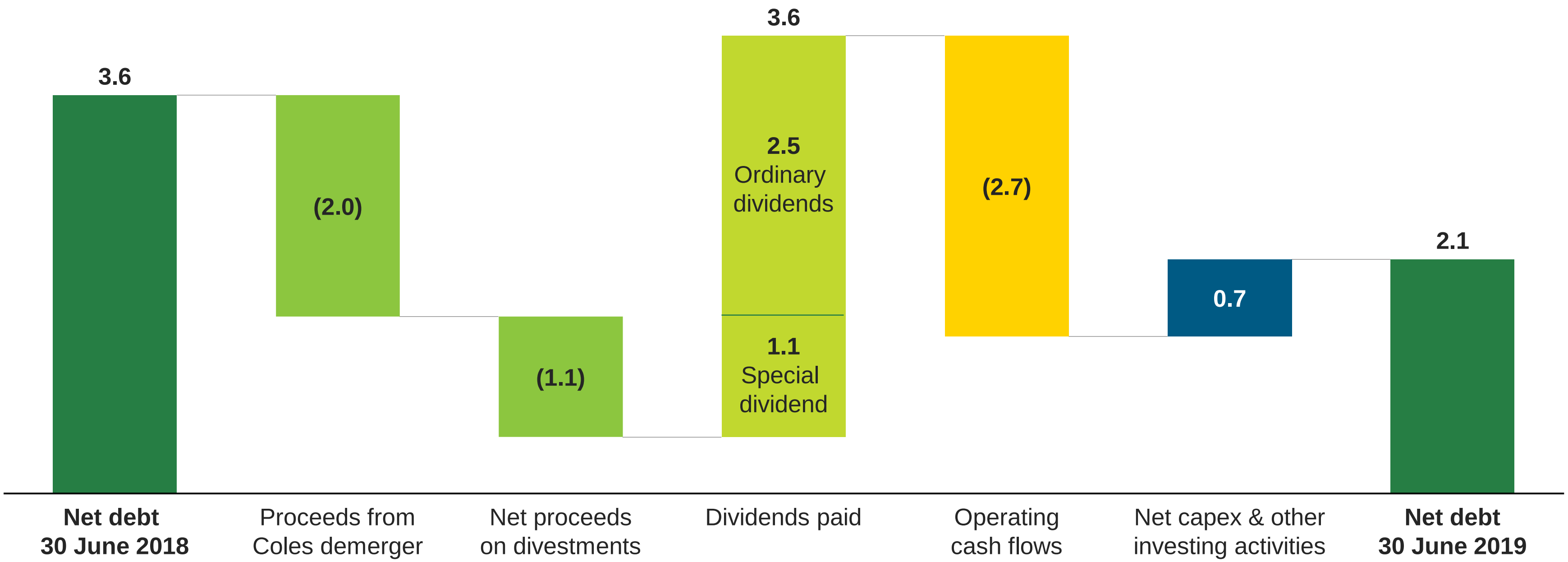
Net financial debt ($b)[1]



1. Interest bearing liabilities less cash at bank & on deposit, net of cross currency interest rate swaps & interest rate swap contracts.

Net financial debt

Movements in net financial debt ($b)[1]



- Net financial debt decreased from $3.6b to $2.1b reflecting
  - Demerger of Coles & net proceeds from other divestments
  - Profits from asset disposals distributed through $1.1b special dividend in April 2019

1. Interest bearing liabilities less cash at bank & on deposit, net of cross currency interest rate swaps & interest rate swap contracts.

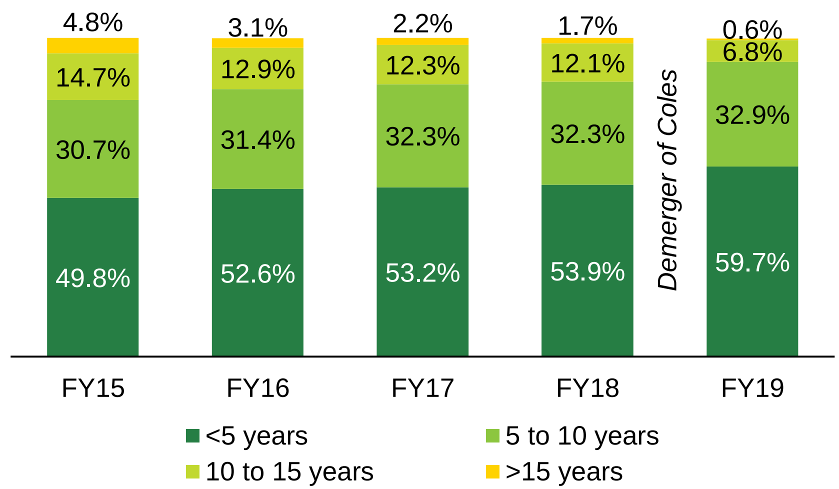
Financial discipline is core to Wesfarmers' strategy

- FY19 Treasury activities
  - November 2018: Demerger of Coles completed; received $2b
  - November 2018 & December 2018: Divestments of Kmart Tyre and Auto, Quadrant Energy & Bengalla; received net proceeds totalling $1.1b
  - March 2019: Repaid A$500m seven-year domestic bonds
  - April 2019: Payment of fully-franked ordinary interim dividend of $1.00 per share & fully-franked special dividend of $1.00 per share
  - May 2019: Redocumentation and three year extension of bank facilities
- Future debt maturities
  - March 2020: A$350m seven-year domestic bonds
- Future activities
  - Continue to monitor debt capital markets for favourable issuance opportunities subject to financing requirements

Management of lease portfolio

Fixed financial obligations

Weighted average lease terms[3]



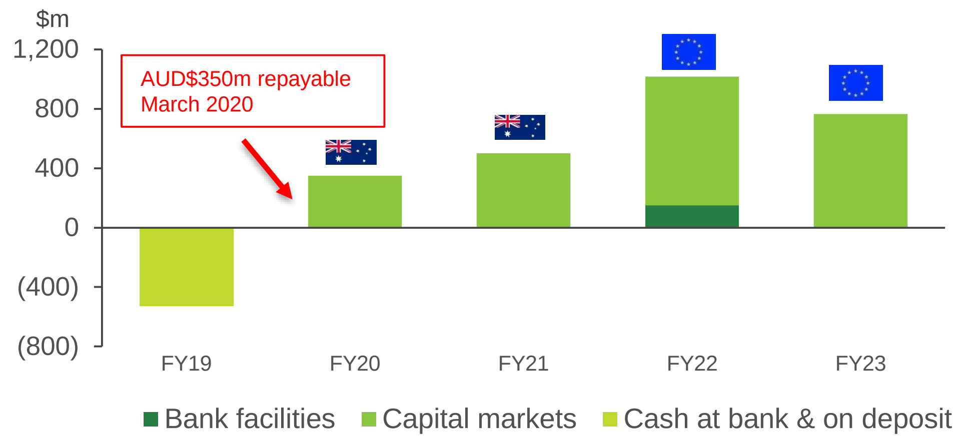
- Undiscounted lease commitments totalled $8.5b & represent 76% of Group fixed financial obligations as at 30 June 2019
  - Undiscounted lease commitments reduced by more than $9b following the demerger of Coles
- Shorter average lease tenure of 5.1 years[2] (FY18: 5.8 years), complemented by extension options to maintain security of tenure
  - Reflects demerger of Coles & disciplined management of leases in retail businesses
- Continued focus on lease-adjusted return on capital as a key hurdle for divisions

1. Cash repayable.
2. Average lease tenure calculated as weighted average of dollar commitments by year. Excludes discontinued operations.
3. Represents future undiscounted minimum rentals payable under non-cancellable operating leases.

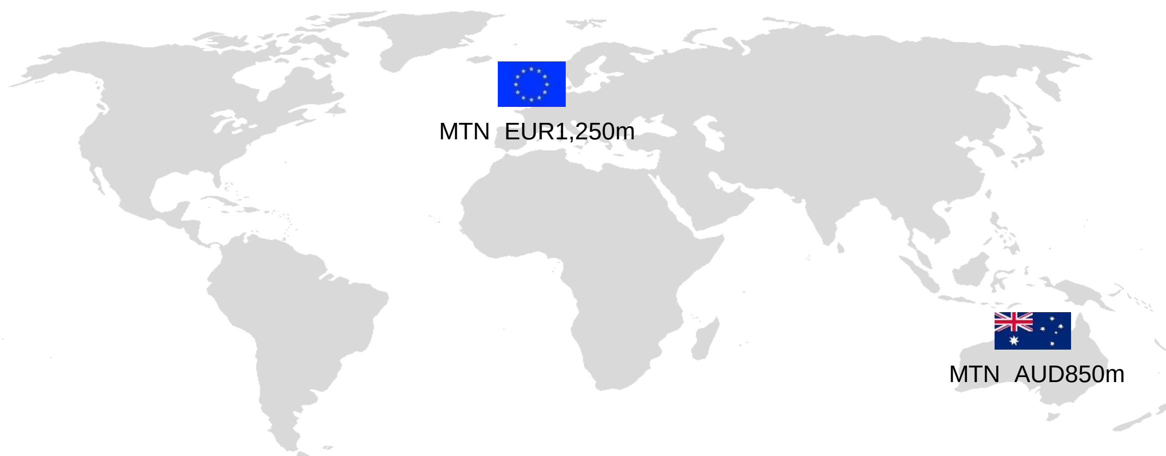
Pro-active debt management

- Continued focus on maturity profile & maintaining liquidity headroom in revolving bilateral bank facilities
- Commitment to ensure diversity of funding sources, including the domestic & international debt capital markets
- Standard terms & conditions across all DCM programmes

Debt maturity profile as at 30 June 2019



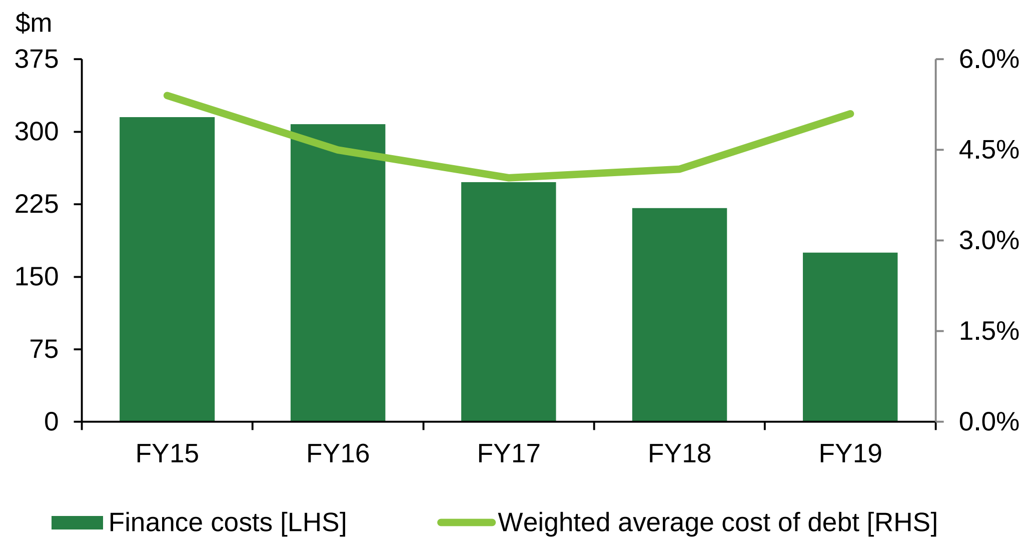
DCM Funding Sources as at 30 June 2019



Reduced funding costs

- Finance costs decreased to $175m in FY19 (FY18 $221m) reflecting lower average debt levels
- All-in effective borrowing cost 5.10% in FY19 (FY18: 4.18%)
  - Borrowing costs increased due to the repayment of low cost bank debt

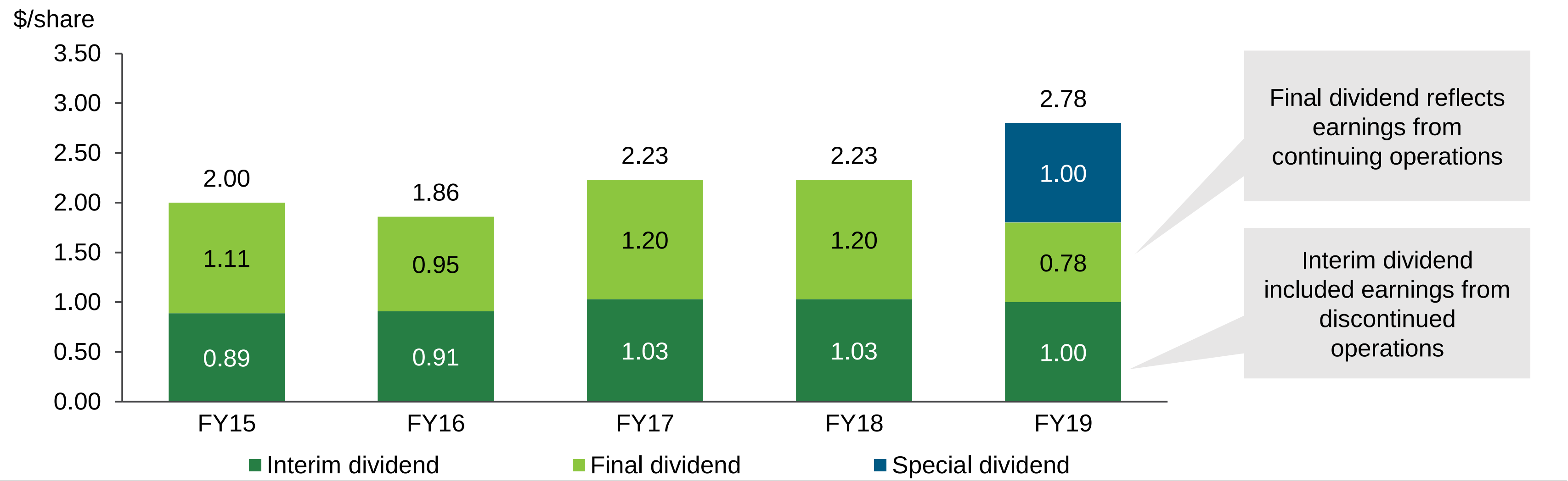
Finance costs & weighted average cost of debt



Dividends & capital management

- Dividend policy takes into account through the cycle free cash flow requirements & debt refinancing
- Fully-franked ordinary final dividend of $0.78 per share
  - Takes into account available franking credits, strong balance sheet, robust credit metrics & cash flow generation
  - Preserves balance sheet capacity to take advantage of value-accretive growth opportunities if & when they arise
- Focus on maintaining strong credit metrics

Shareholder distributions (declared)



Appendix:
2019 Full-year Results Briefing Presentation (Operational Extract)

Bunnings Australia & New Zealand

Bunnings performance summary

Year ended 30 June ($m)	2019	2018	Var %
Revenue	**13,166**	**12,544**	***5.0***
EBITDA[1]	1,818	1,683	*8.0*
Depreciation & amortisation	(192)	(179)	*(7.3)*
EBIT[1]	**1,626**	**1,504**	***8.1***
EBIT margin[1] (%)	12.3	12.0	
EBIT margin excluding property (%)	11.7	11.7	
RoC (R12, %)	50.5	49.4	
Safety (R12, TRIFR)	11.2	14.3	
Total store sales growth[2] (%)	5.2	8.9	
Store-on-store sales growth[2] (%)	3.9	7.8	

1. Includes net property contribution for 2019 of $85m & 2018 of $33m.
2. 2019 growth reflects the 12 months to 30 June 2019 & the 12 months to 30 June 2018. 2018 growth reflects the 12 months to 30 June 2018 & the 12 months to 30 June 2017.

Bunnings sales overview

- Revenue growth of 5.0% to $13,166m
  - Total store sales growth 5.2%
  - Store-on-store growth of 3.9%

- Sales growth reflects diversity of customer base & resilience of product offering despite softening conditions in residential housing market

- Continued growth across the business
  - Sales growth in all major trading regions
  - Growth in both consumer & commercial markets
  - Growth across all product categories

Bunnings earnings overview

- Reported EBIT increased 8.1% to $1,626m
  - Includes higher than usual net property contribution of $85m
- EBIT excluding property contribution up 4.8%
  - Continued focus on cost control
  - Stable EBIT margin performance relative to previous corresponding period
- Operating costs include development of digital offer
  - c.$10m incurred in 2H19 with c.$20m expected in FY20
- RoC (R12) of 50.5%
  - 17 new stores opened, including 10 replacement stores
  - Property recycling program
  - Ongoing investment in network refresh
  - Continued focus on sales density

Bunnings progress on strategic agenda

Good progress on strategic agenda

- **Driving Stronger Growth**
  - 17 new trading locations opened
  - Wider commercial market penetration
  - Range expansion & innovation
  - Further investment in customer value
- **Better Experiences**
  - Click & collect rollout commenced
  - Expansion of assembly & installation offer
  - Expanded instore events & activities
- **Efficiency Through the Core**
  - Improved safety & increased support building on our diverse & inclusive workplace
  - Analytics used to optimise inventory & drive productivity

Bunnings outlook

- Moderated trading conditions are expected to continue
- Well positioned for continued growth
  - Further investment in customer value
  - Category expansion
  - Expanding service & installation offerings
- Ongoing development of broader digital capabilities
  - Significant investment in online transactional platform
  - Rollout of click & collect offer continues
  - Increased investment in & use of data analytics
- 13 new stores under construction

Kmart Group

Kmart Group performance summary

Year ended 30 June[1] ($m)		2019	2018	Var %
Revenue[2]		**8,598**	**8,505**	***1.1***
EBITDA[3]		733	820	*(10.6)*
Depreciation & amortisation		(193)	(194)	*0.5*
EBIT[3]		**540**	**626**	***(13.7)***
EBIT (including KTAS)[4]		**550**	**660**	***(16.7)***
EBIT margin[3] (%)		6.3	7.4	
RoC[3,5] (R12, %)		29.1	32.2	
Safety (R12, TRIFR)		19.4	19.8	
Kmart (excluding KTAS):	Total sales growth[6] (%)	1.5	8.3	
	Comparable sales growth[6] (%)	0.0	5.6	
Target:	Total sales growth[7] (%)	(1.5)	(4.7)	
	Comparable sales growth[7] (%)	(0.8)	(5.1)	

1. Excludes KTAS unless otherwise stated.
2. 2019 revenue reflects changes in the new revenue recognition accounting standard (AASB15) & includes $31m previously attributed to 'other income'. 2018 has not been restated.
3. 2018 excludes a pre-tax non-cash impairment of $306m in Target.
4. 2019 includes KTAS trading performance until 1 November 2018 & excludes the gain on disposal of KTAS. 2018 excludes a pre-tax non-cash impairment of $306m in Target.
5. RoC includes impact of lower capital employed as a result of the non-cash impairment in Target in December 2017.
6. 2019 growth reflects the 53-week period 25 June 2018 to 30 June 2019 & the 53-week period 26 June 2017 to 1 July 2018. 2018 growth reflects the 52-week period 26 June 2017 to 24 June 2018 & the 52-week period 27 June 2016 to 25 June 2017.
7. 2019 growth reflects the 53-week period 24 June 2018 to 29 June 2019 & the 53-week period 25 June 2017 to 30 June 2018. 2018 growth reflects the period 25 June 2017 to 23 June 2018 & the period 26 June 2016 to 24 June 2017.

Kmart sales overview

- Total sales growth of 1.5%
- Flat comparable sales growth
  - lower growth in apparel & non-seasonal products
  - exit from DVD category
  - offset by modest growth in home & kids general merchandise
- Implemented initiatives to address stock flow & productivity issues to support future growth
  - Some changes resulted in temporary reduction in on-shelf availability
  - Implementation issues largely resolved by year-end
  - Improvement in sales momentum at the end of the period
- Strong sales growth in online
  - Extension of click & collect service

Target sales overview

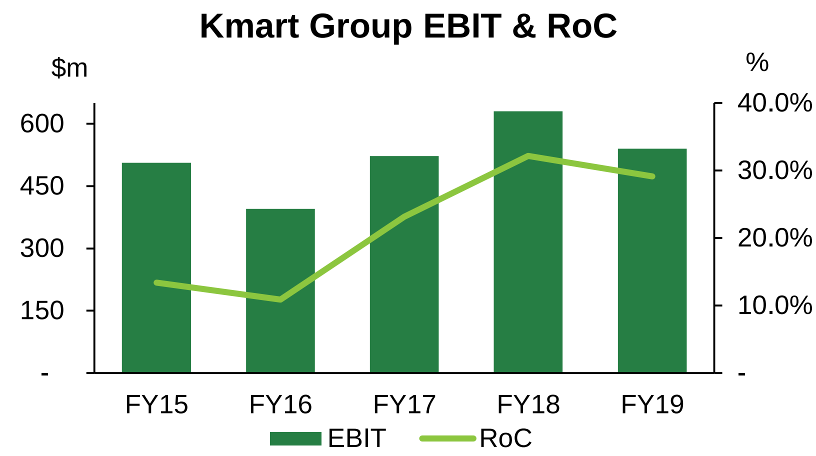
- Total sales declined 1.5%, reflecting ongoing rationalisation of the store network
- Comparable sales declined 0.8%
  - Trading momentum moderated in 2H19
  - Customer value proposition yet to resonate with customers in a sustainable way
  - Growth in ‘Best’ ranges, particularly in womenswear & soft home
- Trading results highlight that Target’s current offer requires ongoing repositioning
- Online proposition continues to advance
  - Expanded ranges & improved customer experience
  - Higher website visits & customer conversion

Kmart Group overview

- Earnings decreased by 13.7% to $540m[1]
- Kmart earnings declined, impacted by:
  - Moderation in sales momentum
  - Implementation of a number of initiatives to optimise product flow & store processes
  - Increase in stock loss
- Target earnings decreased due to lower operating leverage from the decline in sales
  - Remained profitable with costs well controlled
- Return on capital performance reflects
  - Ongoing focus on inventory health
  - Disciplined & integrated management of the store network:

    Kmart - opened four new stores (including one replacement), closed one store & completed 23 store refurbishments

    Target - opened one new store & closed 15 stores



1. Excludes KTAS trading performance.

Kmart Group outlook

- The Kmart Group remains well positioned for the future
- **Kmart** ended the period with improved sales momentum & will continue to focus on
  - creating a great place to shop that is simple to run & delivers better products at even lower prices
  - maintaining lowest price leadership & continued improvements to the product offer
  - relentlessly pursuing lowest cost & increasing operational productivity
  - further optimising the cost base to offset delivery of higher team member wages & headwinds from foreign exchange movements
  - accelerating digital capability to drive sales & reduce costs
  - continuing to invest in the store network
- **Target** will accelerate the repositioning of its customer proposition by
  - elevating quality & style progressively re-weighted towards apparel, soft home & toys
  - enhancing & expanding the online offer
  - further rationalising the store network
  - driving better end to end customer experience irrespective of channel
  - simplifying business structure
- **Catch Group** acquisition completed on 12 August 2019; exciting adjacent opportunity to support development of digital & e-commerce capabilities

Industrials

Wesfarmers Chemicals, Energy & Fertilisers

CSBP | Australian Vinyls | AGA | QNP | EVOL LNG | Kleenheat | MODWOOD

Wesfarmers Industrial and Safety

Blackwoods | NZ Safety Blackwoods | WORKWEAR GROUP | coregas | GREENCAP

Industrials performance summary

Year ended 30 June ($m)		2019	2018	Var %
Revenue	Chemicals, Energy & Fertilisers[1,2]	2,078	1,830	*13.6*
	Industrial & Safety	1,752	1,750	*0.1*
	Total	**3,830**	**3,580**	***7.0***
EBITDA	Chemicals, Energy & Fertilisers[1,2]	513	458	*12.0*
	Industrial & Safety	124	159	*(22.0)*
	Total	**637**	**617**	***3.2***
EBIT	Chemicals, Energy & Fertilisers[1,2]	433	379	*14.2*
	Industrial & Safety	86	118	*(27.1)*
	Total	**519**	**497**	***4.4***

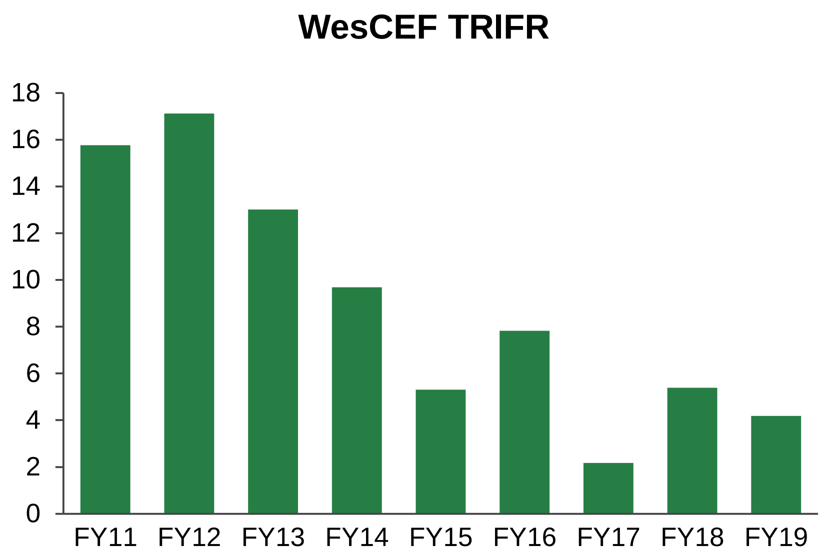
1. Excludes Quadrant Energy, which was divested in November 2018.
2. Excludes intra-division sales.

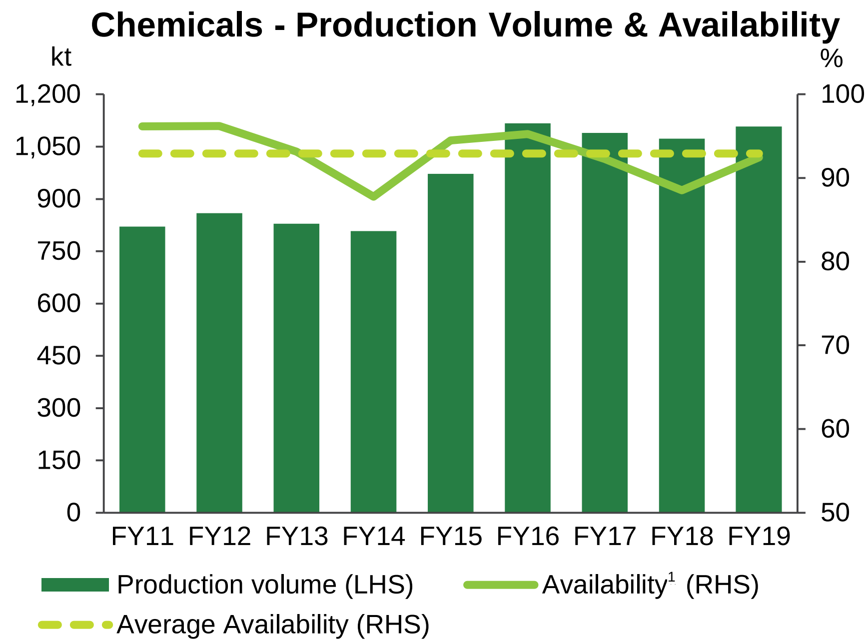
Chemicals, Energy & Fertilisers performance summary

Year ended 30 June[1] ($m)		2019	2018	Var %
Revenue[2]	Chemicals	1,000	932	*7.3*
	Energy	468	423	*10.6*
	Fertilisers	610	475	*28.4*
	Total	**2,078**	**1,830**	***13.6***
EBITDA[3]		**513**	**458**	***12.0***
Depreciation & amortisation		(80)	(79)	*(1.3)*
EBIT		**433**	**379**	***14.2***
EBIT (including Quadrant Energy)[3,4]		**438**	**390**	***12.3***
External sales volume[5] (‘000 tonnes)	Chemicals	1,098	1,056	*4.0*
	LPG	171	145	*17.9*
	Fertilisers	1,125	988	*13.9*
RoC[3] (R12, %)		32.6	29.2	
Safety (R12, TRIFR)		4.2	5.4	

1. Excludes Quadrant Energy unless otherwise stated.
2. Excludes intra-division sales.
3. 2019 includes $30m of insurance proceeds related to the five month ammonia plant production disruption that commenced in February 2018 & a $19m provision for removal of redundant equipment.
4. 2019 includes a five month contribution from Quadrant Energy, which was divested in November 2018.
5. External sales exclude AN volumes transferred between Chemicals & Fertilisers business segments.

WesCEF operational performance





- TRIFR trending down, with focus on positive safety culture & high potential incidents
- Step-up in production driven primarily by commissioning of AN3 in 2015 & incremental debottlenecking of sodium cyanide capacity
- Average availability of 93% across Chemicals facilities
- Third nitric acid train availability of 96%; scheduled for first major maintenance shutdown in 1H20

1. Availability is the simple average across the Chemicals production facilities.

Chemicals, Energy & Fertilisers overview

- Earnings of $433m, 14.2% increase on the prior year
  - FY19 earnings included one-off insurance proceeds of $30m, partially offset by a one-off provision of $19m; earnings up 11.3% excluding one offs
- Earnings growth across all business units with improved capital efficiency recording a 3.4 ppt increase in RoC
- Modest growth in Chemicals earnings
  - Despite strong WA EGAN[1] demand due to continued disruption at competing Burrup plant, AN[2] earnings declined due to the transition to lower margin contracts & higher operational costs
  - Higher ammonia earnings due to increased production & lower gas input costs (annualised impact of new gas supply contract which commenced mid FY18)
  - Higher earnings for sodium cyanide driven by record production & higher pricing and margins into export markets
- Growth in Energy earnings
  - Increased Kleenheat earnings benefited from favourable market environment including higher LPG production & sales, higher Saudi CP[3], higher LNG sales volumes, higher natural gas retail sales volumes & lower natural gas input costs
- Earnings increased in the Fertilisers business despite a late seasonal break, driven by growth in sales volumes following a strong 2018 harvest for WA growers

1. Explosive grade ammonium nitrate.
2. Ammonium nitrate.
3. Saudi Contract Price (the international benchmark indicator for LPG).

Industrial & Safety performance summary

Year ended 30 June ($m)	2019	2018	Var %
Revenue	**1,752**	**1,750**	***0.1***
EBITDA	124	159	*(22.0)*
Depreciation & amortisation	(38)	(41)	*7.3*
EBIT	**86**	**118**	***(27.1)***
EBIT margin (%)	4.9	6.7	
RoC (R12, %)	5.8	8.4	
Safety (R12, TRIFR)	6.9	6.6	

Industrial & Safety overview

- The performance of Industrial & Safety was impacted by a disappointing year in Blackwoods
- Revenue in line with the prior year
  - Blackwoods' revenue declined, with increased demand in mining, offset by lower sales in construction & SME segment
  - Workwear Group's revenue was broadly in line with the prior year, with higher uniform sales offset by retail store divestment
  - Coregas' revenue increased due to demand in bulk healthcare sales, which successfully launched in December 2018
- Earnings of $86 million, 27.1% down on the prior year
  - Blackwoods' earnings declined due to lower gross margin & impact of ongoing investment in customer service, supply chain, ERP[1] system & improving the digital offer
  - Workwear Group's earnings improved while Coregas' earnings were higher due to higher sales offset by margin pressure from higher input costs

1. Enterprise Resource Planning.

Chemical, Energy & Fertilisers outlook

- Production & demand for chemical products expected to remain robust
- AN to continue to benefit from ongoing disruption at competing Burrup plant; beyond this earnings are expected to be affected by an oversupply of EGAN in WA
- AN margin to be impacted in FY20 as some key contracts rollover to new pricing
- Continued focus on Kleenheat customer value proposition
- Market conditions for Kleenheat expected to be less favourable
- Fertiliser earnings remain dependent on seasonal weather conditions
- Earnings will continue to be impacted by international commodity prices (in particular ammonia & Saudi CP), exchange rates, competitive factors & seasonal outcomes
- Planned Kwinana investor tour to be held on 3 October 2019

Industrial & Safety outlook

- Australian market conditions & demand expected to remain relatively stable, but weakness in NZ market is expected to persist
- ERP, supply chain & digital investment will continue in Blackwoods & Workwear Group; these activities are now expected to continue for the next 12 to 18 months
- Successful implementation of the ERP, supply chain & digital investments is key for the Blackwoods business
- Blackwoods leadership changes expected to drive a more customer-centric focus through realignment of customer facing teams to a regional structure
- Coregas expected to benefit from growth & annualisation of healthcare offering, but earnings are expected to be impacted by ongoing margin pressure

Officeworks

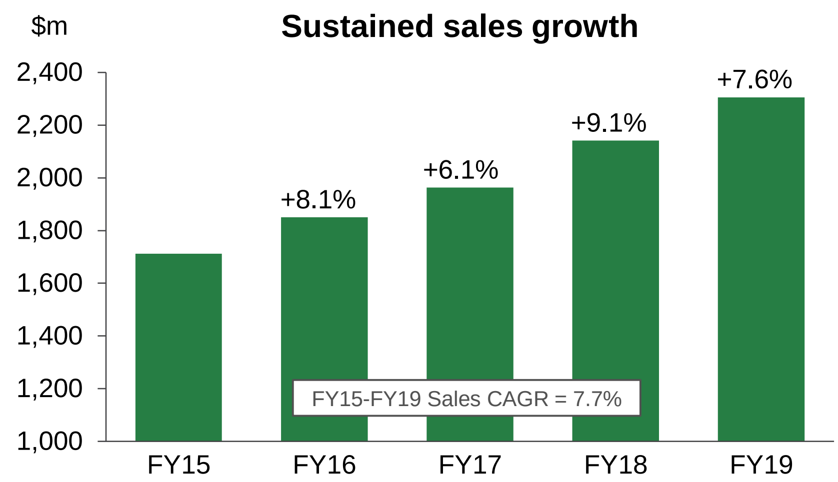
Officeworks performance summary

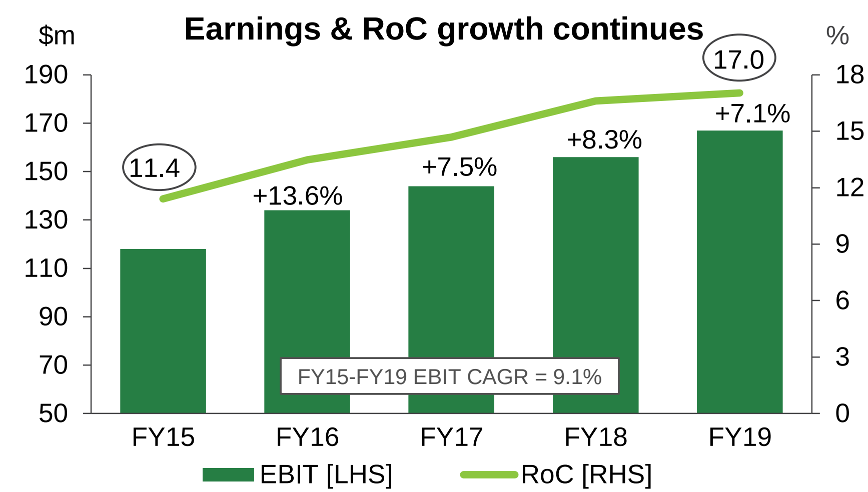
Year ended 30 June ($m)	2019	2018	Var %
Revenue[1]	**2,314**	**2,142**	***8.0***
EBITDA	195	181	*7.7*
Depreciation & amortisation	(28)	(25)	*(12.0)*
EBIT	**167**	**156**	***7.1***
EBIT margin (%)	7.2	7.3	
RoC (R12, %)	17.0	16.6	
Safety (R12, TRIFR)	8.5	10.2	
Sales growth[2]	7.6	9.1	

1. 2019 revenue reflects changes in the new revenue recognition accounting standard (AASB15) & includes $8m previously attributed to 'other income'. 2018 has not been restated.
2. 2019 growth reflects the 12 months to 30 June 2019 & the 12 months to 30 June 2018. 2018 growth reflects the 12 months to 30 June 2018 & the 12 months to 30 June 2017.

Officeworks overview

- Sales growth of 7.6%
  - Every channel approach delivering strong sales growth in both stores & online
  - Ongoing improvement in sales density
  - Online sales penetration in excess of 20%
  - Strong momentum maintained in B2B segment
- EBIT growth of 7.1%
  - Continued focus on CODB
  - Continued investment in price leadership impacted gross margin
- RoC (R12) up 0.4 ppts to 17.0%
  - Investment to support sales growth





Officeworks overview

Progress on strategic agenda

- Our team
  - Enterprise Agreement lodged with Fair Work Commission
- Customer experience
  - Trialled new store format (Mentone, Vic)
  - 45% increase in click & collect orders year-on-year
  - Improvement in customer satisfaction levels
- Connecting with our communities
  - 7% reduction in carbon emissions year-on-year
- Operational excellence
  - New consolidated distribution centre in WA
- Growing our business
  - 4 new stores opened
  - New & expanded product ranges
  - Acquisition of Geeks2U

Officeworks outlook

- Focus on helping make bigger things happen for customers, team, the community & stakeholders
- Execution of refreshed strategy to drive long-term earnings growth
  - Continued investment in digital, supply chain & new growth initiatives
  - Investment in data & analytics to better understand our customers
  - Building closer connections with the community
- Earnings growth will be impacted by investments in customer value & team member wages
  - Investment in maintaining price leadership
  - New Store Operations Enterprise Agreement will deliver higher team member wages
  - Productivity initiatives expected to partially offset these investments

Questions

Wesfarmers