



7 June 2017

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

PRESENTATION TO BE GIVEN AT STRATEGY BRIEFING DAY – SYDNEY

Following is a presentation that is to be given today at a Strategy Briefing Day in Sydney which is scheduled to commence at 6:30am AWST / 8:30am AEST.

The briefing will be webcast and accessible via our website at www.wesfarmers.com.au.

Yours faithfully,

A handwritten signature in black ink, appearing to be "LJ Kenyon".

LJ KENYON
COMPANY SECRETARY

2017 Strategy Briefing Day

Wednesday, 7 June 2017

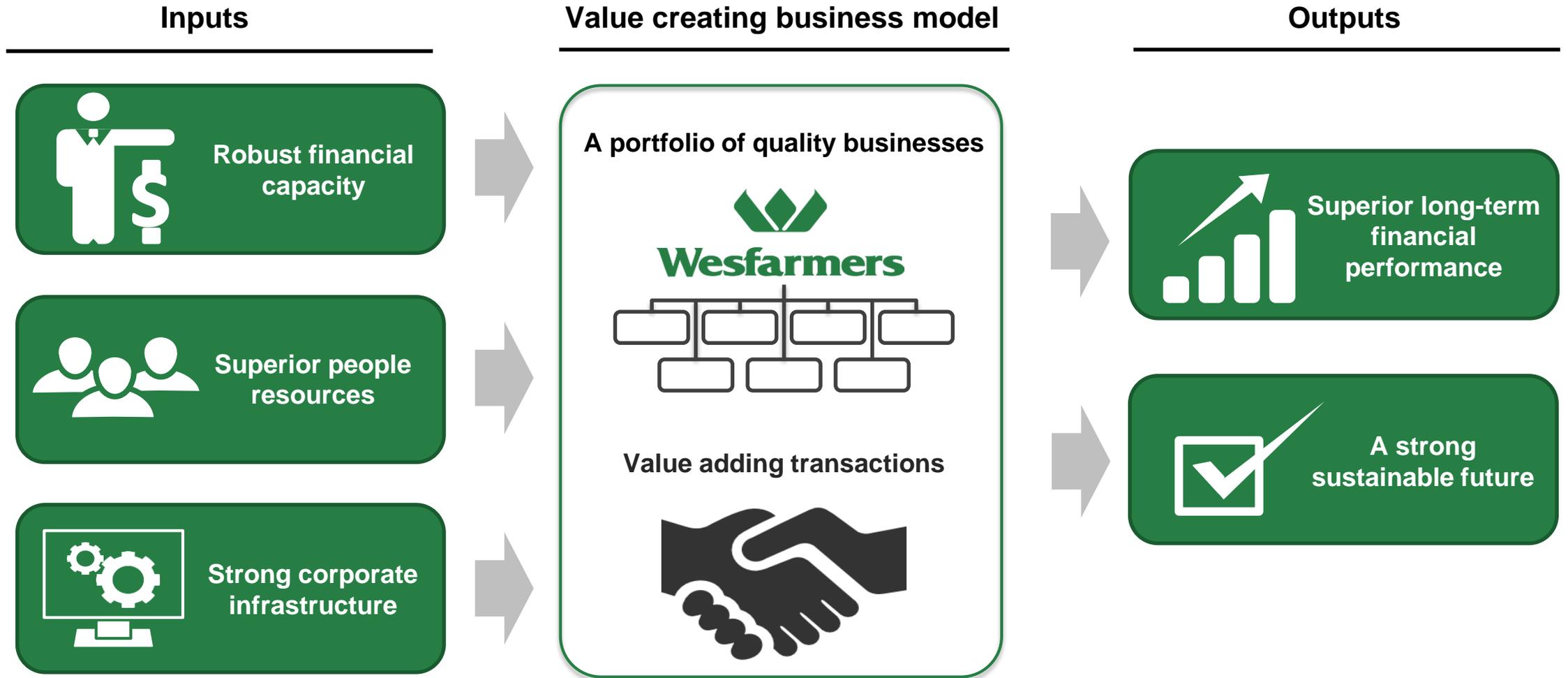


Wesfarmers

Agenda

Time	Topic	
8.00 – 8.30 am	Registration	
8.30 – 9.10 am	Introduction & Group Overview	Richard Goyder Terry Bowen
9.10 – 10.10 am	Coles	John Durkan
10.10 – 10.30 am	Morning Tea break	
10.30 – 11.30 am	Home Improvement	Michael Schneider
11.30 – 12.30 pm	Department Stores	Guy Russo Marina Joanou Ian Bailey
12.30 – 1.00 pm	Officeworks	Mark Ward
1.00 – 1.40 pm	Lunch break	
1.40 – 2.40 pm	Industrials	Rob Scott
2.40 – 2.45 pm	Close	Richard Goyder

Wesfarmers operating model



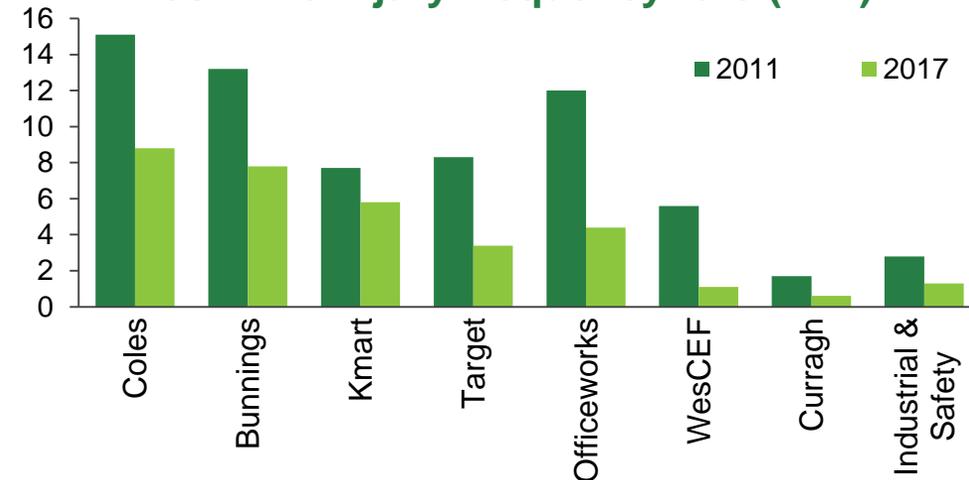
Superior people resources

- Ability to attract, motivate & retain high calibre talent
- High-performance culture & strong focus on team member development
- Strong talent pipeline within the Group to fill key roles
- Continued focus on diversity
 - More than 4,000 Indigenous employees¹
 - Growing representation of women in leadership positions, but more to do
- Significant improvements in safety performance across the Group

Women in senior manager roles²



Lost time injury frequency rate (R12)³



¹ As at 31 March 2017

² Includes senior managers, general managers & executives

³ Comparison based on R12 LTIFR as at March 2011 & March 2017

Succession management



Rob Scott
Wesfarmers Deputy CEO

- Re-joined the Group in 2004 in Business Development
- Various leadership roles in the Group including:
 - MD of Wesfarmers Insurance
 - FD of Coles
 - MD of Coles Financial Services
 - MD of Industrials division



Anthony Gianotti
Wesfarmers Deputy CFO¹

- Joined Wesfarmers in 2004 in Business Development
- Various leadership roles in the Group including:
 - FD of Wesfarmers Insurance
 - MD of Wesfarmers Insurance
 - FD of Industrials division



Michael Schneider
Bunnings Group MD

- More than 10 years with Bunnings
- Various senior roles within the business including:
 - Director of Store Operations
 - MD of Bunnings Australia & New Zealand

¹ Effective 1 July 2017

Strong corporate infrastructure

Strong corporate infrastructure

Wesfarmers' core values underpin key corporate systems, processes & initiatives:

- Lean corporate office
- Divisional boards
- Group wide planning, budgeting & monitoring processes
- Executive talent development & key role succession planning
- Strong governance: centralised statutory accounting, tax, legal, treasury & investor relations
- Strong financial focus
- Business development team: evaluation of value adding transactions & significant capex

Core values

Integrity

Openness

Accountability

Boldness

Our portfolio of businesses



- National full service operator
- More than 20m weekly customers on average
- Market-leading service & outstanding quality at great prices

- Australia's largest department store network with nearly 500 stores
- Kmart is Australia's leading discount department store
- Target provides quality, fashion & basics at low prices

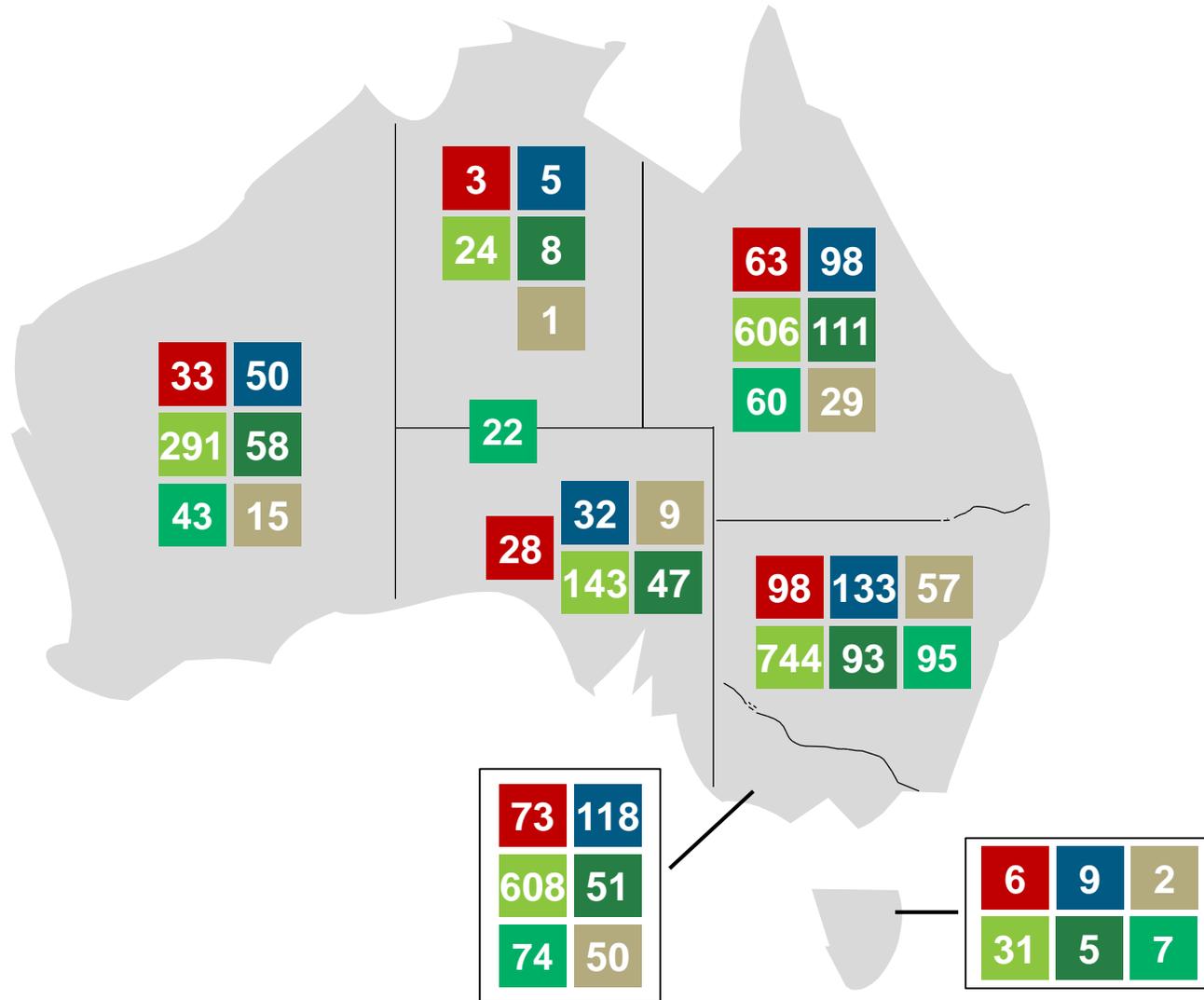
- Leading home improvement & outdoor living retailer in Australia & New Zealand
- Second largest home improvement & garden retailer in UK & Ireland
- Iconic Australian brand with strong community engagement

- World-class chemicals & fertilisers business
- CSBP is an Australian top 10 innovative business¹
- Leading Australian supplier of industrial & safety products
- World-scale & low-cost mines

- Leading Australian retailer of office products & services
- Strong omni-channel presence
- Well recognised & trusted brand

¹ AFR's 2016 edition of the 50 Most Innovative Companies

Strong Australian presence with more than 4,000 stores

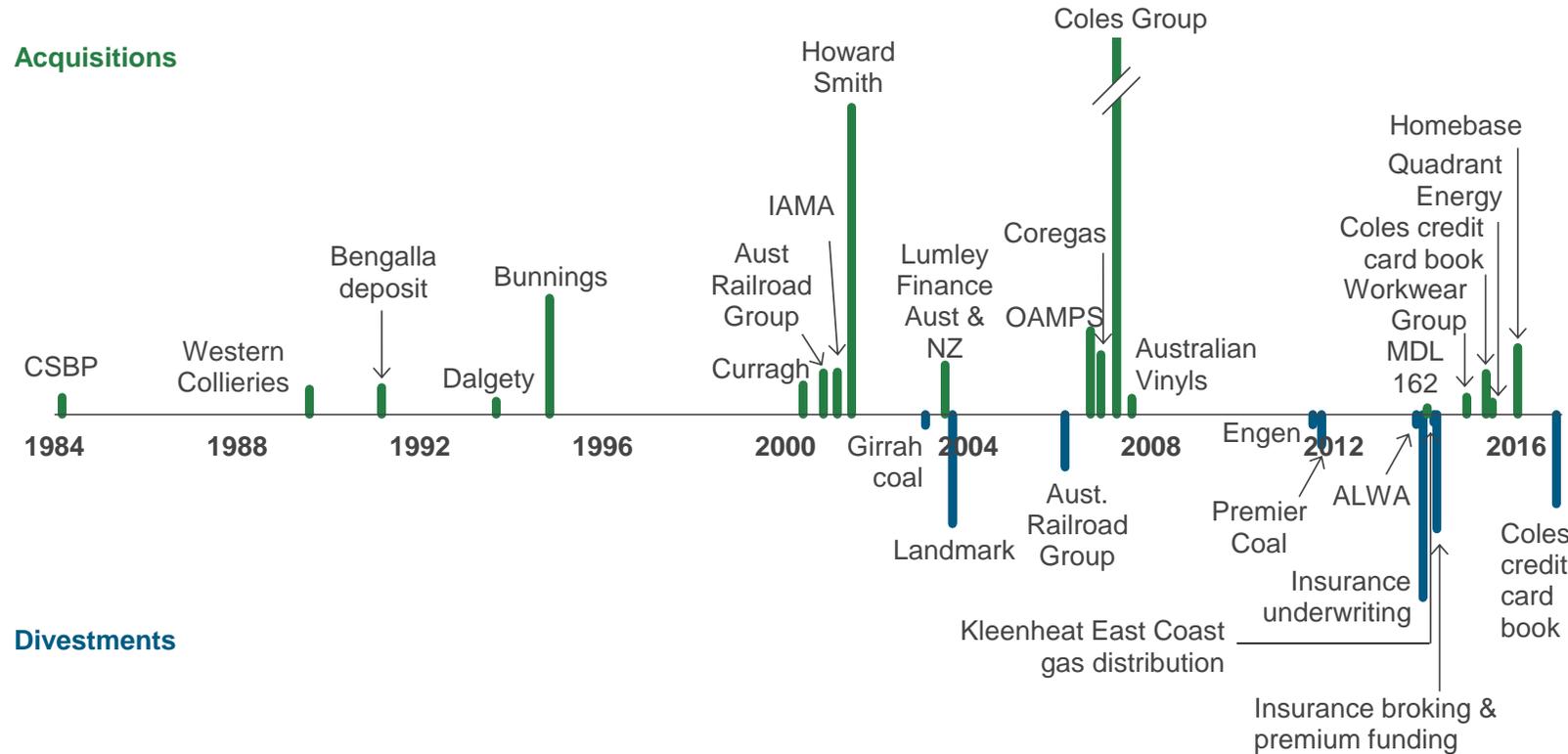


Note: Number of stores as at 31 December 2016 & excludes distribution centres, manufacturing plants & coal mines

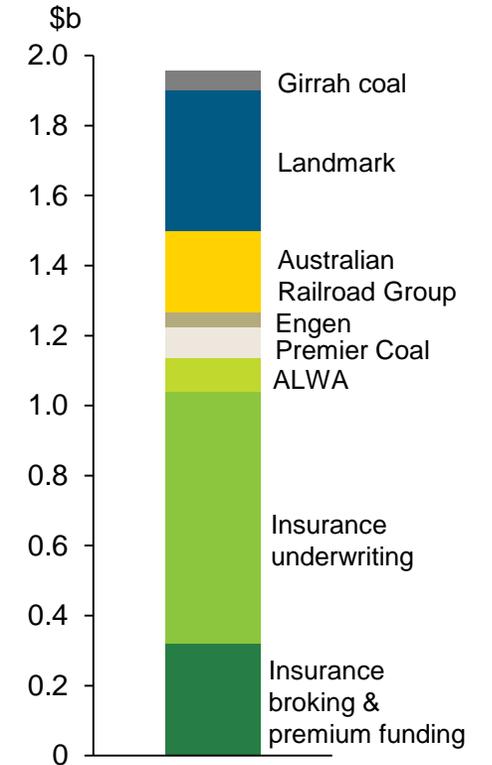
Value creating business model

Long history of value adding transactions

Group transaction activity (inflation adjusted transaction size)



\$2b pre-tax gain on divestments



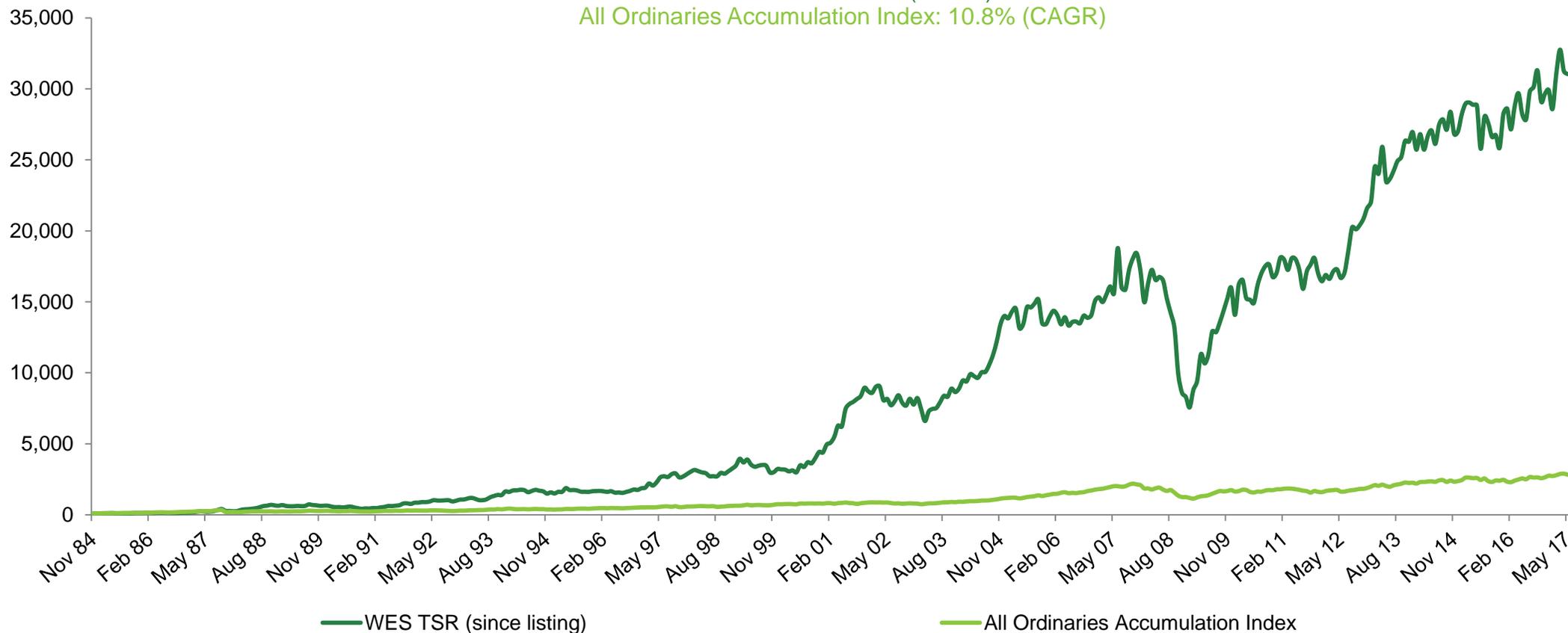
Superior long-term financial performance

Above market returns

Total Shareholder Return¹

TSR Index
(November 1984 = 100)

TSR since November 1984:
Wesfarmers: 19.3% (CAGR)
All Ordinaries Accumulation Index: 10.8% (CAGR)



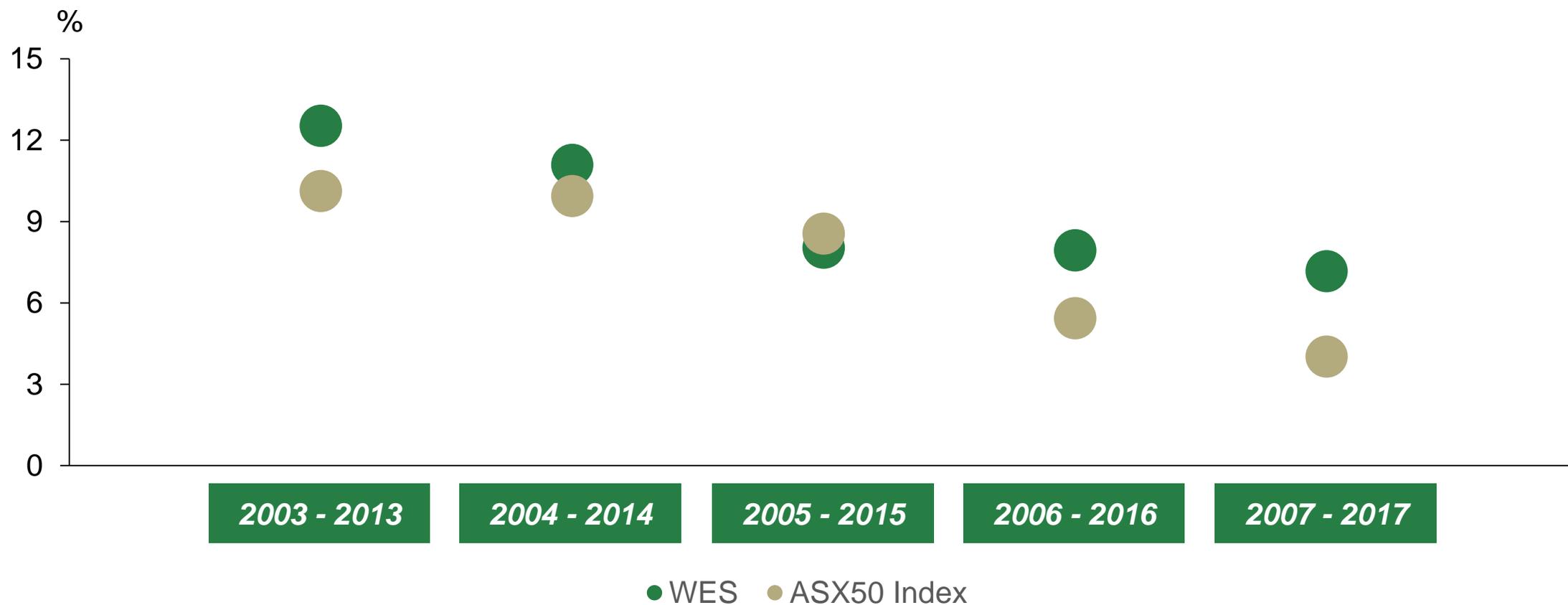
¹ Assumes 100% dividend reinvestment on the ex-dividend date & full participation in capital management initiatives e.g. share buybacks; as at 31 May 2017

Source: Annual report & IRESS

Superior long-term financial performance

10 year view

Annualised total shareholder return over 10 year intervals^{1,2}



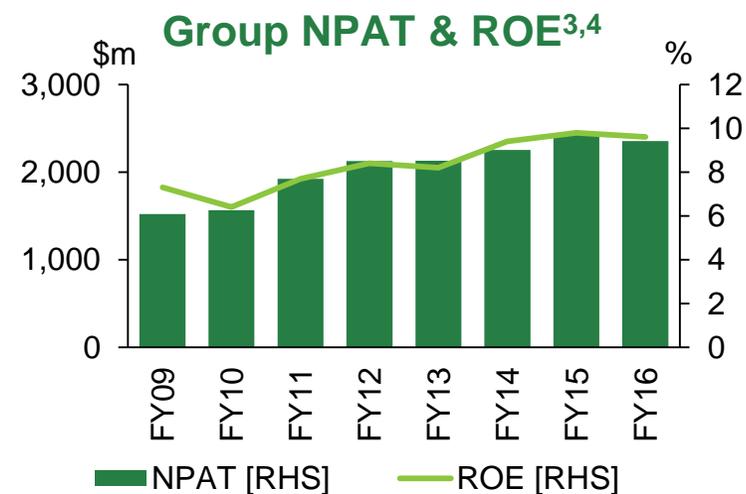
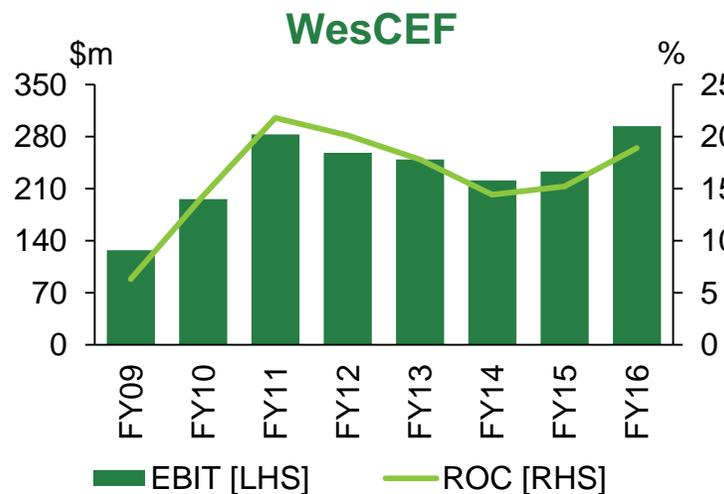
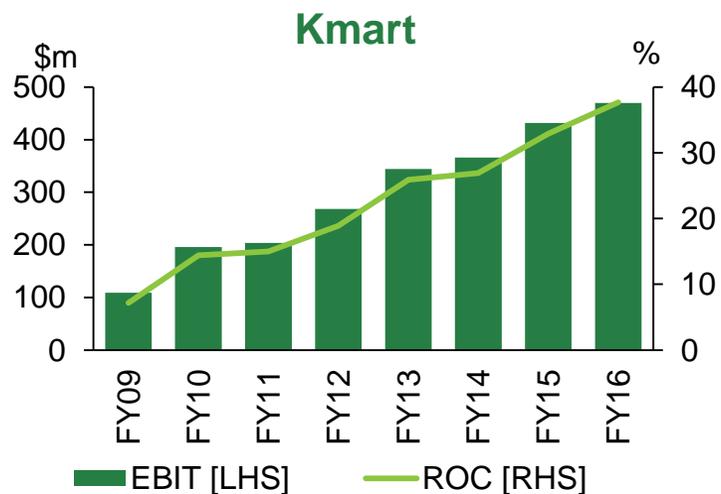
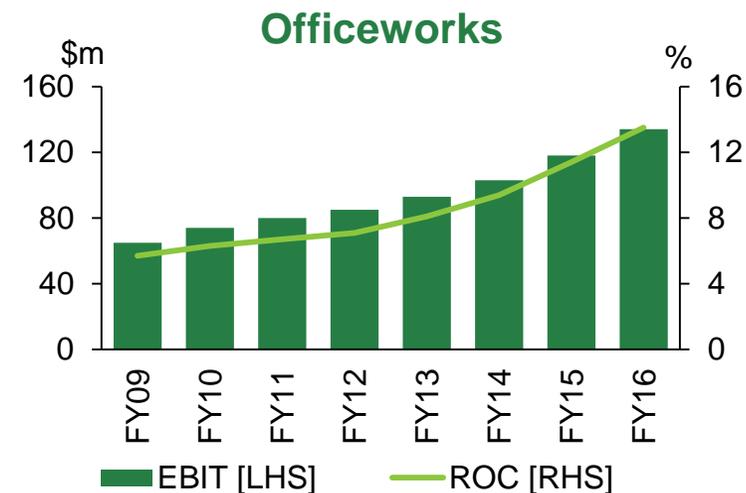
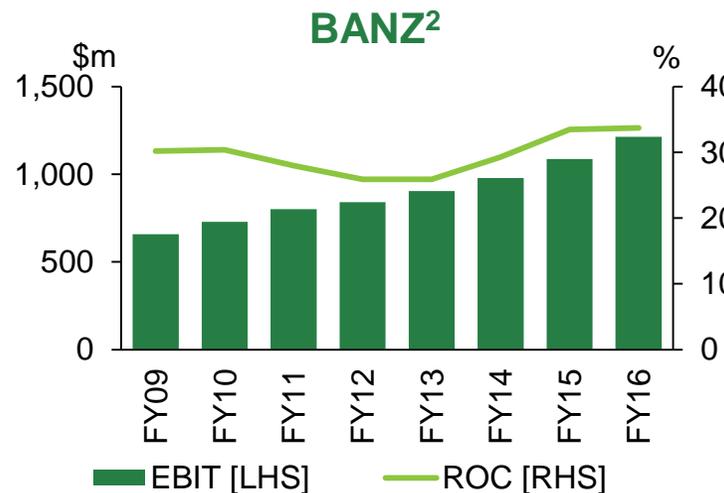
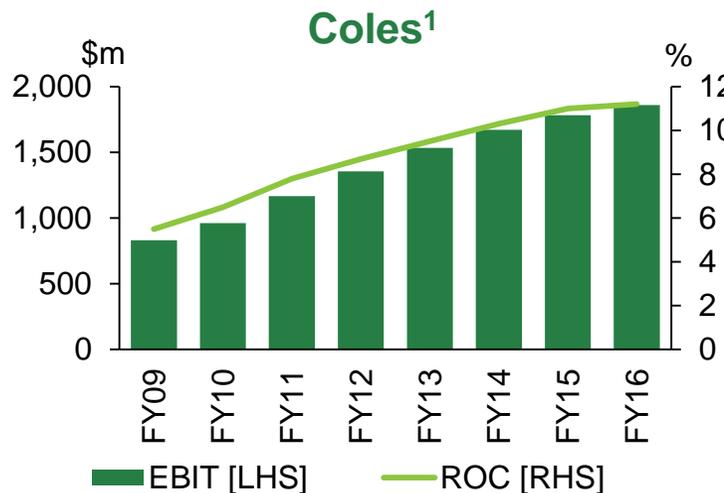
¹ 10 year intervals begin at 30 May & end at 29 May, e.g. 30 May 2003 to 29 May 2013

² Assumes 100% dividend reinvestment on the ex-dividend date & full participation in capital management initiatives e.g. share buybacks; as at 29 May 2017

Source: Bloomberg

Superior long-term financial performance

Returns-focused growth



¹ FY14 excludes a pre-tax provision of \$94m relating to restructuring activities within the Coles Liquor business

² FY16 excludes BUKI's contribution

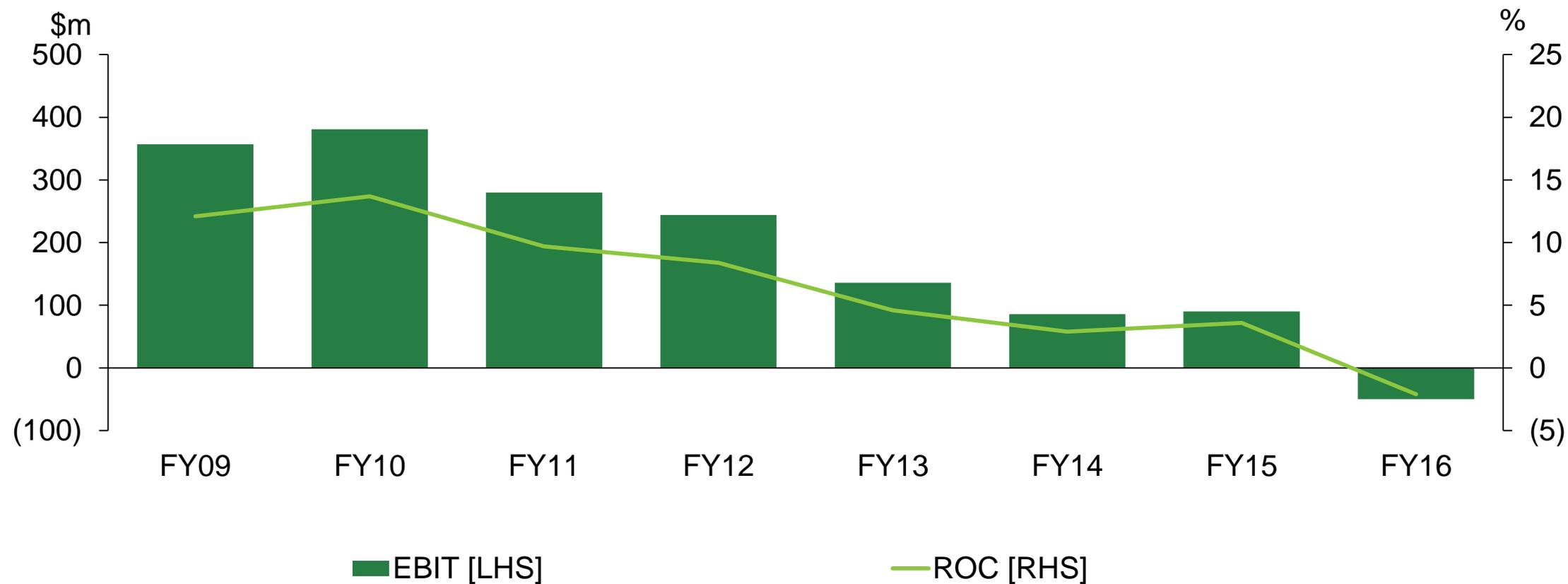
³ FY13 & FY14 NPAT & ROE have been restated for the classification of the Insurance division as a discontinued operation

⁴ FY14 excludes post-tax amounts: non-cash impairment of \$677m relating to Target, \$66m relating to restructuring activities within Coles Liquor business & \$1,034m relating to gain on sales of the Insurance division & ALWA. FY16 excludes post-tax amounts: non-cash impairments of \$1,844m relating to Target and Curragh & \$102m of restructuring costs & provisions to reset Target

Superior long-term financial performance

Challenging Target performance

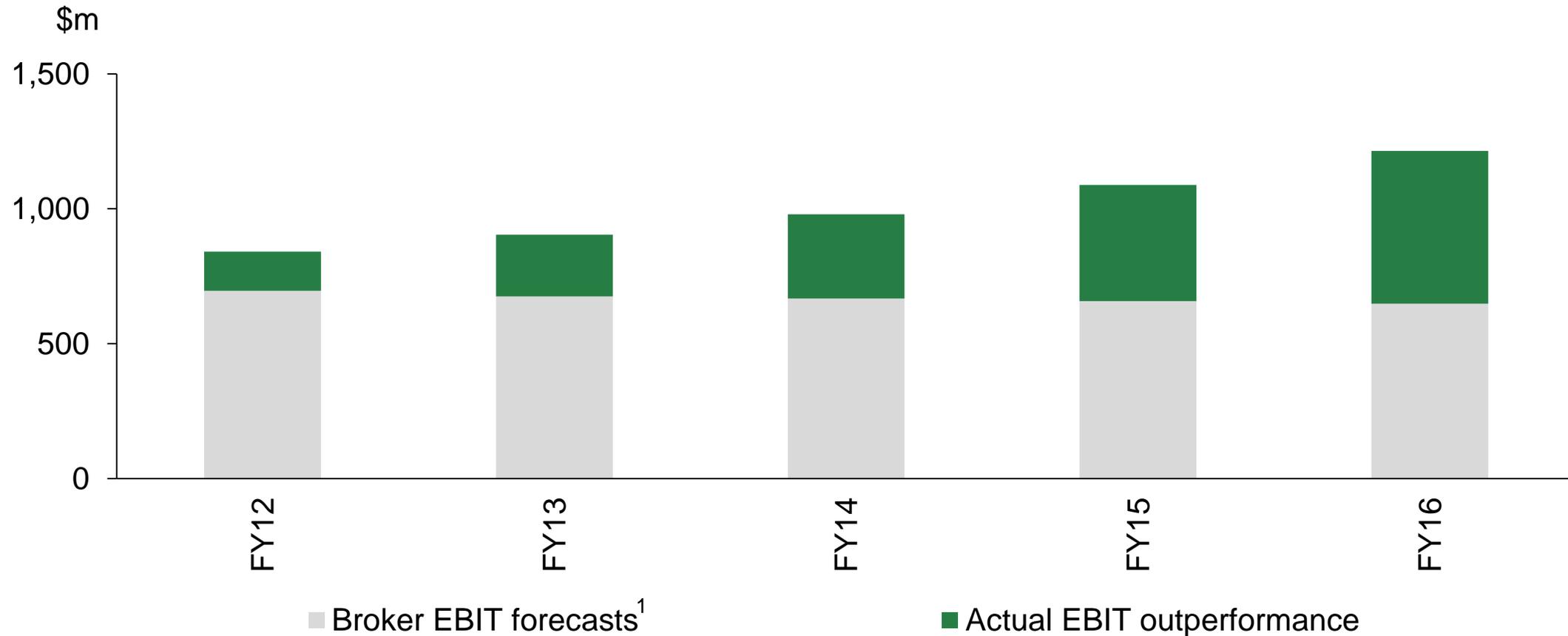
Target EBIT & ROC¹



¹ FY14 excludes pre-tax non-cash impairment of \$967m. FY16 excludes the following pre-tax amounts: \$1,266m non-cash impairment & \$145m of restructuring costs & provisions

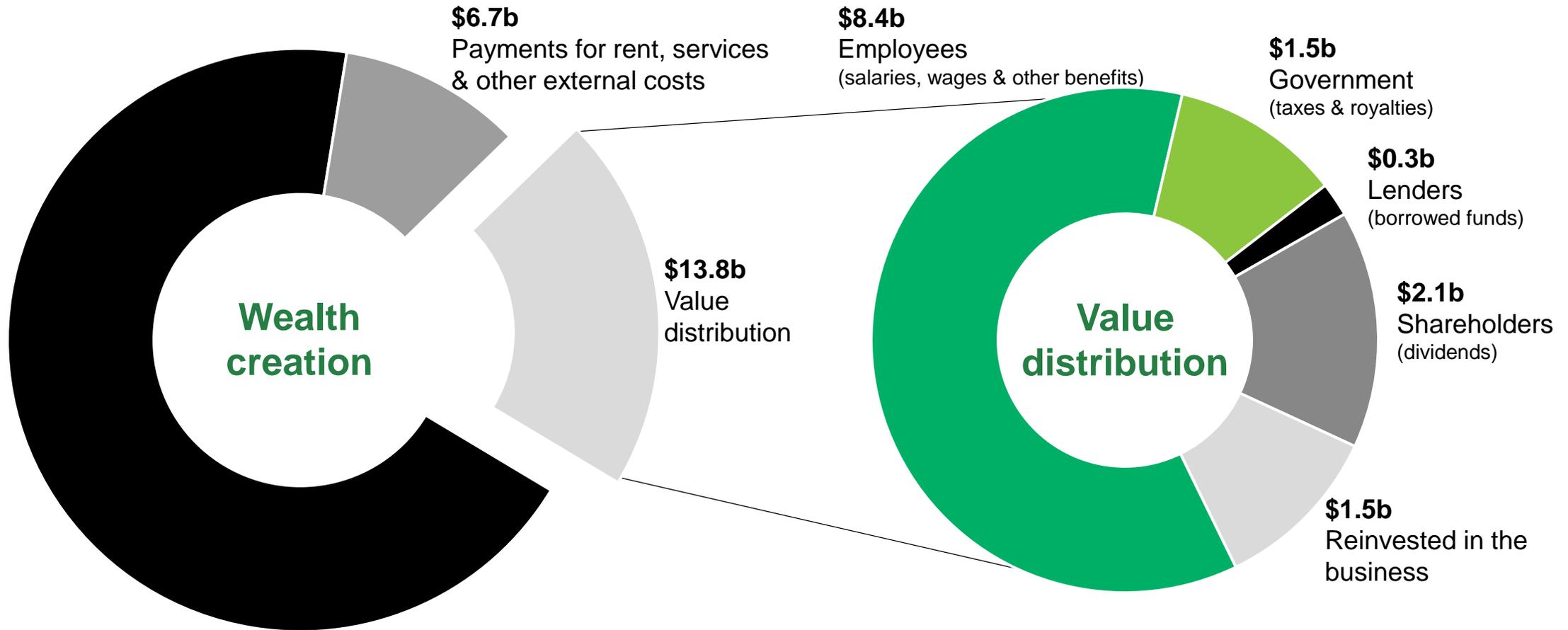
Strong operational focus in dynamic environments

BANZ performance relative to market expectations following announcement of Masters entry¹



¹ Reflects publicly available BANZ broker EBIT forecasts for FY12 to FY16 following the Woolworths announcement, on 25 August 2009, to enter the hardware industry in FY12 with its JV partner Lowe's

Creating wealth & adding value for all stakeholders



- Significant direct employer ~220,000¹
- Significant indirect employer (supplier payments) \$45.5b
- Strong business reinvestment (gross capital expenditure) \$1.9b
- Direct & indirect community contributions \$111.6m
- Australian shareholders ~80%

¹ As at 30 April 2017

Sustainability



Safety

- Total Recordable Injury Frequency Rate reduced 15% to 33.4



Ethical Sourcing

- Improved transparency of our supply chain (3,211 factories audited)



Diversity

- Over 4,000 Indigenous employees¹
- Increased representation of women in management roles



Community contributions

- \$112m in direct & indirect contributions



Climate change resilience

- Decreased emissions intensity by 30% over the last five years

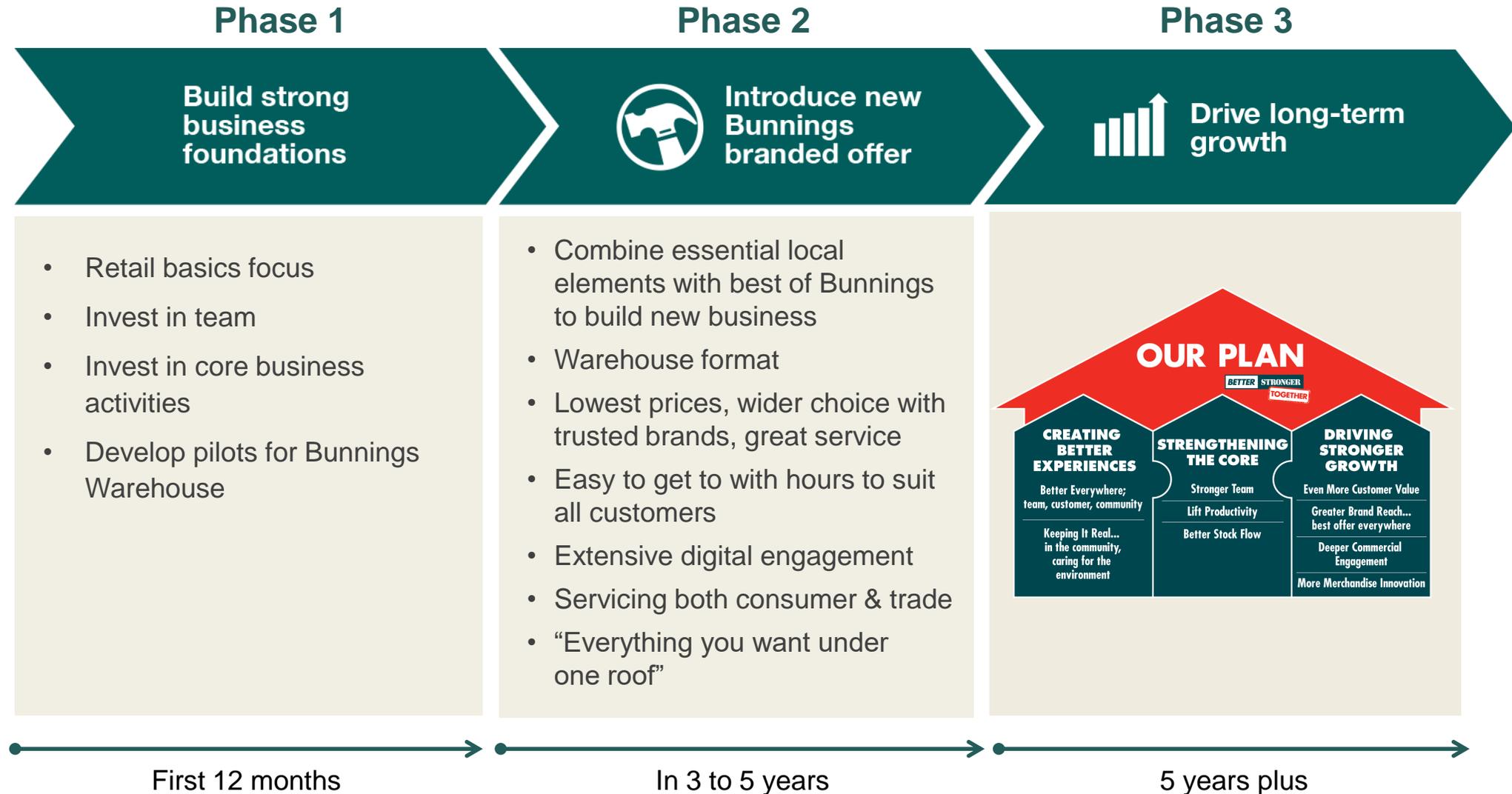


Supplier relationships

- 14 day payment terms for Coles' small suppliers

¹ As at 31 March 2017

Bunnings UK & Ireland (BUKI) update



BUKI trading performance & work to date

- Significant disruption across all areas of the business
 - £16m (\$26m) of restructure costs, concession exits & transition activity
 - Price deflation in line with expectations
 - Repositioning kitchen & bathroom offers
- Retail basics focus: core business & customer
 - Widened product choice & increased stock depth
- Invested in the team
 - Over 67,000 hours of training
- Two pilot stores trading & another to open on 9 June
 - Early days but both St Albans stores trading well
 - Encouraging responses from suppliers, customers & team members



BUKI outlook

- Total of four pilots by 30 June 2017
- Expect to have a total of 10 pilots by the end of 2017
- Successful pilots an absolute precursor to further investment
- Concession removals to continue
- Taking first steps towards introducing BUKI digital eco-system
- Building trust
- Long term process to build deeper customer involvement & engagement



Balance sheet & cash flow

Terry Bowen

Finance Director, Wesfarmers Limited



Disciplined approach to delivering long-term shareholder returns

Cash flow generation

- Drive long-term earnings growth
- Manage working capital effectively
- Strong capital expenditure & divestment processes

Balance sheet strength

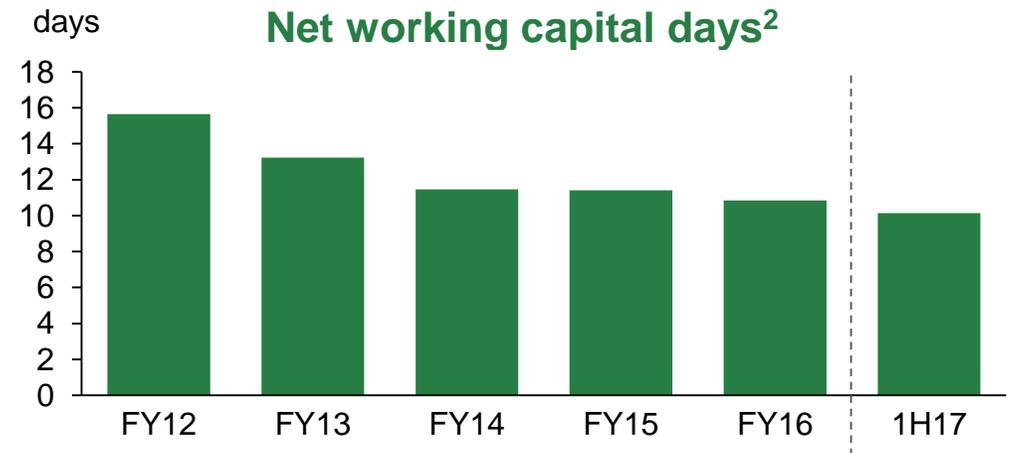
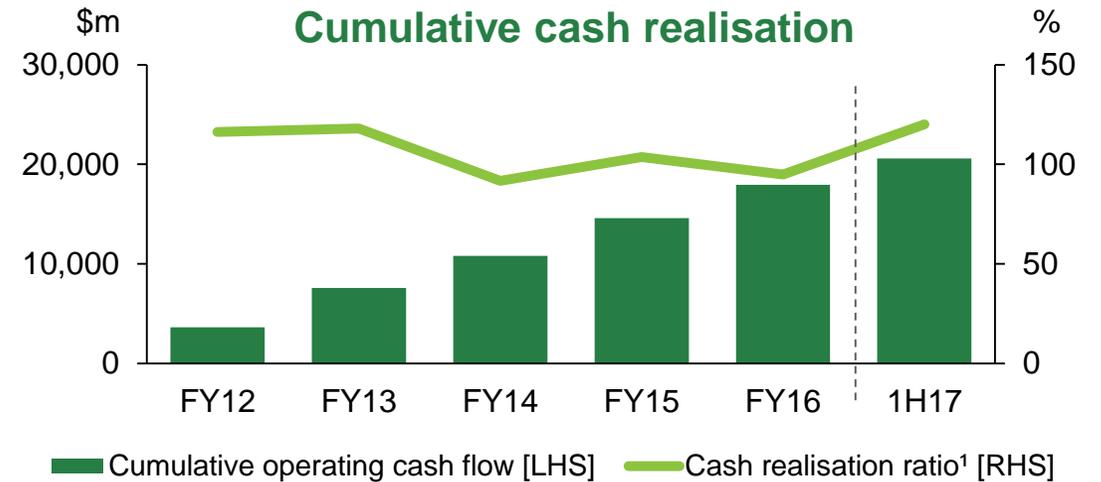
- Diversify funding sources
- Optimise funding costs
- Maintain strong credit metrics
- Risk management of maturities

Delivery of long-term shareholder returns

- Improve returns on invested capital
- Invest above the cost of capital
- Grow dividends over time
- Effective capital management

Cash flow generation

- Cumulative operating cash flows of \$20.6b since FY12
 - Long-term earnings growth
 - Cash generative portfolio
 - Strong focus on working capital efficiencies
- Average cash realisation ratio¹ of 107% across FY12 to 1H17
- 35% reduction in net working capital days from 16 days in FY12 to 10 days in 1H17
 - Despite growth of Bunnings Australia & NZ & stock investment in Bunnings UK & Ireland



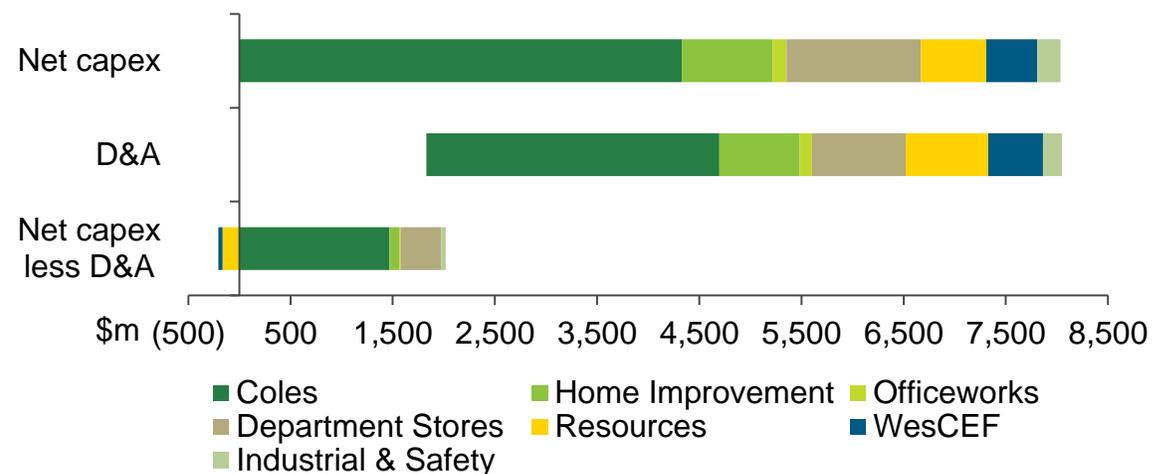
¹ Adjusted for NTIs

² Calculated as average net working capital balance divided by R12 revenue multiplied by 365

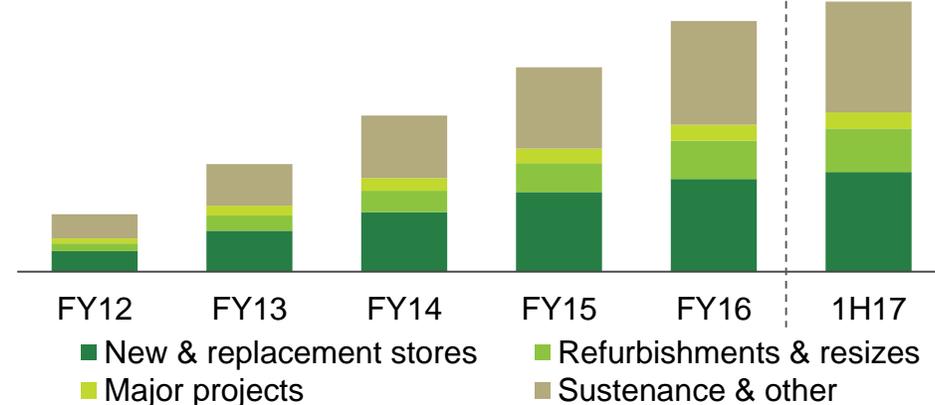
Capital expenditure

- Strict capital disciplines
- Continued investments in improving retail store networks
 - Extensive refurbishment activity completed across retail businesses
 - BUKI conversions subject to successful pilots
- FY17F net capital expenditure of \$1.1b to \$1.2b expected, subject to net property investment
 - Sale proceeds above prior year due to sale of Coles' interest in ISPT properties & sale of land by WesCEF

Cumulative deployment of capital
FY12 - 1H17

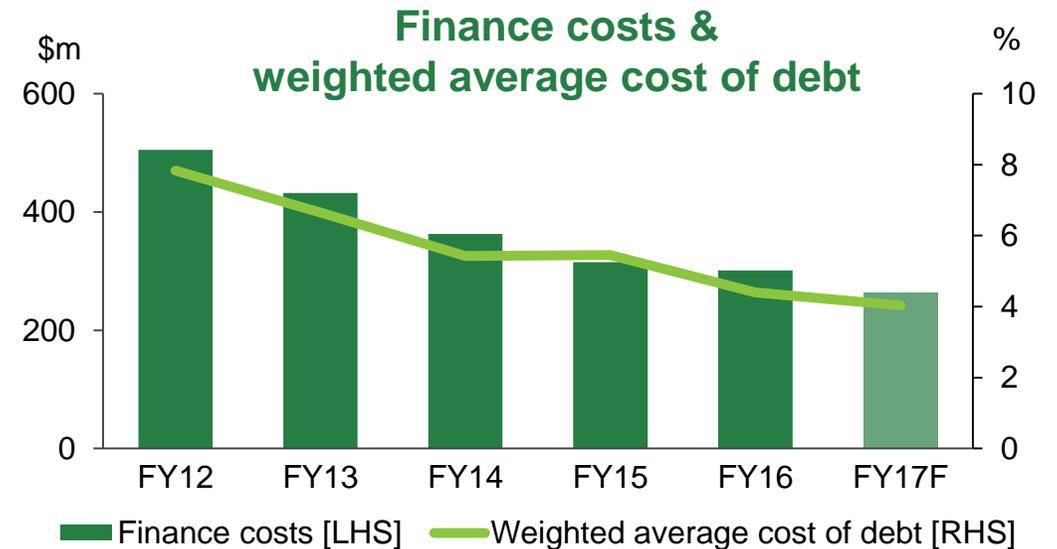
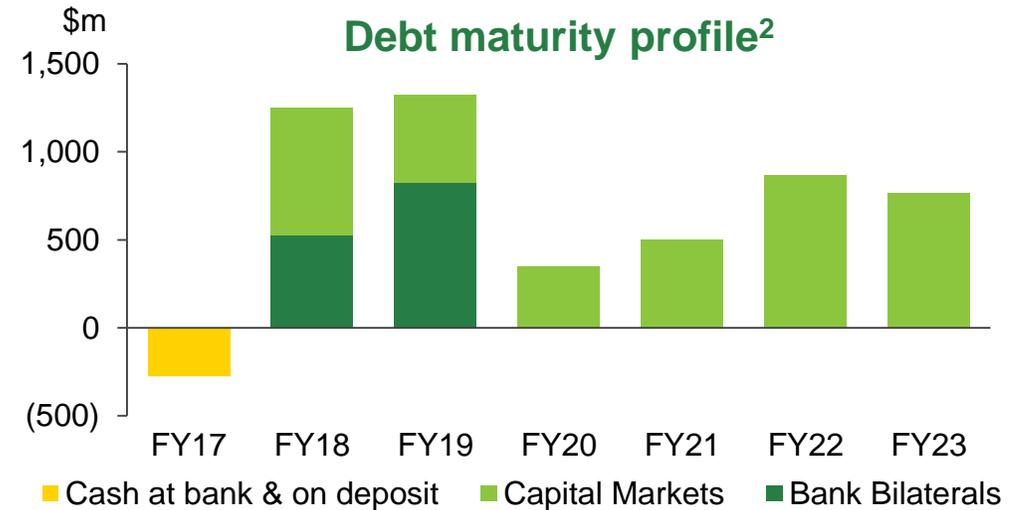


Cumulative capital expenditure by project
FY12 - 1H17



Balance sheet & debt management

- Strong balance sheet
 - Access to diverse funding markets
 - Limited debt maturities in any given year
 - Strong & stable credit ratings
 - » Moody's: A3 (stable outlook)
 - » Standard & Poor's: A- (negative outlook)
- Net financial debt of \$4.7b¹ as at 30 April 2017
 - Over \$900m debt repaid following the sale of Coles' credit card receivables in February 2017
 - All-in effective borrowing cost expected to reduce by 380 basis points since FY12 to 4.03% in FY17F
 - FY17F interest expense expected to be between \$260m & \$265m



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

² As at 30 April 2017

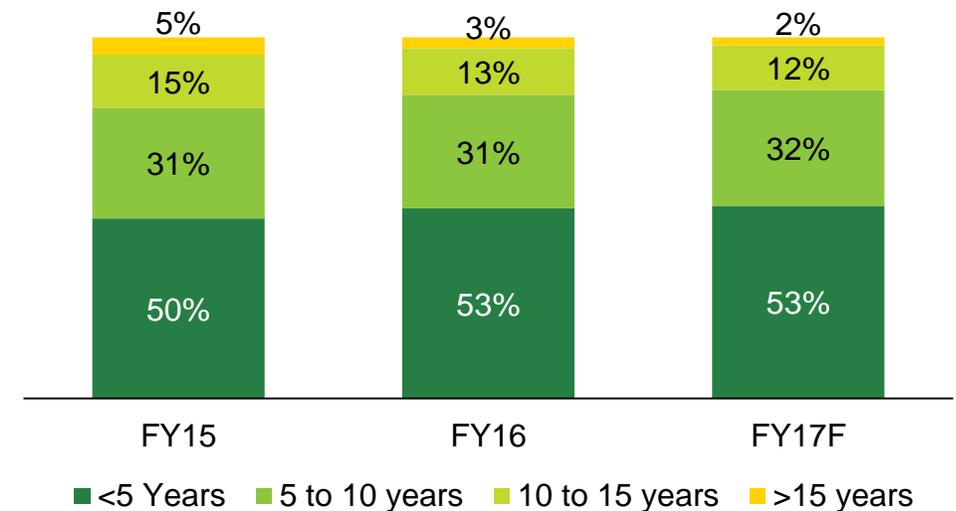
Lease management

- Composition of fixed obligations weighted towards non-cancellable operating leases
- Disciplined management of off-balance sheet leases
 - Progressively reducing fixed lease tenure for new stores & lease renewals; focused on supermarkets & department stores
 - Decision-making flexibility through lease extension options

Fixed financial obligations (FY16)



Share of lease commitments by tenure

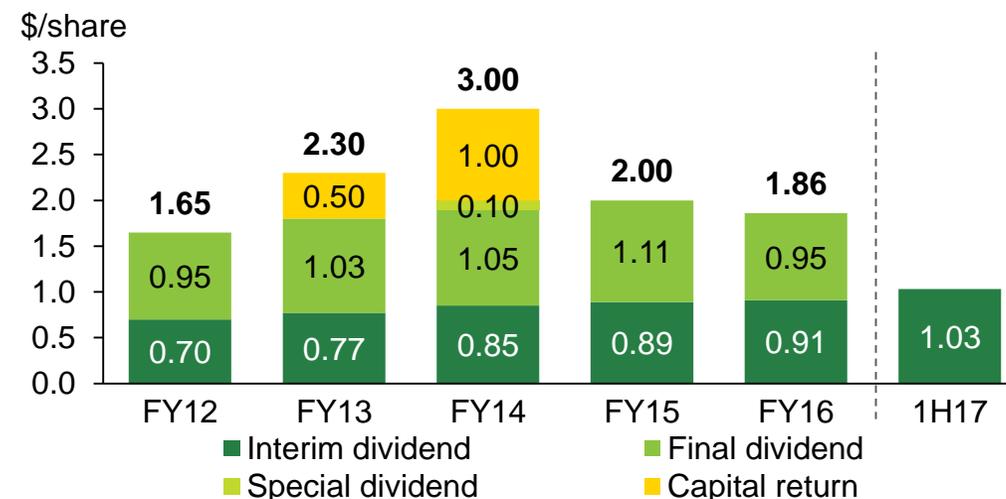


¹ Represents future undiscounted minimum rentals payable under non-cancellable operating leases

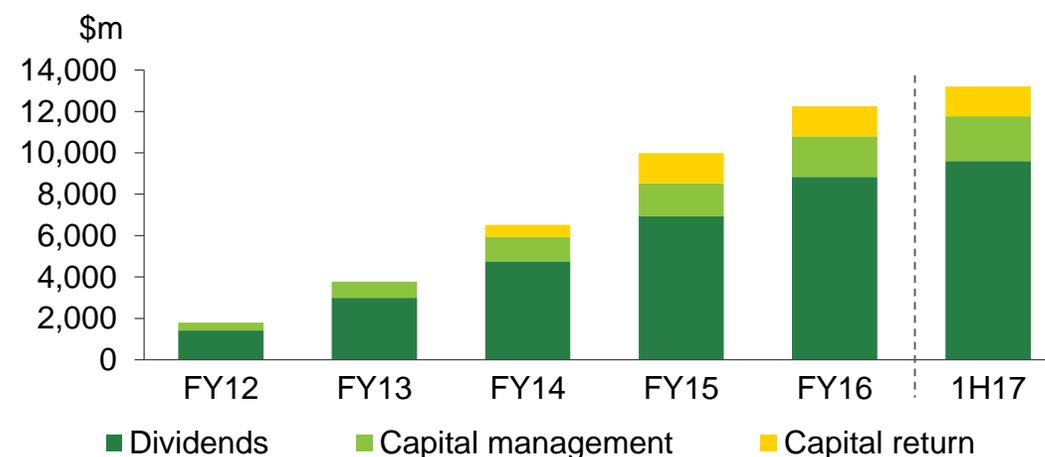
Shareholder distributions

- \$13.2b in dividend payments & capital management distributions since FY12
 - Includes \$2.2b of capital management associated with the Group's dividend investment & employee share plans
- Strong payout ratio distributes franking credits back to shareholders
 - Maximising the value of franking credits for shareholders
 - Proactively minimising the franking credit balance
- Dividend distributions subject to current earnings, franking credit availability, current liquidity position, credit rating, & cash flow requirements

Shareholder distributions & capital returns



Cumulative distributions & capital management¹



¹ Capital management includes dividend reinvestment plan & employee share plans

Coles

John Durkan
Managing Director, Coles



coles

coles.com.au

coles
express

VINTAGE CELLARS

first CHOICE liquor

BI-LO

LIQUORLAND

spirit
HOTELS

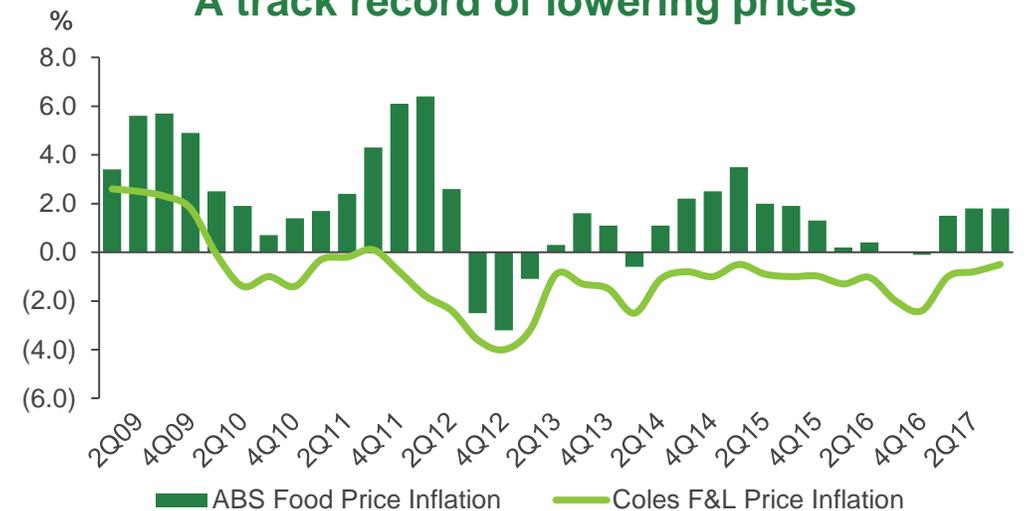
coles Financial Services

Coles trading update

- Delivering a better customer offer remains the focus
 - Accelerated investment in the customer offer
 - Simplicity benefits have partially mitigated the impact of accelerated investment & fixed cost inflation
- Investment in the customer offer increased in 2H17
 - The vast majority of the 1H17 underlying EBIT decline¹ of \$64m was attributable to 2Q17 investment
 - This rate of investment has increased noticeably in 3Q17 & 4Q17 relative to 2Q17
- Continued positive sales growth & strong cash generation maintained
- Non-recurring items in FY17: sales of Coles' interest in ISPT & Financial Services EBIT



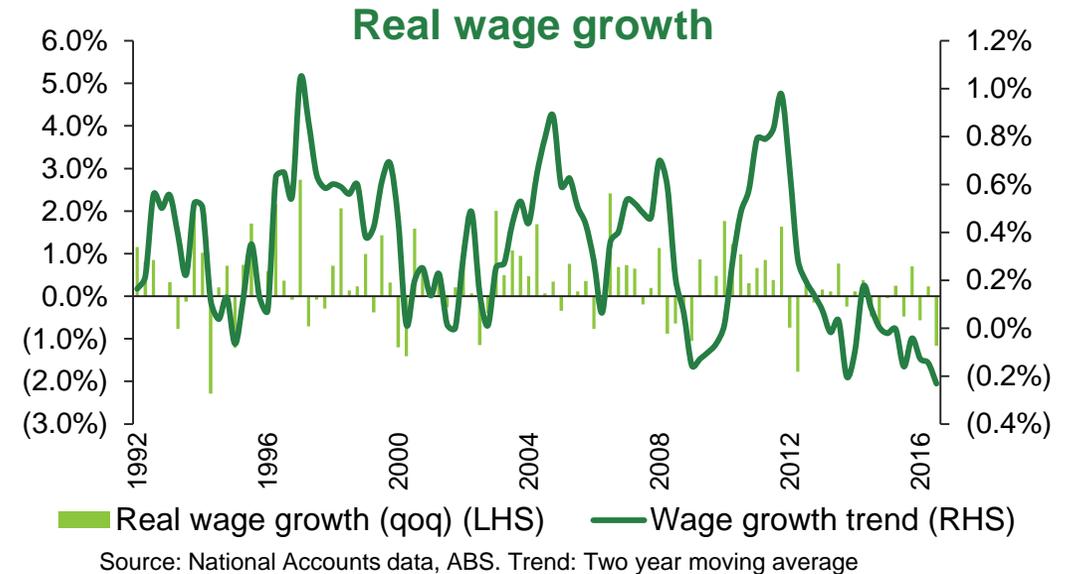
A track record of lowering prices



¹ As disclosed in the Wesfarmers 2017 Half-year report: Coles underlying earnings, excluding the gains on sale of Coles' interest in joint venture properties to ISPT, declined 6.8% in 1H17

Market context

- Household budgets are under pressure
- Australia remains an attractive market
 - Market growth, while lower, remains above other developed countries
 - Moderate space growth relative to population growth
 - The market is more competitive, but remains rational
 - Share gain opportunities in Fresh
- Proactive investment in the customer offer is necessary in the current environment & strengthens the customer offer ahead of the potential entry of new market participants



Progress this year

Focus on **FRESHNESS**

- High single-digit growth in produce sales
- Continued investment with suppliers to improve quality

EXTEND VALUE leadership

- Continue to build trusted value
- Over 4,100 products on 'Every Day' value
- Exc. Tobacco & Fresh, 2.2% YTD F&L deflation

Deliver a better store **NETWORK**

- 15 new & 6 closed supermarkets YTD
- 34 supermarket renewals YTD
- Maintained focus on quality space

Transform LIQUOR

- 125 Liquorland renewals YTD
- Strong transaction growth continues
- Transformation remains on track

SIMPLICITY

- Over 1,400 SKUs moved to stockless supply channels
- Customer-led range simplification
- Moved to net pricing with all suppliers
- OneShop now in 637 stores
- OneTeam now in 56 stores

Boldly extend into new **CHANNELS & SERVICES**

- 16% Coles Online sales growth
- 4% more active flybuys households
- CEXP shop sales growth through a market leading in-store offer

Build great CAREERS

- A graduate program with 415 participants currently
- 32% of women in leadership, an increase of 80bps
- 31% increase in Indigenous team member hires to 1,195

Note: YTD financial measures are as at March 2017

Opportunities for further improvement

Price

1 in 3

Customers dissatisfied

Service

1 in 5

Customers dissatisfied

Range & Availability

1 in 5

Customers dissatisfied

Fresh Quality

1 in 6

Customers dissatisfied



Improving our Supermarkets offer

Focus on freshness



Better Customer Offer



Coles Brand as a differentiator



Simplicity as an enabler



Focus on freshness

Further service investment



Market leading prices



More strategic Fresh partnerships



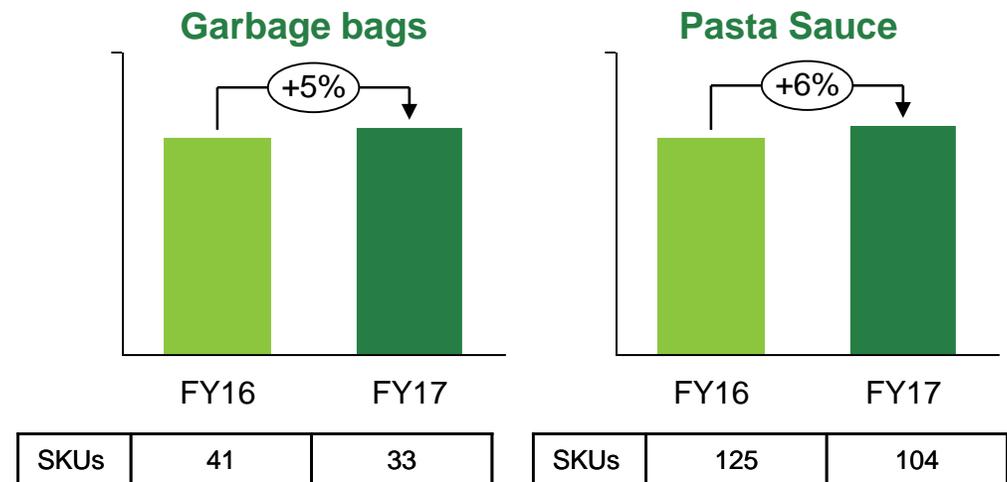
All stores to have fresh bread



Better Customer Offer – giving range choice

- Coles is on a journey to simplify range
- Three keys of customer-led range simplification
 - Major category resets
 - More product innovation on shelf
 - Range hygiene i.e. removing poor performers
- Reduced range does not mean less choice
 - Currently over 16k SKUs on average per store
 - Simplified range would free up space for product innovation, meaning more choice
 - Increased space for products customers want
- Increases availability & drives higher customer satisfaction
- Enables in-store Simplicity which drives greater investment in the customer offer

Sales impact from range rationalisation

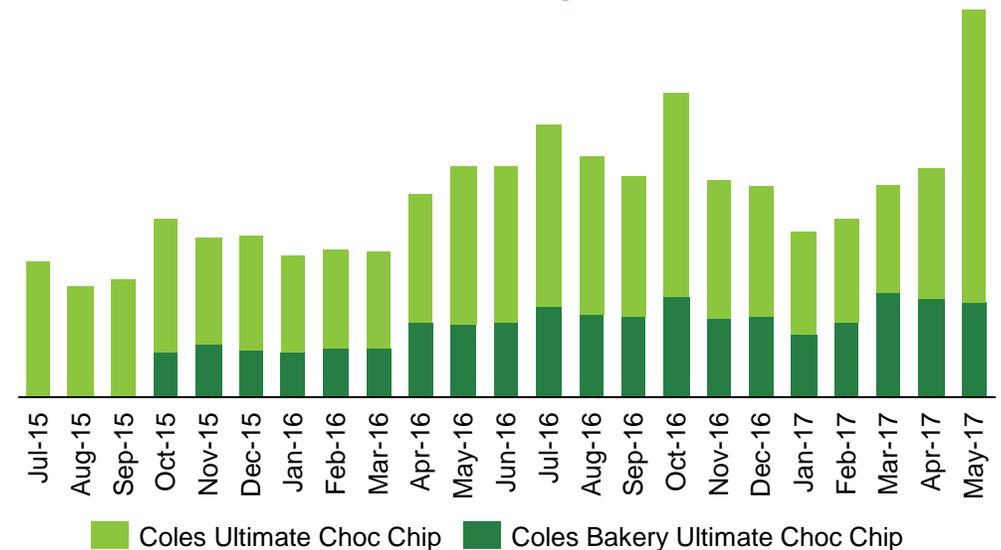


Coles Brand – the differentiator

- In a more competitive market Coles Brand will be an important differentiator
- Step-changing Coles Brand is reliant on building trust with customers
 - Outstanding value & quality
 - A consistent experience across every aisle
 - A platform for innovation
- Coles Brand will continue to lower the cost of the basket as penetration increases
- Penetration will be customer driven, if it doesn't sell it doesn't stay
- 7% CAGR over the last 3 years, with opportunity for continued growth & margin improvement



Coles Brand Choc Chip Cookies Sales



Simplicity as an enabler

- Step-change of in-store simplicity initiatives
 - OneTeam, OneShop, In-aisle efficiencies, Simpler Tools, HR Reset, & Stockless Stockrooms
- Investment in smarter systems
 - Streamlines the flow of stock
 - Enhances the capacity of the network
- Focus on end-to-end planning from supplier through to shelf
 - Improves availability for customers
 - Simplifies process for suppliers
- Improvements in direct global sourcing
 - Deliver reduced supply costs
 - Shorter lead times
- Translates to significant savings & working capital benefits

Moving from this



To this



New channels & services: customer-led, data driven & digitally enabled

- Tailor-made customer offer
- Investment in Coles app & Coles website to enhance mobile customer experience
- Integration of digital into in-store experience
- Process reengineering to enable rapid innovation & lean practices
- Digital tools to improve in-store efficiencies
- Continued digital opportunity assessment to ensure best use of capital employed within supply chain & logistics

coles

Search groceries | for keywords, brands or products

Catalogues & specials | Shop online | Locations & hours | Recipes & tips | Our Range | Corporate responsibility

DOWN DOWN

coles ultimate 40% CHOCOLATE CHIP

\$3.99 ea

WAS \$3.99 MAY 2017

Coles Ultimate 40% Chocolate Chip Cookies 400g \$0.75 per 100g

SAVE 99¢

Shop now

Catalogue Specials

View

Fruit and Veg Specials

Browse

Shop Online

Shop

100% AUSSIE APPLES
NO WAX ADDED
NATURALLY GOOD

Coles apples now have no added wax

Find out more

+

taste

Add recipes straight to your Coles online trolley

Shop now

coles

Latest Coles Magazine

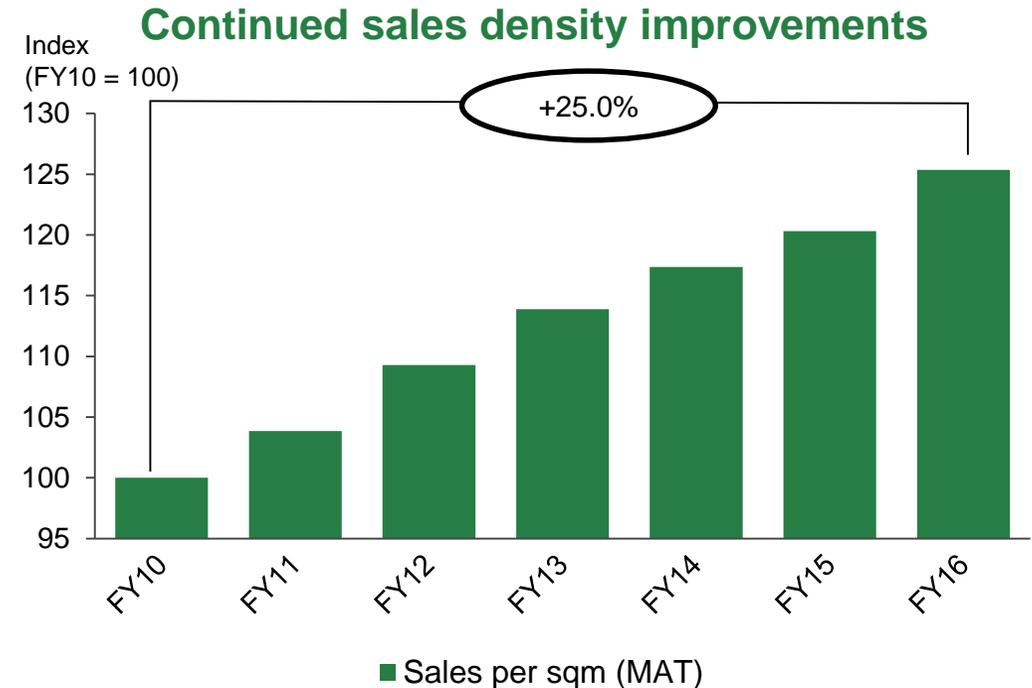
View now

Shopping made easy with Coles App

Download

A better store network

- Continue to optimise existing space
 - 45 to 49 renewals in FY17
 - 20 to 30 renewals in FY18
 - Entire store fleet to receive a Simplicity upgrade over the next 3 years
- Continue high quality net space growth
 - 1.5% to 2.5% p.a. net selling area growth
 - 21 openings & 12 closures in FY18
 - Continue to focus on store quality
- Continue to recycle capital via freehold divestments
- Maintain strict investment hurdles to ensure a focus on improving ROC



Liquor & Coles Express

- Liquor business
 - Liquor continues to execute on its five year turnaround strategy
 - Continued growth in sales & volume trends
 - Plenty of opportunity remains in value investment, range simplification, exclusive brand penetration & Liquor Direct
- Coles Express
 - Committed to providing a market-leading shop offer & a competitive fuel offer
 - Continued strong growth in food-to-go



Outlook

- Decisions taken to accelerate investment in the customer are the right decisions for the long term
- Substantial opportunities for fresh food market share growth remain
- Coles Brand sales under index, providing room for ongoing margin accretive growth
- The pipeline for quality new stores is strong & growth in Online is a significant opportunity
- Simplicity initiatives will unlock meaningful cost of doing business efficiencies in the near & long term
- This will continue to be a highly competitive market, meaning continued investment in value, fresh food quality, innovation & market leading service is imperative
- Progress in the Liquor turnaround to date gives confidence in a positive future outlook & Coles Express provides a platform for continued growth in convenience
- Coles' future growth will continue to be returns focused & will seek to drive strong cash flow



Q&A - Coles

John Durkan

Managing Director, Coles

Chris Nicholas

Merchandise Director, Coles



coles

coles.com.au

coles
express

VINTAGE CELLARS

first CHOICE liquor

BI-LO

LIQUORLAND

spirit
HOTELS

coles Financial Services

Home Improvement

Michael Schneider
Managing Director, Bunnings Group



Agenda



- Long-term value creation
- Market evolution
- Strategic agenda
- Outlook



Long-term value creation





LONG-TERM VALUE CREATION



1. A winning offer to customers

3. Business behaviour that builds trust



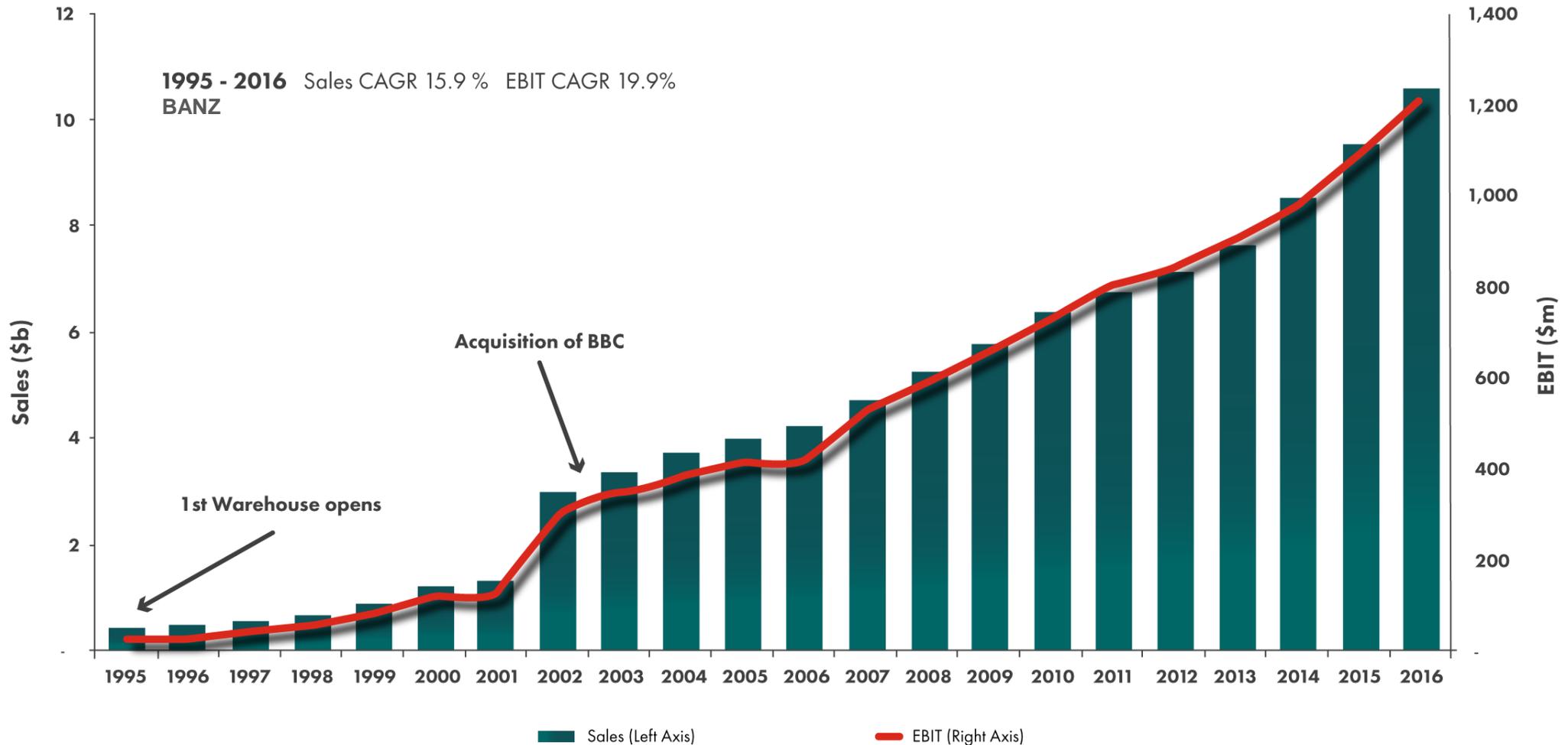
2. An engaged, focused & committed team

4. Sustainable returns





PRICE. RANGE. SERVICE.



Long-term value creation: Achieving long-term growth & sustainable returns



- Continuing to invest capital for growth
 - Investing in ‘winning offer’
 - More stores, new formats
 - Using capital even more efficiently
- As always, focused on achieving market leading returns ... over the long term



New outdoor power offer from Honda



New store in Eastgardens, NSW



Lite fitout at Mornington, TAS



Lite construction at Bellambi, NSW

Market evolution



Market evolution: Addressable market expanded by evolution & innovation



Note: \$50b market relates to Australia only; New Zealand market size estimated at \$NZ9b

Market evolution: Current home improvement & outdoor living market



Note: \$50b market relates to Australia only; New Zealand market size estimated at \$NZ9b

Market evolution: Addressable market wider than home improvement & outdoor living



Note: \$50b market relates to Australia only; New Zealand market size estimated at \$NZ9b

While the market is evolving ... so too are customer needs & our offer



Electronic security



Home automation



Assisted living



LED lighting



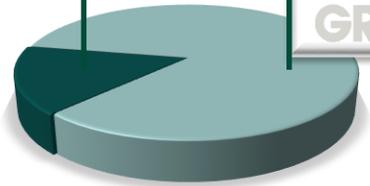
HIOL market structure & drivers



A large grid of logos representing various home improvement and retail companies in Australia. The logos include:

- Plumbtec** (Bathroom Kitchen & Plumbing Supplies)
- MITRE 10 MEGA**
- MIGHTY HELPFUL MITRE 10**
- UNITED TOOLS**
- GASWELD TOOL CENTRE**
- STRATCO**
- tradetested** (Trade Prices Delivered Nationwide)
- fastener factory**
- POWERLAND** (We'll do it! .COM.AU)
- Tradelink**
- TradeTools** (Get It Right... For Less!)
- tilestone paver**
- Adelaide TOOLS**
- Jaycar**
- LACE LIGHTING** (Wholesale Lighting Specialists)
- SIMPLY HOMEWARE**
- COSTCO .COM.AU**
- THRIFTY-LINK HARDWARE**
- ON SHOW**
- DOMAYNE**
- freedom**
- Tamworth Building Supplies**
- Officeworks** (Big Ideas. Lowest Prices.)
- TURTLE NURSERY and LANDSCAPE SUPPLIES**
- Kmart**
- BATHROOMDIRECT** (ONLINE SALES)
- FANTASTIC FURNITURE**
- IKEA**
- BEAUMONT TILES** (Looking good!)
- Target**
- SLEEPERS DIRECT**
- nubco**
- Paramount Browns** (You'll find it at)
- Kresta**
- STIHL**
- WAREHOUSE BUILDING SUPPLIES**
- HOME TIMBER & HARDWARE**
- K&D WAREHOUSE**
- the warehouse** (where everyone gets a bargain)
- storage BOX**
- amazon**
- SmartPack** (Oo you've got it made.)
- reece**
- GODFREYS** (THE VACUUMING & CLEANING SPECIALISTS)
- DOORS PLUS** (No Fuss)
- bathware direct** (.com.au)
- CARPET COURT** (FLOORING CENTRES)
- the LOG factory**
- MYER**
- ALDI**
- TEMPLE & WEBSTER**
- DAVID JONES**
- Blackwoods**
- ebay**
- BATHROOMWARE HOUSE**
- THE DOORSTORE** (ANY DOOR - ANY SIZE. OVER 300 DOORS ON DISPLAY)
- coles**
- autObarn**
- BORAL**
- SHIPLOADS** (How much have you saved?)
- applianceonline** (LEGENDARY SERVICE .com.au)
- paint spot**
- Vac City**
- Aussie Disposals** (THE OUTDOOR ADVENTURE STORES. PROUDLY AUSTRALIAN)
- ANACONDA**
- SimplySheds** (Australian Brands. Best Prices. Guaranteed.)
- RAYS** (CAMP PADDLE HIKE EXPLORE)
- BBQ XL BARBECUE**
- Beacon LIGHTING**
- TOTAL TOOLS**
- GET TOOLS DIRECT** (Tools for every trade directly to your door)
- national tiles**
- SPOTLIGHT**
- Tentworld** (The Camping Experts)
- hs harris scarf**
- PlaceMakers**
- Lincraft**
- RSEA** (SAFETY)
- FOODLAND** (THE MIGHTY SOURCE AUSSIES)
- i-tools**
- itm**
- 1 AUTO ONE**
- ONE STOP DECK SHOP**
- carpet CALL** (FLOOR CENTRE)
- PAINT RIGHT** (From start to finish!)
- CAMPSMART** (Quality Caravan & Camper Accessories)
- CARTERS** (Your Building Partner)
- Amart Furniture**
- Repro**
- OzLighting**
- BCF** (ROATING + CAMPING + FISHING)
- SOLVER**
- Fencing** (If it's for quality)
- BRISCOES** (HOMEWARE)
- you'll never buy better**
- CSR**
- THE OUTDOOR FURNITURE SPECIALISTS**
- BBO FACTORY** (OUTDOOR FURNITURE)
- Vista** (WINDOW COVERINGS)
- Initial Tiles** (commercial tile supply & install)
- K&R** (PLUMBING SUPPLIES)
- Clark RUBBER** (Everything Pools, Foam & Rubber)
- PETBARN** (Everything for Pets)
- BRISCOES**
- ONLINE PLANT**
- FURNITURE GALORE** (Great Looks for Less!)
- SUPA IGA**
- PIPECO WA**
- Choices** (Flooring)
- ROBOT BUILDING SUPPLIES**
- Betta** (HOME LIVING)
- Flower Power** (GARDEN CENTRES)
- woolworths**
- BIGW**
- Harvey Norman**
- TradeWarehouse** (.com.au)
- BING LEE** (A Member of The Linde Group)
- BOC**
- BARBEQUES GALORE**
- SUPERCHEAP AUTO**
- THE GOOD GUYS**
- R&N** (Timber Supplies)
- e&s** (KITCHEN-BATHROOM-LAUNDRY)
- GROUPON**
- kogan.com**
- Segals** (Outdoor Furniture)
- COLOURplus**
- the Tool Shed**
- autoPRO** (PARTS PROFESSIONALS)
- SPARKY DIRECT** (.COM.AU)
- Bowens** (THE BUILDERS' CHOICE)
- BETTER HARDWARE** (Where Dreams Are Built)





Multiple Drivers

- Household disposable income
- Renovation activity
- Housing
 - Churn, value & formation
- Weather
- Lifestyle / demographic trends
- Technology

Varied Formats

note: online activity prevalent in all formats

- Category specialists
- Hard goods mass merchants
- Traditional hardware
- Suppliers direct-to-market
- DDS & supermarkets
- HIOL category killer

Market evolution: Continuous change to the competitive landscape



- Strength of category specialists
- International retailers well established, more will come
 - Varied formats including online
- In-store experience & convenience remains important for customers
- Masters closure has been disruptive; high volumes of discounted stock
- Masters volume likely to benefit a range of players
 - Market share of ~2%
 - » Comparable product categories 70%-75%
 - » Price differential ~10%
 - Bunnings expected share of residual sales ~20%, equating to <0.5% market share impact

Note: Based on Bunnings' internal analysis

Strategic agenda





PRICE. RANGE. SERVICE.

- Focusing on customers, team & community
- Growing the market & our share
- Long-term value creation





Strategic agenda: Creating Better Experiences



Better everywhere; team, customer, community

Keeping it real... in the community, caring for the environment

- More meaningful service; customer & community
- Investing to improve processes
 - Easier & faster for customers; productivity gains
- Continue expanding & improving services offer
- Even more happening in store
 - Learning, sharing & fun
- More community involvement & sustainability actions
 - ‘We live here too’



Strategic agenda: Strengthening The Core



- Stronger Team
 - Continue improving safety
 - Build team diversity & effectiveness
 - Continue investing in knowledge & skills
- Lift Productivity
 - Reduce touch points & less process ... 'simple & easy'
 - Using technology to lower costs
 - Better information & insight driving better decisions
- Better Stock Flow
 - In-store & in-stock
 - Less shelf gaps, less cost & less waste
 - Agile supply chain



Strategic agenda: Driving Stronger Growth (i)



Even more Customer Value

Greater Brand Reach...
Best offer everywhere

- Even More Customer Value
 - Reward customers every day
 - Create more breathtaking value
 - Be more local
- Accelerate Digital Activities
 - More digital eco-system investment
 - » Pre & post shop
 - » Stock availabilities
 - » Transaction capability for adjacent categories & services
 - Product & project knowledge, how to, inspiration, engagement
- Continue To Develop & Improve Physical Reach
 - Store format flexibility creating more opportunities
 - Continued network development & reinvestment



Strategic agenda: Driving Stronger Growth (ii)



Deeper Commercial Engagement

More Merchandise Innovation

- Deeper Commercial Engagement
 - Stronger customer relationships; higher engagement
 - Better experiences; all channels & customer segments
 - Wider product solutions by segment
- More Merchandise Innovation
 - Wider ranges & new products
 - Focus on 'easiest' for customers; simpler DIY
 - Lift range consistency, accelerate & widen special orders





Outlook





Exciting market with strong long-term growth opportunities

Mega Trends

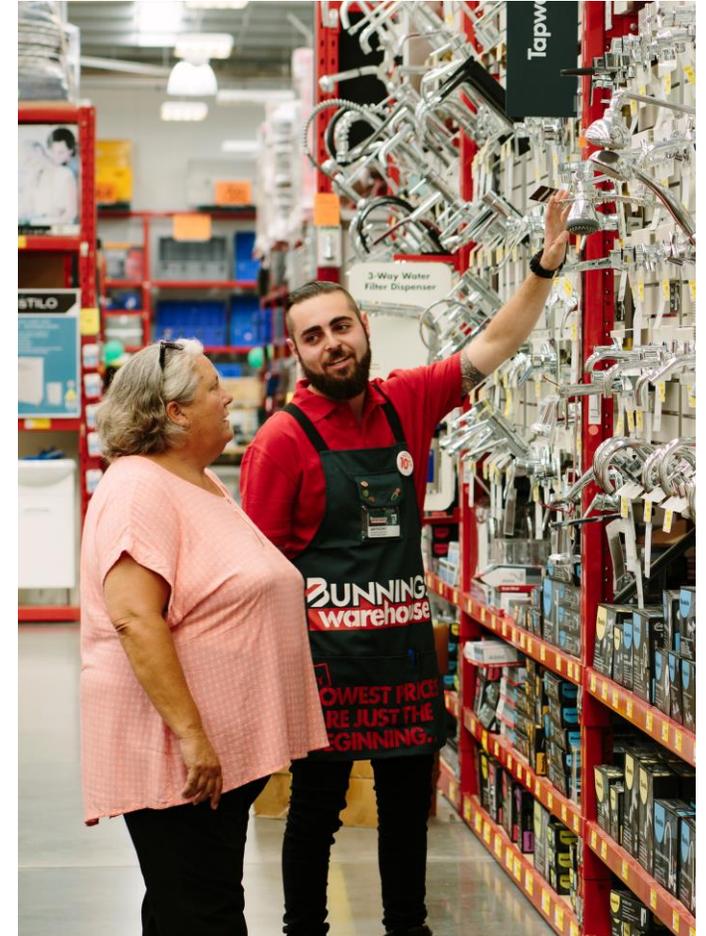
- Population growth & urbanisation
- Sustainability & energy efficiency
- Ageing population & independent living
- Technology: automation & intelligence for homes & gardens
- Continual innovation across the whole spectrum of HIOL

Positioned for Growth

- Partnerships with world's best & Australia's leading brands
 - innovation capabilities highly valued
- Strong customer loyalty & brand trust
- Create, leverage & respond to major trends with new products & new applications
- Capacity to exploit every opportunity in physical network & digital eco-system
- Access to innovation across the whole spectrum of HIOL

Outlook: Positioned for continued growth

- Lots of runway in +\$50b Australian HIOL market
 - By 2021 ~1.5m households will have >20 min drive to a Bunnings store
 - Similar opportunities in New Zealand
- Ongoing opportunities in categories with low market share
- Strong customer loyalty & brand trust
 - Continued pleasing customer research
- Investing for long-term growth
 - ‘Winning offer’ from all growth drivers: value, service, brand reach, commercial & merchandising
- Team members engaged, focused, committed & energised
 - ‘We live here too’



Q&A – Home Improvement

Michael Schneider
Managing Director, Bunnings Group

Justin Williams
Chief Financial Officer, Bunnings
Australia & NZ



Department Stores

Guy Russo

Chief Executive Officer, Department Stores

Marina Joanou

Chief Financial Officer, Department Stores



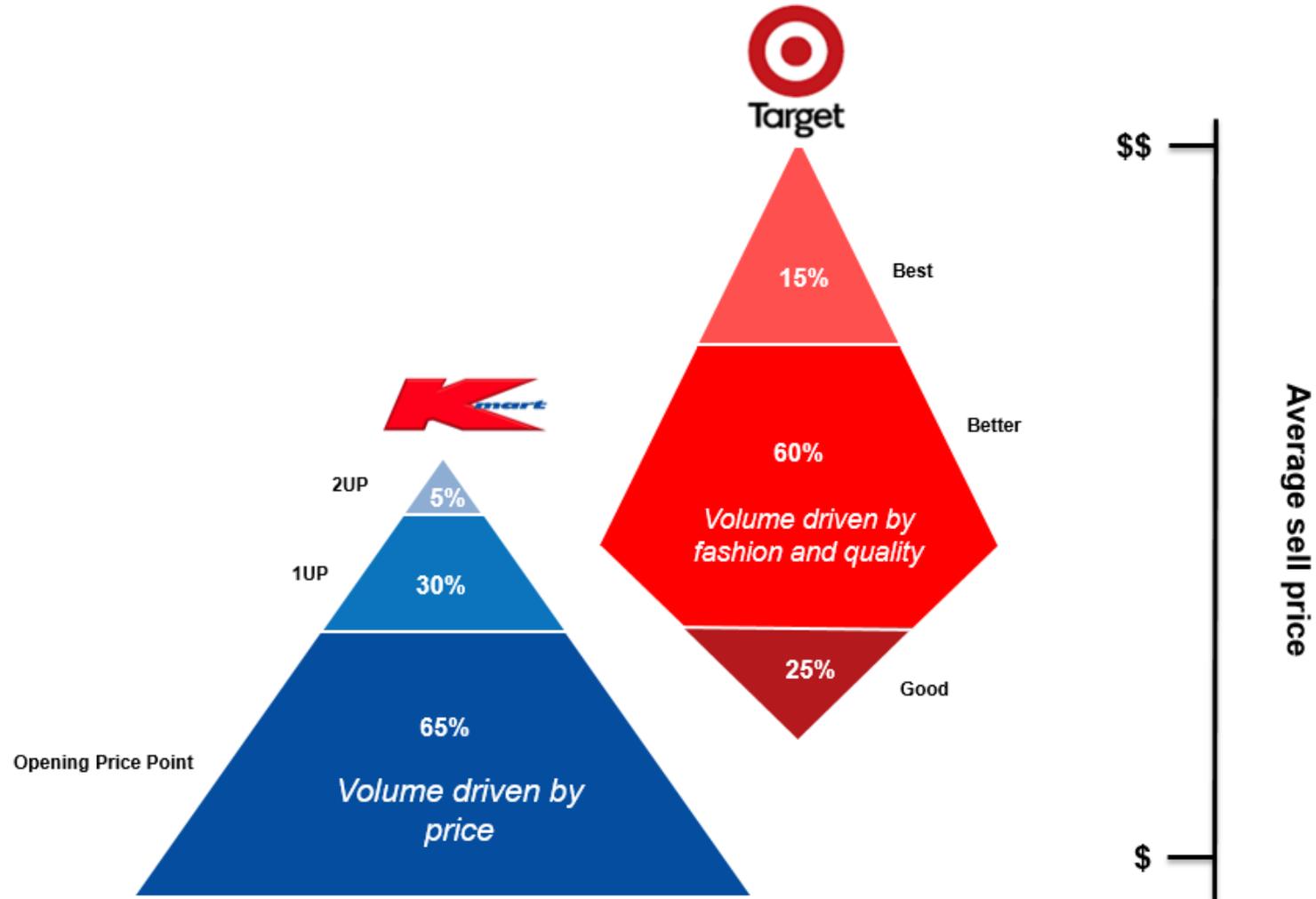
Department Stores structure



Addressable market opportunity – \$80b



Differentiation through pricing & volume mix

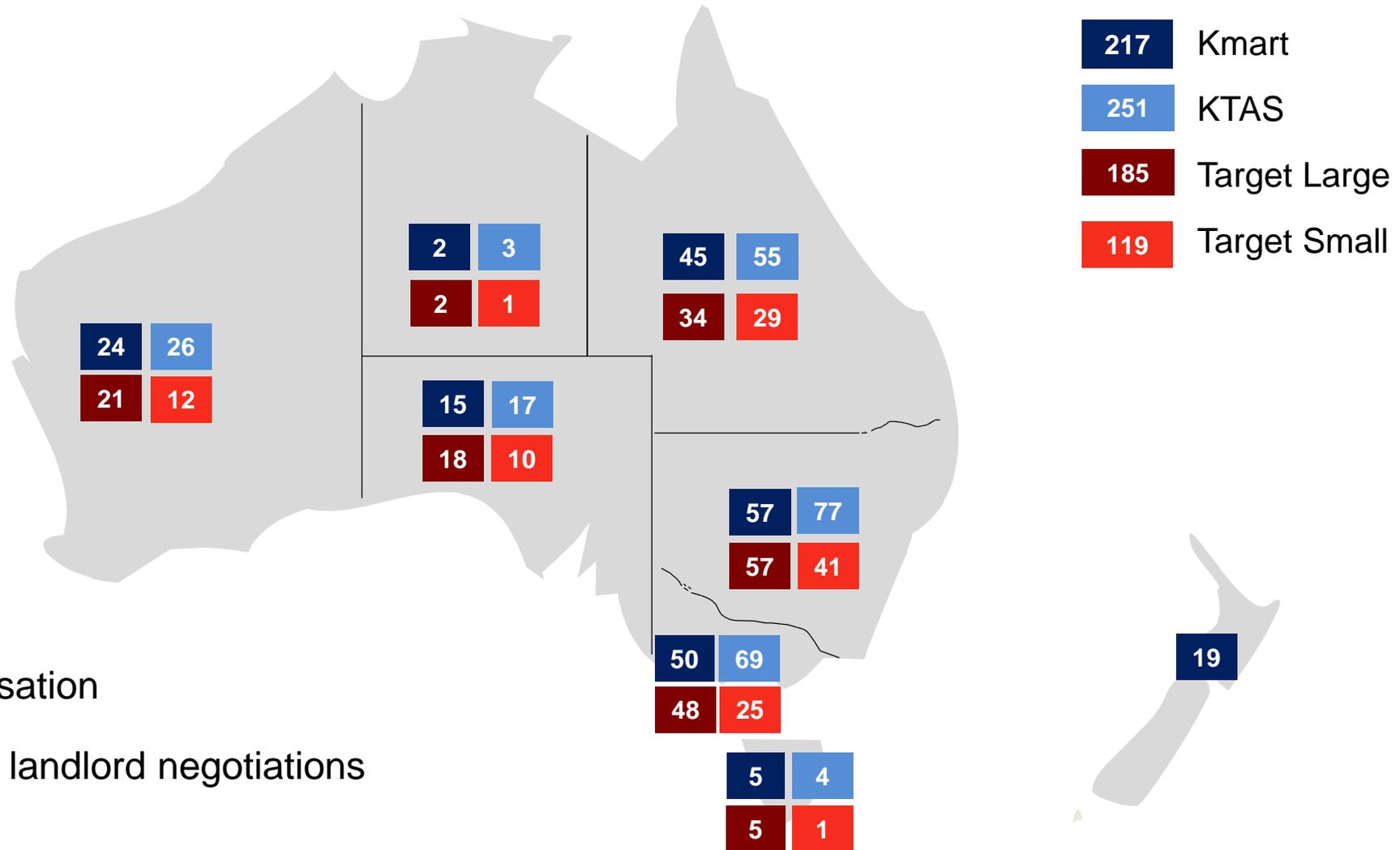


Working together commercially



- Network optimisation
- Integrated ethical sourcing
- Collaboration on sourcing
- Joint procurement initiatives
- Commercial alignment

Department Stores network



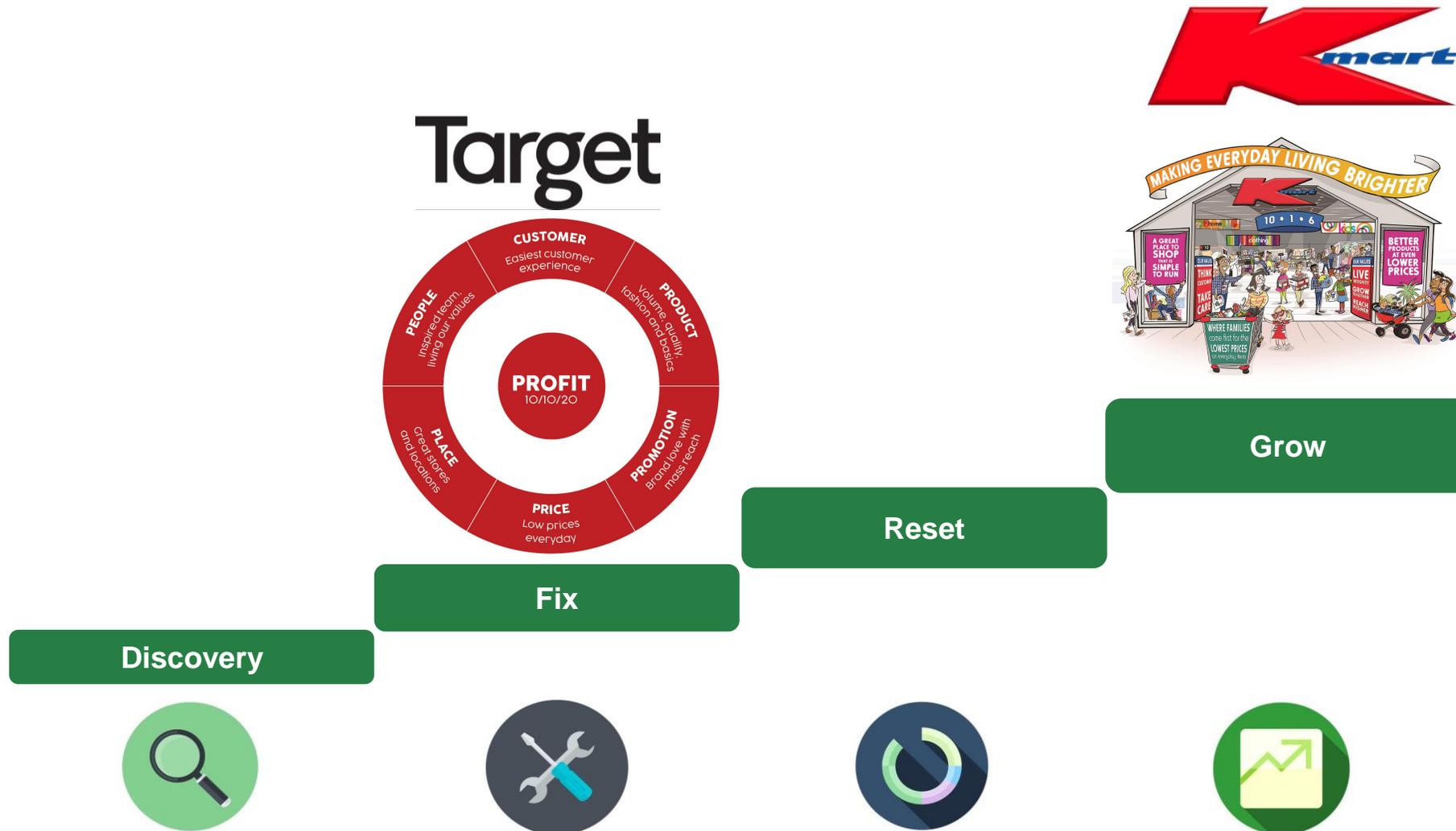
- Space optimisation
- Consolidated landlord negotiations

Integration of sustainability & sourcing

- Single Department Stores ethical sourcing program integrated across both brands
- Partnership with global apparel textile brands & trade unions (ACT)
- Development of sustainable factories & materials strategy
- Implementation of LED lighting across all stores
- Creating an inclusive culture
- Continued engagement of communities where we operate



Strategy life cycle



Target

Guy Russo

Chief Executive Officer, Department Stores
Managing Director, Target



Our vision



Our values



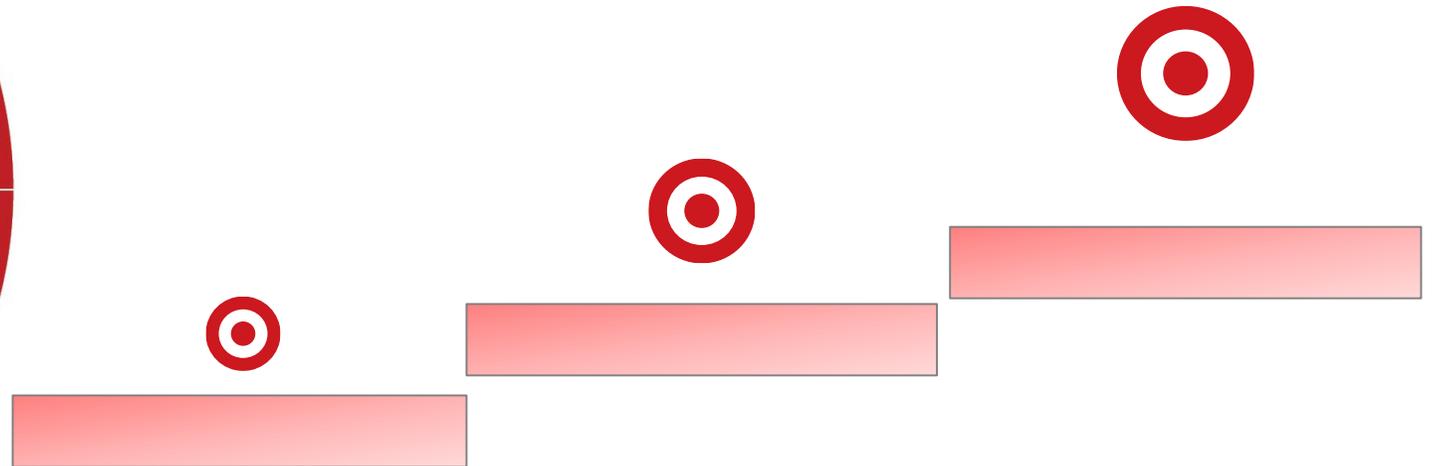
Our strategy



FIX
FY17-19

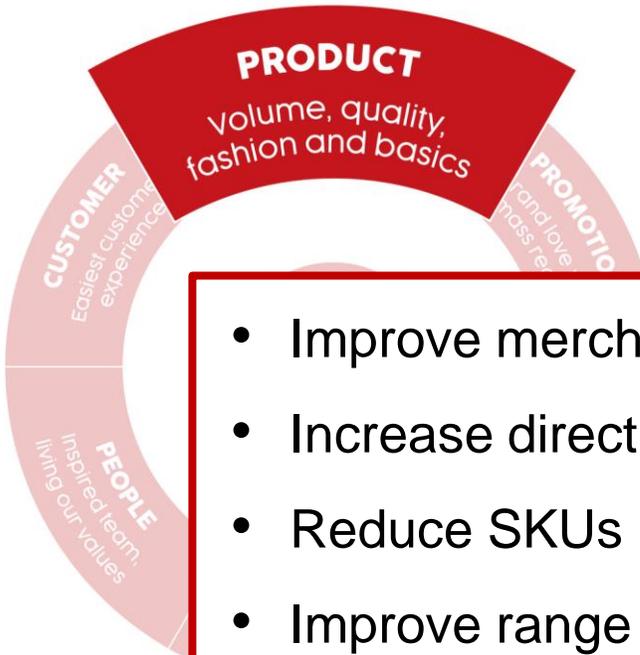
RESET
FY19-20

GROW
FY21+



- Sequenced plan guiding transformation

Volume, quality, fashion & basics



- Improve merchandise disciplines
- Increase direct sourcing
- Reduce SKUs
- Improve range architecture
- Source at lowest end-to-end cost
- Unrivalled value in quality & fashion





- Prices lowered
- Transition to EDLP
- Set prices commercially
- Clear & consistent price architecture

Low prices every day





Brand love with mass reach

- Reset marketing spend
- Increase use of customer insights
- Clear brand strategy & communication plan
- Continue to evolve marketing mix
- Engage customers at all touchpoints



We're back on TV...



TV commercials shown during presentation (Winter & Easter)



Easiest customer experience

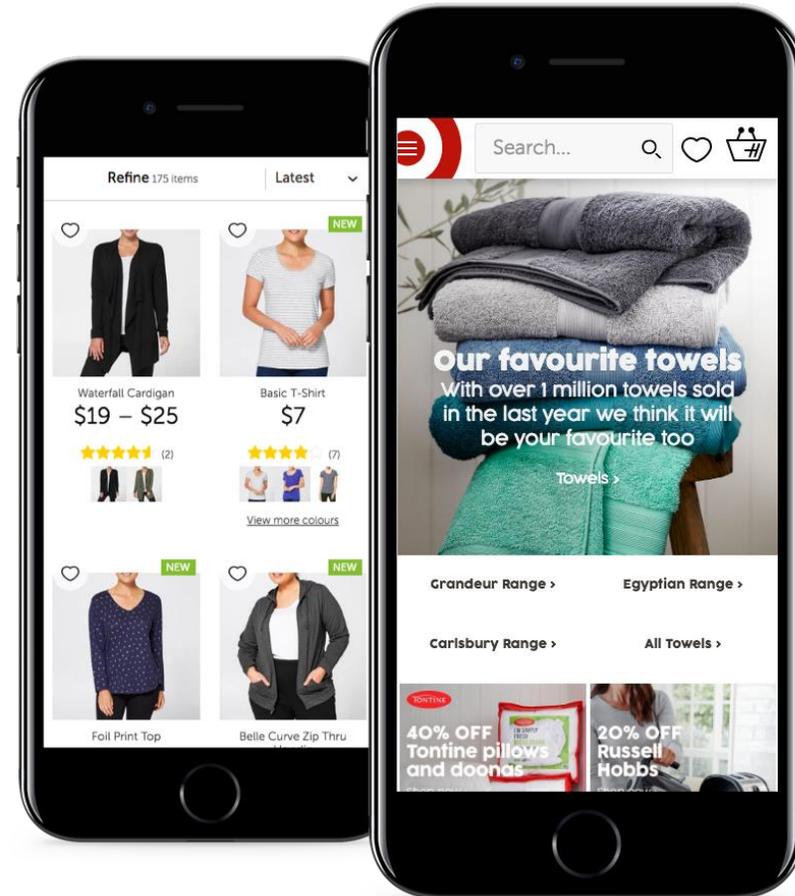
- Improve store presentation
- Lift store productivity
- Improve supply chain efficiency
- Simplify store processes
- Implement consistent store layout
- Drive an inspiring customer experience





Great online experience

- Establish commercially viable online range
- Exit unprofitable lines
- Improve click & collect offer
- Focus on convenient customer experience
- Drive sustainable model



Great stores & locations

PLACE

great stores
and locations

PRICE

Low prices
everyday

PEOPLE

Inspired to
go out

PROMOTION

Brand love with
mass reach

- Define network plan
- Renewal trials
- Advance space & range trials



Inspired team, living our values

PEOPLE

Inspired team,
living our values

PLACE
Great stores
and locations

CUSTOMER
Best customer
experience

PRICE
Low prices
everyday

- Embed vision & values
- Build on safety culture
- Develop clear accountabilities
- Implement reward & recognition program
- Relocate store support office
- Create talent pipeline
- Develop diversity strategy



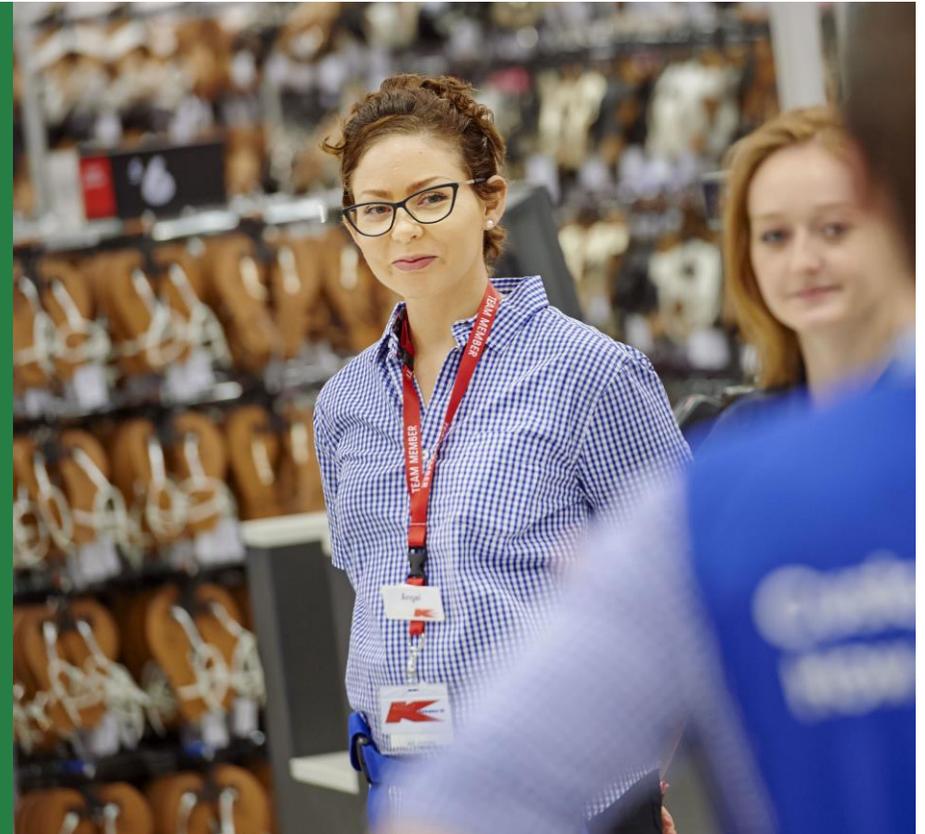
Outlook

- Business transformation will take time
 - Improve fashionability & quality of sales
 - Further focus on end-to-end costs
 - Progress renewal trials
 - Relocate store support office
 - Continue to focus on working capital



Kmart

Ian Bailey
Managing Director, Kmart



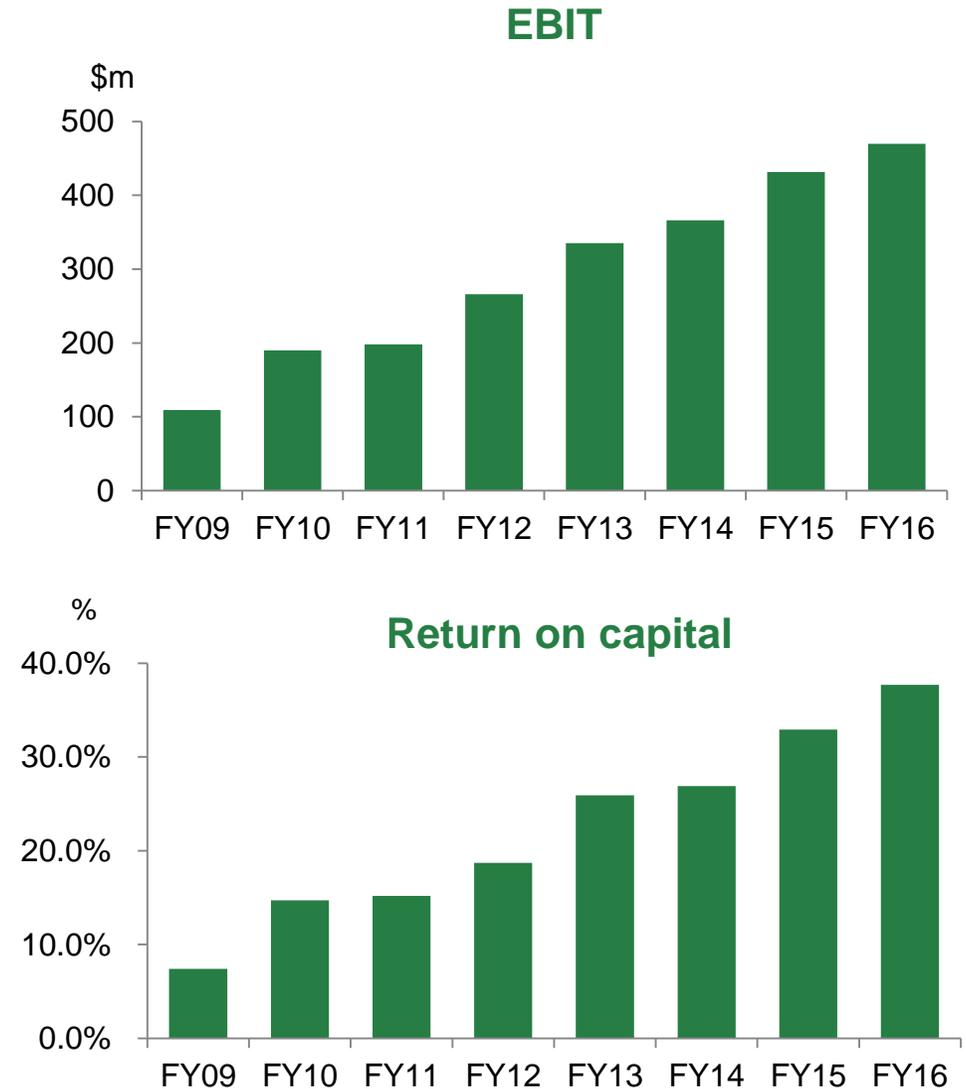
Business overview



- Revenue in excess of \$5.1b (FY16)
- Sustained earnings growth
 - Five year EBIT CAGR of 18.2% to 30 June 2016¹
- Strong return on capital
 - 41.5% at 31 December 2016, up 4.9%
- 217 Kmart stores across Australia & New Zealand²
- 251 Kmart Tyre & Auto service centres in Australia²
- 30,000 team members

¹ FY2011 to FY2016

² As at 30 April 2017











Pillar 1: A great place to shop that is simple to run



- Creating a store that is engaging & easy to shop for customers
- An emphasis on self service
- Creating innovative payment options
- Simplifying store processes & continuing to improve culture
- Improving product availability while reducing inventory
- Product availability:
 - In-store
 - Overseas
 - Online: expanded apparel offer & launch of online platform in NZ
- Exploring opportunities to connect our products with customers in other countries such as Thailand



Pillar 2: Better products at even lower prices



- Providing products that are 'on trend' at a low price
- Product co-ordination across our stores
- Delivering consistent quality product that is fit for purpose & exceeds customer expectations
- Building committed relationships with our suppliers
- Keeping our costs as low as possible
- Continued investment in price







- Focus on driving sustainable growth through:
 - A great place to shop that is simple to run
 - Better products at even lower prices
- Ongoing price investment to drive volume
- Focus on reducing costs
- Continued investment in the store network through new store openings & refurbishments



Q&A - Department Stores

Guy Russo

Chief Executive Officer, Department Stores
Managing Director, Target

Ian Bailey

Managing Director, Kmart

Marina Joanou

Chief Financial Officer, Department Stores



Officeworks

Mark Ward
Managing Director, Officeworks



Agenda

- Ongoing value creation through clearly defined vision, purpose & strategy
- Financial performance
- Market overview
- Our offer – Customer, Category, Channel
- Strategic agenda
- Outlook

Ongoing value creation through clearly defined vision, purpose & strategy

What we do Our Vision



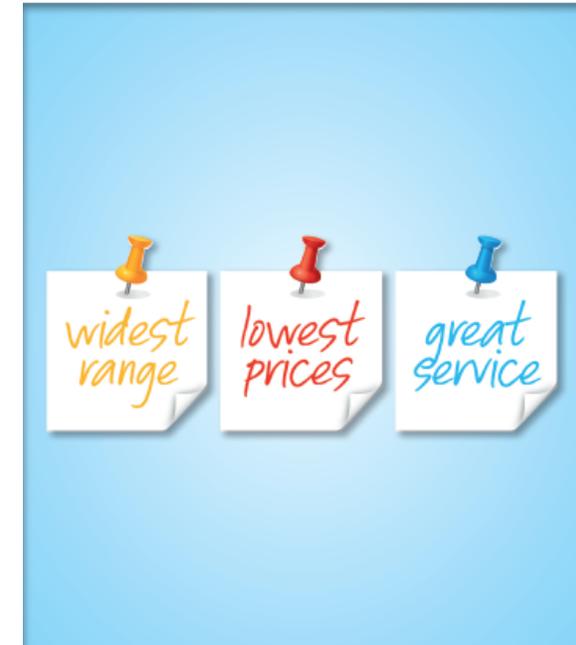
Place customers at the core of our decision making in order to meet their needs & wants

Why we do it Our Purpose



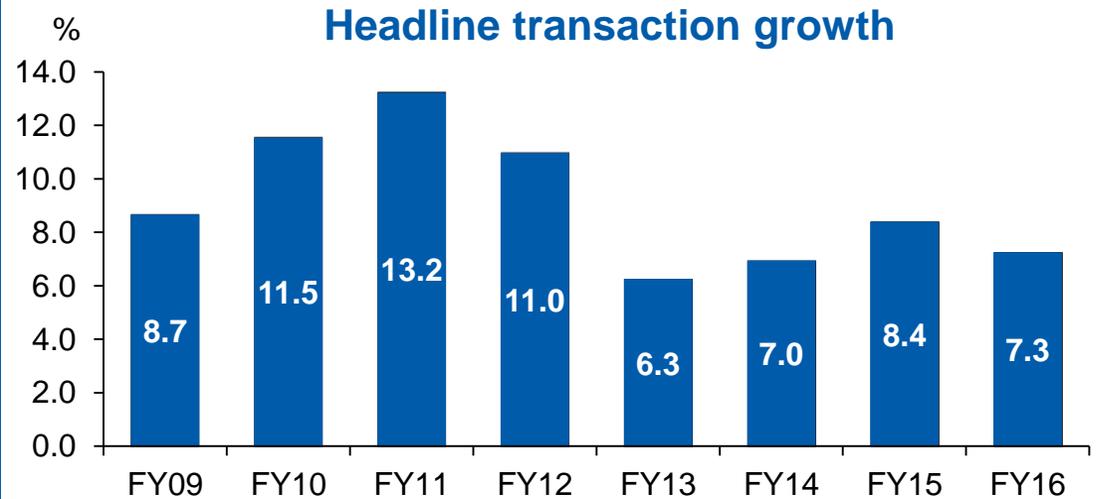
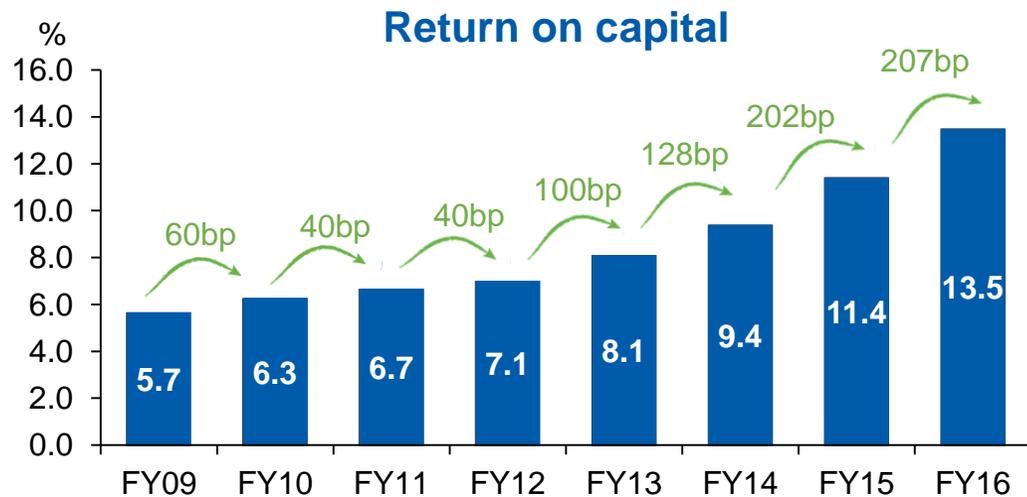
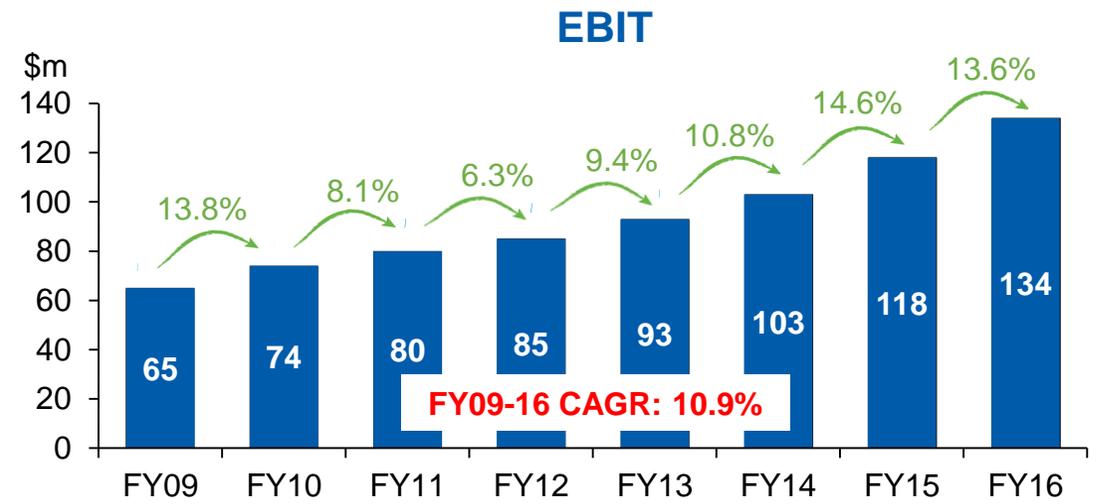
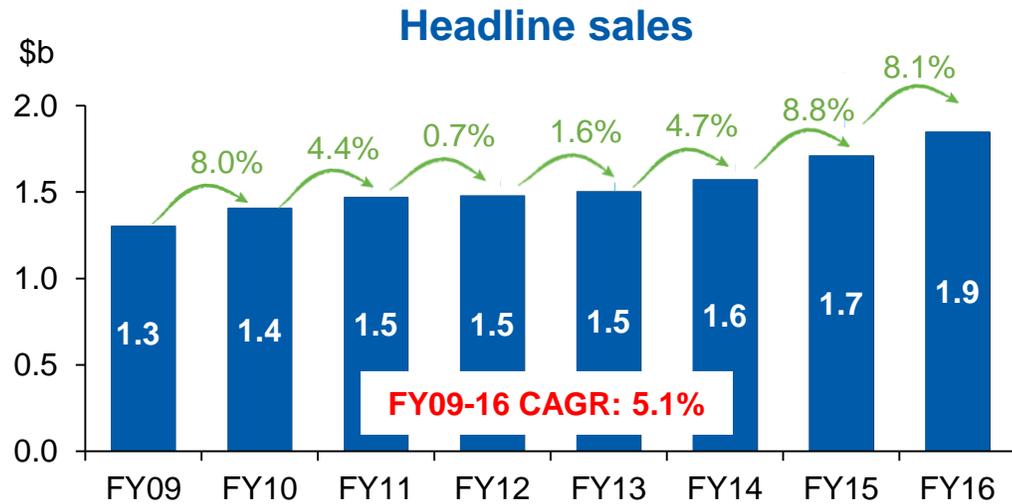
'To help make bigger things happen' for customers in a way that supports & assists a broad community of stakeholders

How we do it Our Strategic Pillars



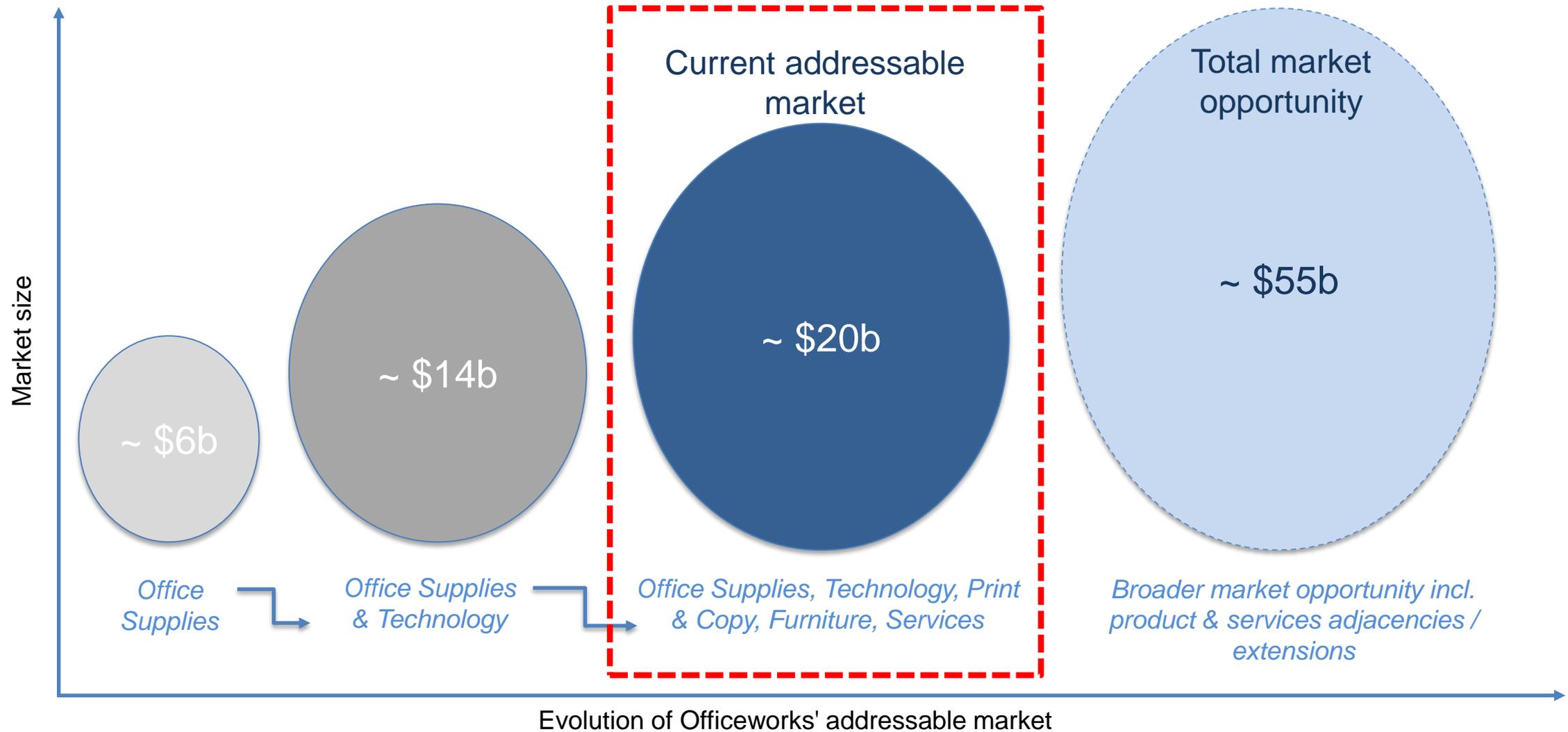
Basing every business decision on how we support our ability to deliver 'widest range', 'lowest prices' & 'great service'

Long-term financial performance





Current addressable market is \$19.8b¹ with potential to increase further



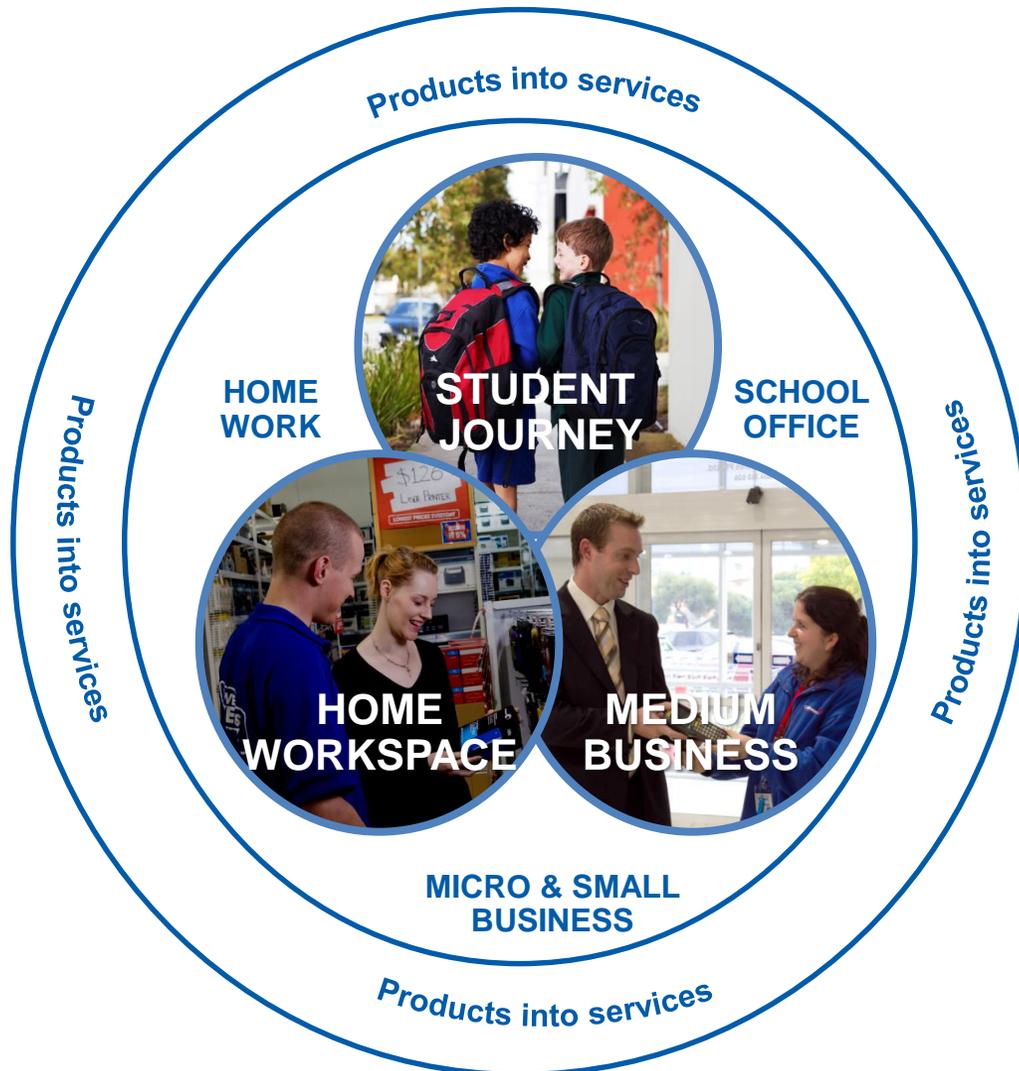
¹ Based on market analysis conducted by L.E.K. for Wesfarmers to assess the current size of the Australian office supplies, technology, print & copy, furniture & services market

Market is highly fragmented with no single 'like' competitor

- More than 50 major market participants
- Offer targeted at fastest growing customer segments in the market
- No shortage of competition but no 'one-stop shop, every channel' competitor
 - Competitors are category (or even subcategory) specific
- Market defined according to targeted customers needs & wants



Our offer: Disciplined focus on specific customer segments & product categories

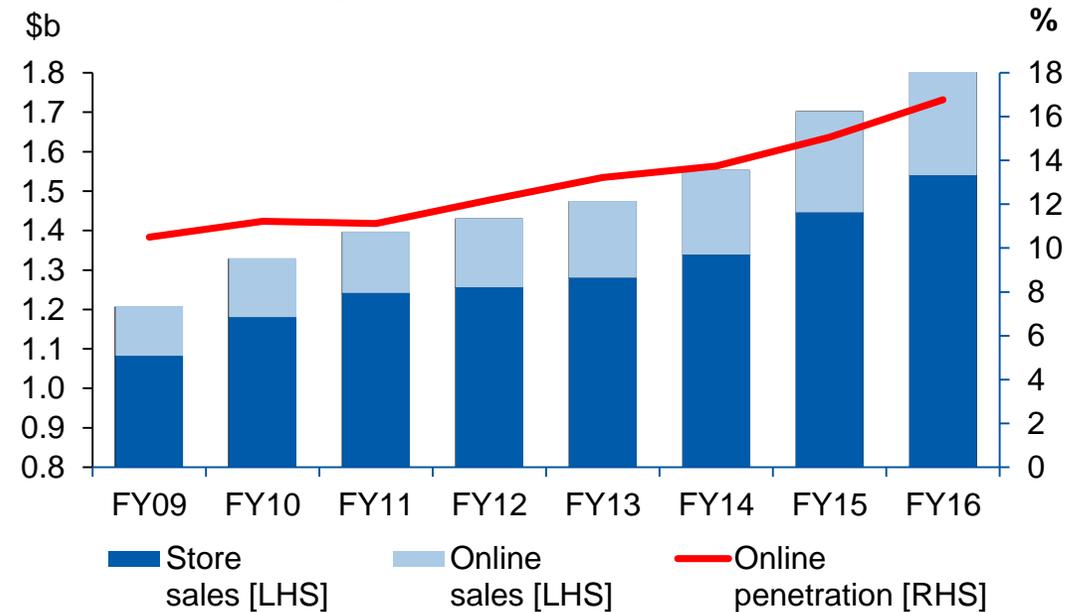


Category	Description
Office supplies 	Includes writing instruments, office consumables, filing & presentation equipment, paper products, art supplies, mailroom supplies, education resources & catering & cleaning supplies.
Technology 	Predominantly focuses on office-related technology, & includes specialised office devices, laptops & tablets, print consumables, data storage, mobile phones, printers & technology accessories.
Furniture 	Predominantly focuses on office-related furniture, & includes desks, chairs, filing cabinets, lighting, floor protection for offices & commercial-grade furniture.
Print & copy 	Includes photo printing & developing, small/large format printing, finishing, frames, albums & copying.
Services 	Includes postal services, insurances (e.g. optional replacement/repair plans with certain products), technical assistance (e.g. furniture assembly) or special orders.

Our offer: Integrated multi-channel proposition to market



Sales growth in stores & online¹



¹ Excludes Harris Technology; online includes website & call centre

A differentiated proposition that is difficult to replicate

 Widest Range <i>widest range</i>	 Lowest Prices <i>lowest prices</i>	 Great Service <i>great service</i>
<ul style="list-style-type: none">• 'One stop shop'• > 30k products available in-store & online• Curated range for targeted customer segments• Style & fashion added to range• Exclusive international brands• Entry, good, better, best product range across all categories• Number one for widest range in office supplies¹	<ul style="list-style-type: none">• Single national price across every state & territory of Australia• Same price in-store & online• Clearly defined & transparent Every Day Lowest Price position• 5% price guarantee• Number one for lowest prices in office supplies¹	<ul style="list-style-type: none">• Multi-channel offer – clicks & bricks• Free 'click & collect'• Free same day delivery• No commission team members• Stores open 7 days, 7am – 9pm• Australian-based call centre• Regional express delivery services• 164 'mini-DCs' across Australia• In-store classes• Nil interest 30 day business account• Number one for great service in office supplies¹

¹ 2016 Brand Health Study conducted by The Right Group for Officeworks

A clear strategic agenda for profitable long-term growth

1

Strengthen & expand the customer offer



2

Extend our reach



3

Enhance productivity & efficiency



4

Invest in talent, diversity & safety

5

Make a positive difference in the community

Strengthen & expand the customer offer

- Give customers more choice
 - New products that are differentiated through style, fashion & quality
- Expand into new categories
 - Where customers give us permission to be, to maintain our 'one stop shop' proposition
 - Where we want to be, to continue driving a compelling offer
- Extend products into services
 - Services to help customers start, run & grow their business
- Make it easier for our customers & our team



Extend our reach

Expanding the store network

- 5 to 7 new stores p.a.
- Refine the CBD store concept
- Regional expansion
- Explore opportunity for alternative / new store formats

Enhancing the online experience

- Make it easy for customers
- Improve mobile experience
- Enhanced information / recommendations

Growing presence in the B2B market

- More account managers – mobile & in-store
- Extending same day delivery into regional markets

Clicks & Bricks working together

- Seamless experience
- 'Click & collect' ~20% of online orders
- In-store kiosk
 - Buy online, pay in-store

Enhance productivity & efficiency

Working capital improvement

- System investment to enhance stock turn
- Continued focus on managing cash flow

Improve space utilisation

- Disciplined range review process
- Optimise in-store layouts
- Add / expand categories
- Utilise print & copy space more effectively

Improve CODB & productivity

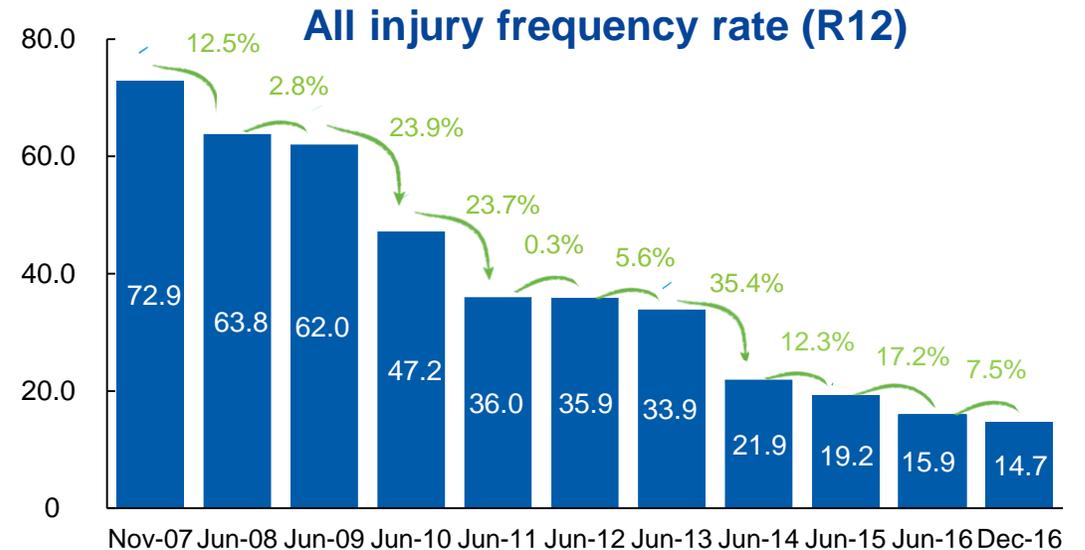
- Reduce non-value adding tasks
- Supply chain enhancements
- GNFR¹ focus

Refresh / reshape the store network

- Ongoing investment in layout & design
- Disciplined store assessment

Invest in talent, diversity & safety

- Ongoing investment in leadership development programs
- Continue to enhance the diversity of the team
 - Optimise recruitment practices
 - Good progress being made on increasing the number of women in leadership positions
 - Identify & prepare future leaders
 - Build Indigenous engagement
- Rigorous approach to safety behaviours & outcomes
 - Ongoing task specific safety campaigns
 - Data driven decision making to take the next step in reducing the number of injuries



Make a positive difference in the community

Environment

- Major new initiative – Restoring Australia with Officeworks
- LED lighting & BEMS¹ in stores
- 7m ink & toner cartridges recycled to-date

Community partnerships

- National & local - 'We live here too'
- Aust. Literacy & Numeracy Foundation
- Smith Family 'Learning for Life'

Responsible sourcing

- Sedex² membership for international & local suppliers – largely complete
- ~90% of private label paper products from FSC certified or 100% recycled sources



**WE PLANT
2 TREES
FOR EVERY
1 USED**

¹ Building Energy Management System

² Supplier Ethical Data Exchange

Outlook

- Continued focus on disciplined execution of strategic agenda
 - Driving ‘every channel’ improvement
 - Providing customers with a compelling offer – ‘one stop shop’
 - Delivering great customer service through an engaged team
 - Providing best value
 - Building strong relationships with stakeholders
- Variable trading conditions to continue
 - Customer & business confidence expected to remain subdued
 - Competitive pressure expected to remain strong



Q&A – Officeworks

Mark Ward

Managing Director, Officeworks

Michael Howard

Chief Financial Officer, Officeworks



Industrials

Rob Scott
Managing Director, Industrials



Industrials overview

Key deliverables in last year:

- Operational efficiencies & cost reduction
- Turnaround of underperforming businesses
- Building capabilities to support growth

Current focus areas:

- Leverage capabilities to grow market share & revenue
- Invest in technology & digital to enhance customer experience & operational efficiencies
- Develop our talent
- Explore step-out growth in adjacent & new sectors

Chemicals, Energy & Fertilisers



Wesfarmers Industrial & Safety

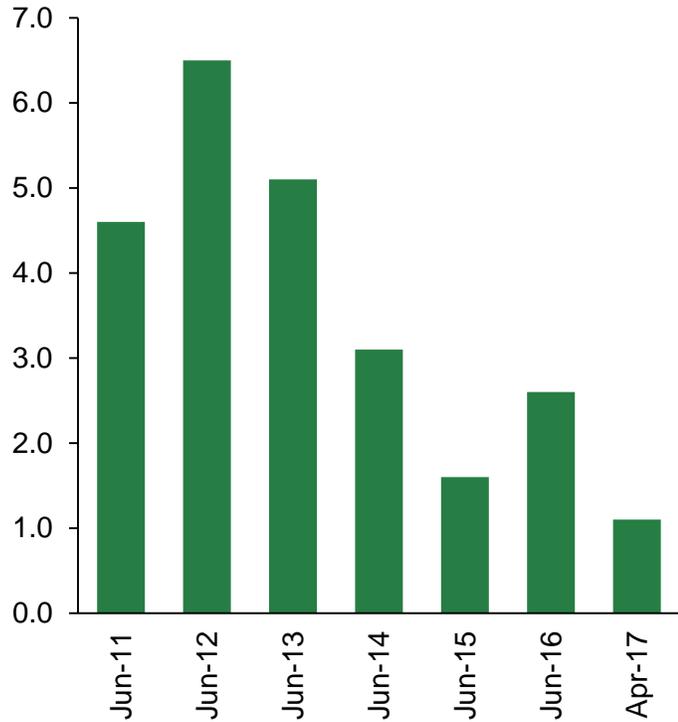


Resources

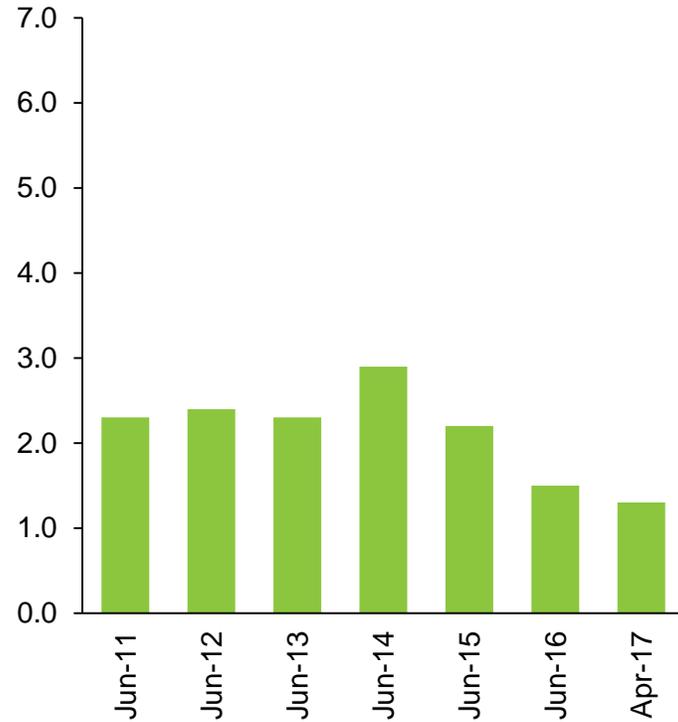


Our safety record: LTIFR (R12)

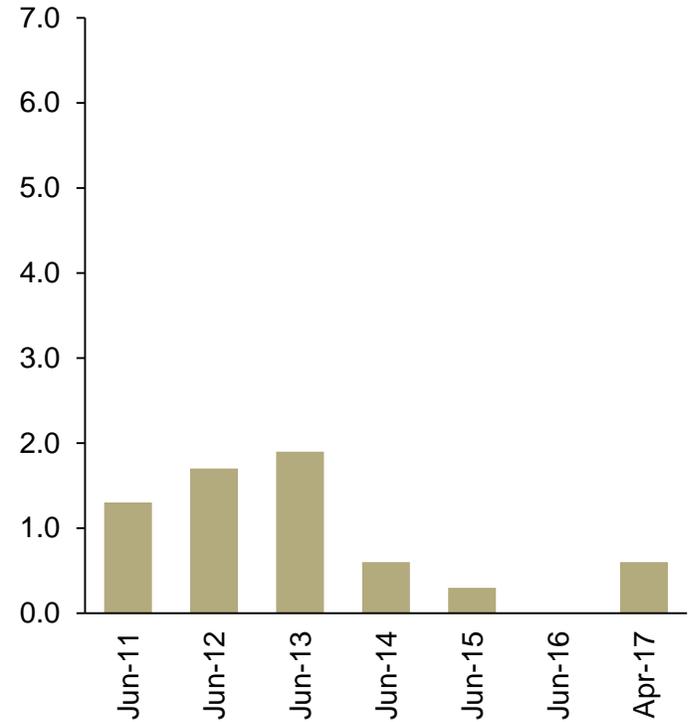
WesCEF



WIS



Resources (Curragh)



Chemicals



Ammonium Nitrate



Ammonia



Sodium Cyanide



PVC, Specialty Chemicals & Decking

Energy



Natural Gas & Electricity

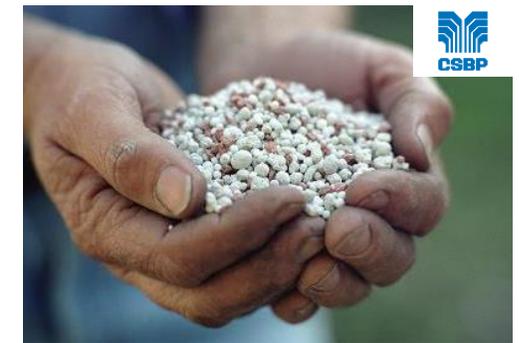


LPG & LNP



Oil & Gas

Fertilisers



Fertilisers

Note: Interests of less than 100% are held in AGR (75%), QNP (50%) & Quadrant Energy (13.7%)

- **Chemicals**

- Ammonium nitrate: Quality contracts in place. WA EGAN¹ market moving to over-supply, although continues to grow
- Ammonia: Low, but increasing global prices. Plant operating at full capacity
- Sodium cyanide: Strong domestic position. Input costs increasing; global over-supply putting pressure on exports

- **Energy**

- Natural gas retail: Strong customer growth & increasing market share. New competition likely
- LPG: Mature & declining market, particularly Autogas
- Low energy price environment with slight recovery from last year's lows

- **Fertilisers**

- CSBP benefits from a strong position & good customer relationships. Increasing competition in WA

¹ Explosive Grade Ammonium Nitrate

- **Chemicals**

- Upcoming expiry of EGAN contract partially offset by new contracts & exports
- Ammonium nitrate emulsion plant to be commissioned in FY18
- Transition of PVC to import model complete
- Plant & operating efficiencies improving raw material consumption & reducing costs

- **Energy**

- Natural gas residential customers up 60,000 in last 12 months to 150,000 (~20% WA market share)
- 10-year electricity offtake from proposed WA Byford solar farm

- **Fertilisers**

- Strengthening agency relationships & internal sales capabilities
- Investing in current & new service offerings

Kleenheat Natural Gas



Less talk, more energy

Whether you own your home or you are renting, we offer uncomplicated supply of LPG and natural gas.

For 60 years, Kleenheat has been supplying gas to thousands of homes and businesses across Western Australia and the Northern Territory. So whether you're connected to the pipes or a cylinder, we've got you covered.

Find out what we can do for you

Enter your postcode

6000 [Get Started >](#)

- Switch to natural gas
- Order LPG cylinders
- New LPG customer
- Help Centre

Innovation in Fertilisers



Manage your on-farm nutrition with **FERTview**

DEZIPHER
A CSBP COMPANY

Driving business improvement through technology

Automation



Connected
Operations



Robotic
Process
Automation



Analytics



Low Cost
Innovation



agritech



Cloud



Security



Blackwoods



Supplier of industrial
& safety products

Blackwoods
NZ Safety Blackwoods

Workwear Group



Industrial & corporate
work wear

WORKWEAR
GROUP

Coregas



Industrial gas
distributor

coregas 

FY16: Fit for Growth

✓ **Complete**



'Reset the business'

- ✓ Reduced cost & complexity, enabling investment in capability development
- ✓ Key leadership appointments
- ✓ Greater focus on customer service
- ✓ Investment in team

FY17 – FY18: Transformation



'Build capability'

- Build the platform
- Right product at the right price
- Lean operating model
- Grow share in core markets
- Grow SME customer base
- Digital, data analytics & customer insights
- Sales, leadership & commercial training

FY19+: Grow



'Grow, extend, improve'

- Differentiating capabilities
 - Technical expertise
 - Customised offers
 - Own-label
- Further automation & digitalisation
- Higher share-of-wallet
- Adjacent market expansion

Significant progress to build the Blackwoods platform

Sales & specialist services

- Sales channel focus on delivering tailored solutions to customer segments
- Integration of technical specialists within sales channels
- NZ businesses consolidated & rebranded to NZ Safety Blackwoods

Supply chain

- Rollout of new freight management & inventory / forecasting systems
- Service Improvement Program enhancing call centre performance, communication & delivery to customers
- Reduced lead-time on global sourcing from China distribution centres

Digital

- BlackwoodsXpress.com.au & Blackwoods.com.au achieving record visits, orders & revenue
- User experience enhanced for both sites
- Development of new integrated web platform underway

Merchandising & sourcing

- Establishing new preferred supplier arrangements & pricing disciplines to improve margin
- Rationalising priority product categories to streamline range
- Relaunch of flagship categories e.g. Power Tools

- Simplifying Blackwoods:
 - 200,000+ active SKUs
 - 110,000+ buy-ins
 - 2.5m+ orders p.a.
 - 145,000+ delivery locations
- Digital & technology is being used to enhance business processes & customer interaction:
 - Automated decision tools, showing in-stock alternatives, to reduce SKUs & buy-ins
 - Improved pricing analytics, enabling daily review of core ranges
 - Upgraded freight management system with improved tracking
 - Move to cloud-based ERP & new digital platform
 - Barcodes, volumetrics & other automation to step-change speed, capacity & accuracy of DCs
- Technology & automation improvements lay foundation for expansion of 4PL capabilities for sophisticated customers

Automated decision tools

Stock	114	
Web	InfoBank	e-Catalogue
GLOVES HAVIS YEL CUT5 NITRILE		
N10609 9		
Part No.	02323432	
Brand	N/A	
Manuf. No.	BXSHVY-9	
• 100% Blade X5 13 Gauge Shell		

Stock	8,072	
Web	InfoBank	e-Catalogue
GLOVES PROSAFE SHOGUN CUT 5		
HIVIS PU L		
Part No.	02487465	
Brand	Prosafe	
Manuf. No.	WSHO5HVL	
• Seamless 13 gauge High		

Stock	1,878	
Web	InfoBank	e-Catalogue
GLOVES UNIDUR HAVIS CUT 5 NBR		
UD6655 9		
Part No.	02764769	
Brand	uvex	
Manuf. No.	UD6655F2	
• Outstanding cut protection –		

Stock	1,758	
Web	InfoBank	e-Catalogue
GLOVES MAXICUT 5 44-3745FY FLURO		
YE 09		
Part No.	02877564	
Brand	N/A	
Manuf. No.	44-3745FY-9	
• Designed and developed using		

DC automation: our future



Leveraging the platform: Examples of recent activity

Streamline range & suppliers

- Review of first four categories complete:



- Across these categories:
 - SKUs reduced 49%
 - Suppliers reduced 85%

Relaunch flagship categories

- Launch campaign for Power Tools currently in market
- DeWalt, Milwaukee & Bosch appointed preferred suppliers
- Distinctive customer value proposition
- Same day dispatch through BlackwoodsXpress.com.au

Blackwoods
POWER TOOLS
POWER HOUSE

PRICE MATCH GUARANTEE
SEE PAGE 3

WE WON'T BE BEATEN ON POWER TOOLS

Milwaukee M18 3 piece kit
Part Number 0361 4344
Includes:
- GEN-II 18V compact hammer drill
- GEN-II 18V 1/4" hex compact impact driver
- 18V SDS+ Rotary hammer
- 3x 3.0Ah batteries
- 12-18V multivolt charger
- Extra large contractor bag
HOT PRICE \$549⁰⁰
Inc GST / EACH

Flexvolt 54V angle grinder kit with 18V wrench and 9 piece impact socket set
Part Number 0362 2164
Includes:
- Flexvolt 54V 125mm angle grinder
- 2x 18V/54V 6.0Ah batteries
- 18V/54V fast battery charger
- 18V XR brushless high torque wrench
- 9 piece impact socket set
- Contractor bag
HOT PRICE \$899⁰⁰
Inc GST / EACH

Bosch 2 piece 3.0Ah kit
Part Number 0362 1960
Includes:
- Striker hammer drill/driver
- Impact driver
- 2x 3.0Ah batteries
- 18V charger
- L-Boxx storage case
HOT PRICE \$339⁰⁰
Inc GST / EACH

BESTRANGE BESTPRICE BESTBRANDS
blackwoodsxpress.com.au / SHOP ONLINE NOW

Workwear Group: Repositioning & reducing complexity

Sales channels

- Go-to-market channels realigned to better meet customer needs & target growth opportunities

Supply chain

- DC consolidation underway
- Changes to product specifications & manufacturing sources have reduced costs

Digital

- Improving the digital platform to drive growth in the Direct channel

Merchandising

- Repositioning & realigning priority brands
- More competitive pricing of industrial apparel

Recent contracts



Key brands



Coregas: The 'challenger' brand in industrial gases

- Increasing market share
- Leveraging distribution of Blackwoods (gas) & Bunnings (Trade N Go Gas) in Australia & New Zealand (via recent acquisition of Supagas NZ)
- Coregas Healthcare brand launched
- Developing new markets opportunities e.g. CO₂ to the hospitality sector
- Adoption of lean processes to reduce costs



Curragh

- 100% equity interest
- Metallurgical coal for off-shore steel manufacture (8.5mtpa capacity)
- Steaming coal for Stanwell Power Station (3.5mtpa)
- Stanwell Corporation obligations expire in approximately 2025



Bengalla

- 40% equity interest
- Managed by Bengalla Mining Company
- High quality export steaming coal for Asia
- 10.7mtpa ROM capacity (100% basis)
- Lowest quartile producer

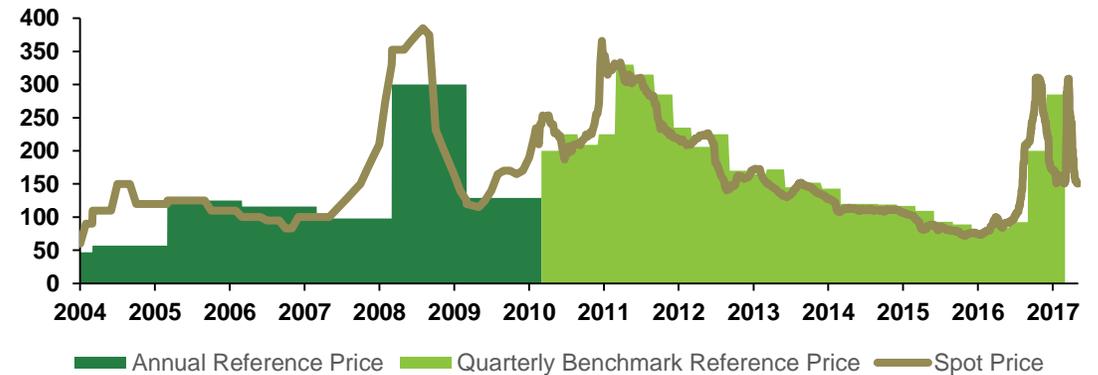


Export price uncertainty continues

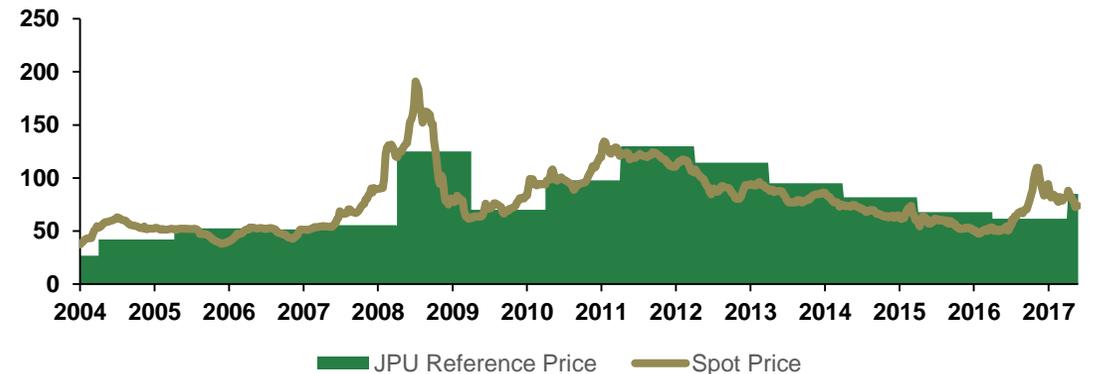
- Chinese policy led to significant price volatility in 1H17. Policy in 2H17 has aimed to stabilise pricing
- Cyclone Debbie temporarily restricted Australian export supply (up to 15mt)
 - Blackwater rail system (used by Curragh) now fully operational
- Bilaterally agreed benchmark pricing system for metallurgical coal unlikely to continue
 - Spot & index pricing likely to play a greater role going forward
 - Q4 pricing expected to be determined in June

Australian export coal market prices (US\$/t nominal FOB Australia)

Metallurgical coal

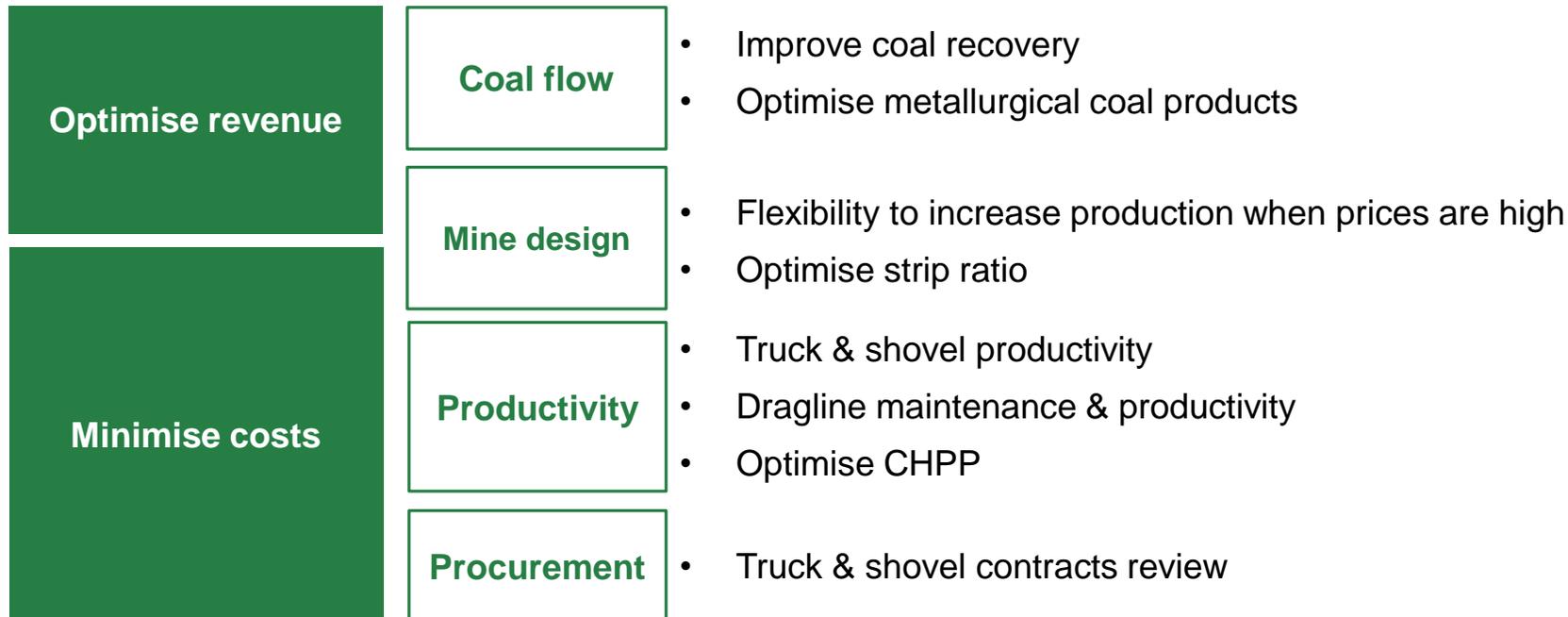


Steaming coal



We continue to seek operational improvements

- At Curragh, a revised mine plan has been developed to target opportunities identified by the 2016 Expert Panel Review:



- At Bengalla, the management company is focusing on improving productivity & cost efficiencies at current 10.7mtpa ROM capacity

Chemicals Energy & Fertilisers

- **Chemicals:** commissioning of AN emulsion plant, reducing gas input costs, production efficiencies & optimising the sales mix
- **Energy:** growth in natural gas retail, preparing for full retail contestability in WA electricity & reducing costs
- **Fertilisers:** developing new, innovative products & services

WIS

- **Blackwoods & Workwear Group:** improving systems & processes to enhance customer service; optimising category strategy, pricing & sourcing to improve efficiency & customer offer
- **Coregas:** growth through innovation, leveraging our distribution channels & extending into new markets

Resources

- Curragh's export metallurgical coal sales in FY17 expected to be at the lower end of guided range of 8.0 to 8.5mtpa
- Stanwell export rebate obligations will be significantly higher in FY18 (due to lag effect from higher coal prices)
- Both mines continue a strong focus on operational productivity, cost control & capital discipline
- Opportunities to increase production & extend mine life continue to be assessed (subject to market conditions)
- Previously announced strategic review is ongoing

Q&A - Industrials

Rob Scott

Managing Director, Industrials

Anthony Gianotti

Deputy Managing Director, Industrials

Ian Hansen

Chief Operating Officer, Chemicals, Energy & Fertilisers





Wesfarmers