

2016 Full-year Results Supplementary Information

Wednesday, 24 August 2016

(to be read in conjunction with the 2016 Full-year Results Briefing Presentation)



Wesfarmers

Presentation outline

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Group Balance Sheet

Terry Bowen
Finance Director
Wesfarmers Limited



Group management balance sheet – overview

(\$m) ¹	FY16	FY15	Commentary
Inventories	6,260	5,497	Detailed working capital discussion provided on slide 5
Receivables & prepayments	1,950	1,658	
Trade & other payables	(6,492)	(5,764)	
Other	411	393	
Net working capital	2,129	1,784	
Property, plant & equipment	9,612	10,205	Impairment of PPE in Curragh & Target partially offset by increased net capital expenditure from retail businesses
Intangibles	19,073	19,309	Impairment of Target goodwill partially offset by goodwill on acquisition of Homebase
Other assets	619	775	
Provisions & other liabilities	(3,770)	(3,040)	Increase mainly due to Homebase acquisition, restructuring in Target & WIS, & effect of a lower discount rate
Total capital employed	27,663	29,033	
Net debt excluding financial services debt ²	(5,727)	(4,746)	Increase mainly due to Homebase acquisition & increase in retail working capital
Net tax balances	1,013	494	Increase due to DTA recognised in relation to impairment of Curragh assets & Homebase acquisition, & lower tax payable from losses in Target & Resources
Total net assets	22,949	24,781	

¹ The above balances reflect the management balance sheet, which is based on different classification & groupings than the balance sheet in the Appendix 4E.

² Net debt including cross currency swap assets / liabilities & excluding financing of credit book relating to the Coles credit card.

Balance sheet – working capital

(\$m) ¹	FY16	FY15	Commentary
Inventories	6,260	5,497	<ul style="list-style-type: none"> Higher inventories in Retail <ul style="list-style-type: none"> Investments made to improve stock availability in Homebase Investments to support sales growth Effect of depreciating AUD Lower inventories in Industrials <ul style="list-style-type: none"> Lower coal production Timing of fertiliser & ammonia shipments
Receivables & prepayments	1,950	1,658	<ul style="list-style-type: none"> Higher due to Homebase acquisition & earlier settlement of receipts in the prior year
Trade & other payables	(6,492)	(5,764)	<ul style="list-style-type: none"> Higher mainly due to Homebase acquisition & business growth in Coles & Kmart
Other	411	393	
Net working capital	2,129	1,784	

¹ The above table refers to balance sheet movements only. Working capital movements as shown on slide 12 of the 2016 Full-year Briefing Presentation exclude non-cash movements which are included in the table above.

Coles

John Durkan
Managing Director
Coles



coles

coles.com.au

coles
express

VINTAGE CELLARS

first CHOICE liquor

BI-LO

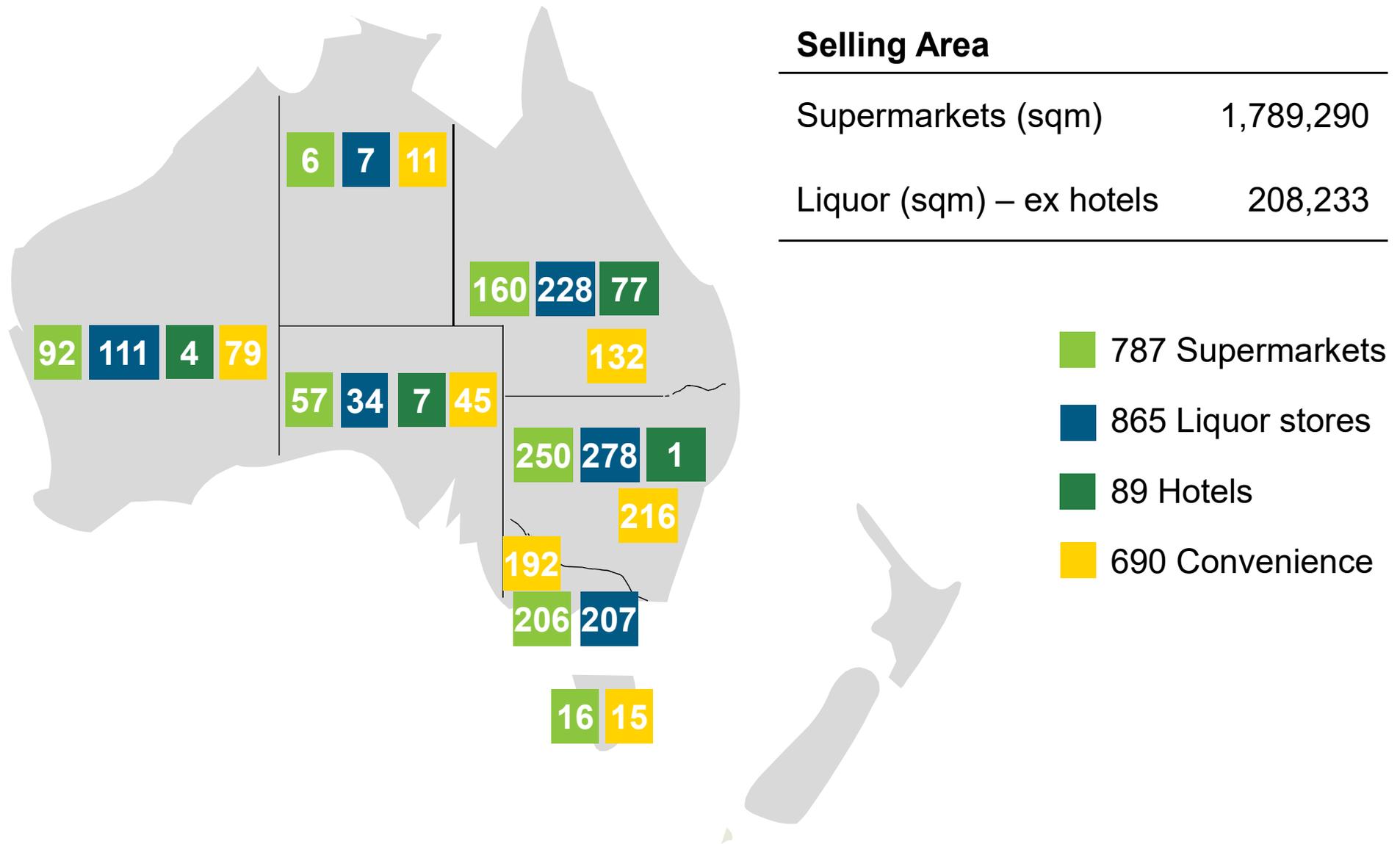
LIQUORLAND

spirit
HOTELS

coles Financial Services

Coles network

as at 30 June 2016



Store network movements

	Open at 30 June 2015	Opened	Closed	Re-branded	Open at 30 June 2016
Supermarkets					
Coles	771	15	(5)	5	786
Bi-Lo	5	-	(4)	-	1
Total Supermarkets	776	15	(9)	5	787
Liquor					
First Choice	100	2	(5)	-	97
Vintage Cellars	79	3	(1)	-	81
Liquorland	679	32	(24)	-	687
Hotels	90	-	(1)	-	89
Total Liquor	948	37	(31)	-	954
Convenience	662	31	(3)	-	690

Revenue reconciliation

Year ended 30 June (\$m)	2016			2015		
	Food & Liquor	Convenience	Total	Food & Liquor	Convenience	Total
Segment revenue (Gregorian)¹	32,564	6,678	39,242	30,784	7,417	38,201
Less: Other revenue	(415)	(13)	(428)	(279)	(13)	(292)
Headline sales (Gregorian)	32,149	6,665	38,814	30,505	7,404	37,909
Plus: Gregorian adjustment ²	(171)	(34)	(205)	(75)	(18)	(93)
Headline sales revenue (Retail³)	31,978	6,631	38,609	30,430	7,386	37,816

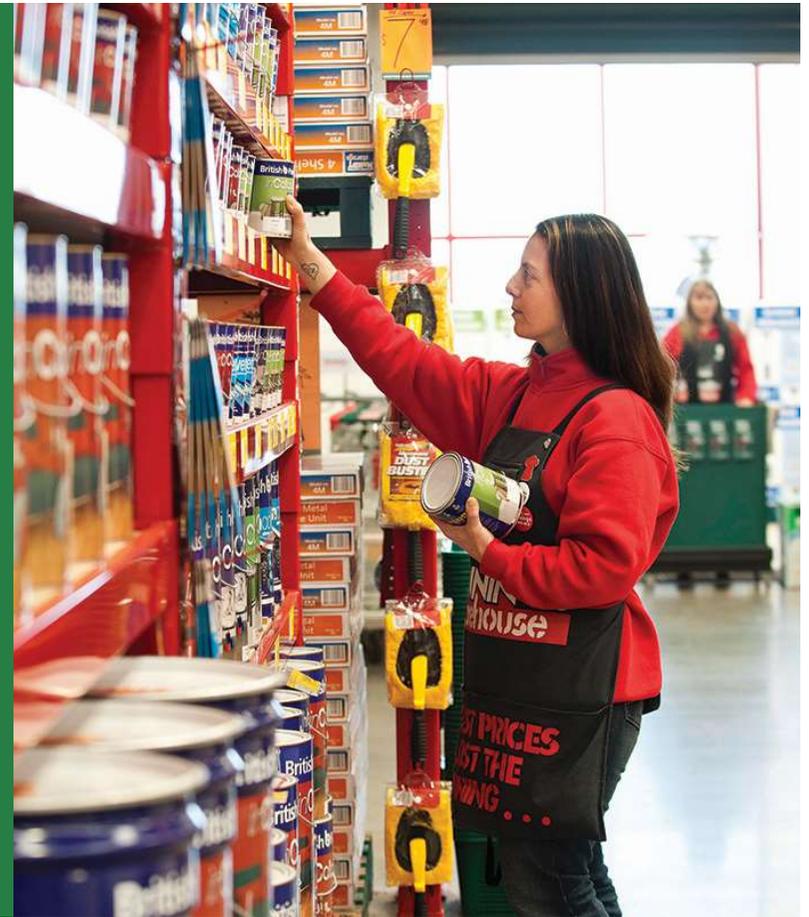
¹ Segment revenue for Food & Liquor includes property revenue for 2016 of \$25m & for 2015 of \$29m.

² Adjustment to headline sales revenue to reflect retail period end.

³ 2016 reflects the 52 week period 29 June 2015 to 26 June 2016 & 2015 reflects the 52 week period 30 June 2014 to 28 June 2015.

Home Improvement

John Gillam
Chief Executive Officer
Bunnings Group



Home Improvement: store network location

as at 30 June 2016

Australia & New Zealand

	Warehouse stores	Smaller format stores	Trade Centres
New Zealand	25	19	7
New South Wales / ACT	71	16	7
Queensland	42	9	7
South Australia / NT	16	4	2
Tasmania	5	1	1
Victoria	56	11	5
Western Australia	29	10	4
Total	244	70	33

United Kingdom & Ireland

	Homebase stores
Republic of Ireland	11
Northern Ireland	9
Scotland	21
Yorkshire & The North	36
The Midlands	37
East England	34
South England	69
London	31
Wales	12
Total	260

Home Improvement: store network movements

	Open at 30 June 2015	Opened	Closed	Open at 30 June 2016	Expanded	Under construction 30 June 2016
<u>Australia & New Zealand</u>						
Bunnings Warehouse	236	14	(6)	244	5	10
Bunnings smaller formats	65	7	(2)	70	-	3
Bunnings Trade Centres	33	1	(1)	33	-	-
<u>UK & Ireland</u> <i>(acquired 265 stores at end Feb 16)</i>						
Homebase	n.a.	-	(5)	260	-	-

Department Stores

Guy Russo

Chief Executive Officer
Department Stores

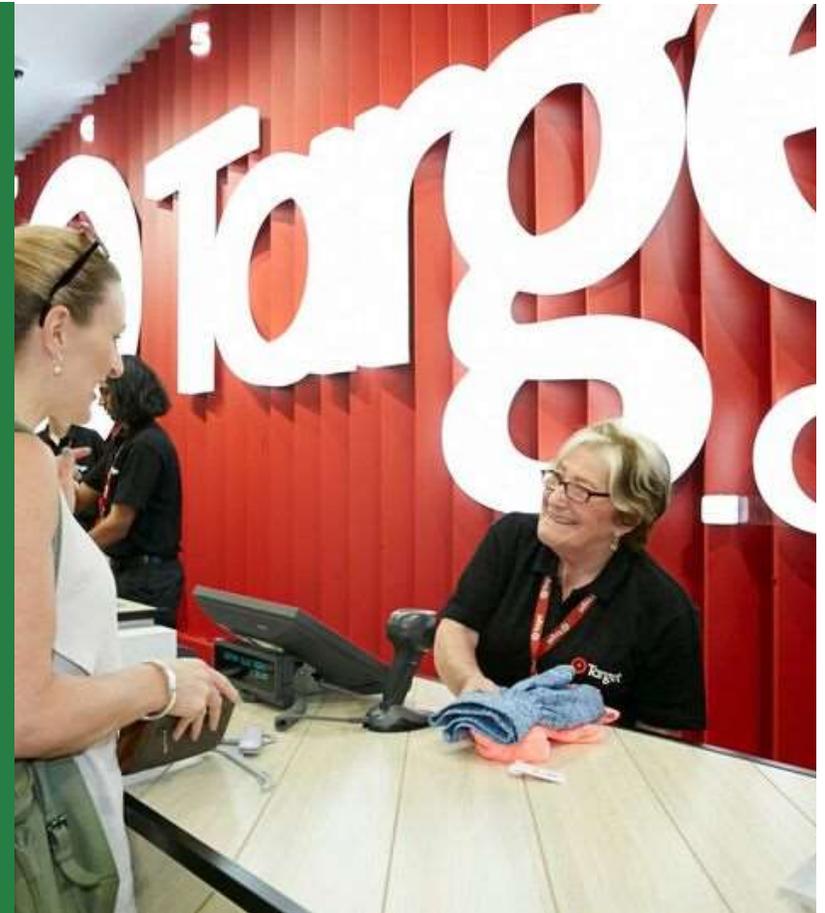
Managing Director
Target



Target

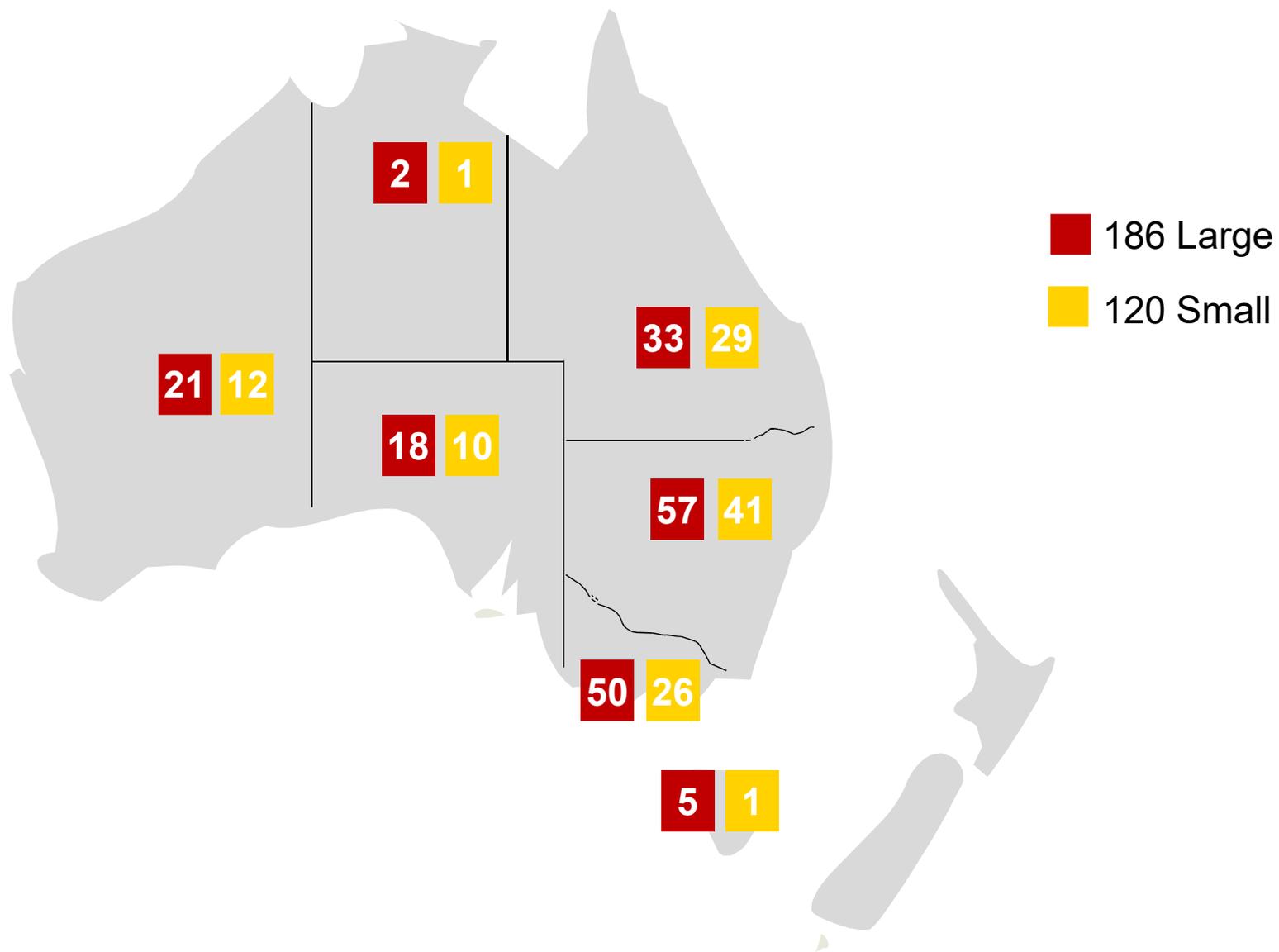
Guy Russo

Managing Director
Target



Target network

as at 30 June 2016



Target network

	Open at 30 June 2015	Opened	Closed	Open at 30 June 2016
Large	183	6	(3)	186
Small	122	-	(2)	120
Total	305	6	(5)	306

Revenue reconciliation

Year ended 30 June (\$m)	2016	2015
Segment revenue (Gregorian)	3,456	3,438
Less: Non sales revenue	(1)	-
Headline sales (Gregorian)	3,455	3,438
Add: Gregorian adjustment ¹	(16)	(6)
Headline sales revenue (Retail²)	3,439	3,432

¹ Adjustment to headline sales revenue to reflect retail period year end.

² 2016 reflects the 52 week period 28 June 2015 to 25 June 2016 & 2015 reflects the 52 week period 29 June 2014 to 27 June 2015.

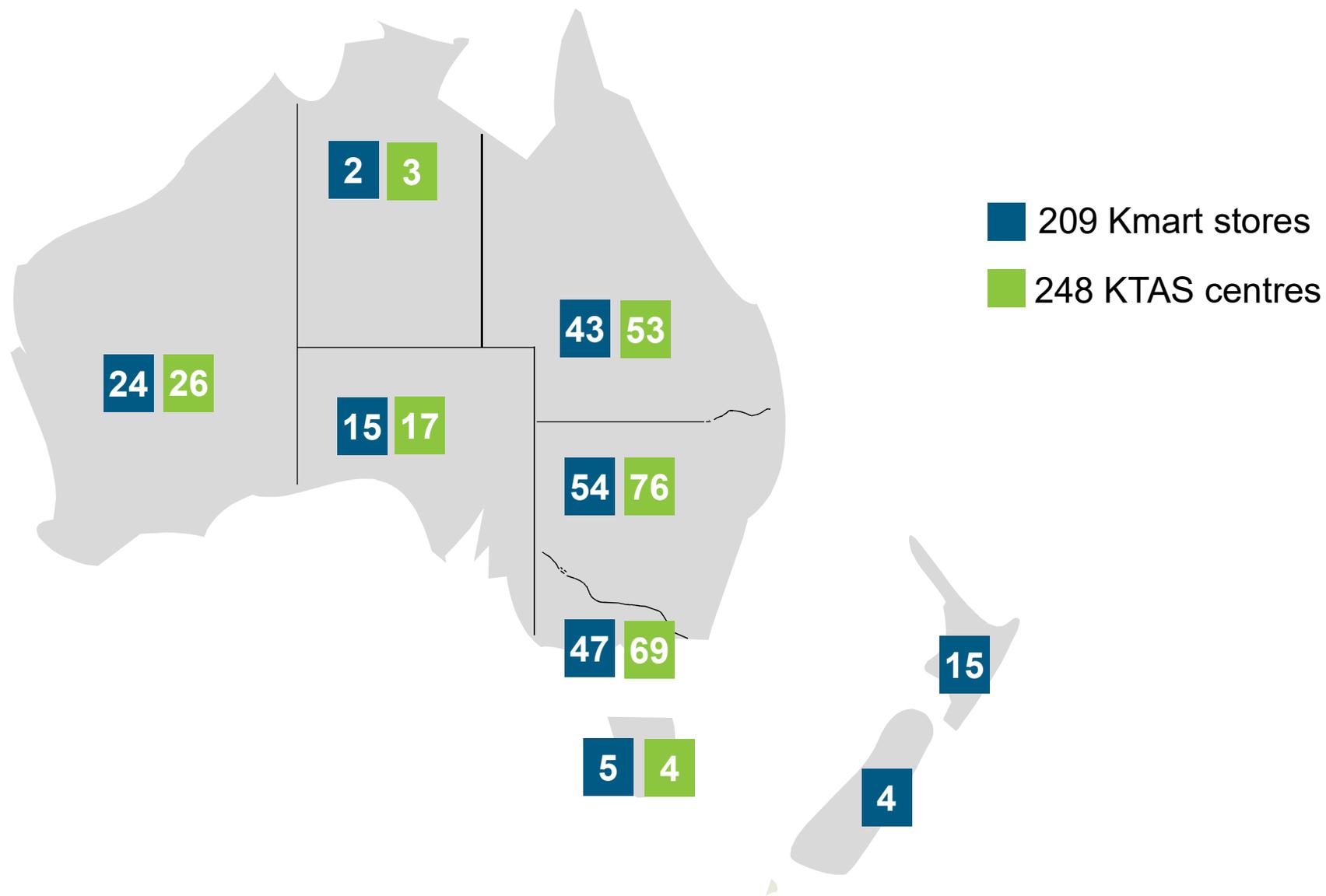
Kmart

Ian Bailey
Managing Director
Kmart



Kmart network

as at 30 June 2016



Store network movements

	Open at 30 June 2015	Opened	Closed	Open at 30 June 2016
Kmart	203	6	-	209
Kmart Tyre & Auto	246	4	(2)	248

Revenue reconciliation

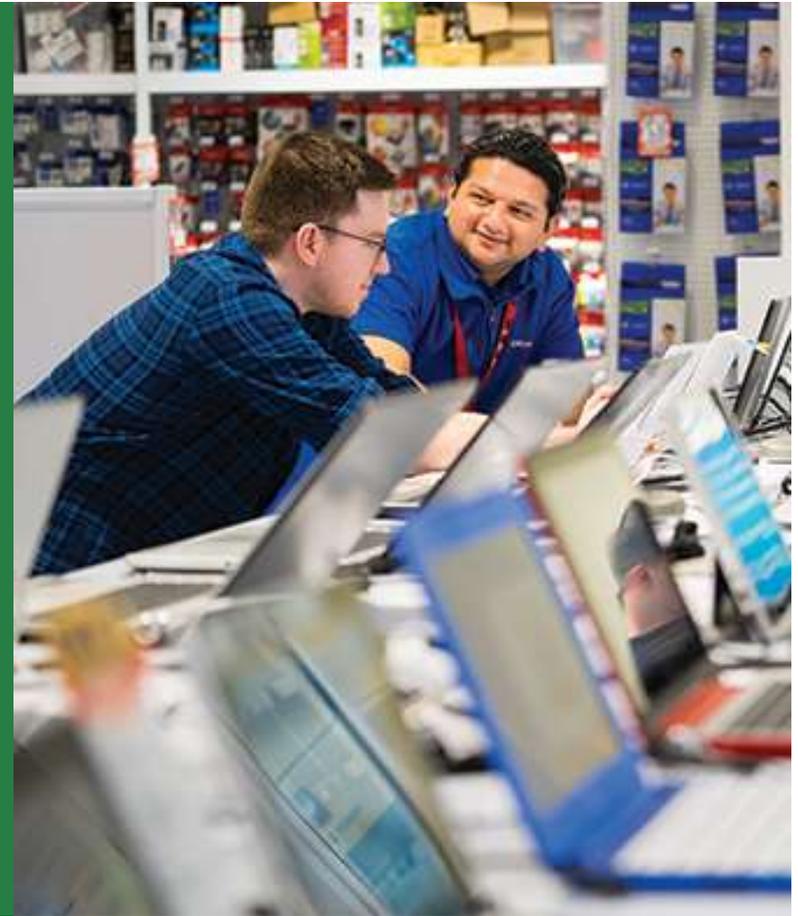
Year end 30 June (\$m)	2016	2015
Segment revenue (Gregorian)	5,190	4,553
Less: Non sales revenue	(2)	(3)
Headline sales (Gregorian)	5,188	4,550
Add: Gregorian adjustment ¹	(34)	(10)
Headline sales revenue (Retail²)	5,154	4,540

¹ Adjustment to headline sales revenue to reflect retail period end.

² 2016 reflects the 52 week period 29 June 2015 to 26 June 2016 & 2015 reflects the 52 week period 30 June 2014 to 28 June 2015.

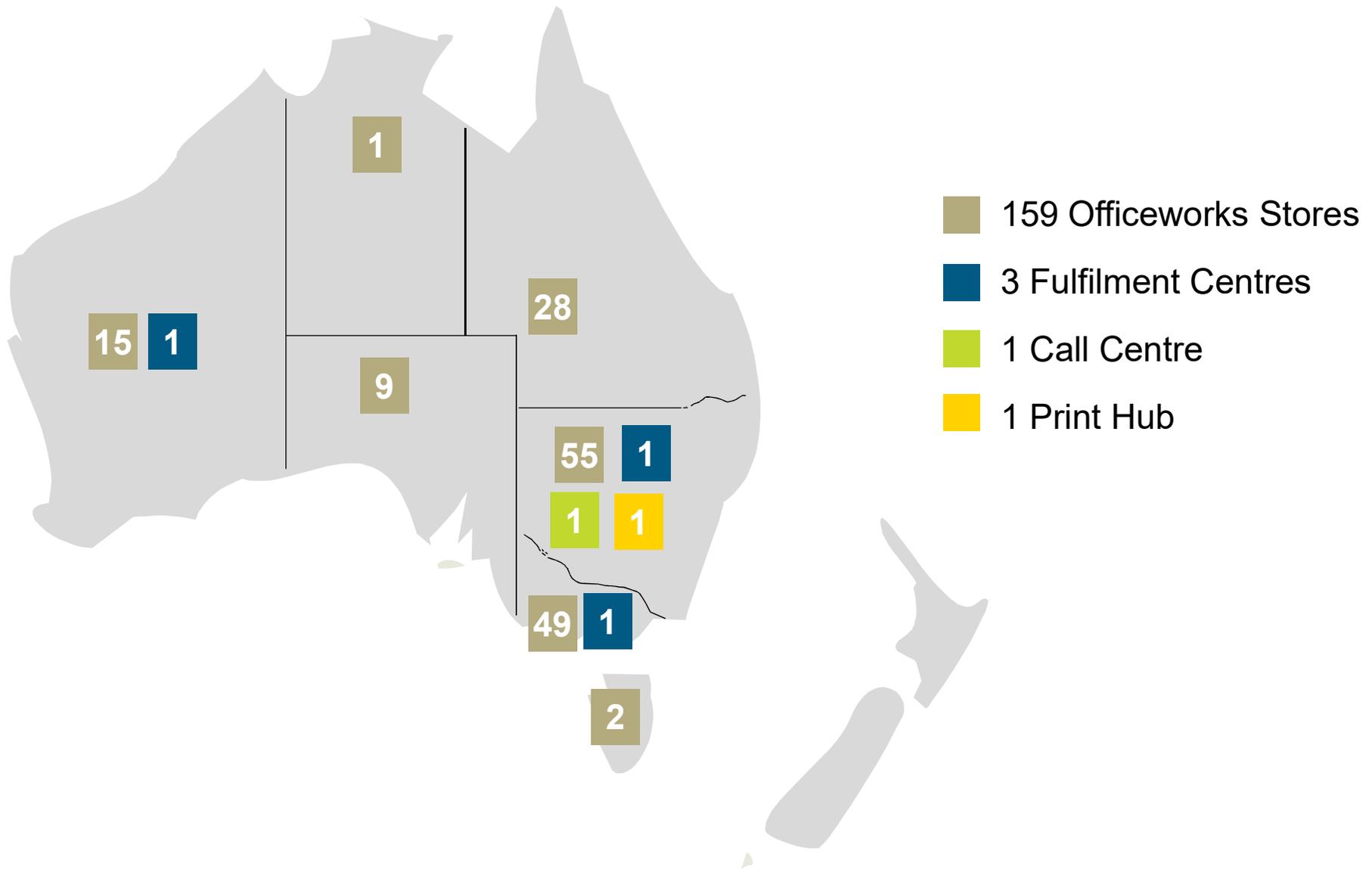
Officeworks

Mark Ward
Managing Director
Officeworks



Officeworks network

as at 30 June 2016



Store network movements

	Open at 30 June 2015	Opened	Closed	Open at 30 June 2016
Officeworks	156	6	(3)	159

Industrials

Rob Scott
Managing Director



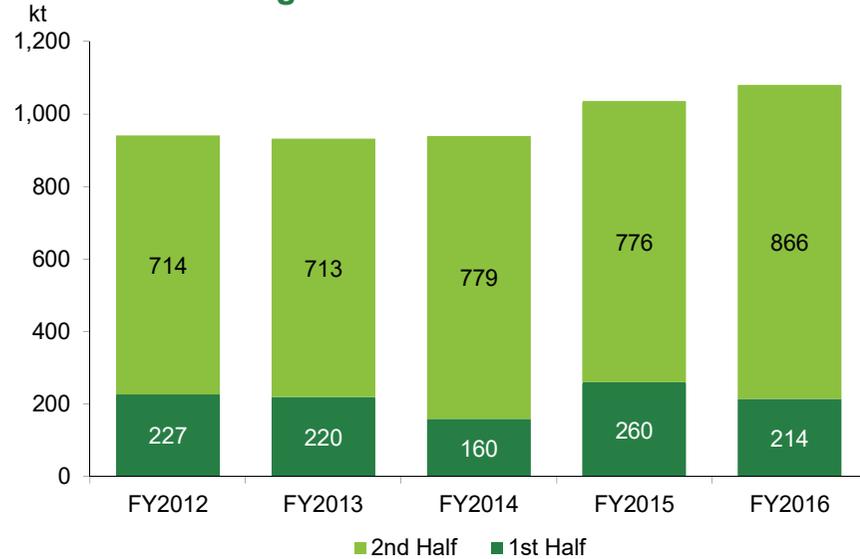

**Wesfarmers Chemicals,
Energy & Fertilisers**


**Wesfarmers
Industrial and Safety**

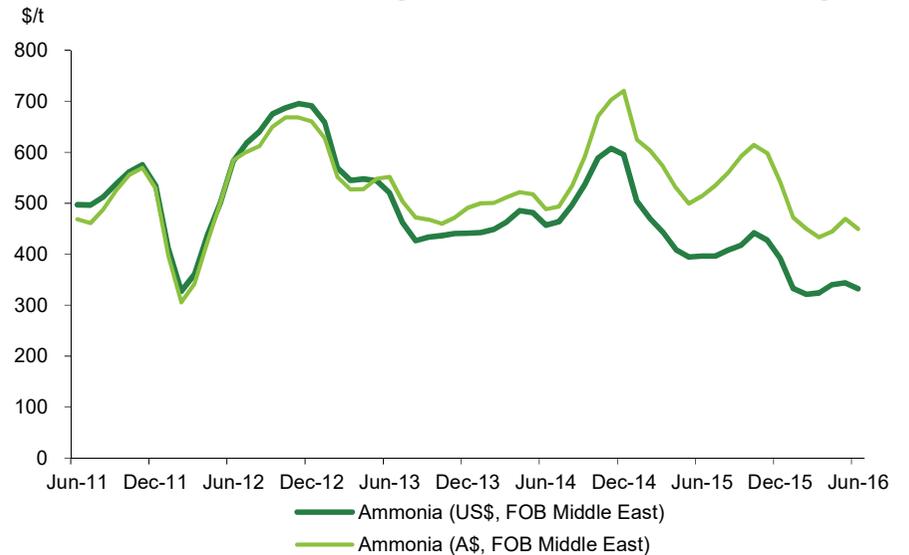

Wesfarmers Resources

Chemicals, Energy & Fertilisers - Sales, pricing & production

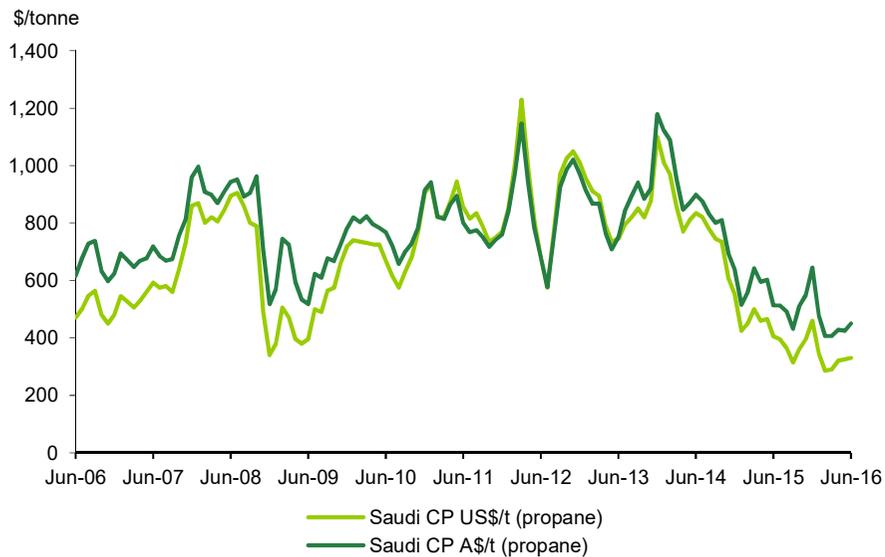
Strong Fertiliser sales volumes



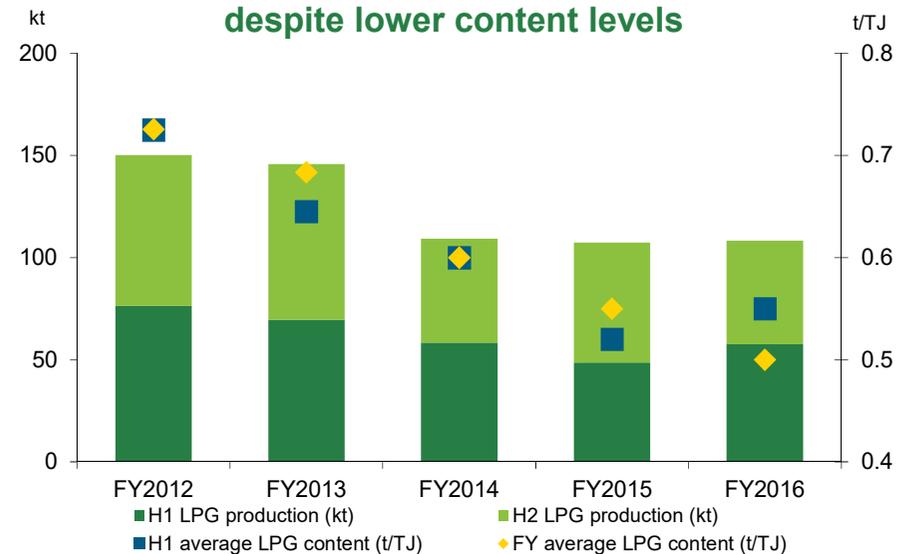
Continued declining trend in ammonia pricing



Saudi CP at 10 year low in USD & AUD terms



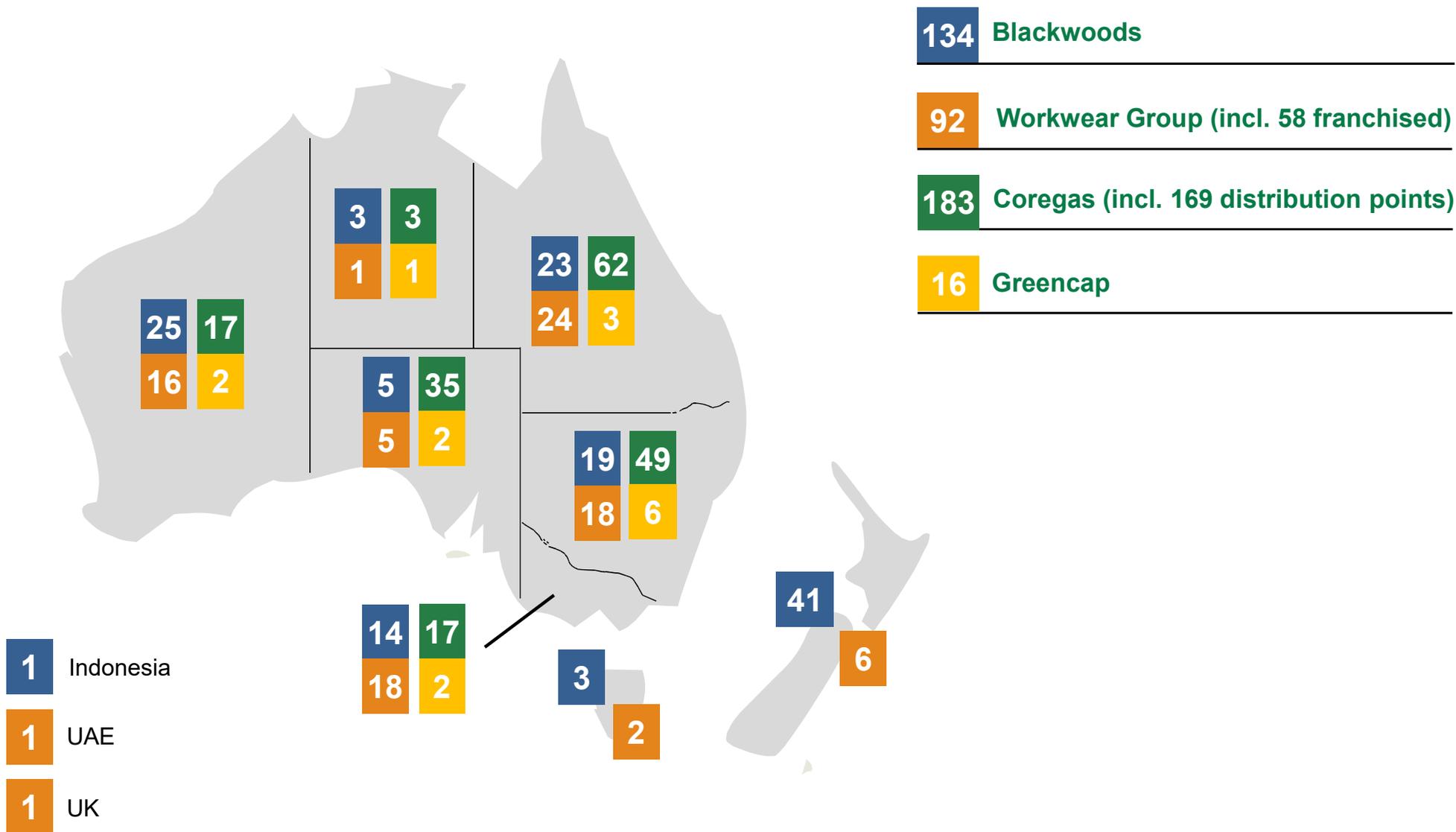
LPG production in line with previous two years despite lower content levels



Industrial & Safety - Distribution network

As at 30 June 2016

425 locations with 198 branches, 169 gas distribution points & 58 Workwear franchises



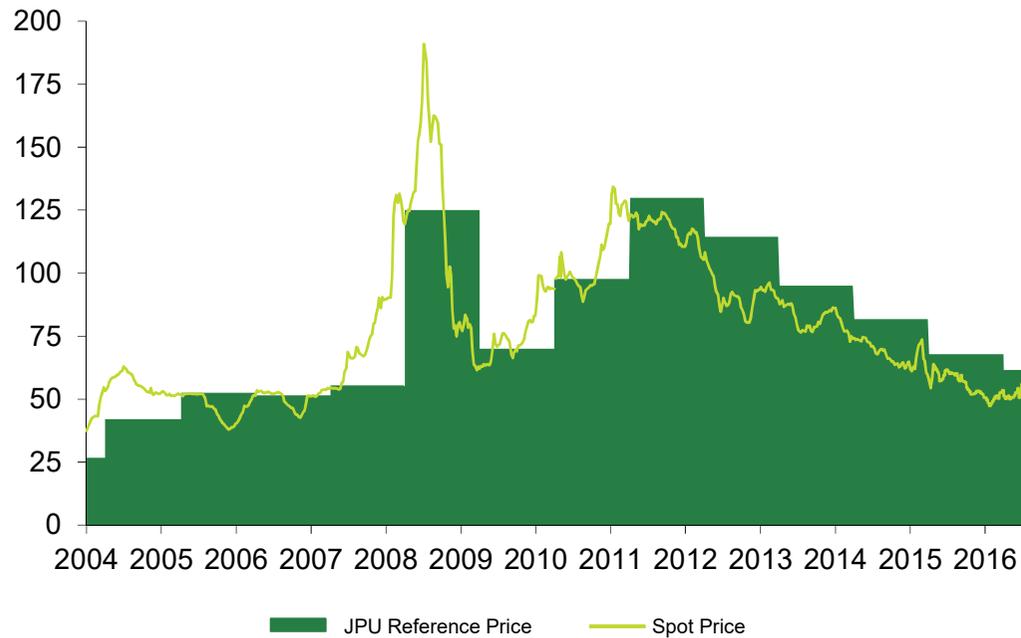
Resources - Global environment: current & short-term trends

- World blast furnace iron production (excluding China) trending downwards
 - Chinese production increasing
 - Chinese excess steel capacity being placed into global markets impacting price
- Metallurgical coal market continues to be volatile
 - US coal export supply rationalisation materialising
 - Increase in Chinese end-user import demand
 - Australian exports have recovered after wet weather impacts in early 2016
 - Spot price volatility & uncertainty expected to continue
- A\$:US\$ exchange rate has strengthened through 2H FY16 & volatility expected to continue

Australian coal market prices

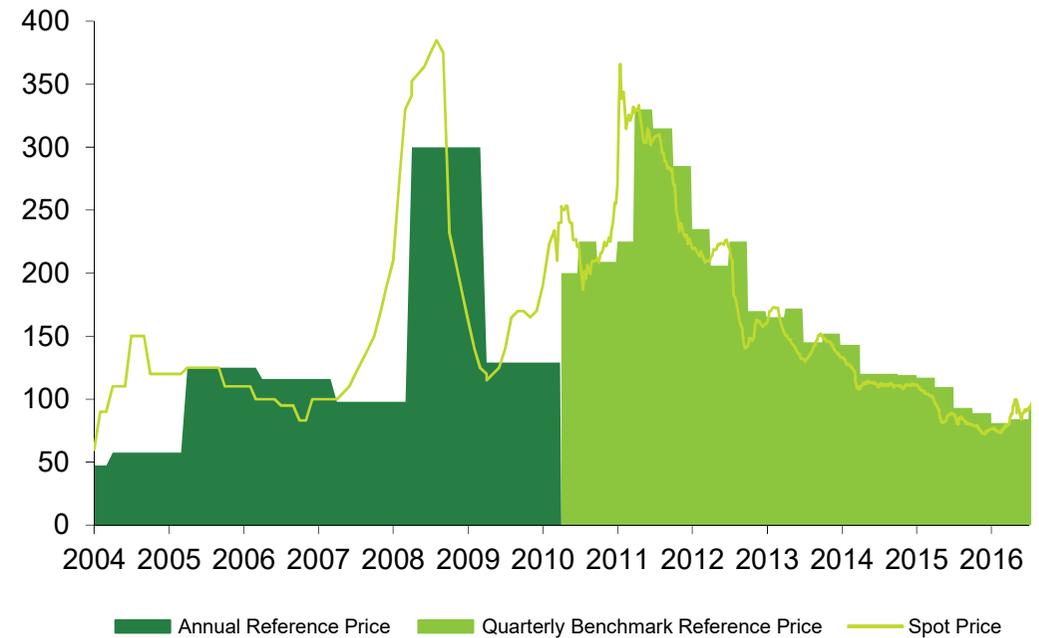
Australian steaming coal prices

US\$/tonne (nominal) FOB Australia (annual versus spot)



Australian hard coking coal prices

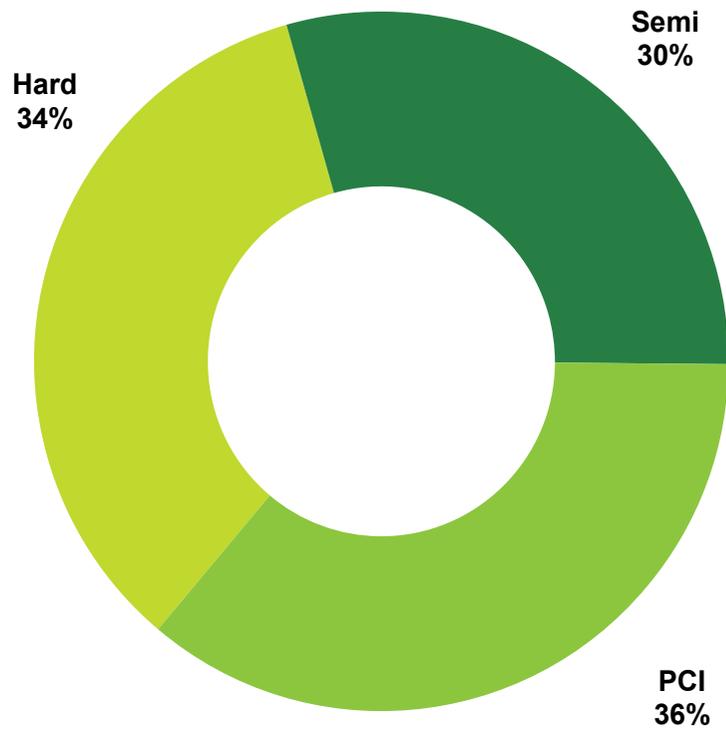
US\$/tonne (nominal) FOB Australia (annual versus spot)



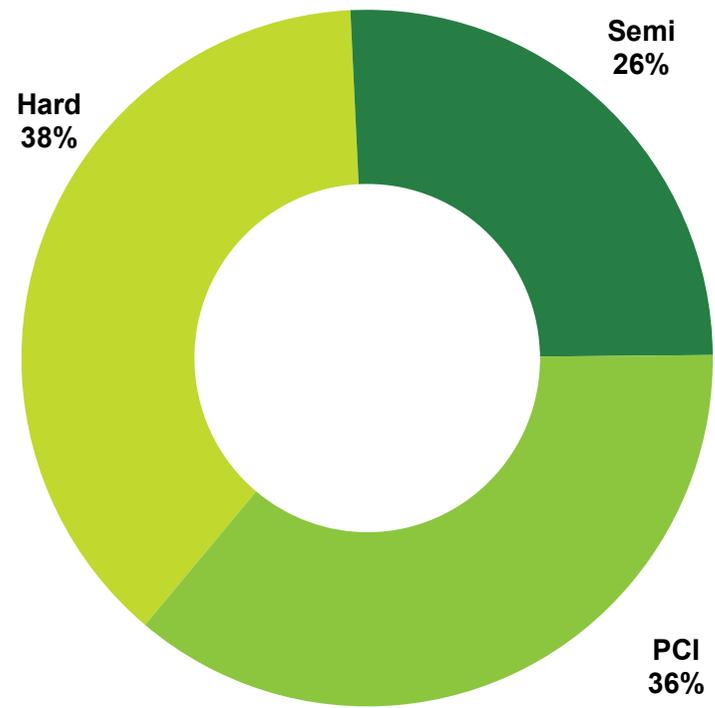
Source: Energy Publishing, Tex Report, Macquarie Research, CRU

Curragh export metallurgical sales product mix

FY16 Actual
7.5 million tonnes



FY17 Forecast
8.0 – 8.5 million tonnes



Resources - Coal production volumes

Mine	Ownership	Coal Type	Year ended ('000 tonnes)	
			June 2016	June 2015
Curragh, QLD	100%	Metallurgical	7,316	9,066
		Steaming	3,263	3,187
Bengalla, NSW ¹	40%	Steaming	3,384	3,304
Total¹			13,963	15,557

¹ Wesfarmers attributable production.

Resources - Coal sales volumes

Mine	Ownership	Coal Type	Year ended ('000 tonnes)	
			June 2016	June 2015
Curragh, QLD ¹	100%	Metallurgical	7,488	8,604
		Steaming	3,386	3,202
Bengalla, NSW ²	40%	Steaming	3,382	3,351
Total¹			14,256	15,157

¹ Curragh metallurgical coal sales excludes traded coal.

² Wesfarmers attributable sales.

Resources financial summary

Year ended 30 June ¹ (\$m)	2016	2015	Commentary
Export revenue			
Produced – Realised	1,012	1,270	Continued fall in export coal prices with benefit of a lower Australian dollar largely offset by hedge book losses
– Hedge book losses	(147)	(42)	
Total	865	1,228	
Export mining & other costs ^{2,3}	(806)	(767)	Lower cash costs at Curragh offset by inventory drawdowns due to lower production, higher port costs & higher unit cash costs at Bengalla due to mine sequencing
Traded earnings	3	2	
Export contribution to earnings	62	463	
Stanwell Corporation obligations			
Domestic coal supply	(83)	(81)	Stanwell Corporation obligations continue to negatively affect earnings, including contracted domestic coal supplied below cost
Export rebate	(65)	(67)	
Total	(148)	(148)	
State government royalties	(78)	(100)	
EBITDA³	(164)	215	Operational EBITDA, excluding hedge book losses, of (\$17m) in FY16 (\$244m in FY15)
Depreciation & amortisation	(146)	(165)	Lower production tonnes at Curragh
EBIT³	(310)	50	

¹ Bengalla reported at 40% share.

² Simple unit cost averages will be impacted by tonnage & cost structure variances between mines.

³ 2016 excludes \$850m non-cash impairment of Curragh assets.



Wesfarmers