17 August 2017

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Manager,

APPENDIX 4E – PRELIMINARY FINAL REPORT AND 2017 FULL-YEAR RESULTS

In accordance with ASX Listing Rule 4.3A, the following documents are attached for release to the market:

- Appendix 4E – Preliminary Final Report; and
- 2017 Full-year Results Announcement (including fourth quarter retail sales results).

An analyst briefing will be held at 10:30am AWST / 12:30pm AEST following the release of the announcements. The briefing will be webcast and accessible via our website at www.wesfarmers.com.au.

Yours sincerely,

L J KENYON
COMPANY SECRETARY

Enc.

Wesfarmers Limited
ABN 28 008 984 049

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APPENDIX 4E
FOR THE YEAR ENDED 30 JUNE 2017
WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES
ABN 28 008 984 049

RESULTS FOR ANNOUNCEMENT TO THE MARKET	2017 $m	2016 $m	%
Revenue from ordinary activities	**68,444**	65,981	3.7%
Profit after tax attributable to members:			
Excluding Target and Curragh impairment	**2,873**	2,251	27.6%
Impairment of Target and Curragh net of tax[1]	**-**	(1,844)	
Profit after tax from ordinary activities attributable to members	**2,873**	407	605.9%
Net profit for the full-year attributable to members	**2,873**	407	605.9%

DIVIDENDS	Amount per security	Franked amount per security
Interim dividend	103 cents	103 cents
Final dividend	120 cents	120 cents
Total FY2017 dividend	**223 cents**	**223 cents**
Previous corresponding period:		
Interim dividend	91 cents	91 cents
Final dividend	95 cents	95 cents
Total FY2016 dividend	**186 cents**	**186 cents**
Record date for determining entitlements to the dividend	5:00pm (WST) on 23 August 2017	
Last date for receipt of election notice for Dividend Investment Plan	5:00pm (WST) on 24 August 2017	
Date the final dividend is payable	28 September 2017	

1. In FY2016 an impairment was recognised against Target's goodwill and non-current assets of $1,266 million ($1,249 million after-tax) and Curragh's non-current assets of $850 million ($595 million after-tax).

DIVIDEND INVESTMENT PLAN

The Company operates a Dividend Investment Plan (the Plan) which allows eligible shareholders to elect to invest dividends in ordinary shares which rank equally with Wesfarmers ordinary shares. The allocation price for shares under the Plan will be calculated as the average of the daily volume weighted average price of Wesfarmers ordinary shares on each of the 15 consecutive trading days from and including the third trading day after the record date of 23 August 2017 for participation in the Plan, being 28 August 2017 to 15 September 2017.

The last date for receipt of applications to participate in or to cease or vary participation in the Plan is by 5:00pm (WST) on 24 August 2017. The Directors have determined that no discount shall apply to the allocation price and the Plan will not be underwritten. Shares to be allocated under the Plan will be transferred to participants on 28 September 2017.

NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share (excluding reserved shares): $4.44 (2016: $3.45).

OPERATING CASH FLOW PER SHARE

Operating cash flow per share: $3.74 (2016: $2.99). This has been calculated by dividing the net cash flow from operating activities by the weighted average number of ordinary shares (including reserved shares) on issue during the year.

AUDIT

This report is based on accounts which are in the process of being audited.

PREVIOUS CORRESPONDING PERIOD

The previous corresponding period is the year ended 30 June 2016.

COMMENTARY ON RESULTS FOR THE YEAR

Commentary on the results for the year is contained in the press release dated 17 August 2017 accompanying this statement.

Contents

Preliminary financial statements

Notes to the preliminary financial statements

Income statement
For the year ended 30 June 2017

	Note	CONSOLIDATED 2017 $m	2016 $m
Revenue	2	**68,444**	65,981
Expenses			
Raw materials and inventory		**(46,359)**	(45,525)
Employee benefits expense	2	**(9,132)**	(8,847)
Freight and other related expenses		**(1,096)**	(1,078)
Occupancy-related expenses	2	**(3,229)**	(2,959)
Depreciation and amortisation	2	**(1,266)**	(1,296)
Impairment expenses	2	**(49)**	(2,172)
Other expenses	2	**(3,346)**	(3,107)
Total expenses		**(64,477)**	(64,984)
Other income	2	**288**	235
Share of net profits of associates and joint venture	10	**147**	114
		435	349
Earnings before interest and income tax expense (EBIT)		**4,402**	1,346
Finance costs	2	**(264)**	(308)
Profit before income tax		**4,138**	1,038
Income tax expense	3	**(1,265)**	(631)
Profit attributable to members of the parent		**2,873**	407
Earnings per share attributable to ordinary equity holders of the parent	7		
Basic earnings per share		**254.7**	36.2
Diluted earnings per share		**254.2**	36.2

Statement of comprehensive income

For the year ended 30 June 2017

		CONSOLIDATED	
		2017	2016
	Note	**$m**	$m
Profit attributable to members of the parent		**2,873**	407
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation reserve			
Exchange differences on translation of foreign operations		**(2)**	15
Cash flow hedge reserve	9		
Unrealised losses on cash flow hedges		**(136)**	(34)
Realised losses transferred to net profit		**92**	147
Realised losses/(gains) transferred to non-financial assets		**84**	(257)
Share of associates and joint venture reserves		**-**	8
Tax effect		**(17)**	46
Items that will not be reclassified to profit or loss:			
Retained earnings			
Remeasurement loss on defined benefit plan		**(5)**	(5)
Tax effect		**2**	2
Other comprehensive income/(loss) for the year, net of tax		**18**	(78)
Total comprehensive income for the year, net of tax, attributable to members of the parent		**2,891**	329

Balance sheet
As at 30 June 2017

	Note	CONSOLIDATED 2017 $m	2016 $m
Assets			
Current assets			
Cash and cash equivalents	4	**1,013**	611
Receivables - Trade and other		**1,633**	1,628
Receivables - Finance advances and loans		**-**	835
Inventories		**6,530**	6,260
Derivatives		**247**	54
Other		**244**	296
Total current assets		**9,667**	9,684
Non-current assets			
Investments in associates and joint venture		**703**	605
Deferred tax assets		**971**	1,042
Property		**2,195**	2,396
Plant and equipment		**7,245**	7,216
Goodwill		**14,360**	14,448
Intangible assets		**4,576**	4,625
Derivatives		**246**	565
Other		**152**	202
Total non-current assets		**30,448**	31,099
Total assets		**40,115**	40,783
Liabilities			
Current liabilities			
Trade and other payables		**6,615**	6,491
Interest-bearing loans and borrowings	5	**1,347**	1,632
Income tax payable		**292**	29
Provisions		**1,743**	1,861
Derivatives		**154**	160
Other		**266**	251
Total current liabilities		**10,417**	10,424
Non-current liabilities			
Interest-bearing loans and borrowings	5	**4,066**	5,671
Provisions		**1,511**	1,554
Derivatives		**24**	81
Other		**156**	104
Total non-current liabilities		**5,757**	7,410
Total liabilities		**16,174**	17,834
Net assets		**23,941**	22,949
Equity			
Equity attributable to equity holders of the parent			
Issued capital	6	**22,268**	21,937
Reserved shares	6	**(26)**	(28)
Retained earnings		**1,509**	874
Reserves		**190**	166
Total equity		**23,941**	22,949

Cash flow statement

For the year ended 30 June 2017

	Note	CONSOLIDATED 2017 $m	2016 $m
Cash flows from operating activities			
Receipts from customers		**74,042**	71,157
Payments to suppliers and employees		**(68,713)**	(66,671)
Dividends and distributions received from associates		**46**	74
Net movement in finance advances and loans		**(47)**	(29)
Interest received		**83**	131
Borrowing costs		**(234)**	(288)
Income tax paid		**(951)**	(1,009)
Net cash flows from operating activities	4	**4,226**	3,365
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles	4	**(1,681)**	(1,899)
Proceeds from sale of property, plant and equipment and intangibles	4	**653**	563
Net proceeds from sale of businesses and associates		**947**	1
Net investments in associates and joint arrangements		**(2)**	(2)
Acquisition of subsidiaries, net of cash acquired		**(24)**	(748)
Net redemption of/(investment in) loan notes		**54**	(47)
Net cash flows used in investing activities		**(53)**	(2,132)
Cash flows from financing activities			
Proceeds from borrowings		**220**	2,360
Repayment of borrowings		**(1,994)**	(1,424)
Proceeds from exercise of in-substance options under the employee share plan		**1**	1
Equity dividends paid		**(1,998)**	(2,270)
Net cash flows used in financing activities		**(3,771)**	(1,333)
Net increase/(decrease) in cash and cash equivalents		**402**	(100)
Cash and cash equivalents at beginning of year		**611**	711
Cash and cash equivalents at end of year	4	**1,013**	611

Statement of changes in equity

For the year ended 30 June 2017

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
Consolidated	Note	**Issued capital $m**	**Reserved shares $m**	**Retained earnings $m**	**Hedging reserve $m**	**Other reserves $m**	**Total equity $m**
Balance at 1 July 2015		21,844	(31)	2,742	(15)	241	24,781
Net profit for the year		-	-	407	-	-	407
Other comprehensive income							
Exchange differences on translation of foreign operations		-	-	-	-	15	15
Changes in the fair value of cash flow hedges, net of tax	9	-	-	-	(90)	-	(90)
Remeasurement loss on defined benefit plan, net of tax		-	-	(3)	-	-	(3)
Total other comprehensive income for the year, net of tax		-	-	(3)	(90)	15	(78)
Total comprehensive income for the year, net of tax		-	-	404	(90)	15	329
Share-based payment transactions		-	-	-	-	15	15
Issue of shares	6	93	-	-	-	-	93
Proceeds from exercise of in-substance options	6	-	1	-	-	-	1
Equity dividends	6,8	-	2	(2,272)	-	-	(2,270)
		93	3	(2,272)	-	15	(2,161)
Balance at 30 June 2016 and 1 July 2016		21,937	(28)	874	(105)	271	22,949
Net profit for the year		**-**	**-**	**2,873**	**-**	**-**	**2,873**
Other comprehensive income							
Exchange differences on translation of foreign operations		**-**	**-**	**-**	**-**	**(2)**	**(2)**
Changes in the fair value of cash flow hedges, net of tax	9	**-**	**-**	**-**	**23**	**-**	**23**
Remeasurement loss on defined benefit plan, net of tax		**-**	**-**	**(3)**	**-**	**-**	**(3)**
Total other comprehensive income for the year, net of tax		**-**	**-**	**(3)**	**23**	**(2)**	**18**
Total comprehensive income for the year, net of tax		**-**	**-**	**2,870**	**23**	**(2)**	**2,891**
Share-based payment transactions		**-**	**-**	**-**	**-**	**3**	**3**
Issue of shares	6	**331**	**-**	**-**	**-**	**-**	**331**
Proceeds from exercise of in-substance options	6	**-**	**1**	**-**	**-**	**-**	**1**
Equity dividends	6,8	**-**	**1**	**(2,235)**	**-**	**-**	**(2,234)**
		331	**2**	**(2,235)**	**-**	**3**	**(1,899)**
Balance at 30 June 2017		**22,268**	**(26)**	**1,509**	**(82)**	**272**	**23,941**

1. Segment information

The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and operates in different industries and markets. The Board and executive management team (the chief operating decision makers) monitor the operating results of business units separately for the purpose of making decisions about resource allocation and performance assessment.

					DEPARTMENT STORES						INDUSTRIALS									
	COLES		HOME IMPROVEMENT[1]		KMART		TARGET[2]		OFFICEWORKS		RESOURCES[3]		WIS		WesCEF[4]		OTHER		CONSOLIDATED	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	$m	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m
Segment revenue	39,217	39,242	13,586	11,571	5,578	5,190	2,950	3,456	1,964	1,851	1,746	1,008	1,776	1,844	1,639	1,820	(12)	(1)	**68,444**	65,981
Adjusted EBITDA[5]	2,256	2,475	1,463	1,383	665	571	74	(105)	168	156	465	(164)	158	105	472	400	(53)	(63)	**5,668**	4,758
Depreciation and amortisation	(647)	(615)	(218)	(169)	(112)	(101)	(84)	(90)	(24)	(22)	(60)	(146)	(43)	(42)	(77)	(106)	(1)	(5)	**(1,266)**	(1,296)
Segment result	**1,609**	1,860	**1,245**	1,214	**553**	470	**(10)**	(195)	**144**	134	**405**	(310)	**115**	63	**395**	294	**(54)**	(68)	**4,402**	3,462
Items not included in segment result[6]	-	-	-	-	-	-	-	(1,266)			-	(850)	-	-	-	-	-	-	**-**	(2,116)
EBIT																			**4,402**	1,346
Finance costs																			**(264)**	(308)
Profit before income tax expense																			**4,138**	1,038
Income tax expense																			**(1,265)**	(631)
Profit attributable to members of the parent																			**2,873**	407
Other segment information																				
Segment assets	21,140	22,122	6,612	6,620	2,410	2,324	1,518	1,646	1,401	1,379	1,084	1,004	1,661	1,663	1,484	1,553	1,131	825	**38,441**	39,136
Investments in associates and joint ventures	-	-	17	17	-	-	-	-	-	-	-	-	-	-	183	150	503	438	**703**	605
Tax assets																	971	1,042	**971**	1,042
Total assets																			**40,115**	40,783
Segment liabilities	(4,245)	(4,273)	(2,227)	(2,186)	(955)	(857)	(468)	(479)	(488)	(416)	(470)	(498)	(385)	(420)	(270)	(303)	(961)	(1,070)	**(10,469)**	(10,502)
Tax liabilities																	(292)	(29)	**(292)**	(29)
Interest bearing liabilities																	(5,413)	(7,303)	**(5,413)**	(7,303)
Total liabilities																			**(16,174)**	(17,834)
Other net assets[7]	(209)	(1,409)	(4,266)	(4,237)	237	168	(379)	(488)	(25)	31	(1,090)	(1,202)	(585)	(581)	(793)	(869)	7,110	8,587	**-**	-
Net assets	16,686	16,440	136	214	1,692	1,635	671	679	888	994	(476)	(696)	691	662	604	531	3,049	2,490	**23,941**	22,949
Capital expenditure[8]	811	763	445	538	154	165	68	128	36	41	91	116	34	44	44	60	-	2	**1,683**	1,857
Share of net profit or loss of associates and joint ventures included in EBIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61	33	86	81	**147**	114

1 The Home Improvement result includes the UK operation acquired on 27 February 2016.
2 The 2016 Target result includes $145 million of restructuring costs and provisions incurred to reset Target.
3 The Resources result includes Government royalties and Stanwell rebates of $262 million (2016: $143 million) and hedge losses of $92 million (2016: $147 million).
4 The 2017 WesCEF result includes profit on sale of land of $22 million (before tax), and $33 million relating to WesCEF's share of revaluation gains recognised by its associate, Australian Energy Consortium Pty Ltd.
5 Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and other items not included in the segment results outlined in footnote 6.
6 The 2016 segment result excludes $1,266 million impairment of Target's goodwill and non-current assets and $850 million impairment of Curragh's assets.
7 Other net assets relate predominantly to inter-company financing arrangements and segment tax balances.
8 Capital expenditure includes accruals to represent costs incurred during the year. The amount excluding movement in accruals is $1,681 million (2016: $1,899 million).

2. Revenue and expenses

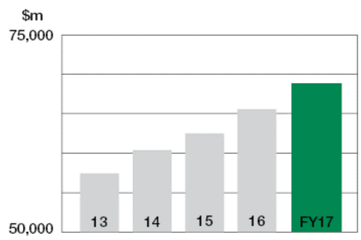
	CONSOLIDATED 2017 $m	2016 $m
Sale of goods	**68,003**	65,500
Rendering of services	**12**	12
Interest revenue	**84**	131
Other	**345**	338
Revenue	**68,444**	65,981
Gains on disposal of property, plant and equipment	**123**	61
Other	**165**	174
Other income	**288**	235
Remuneration, bonuses and on-costs	**8,392**	8,120
Superannuation expense	**635**	624
Share-based payments expense	**105**	103
Employee benefits expense	**9,132**	8,847
Minimum lease payments	**2,399**	2,330
Contingent rental payments	**215**	91
Other	**615**	538
Occupancy-related expenses	**3,229**	2,959
Depreciation	**960**	981
Amortisation of intangibles	**158**	134
Amortisation other	**148**	181
Depreciation and amortisation	**1,266**	1,296
Impairment of plant, equipment and other assets	**27**	954
Impairment of freehold property	**22**	10
Impairment of goodwill	**-**	1,208
Impairment expenses	**49**	2,172
Mining royalties (incl. Stanwell rebate)	**262**	143
Repairs and maintenance	**415**	405
Utilities and office expenses	**1,106**	1,044
Insurance expenses	**153**	179
Other	**1,410**	1,336
Other expenses	**3,346**	3,107
Interest expense	**213**	261
Discount rate adjustment	**27**	26
Amortisation of debt establishment costs	**6**	5
Other finance related costs	**18**	16
Finance costs	**264**	308

3. Tax expense

Tax reconciliation	CONSOLIDATED 2017 $m	2016 $m
A reconciliation between tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:		
Profit before tax	**4,138**	1,038
Income tax at the statutory rate of 30%	**1,241**	311
Adjustments relating to prior years	**-**	(11)
Non-deductible items	**12**	362
Share of results of associates and joint venture	**(18)**	(22)
Effect of differences and changes in tax rate in UK	**20**	1
Other	**10**	(10)
Income tax on profit before tax	**1,265**	631

Total revenue **$68,444m** ⬆ **3.7%**

From continuing operations



FY17	**68,444**
FY16	65,981
FY15	62,447
FY14	60,181
FY13	57,749

4. Cash and cash equivalents

	CONSOLIDATED	
	2017	2016
	$m	$m
For the purposes of the cash flow statement, cash and cash equivalents comprise the following:		
Cash on hand and in transit	**409**	411
Cash at bank and on deposit	**604**	200
	1,013	611
Reconciliation of net profit after tax to net cash flows from operations		
Net profit	**2,873**	407
Non-cash items		
Depreciation and amortisation	**1,266**	1,296
Impairment and writedowns of assets	**49**	2,172
Net gain on disposal of non-current assets	**(83)**	(22)
Share of profits of associates and joint venture	**(147)**	(114)
Dividends and distributions received from associates	**46**	74
Discount adjustment in borrowing costs	**27**	26
Other	**29**	43
(Increase)/decrease in assets		
Receivables - Trade and other	**87**	17
Receivables - Finance advances and loans	**(47)**	(29)
Inventories	**(296)**	(444)
Prepayments	**18**	(39)
Deferred tax assets	**39**	(347)
Other assets	**5**	(5)
Increase/(decrease) in liabilities		
Trade and other payables	**165**	259
Current tax payable	**275**	(31)
Provisions	**(146)**	101
Other liabilities	**66**	1
Net cash flows from operating activities	**4,226**	3,365

4. Cash and cash equivalents (continued)

	CONSOLIDATED	
	2017	2016
	$m	$m
Net cash capital expenditure		
Cash capital expenditure		
Payment for property	**308**	372
Payment for plant and equipment	**1,251**	1,422
Payment for intangibles	**122**	105
	1,681	1,899
Less: Proceeds from sale of property, plant, equipment and intangibles	**653**	563
Net cash capital expenditure	**1,028**	1,336

Cash capital expenditure by segment for FY2017

	$m		$m
Coles	805	Officeworks	36
HI	445	Resources	91
Kmart	154	WIS	34
Target	71	WesCEF	44

*Other cash capital expenditure: $1 million

5. Borrowings

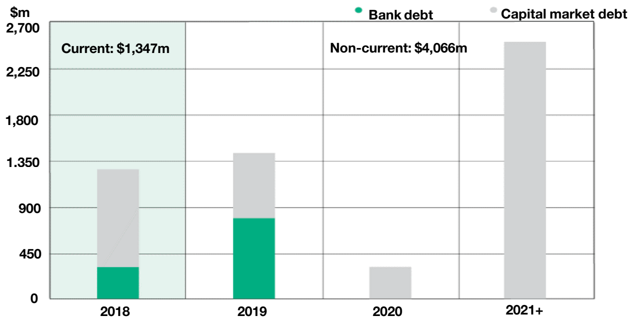
Funding Activities

A number of surplus bank facilities were cancelled during the year, resulting in a net reduction of available facilities of approximately $950 million. The remaining bank facilities that matured during the financial year were renewed and extended for periods ranging from one to three years. In November 2016, Australian bonds totalling $500 million matured. This was repaid using existing bank facilities and available cash balances.

	CONSOLIDATED	
	2017 $m	2016 $m
Current		
Unsecured		
Bank debt	**378**	1,132
Capital market debt	**969**	500
	1,347	1,632
Non-current		
Unsecured		
Bank debt	**863**	1,450
Capital market debt	**3,203**	4,221
	4,066	5,671
Total interest-bearing loans and borrowings	**5,413**	7,303

The illustration below provides details, including the principal repayment obligations, of all loans and borrowings on issue at 30 June 2017:

Outstanding loans and borrowings



6. Equity and reserves

Movement in shares on issue	ORDINARY SHARES Thousands	ORDINARY SHARES $m	RESERVED SHARES Thousands	RESERVED SHARES $m
At 1 July 2015	1,123,753	21,844	(2,515)	(31)
Exercise of in-substance options	-	-	221	1
Dividends applied	-	-	-	2
Issue of ordinary shares under the Wesfarmers Employee Share Acquisition Plan	2,378	93	-	-
At 30 June 2016 and 1 July 2016	1,126,131	21,937	(2,294)	(28)
Exercise of in-substance options	**-**	**-**	**206**	**1**
Dividends applied	**-**	**-**	**-**	**1**
Issue of ordinary shares under the Wesfarmers Dividend Investment Plan	**5,471**	**236**	**-**	**-**
Issue of ordinary shares under the Wesfarmers Employee Share Acquisition Plan	**2,238**	**92**	**-**	**-**
Transfer from other reserves	**-**	**3**	**-**	**-**
At 30 June 2017	**1,133,840**	**22,268**	**(2,088)**	**(26)**

7. Earnings per share

	CONSOLIDATED	
	2017	2016
Profit attributable to ordinary equity holders of the parent ($m)	**2,873**	407
WANOS[1] used in the calculation of basic EPS (shares, million)[2]	**1,128**	1,123
WANOS used in the calculation of diluted EPS (shares, million)[2]	**1,130**	1,125
- Basic EPS (cents per share)	**254.7**	36.2
- Diluted EPS (cents per share)	**254.2**	36.2

1. Weighted average number of ordinary shares.
2. The variance in the WANOS used in the calculation of the basic EPS and the diluted EPS is attributable to in-substance options.

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements, apart from the normal conversion of employee reserved shares (treated as in-substance options) to unrestricted ordinary shares.

Calculation of earnings per share

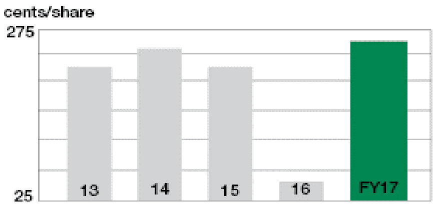
Basic earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share

Diluted earnings per share amounts are calculated per basic earnings per share with an adjustment for the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares. Dilution arises as a result of the employee reserved shares issued under the employee share plan being accounted for as in-substance options.

Earnings per share
254.7 cents



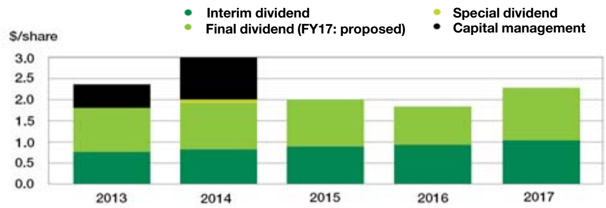
FY17	**254.7**
FY16[1]	36.2
FY15	216.1
FY14[2]	234.6
FY13	195.9

1 FY16 includes post-tax impairment of Target and Curragh ($1,844m)
2 FY14 includes post-tax impairment of Target ($677m)

8. Dividends and distributions

	CONSOLIDATED	
	2017 $m	2016 $m
Declared and paid during the year (fully-franked at 30 per cent)		
Interim dividend for 2017: $1.03 (2016: $0.91)	**1,165**	1,025
Final dividend for 2016: $0.95 (2015: $1.11)	**1,070**	1,247
	2,235	2,272
Proposed and unrecognised as a liability (fully-franked at 30 per cent)		
Final dividend for 2017: $1.20 (2016: $0.95)	**1,361**	1,070

Shareholder distributions



9. Cash flow hedge reserve

The change in cash flow hedge reserve for the year ended 30 June 2017 includes the after-tax net movement in the market value of cash flow hedges from 30 June 2016 and comprised: $(16) million (2016: $(3) million) of interest rate swaps, $44 million (2016: $(99) million) of foreign exchange rate contracts and a $(5) million (2016: $12 million) movement in associates and joint venture reserves.

10. Associates and joint arrangements

	CONSOLIDATED 2017 $m	2016 $m
Net profits from operations of associates	**117**	111
Other comprehensive (loss)/income of associates	**(7)**	15
Profit from operations of joint venture	**30**	3
Other comprehensive income/(loss) of joint venture	**7**	(7)
Total comprehensive income	**147**	122

Interests in joint arrangements

The Group recognises its share of the assets, liabilities, expenses and income from the use and output of its joint operations. The Group's investment in its joint venture is accounted for using the equity method of accounting.

Investments in associates

The Group's investments in its associates are accounted for using the equity method of accounting. The associates are entities in which the Group has significant influence and which are neither subsidiaries nor joint arrangements.

Interests in associates and joint arrangements

Associates	*Principal activity*	Ownership 2017 %	2016 %
Australian Energy Consortium Pty Ltd[1]	Oil and gas	**27.4**	27.4
Bengalla Coal Sales Company Pty Limited	Sales agent	**40.0**	40.0
Bengalla Mining Company Pty Limited	Management company	**40.0**	40.0
BWP Trust	Property investment	**24.8**	24.8
Gresham Partners Group Limited	Investment banking	**50.0**	50.0
Gresham Private Equity Funds	Private equity fund	**(a)**	(a)
iCiX International, Inc.	Information technology	**-**	20.0
Queensland Nitrates Management Pty Ltd	Chemical manufacture	**50.0**	50.0
Queensland Nitrates Pty Ltd	Chemical manufacture	**50.0**	50.0
Wespine Industries Pty Ltd	Pine sawmillers	**50.0**	50.0
Joint Operations	*Principal activity*		
Sodium Cyanide	Sodium cyanide manufacture	**75.0**	75.0
Bengalla	Coal mining	**40.0**	40.0
ISPT	Property ownership	**25.0**	25.0
Joint Ventures	*Principal activity*		
BPI NO 1 Pty Ltd	Property management	**(b)**	(b)

1. Australian Energy Consortium Pty Ltd has a 50.0 per cent interest in Quadrant Energy Holdings Pty Ltd.

(a) Gresham Private Equity Funds: Whilst the Group's interest in the unitholders' funds of Gresham Private Equity Fund No. 2 amounts to greater than 50.0 per cent, it is not a controlled entity as the Group does not have the practical ability to direct their relevant activities. Such control requires a unitholders' resolution of 75.0 per cent of votes pursuant to the Funds' trust deeds.

(b) BPI NO 1 Pty Ltd: Whilst the Group owns the only equity share in BPI NO 1 Pty Ltd, the Group's effective interest approximates 50.0 per cent and joint control is effected through contractual arrangements with the joint venture partner.

11. Business combinations

In February 2016, Wesfarmers acquired 100 per cent of Home Retail Group plc's holding in Homebase for £340 million (A$665 million). Homebase is based in the United Kingdom (UK) and operates as a home improvement and garden retail business in the UK and Republic of Ireland.

As at 30 June 2016, the acquisition accounting balances recognised were provisional due to ongoing work finalising valuations and tax related matters. There have been no changes to the provisional fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition from those disclosed in the 30 June 2016 financial statements.

As disclosed in the 2016 financial statements, it was not practicable to determine the profit of the Group had the combination taken place at 1 July 2015, as the fair value of the identifiable assets and liabilities was not known at that date. Assuming that the same fair values detailed in the 2016 financial statements were applied at 1 July 2015, the profit for the comparative year ended 30 June 2016 of the Group would not have been materially different from that reported.

12. Impairment

Recognised impairment
There was no material impairment recognised during the 2017 financial year.

Previously recognised impairment
During the 2016 financial year, the carrying value of both the Target CGU and Curragh CGU exceeded their respective recoverable amounts and a pre-tax impairment of $2,116 million ($1,844 million post-tax) was recognised in 'impairment expenses'.

The decrease in the recoverable amount of the Target CGU largely reflected Target's trading performance, short-term outlook and changes in its strategic plan. The impairment was predominantly recognised against Target's goodwill.

The decrease in the recoverable amount of Curragh reflected the continued deterioration in export coal price forecasts and long-term exchange rate assumptions. The impairment of Curragh was predominantly recognised against its plant, mineral lease and development assets.

Target and Curragh's respective recoverable values as at 30 June 2017 continue to approximate their carrying values.

Reversal of impairment
There were no material reversals of impairment during the 2017 financial year.

13. Contingent liabilities

Certain companies within the Group are party to various legal actions that have arisen in the normal course of business. It is expected that any liabilities arising from such legal action would not have a material effect on the Group's financial performance.

14. Events after the reporting period

Dividends
A fully-franked ordinary dividend of 120 cents per share resulting in a dividend of $1,361 million was declared for a payment date of 28 September 2017. The dividend has not been provided for in the 30 June 2017 full-year financial statements.

Kmart brand name acquisition
In August 2017, Kmart acquired the Kmart brand name in Australia and New Zealand, which was previously used by the business under a long-term licence agreement, for $100 million. The transaction is not expected to have a material impact on Kmart's earnings.

News Release

2017 Full-year Results

17 August 2017

Financial highlights

Full-year ended 30 June 2017	Variance to prior corresponding period: Reported	Excluding significant items[a]
Operating revenue of $68,444 million	3.7%	3.7%
Earnings before interest and tax of $4,402 million	227.0%	22.0%
Net profit after tax of $2,873 million	n.m.	22.1%
Basic earnings per share of $2.55	n.m.	21.6%
Operating cash flow per share (wanos, incl. res shares) of $3.74	25.0%	25.0%
Return on equity (R12) of 12.4 per cent	n.m.	2.8ppts
Full-year dividend (fully-franked) per share of $2.23	19.9%	19.9%

n.m. - not meaningful

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

Wesfarmers Limited has reported a net profit after tax (NPAT) of $2,873 million for the full-year ended 30 June 2017, an increase of $2,466 million on the prior year which included $1,946 million of significant items. Excluding the significant items recorded in the prior year, NPAT increased 22.1 per cent, while earnings per share increased 21.6 per cent to a record $2.55 per share. Return on equity (R12) increased to 12.4 per cent from 9.6 per cent (excluding significant items) in the prior year.

Managing Director Richard Goyder said it was pleasing to report a record level of earnings and operating cash flows, and a strong increase in return on equity for Wesfarmers for the 2017 financial year.

“The results achieved during the year demonstrated the strength of the Group’s conglomerate structure, as well as our focus on cash generation and capital efficiency,” Mr Goyder said.

“A strong recovery in the performance of the Industrials division reflected higher earnings across all three business units, and was driven in particular by higher coal prices and increased coal production in the Resources business. Retail earnings were also above the prior year, supported by continued strong momentum in Bunnings Australia and New Zealand (BANZ), Kmart and Officeworks.

“The Group’s capital management was again a highlight, with operating cash flows increasing $861 million to $4,226 million and the cash realisation ratio increasing to 102.1 per cent. Higher operating cash flows, lower net capital expenditure and the proceeds from the sale of Coles’ credit card receivables resulted in very strong free cash flows of $4,173 million and further strengthening of the Group’s balance sheet.

“Given the record earnings and strong cash flow performance for the year, the directors today declared a fully-franked final ordinary dividend of $1.20 per share, bringing the full-year ordinary dividend to $2.23 per share, 19.9 per cent above the prior year.”

Group results summary

Full-year ended 30 June ($m)	2017	2016	Variance %
Key financials			
Revenue	68,444	65,981	*3.7*
EBITDA	5,668	2,642	*114.5*
EBITDA (excluding significant items)[a]	5,668	4,903	*15.6*
EBIT	4,402	1,346	*227.0*
EBIT (excluding significant items)[a]	4,402	3,607	*22.0*
NPAT	2,873	407	*n.m.*
NPAT (excluding significant items)[a]	2,873	2,353	*22.1*
Return on equity (excluding significant items)[a] (R12, %)	12.4	9.6	*2.8ppts*
Cash flow			
Operating cash flow	4,226	3,365	*25.6*
Net capital expenditure	1,028	1,336	*(23.1)*
Free cash flow	4,173	1,233	*238.4*
Cash realisation ratio[b,c] (%)	102.1	94.9	*7.2ppts*
Share data (cents per share)			
Earnings per share	254.7	36.2	*n.m.*
Earnings per share (excluding significant items)[a]	254.7	209.5	*21.6*
Operating cash flow per share (wanos, incl. res shares)	374.1	299.2	*25.0*
Full-year ordinary dividend	223	186	*19.9*
Balance sheet and gearing			
Net financial debt[d]	4,321	6,537	*(33.9)*
Interest cover (cash basis)[e] (R12, times)	25.0	16.8	*48.8*
Fixed charges cover[e] (R12, times)	3.1	2.7	*14.8*

n.m. - not meaningful

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

[b] 2016 excludes post-tax non-cash impairments of $1,249 million relating to Target and $595 million relating to Curragh.

[c] Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and non-trading items.

[d] Interest bearing liabilities less cash at bank and on deposit, net of cross currency interest rate swaps and interest rate swap contracts.

[e] 2016 excludes pre-tax non-cash impairments of $2,116 million relating to Target ($1,266 million) and Curragh ($850 million).

Divisional earnings summary

Full-year ended 30 June ($m)	2017	2016	Variance %
EBIT			
Coles[a]	1,609	1,860	*(13.5)*
Home Improvement[b]	1,245	1,214	*2.6*
Department Stores[c]	543	275	*97.5*
Officeworks	144	134	*7.5*
Industrials[d]	915	47	*n.m.*
Divisional EBIT	**4,456**	**3,530**	***26.2***
Other	(54)	(68)	*20.6*
Non-trading items (NTIs)[e]	-	(2,116)	*100.0*
Reported EBIT	**4,402**	**1,346**	***227.0***

n.m. - not meaningful

[a] 2017 includes $39 million profit on sale of Coles' interest in a number of joint venture properties to ISPT.

[b] Includes trading for Homebase from acquisition on 28 February 2016.

[c] 2017 includes $13 million of restructuring costs associated with the planned relocation of Target's store support office. 2016 includes $145 million of restructuring costs and provisions to reset Target.

[d] 2017 includes $22 million profit on sale of land for WesCEF and $33 million relating to WesCEF's share of revaluation gains in Quadrant Energy. 2016 includes $32 million of costs associated with the decision to cease PVC manufacturing for WesCEF and $35 million of restructuring costs for Industrial and Safety.

[e] 2016 includes pre-tax non-cash impairments of $2,116 million relating to Target ($1,266 million) and Curragh ($850 million).

Performance overview - Divisional

Coles

Coles' earnings decreased 13.5 per cent to $1,609 million for the full year, with revenue broadly in line with the prior year. Food and liquor recorded sales growth of 2.0 per cent, with comparable sales growth of 1.0 per cent building on the strong growth achieved in the prior year.

"In a very competitive environment, Coles invested in value, service, and better quality and availability in Fresh, to deliver continued growth in sales," Mr Goyder said. "Coles continued to execute its customer-led strategy, which it expects will provide a platform for sustainable growth in earnings and return on capital over the long term.

"The Coles Liquor transformation was progressed through investments in price, range and the quality of the store network, with the business achieving its second consecutive year of positive sales growth. The Convenience business reported lower revenue due to lower fuel volumes while store sales continued to grow."

Home Improvement

Earnings for the Home Improvement division increased 2.6 per cent to $1,245 million, with strong growth in BANZ partially offset by the performance of Homebase in the United Kingdom and Ireland.

BANZ delivered earnings growth of 10.0 per cent to $1,334 million, on revenue growth of 8.9 per cent. The earnings result included one-off store closure provisions recognised in the first half, relating to the agreement with Home Consortium for new Bunnings stores, and a high level of non-cash writedowns in the second half relating to future network changes and in-store display assets.

"BANZ had another very successful year, recording strong growth in both earnings and return on capital," Mr Goyder said. "The results achieved reflect the business' established market position and broad strategic agenda to deliver sustainable long-term value."

Bunnings United Kingdom and Ireland (BUKI) reported a loss before interest and tax of £54 million ($89 million) and revenue of £1,229 million ($2,072 million) in the first full financial year since the acquisition of Homebase.

"While significant transition, separation and integration activity was undertaken throughout the year to progress the acquisition agenda, the volume and pace of repositioning Homebase affected store execution and consequently trading performance," Mr Goyder said. "The first four Bunnings pilot stores were opened during the year, and early indications are that the format is resonating well with customers."

Department Stores

Earnings for the Department Stores division increased 97.5 per cent to $543 million, driven by continued strong growth in Kmart and improved performance in Target.

Kmart's earnings increased 17.7 per cent to $553 million on revenue growth of 7.5 per cent.

"Kmart delivered another very strong result, with improvements in merchandising and the store network, as well as investments in lowering prices continuing to resonate well with customers," Mr Goyder said. "Strong capital disciplines also contributed to a pleasing improvement in return on capital to 43.7 per cent."

Target reported a loss before interest and tax of $10 million compared to a loss of $195 million in the prior year, with revenue declining 14.6 per cent. Excluding $145 million of restructuring costs in the prior year, and $13 million of costs associated with the planned relocation of Target's store support office in the current year, underlying earnings were $3 million, $53 million above the prior year.

"Good cost control and improved inventory management delivered an increase in earnings and strong cash flow results for the year," Mr Goyder said. "While decisive steps were taken during the year to transition the business to everyday low prices, exit unprofitable categories, and improve merchandising and sourcing, there remains considerable work to complete the transformation of the business."

Officeworks

Officeworks' earnings of $144 million were 7.5 per cent higher than the prior year, with revenue growth of 6.1 per cent.

"Officeworks continued to grow its earnings and improve its return on capital through the successful execution of its 'every channel' strategy," Mr Goyder said. "Customers continued to respond positively to ongoing investments in price and merchandise ranges, and enhancements to the store environment and online offer."

Industrials

Earnings for the Industrials division increased $868 million to $915 million, with higher earnings recorded across all three business units.

Earnings for the Chemicals, Energy and Fertilisers (WesCEF) business of $395 million included a one-off profit on the sale of land of $22 million and $33 million relating to WesCEF's share of revaluation gains in Quadrant Energy. Excluding these one-off gains and costs associated with the closure of PVC manufacturing in the prior year, underlying earnings increased 4.3 per cent to $340 million.

"WesCEF achieved a solid result for the year, driven by strong performances from both the Chemicals and Energy businesses," Mr Goyder said. "Fertiliser earnings were lower due to the negative impact of poorer seasonal conditions on volumes and margins."

The Industrial and Safety business recorded earnings of $115 million, with revenue 3.7 per cent below last year. Excluding $35 million of restructuring costs in the prior year, the business achieved underlying earnings growth of 17.3 per cent.

"While full-year revenue declined due to ongoing challenging market conditions, it was pleasing to see an improved sales trend in Blackwoods during the second half of the financial year," Mr Goyder said. "Higher earnings were delivered through improved category management and pricing disciplines, as well as cost savings achieved through the 'Fit for Growth' program."

The Resources business recorded earnings of $405 million, $715 million above the prior year, with revenue increasing 73.2 per cent.

"The increase in Resources earnings reflected a significant increase in export coal prices and strong production results," Mr Goyder said. "Higher production at Curragh was delivered through a continued focus on productivity, a revised mine plan and the opportunistic use of contractor fleet."

Performance overview – Group

Other businesses and corporate overheads reported a net expense of $54 million for the year, compared to an expense of $68 million in the prior year. Within this result, corporate overheads of $125 million were broadly in line with the prior year.

Operating cash flows of $4,226 million were $861 million higher than last year, largely driven by higher earnings as well as a favourable working capital movement. The cash realisation ratio increased 7.2 percentage points to 102.1 per cent.

Gross capital expenditure of $1,681 million was $218 million lower than the prior year, reflecting fewer store openings in BANZ, reduced refurbishment activity in Target, and lower capital expenditure across the Industrials division. Proceeds from disposals of $653 million were $90 million higher than the previous year due to the divestment of Coles' interest in a number of joint venture properties to ISPT and the sale of land by WesCEF. The resulting net capital expenditure of $1,028 million was 23.1 per cent lower than the prior year.

Strong operating cash flows, lower net capital expenditure and proceeds of $947 million from the sale of Coles' credit card receivables resulted in free cash flows of $4,173 million. Excluding the Coles credit card transaction, and the acquisition of Homebase in the prior year, free cash flows increased by 70.0 per cent or $1,328 million.

Outlook

Given Wesfarmers' diverse business operations and strong balance sheet, the Group remains generally optimistic in its outlook. Across the Group's retail portfolio, continued growth in earnings is expected to be driven by ongoing improvements in merchandising and service, further enhancements to the customer experience both in stores and online, and investments in value supported by operational efficiencies. The Group's Industrials businesses will continue to focus on operational efficiencies and diversification of revenues.

In a very competitive environment, sales and margin pressures in Coles are expected to persist. Within this environment, Coles will focus on plans to further enhance the quality of its fresh offer, and improve merchandising and availability, while continuing to drive operational efficiencies to support investments in value and service. Coles will also seek to grow new channels and services, while continuing to improve its store network.

Within Home Improvement, the outlook for BANZ is particularly positive given current trading momentum across all regions and categories, and the business' established market position. BANZ has a broad strategic agenda to drive further growth by creating better experiences for customers, strengthening the core of the business and achieving greater brand reach, both physically and digitally. In BUKI, while store execution in Homebase is expected to improve, trading is anticipated to remain challenging, particularly in the short term, as customers continue to adjust to the new offer. Disruption will also continue as the business progressively transitions to Bunnings and the store network is optimised over time.

Within Department Stores, Kmart will continue to drive growth by delivering better products at lower prices, and investing in its store network, while Target will progress its transformation plan to deliver further improvements in its performance.

Officeworks will continue to implement its 'every channel' strategy to drive growth both in stores and online.

WesCEF's earnings remain subject to international commodity prices, exchange rates and seasonal outcomes. Earnings for the Chemicals business will be affected by an anticipated oversupply in the Western Australian explosive grade ammonium nitrate market, although good work has been undertaken to secure new contracts for ammonium nitrate and emulsion. Sales momentum in Energy is expected to remain solid despite increased competition in the natural gas retailing market.

Following its recent strategic reset, Industrial and Safety is well positioned to grow across different market sectors and drive additional operating efficiencies.

The Resources business will remain focused on strong operational productivity and cost control in an environment where higher obligations to Stanwell are expected to negatively affect the results for the 2018 financial year and coal prices are expected to remain volatile.

The Group's cash generative portfolio, capital disciplines and strong balance sheet position it well to take advantage of growth opportunities, if and when they arise, where satisfactory returns to shareholders can be achieved. Wesfarmers will also continue to evaluate opportunities to create shareholder value through the proactive management of its portfolio, including through the current strategic review of the Resources business. There is no certainty that this review will result in a transaction and an update will be provided to the market if and when appropriate.

For further information:

More detailed information regarding Wesfarmers' 2017 full-year results can be found in Wesfarmers' Appendix 4E – Preliminary Final Report for the year ended 30 June 2017.

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Wesfarmers

DIVISIONAL PERFORMANCE REVIEW AND OUTLOOK

CASH FLOW, FINANCING AND DIVIDENDS

APPENDICES

1. 2017 full-year and fourth quarter retail sales results – headline retail sales results
2. 2017 fourth quarter and full-year retail sales results – key metrics
3. Retail operations – store network
4. Five-year history – financial performance and key metrics

DIVISIONAL PERFORMANCE REVIEW AND OUTLOOK

Coles

Full-year ended 30 June ($m)		2017	2016	Variance %
Revenue[a]		**39,217**	**39,242**	***(0.1)***
EBITDA[b]		2,256	2,475	*(8.8)*
Depreciation and amortisation		(647)	(615)	*(5.2)*
EBIT[b]		**1,609**	**1,860**	***(13.5)***
EBIT margin[b] (%)		4.1	4.7	
RoC (R12, %)		9.7	11.2	
Safety (R12, LTIFR)		8.8	8.4	
Food & Liquor	Revenue[a]	**33,084**	**32,564**	***1.6***
	Headline sales growth[c,d] (%)	2.0	5.1	
	Comparable sales growth[c,d] (%)	1.0	4.1	
	Inflation/(deflation)[d]	(0.8)	(1.7)	
Convenience	Revenue	**6,133**	**6,678**	***(8.2)***
	Total convenience store sales growth[d] (%)	4.6	11.1	
	Comparable fuel volume growth[d] (%)	(16.0)	(7.9)	

[a] Includes property revenue for 2017 of $16 million and for 2016 of $25 million.
[b] Includes property EBIT for 2017 of $57 million and for 2016 of $17 million.
[c] Includes hotels, excludes gaming revenue and property.
[d] See footnotes within Appendix One for relevant retail calendars.

Performance review

Coles' operating revenue of $39,217 million for the year was in line with the prior corresponding period, with EBIT declining 13.5 per cent to $1,609 million. Within this result, earnings benefited from a one-off profit of $39 million related to the sale of Coles' interest in a number of joint venture properties to ISPT. This was partially offset by lower Financial Services earnings following the sale of Coles' credit card receivables to Citi on 1 February 2017.

Food and Liquor

Food and Liquor reported revenue of $33,084 million, an increase of 1.6 per cent on the prior year.

Headline food and liquor sales for the year[1] were 2.0 per cent above the prior year. Comparable food and liquor sales increased 1.0 per cent, with comparable food sales also increasing 1.0 per cent.

For the fourth quarter[1], headline food and liquor sales increased 2.3 per cent to $7,982 million. Comparable food and liquor sales increased 1.2 per cent, with comparable food sales growth of 1.0 per cent. Adjusting for the later timing of Easter in the 2017 financial year, comparable food and liquor sales grew 0.7 per cent for the quarter[1], with comparable food sales increasing 0.6 per cent.

Coles' strategic focus in the 2017 financial year was one of improving each element of the customer offer, including pricing, range, service, quality, and availability to ensure Coles maintains its strong market position in a highly competitive market. The investment during the year was made with the intention of providing long-term sustainable benefits for both customers and shareholders.

Food and liquor price deflation was 0.8 per cent for the year[1] and also 0.8 per cent for the fourth quarter[1]. Price deflation continued despite cost inflation in meat and fresh produce due to seasonal factors throughout the year, and supply disruptions in the fourth quarter as a result of Cyclone Debbie. The 2017 financial year marks the eighth consecutive year of Coles lowering prices for customers, with cumulative deflation of 8.2 per cent recorded since the 2009 financial year.

Coles continued to progress the simplification of its range which drove improvements in product innovation and availability, resulting in a better shopping experience for customers. The 2017 financial year also saw significant levels of investment in customer service through additional in-store hours and team member training, further strengthening Coles' customer-focused culture.

[1] See footnotes within Appendix One for relevant retail calendars.

Fresh remains a significant opportunity for Coles and the business has made significant progress in the quality of both its fresh produce and meat through a strict adherence to high standards for sustainable and ethical sourcing.

Investments in new services and channels remained a focus during the year, as Coles continued to enhance its online offers across both the Food and Liquor businesses. Coles Online achieved double digit sales growth in the 2017 financial year while continuing to improve its customer experience. Coles also completed a ten year credit card distribution agreement with Citi, providing a solid platform for the ongoing strong growth of Coles credit cards.

During the year, Coles continued to optimise and improve its supermarket network, with 22 supermarkets opened, eight closed and 46 renewals completed.

Liquor achieved positive sales growth for the second consecutive year. Liquorland performance has led the improvement in sales trends, with considerable work completed to improve price competitiveness, range and the quality of the store network, including more than 380 renewals completed through the transformation. The Liquor Market trial has been expanded to four stores across two states and will continue to be monitored.

At 30 June 2017, Coles had a total of 801 supermarkets, 883 liquor stores and 89 hotels.

Convenience

Coles Express reported revenue of $6,133 million for the year, 8.2 per cent lower than the previous year due to lower fuel volumes. While revenue declined, the business focused on efficiencies and the product mix to deliver an appropriate return.

Total convenience store sales increased 4.6 per cent for the year[2], or 1.7 per cent on a comparable store basis. For the fourth quarter[2], convenience store sales increased 4.7 per cent, with comparable store sales increasing 2.4 per cent. Growth in convenience store sales continued to be driven by an expansion of ‘Big Yum at Little Coles’ and the overall food-to-go offering.

Total fuel volumes for the year[2] declined 13.6 per cent, with comparable volumes declining 16.0 per cent. Total fuel volumes decreased 15.4 per cent during the fourth quarter[2], with comparable volumes down 16.6 per cent on the prior corresponding period.

During the year, Coles Express continued to focus on providing a leading shop offer, and a competitive fuel offer, while dealing with changes in the commercial terms with its alliance partner.

At 30 June 2017, there were 702 Coles Express sites.

Outlook

The operating environment in the first half of the 2018 financial year is expected to remain highly competitive and Coles’ earnings are expected to be affected by the annualisation of the significant investments made in the customer offer in the second half of the 2017 financial year. In addition, property earnings are expected to be lower due to the one-off nature of the gain associated with the sale of Coles’ interest in a number of joint venture properties to ISPT in the 2017 financial year, while Financial Services earnings are expected to be lower as a result of the sale of Coles’ credit card receivables to Citi.

Coles is confident that its strategy to improve each element of its customer offer is the right one, at a time when economic conditions are placing pressure on household budgets and competition is increasing. Coles will continue to execute a customer-led strategy, which it expects will provide a platform for sustainable growth in earnings and return on capital over the long term.

With the third year of the transformation complete in Liquor, there remains further opportunity for improvements across all brands. The business will progress the transformation through a focus on simplifying ranges, supply chain and store operations, in addition to building on positive sales momentum through an improved customer offer.

Coles Express remains committed to network growth with its alliance partner and will seek to continue to grow shop sales through a compelling and unique offer.

[2] See footnotes within Appendix One for relevant retail calendars.

Home Improvement

Full-year ended 30 June ($m)	2017	2016	Variance %
Revenue[a]	**13,586**	**11,571**	***17.4***
EBITDA[a,b]	1,463	1,383	*5.8*
Depreciation and amortisation[a]	(218)	(169)	*(29.0)*
EBIT[a,b]	**1,245**	**1,214**	***2.6***
EBIT margin[a,b] (%)	9.2	10.5	
RoC[a] (R12, %)	30.3	33.7	
Bunnings Australia and New Zealand			
- EBIT ($m)	1,334	1,213	*10.0*
- RoC (R12, %)	41.8	36.6	
- Safety (R12, AIFR)	18.8	22.6	
- Total store sales growth[c] (%)	8.9	11.1	
- Store-on-store sales growth[c] (%)	7.3	8.1	

[a] 2016 includes trading for Homebase from acquisition on 28 February 2016.

[b] Includes one-off transition and restructuring costs for Homebase of £19 million ($33 million) in 2017 and £13 million ($25 million) in 2016.

[c] See footnotes within Appendix One for relevant retail calendars.

Performance review

Revenue for the Home Improvement division increased by 17.4 per cent to $13,586 million, driven by the full-year contribution from BUKI, which was acquired on 28 February 2016, and strong growth in BANZ. Earnings for the division of $1,245 million were 2.6 per cent higher than the prior corresponding period.

Bunnings Australia and New Zealand (BANZ)

Operating revenue from BANZ increased 8.9 per cent to $11,514 million. Total store sales growth of 8.9 per cent was achieved during the year[3], underpinned by an increase of 7.3 per cent in store-on-store sales. BANZ recorded EBIT of $1,334 million, an increase of 10.0 per cent on the prior corresponding period.

Sales growth was achieved in both consumer and commercial markets, across all major trading regions and product categories. Despite periods of mixed trading conditions throughout the year, resulting from adverse weather and competitor liquidation activity, the underlying business momentum delivered strong growth.

Total sales in the fourth quarter[3] increased 11.4 per cent and total store sales were up 11.7 per cent, assisted by favourable weather conditions. Store-on-store sales increased 10.4 per cent in the fourth quarter[3].

Strong business momentum reflected a continued focus on delivering a strategic agenda aimed at creating long-term customer value. Earnings growth was supported by disciplined cost control and further positive outcomes on property divestments which benefited from continued favourable market conditions. This was partially offset by higher store closure provisions within BANZ's trading results, arising from the agreement with Home Consortium for new sites, together with additional writedowns in the second half related to future network changes and in-store display assets.

Further investment in store upgrades and category refresh works was supported by a disciplined capital expenditure program. The strong earnings growth and capital management resulted in an increase in return on capital of 517 basis points.

During the period, 18 trading locations were opened, including nine new Bunnings Warehouse stores, eight smaller format stores and one trade centre. At the end of the year, there were 249 warehouses, 77 smaller format stores and 33 trade centres in the BANZ network.

Outlook

In Australia and New Zealand, Bunnings is focused on driving growth, creating better experiences for customers and the wider community, and strengthening the core of the business. Achieving greater brand reach, both digitally and physically, is a core work area which includes further expansion of Bunnings' digital ecosystem, opening new stores and reinvesting in the existing network.

[3] See footnotes within Appendix One for relevant retail calendars.

Positive trading momentum is expected to continue in the 2018 financial year, supported by ongoing investments in lower prices to deliver more customer value, ongoing range innovation and increased customer service.

Access to the majority of the former Masters sites remains dependent on the outcome of the valuation process between the two joint venture partners. In the meantime, agreements have been reached with landlords of two stores and conversions are well progressed.

Bunnings United Kingdom and Ireland (BUKI / Homebase)

BUKI reported operating revenue of £1,229 million ($2,072 million) and a loss before interest and tax of £54 million ($89 million) in the first full financial year of trading since acquisition. The result included £19 million ($33 million) of transition and restructuring costs, including costs associated with the establishment of the Bunnings brand in the United Kingdom and Ireland and the pilot store program. During the year, purchase price adjustments were applied to the costs of clearing discontinued ranges, the depreciation associated with IT-related assets, which were written down to fair value at the time of the acquisition, and onerous Transitional Service Agreement (TSA) contracts with Home Retail Group.

Trading during the period was affected by significant disruption as Homebase commenced its repositioning to a core home improvement and garden offer. This repositioning is part of phase one of the post-acquisition plan, ‘Building strong business foundations’, and was supported by investments in wider product ranges, price and greater stock depth. The volume and pace of repositioning activity affected store execution and consequently trading performance.

Sales of kitchen and bathroom products were particularly disrupted by these changes, as well as by the decision to cease installation and in-home services. Sales growth in other core home improvement and garden categories was encouraging, but was insufficient to offset the decline in kitchen and bathroom sales as well as the exit of non-core ranges such as soft-furnishings and indoor furniture.

Total sales decreased 6.8 per cent, in local currency terms, for the fourth quarter[4], with store-on-store sales declining 4.3 per cent despite transaction numbers increasing 3.2 per cent. Lower sales were a result of price deflation and declines experienced across the higher value kitchen and bathroom categories.

Significant transition, separation, and integration activity was undertaken throughout the year to progress the acquisition agenda. Standalone solutions were developed for a range of business functions previously provided under a TSA. All services have now been separated from the previous owner with the exception of the IT Data Centre, which will be completed in the first quarter of the 2018 financial year.

Activity to build trust and develop an engaged, focused and committed team continued during the period. Investments were made in team member development and customer service training, with all activity aligned to building a high-performance culture in the United Kingdom and Ireland.

Four Bunnings Warehouse pilot stores were opened during the period. Early performance has been encouraging, with the stores generating strong engagement with customers, team members, suppliers, and local communities. Including the Bunnings Warehouses, there were 255 stores in the BUKI network at the end of the year.

Outlook

Significant focus and attention is being applied to strengthen the leadership and talent across the business in order to support improved Homebase store execution and provide the necessary capacity for the development of Bunnings in the United Kingdom and Ireland. Other significant areas of focus will include the relaunch of the kitchen and bathroom offers, and pilot store development and proof of concept. Fifteen to 20 pilot stores are expected to be either trading or nearing completion by 31 December 2017, subject to relevant approvals.

Despite the significant work completed since acquisition, the business is still in the very early stages of formation, with long-term success predicated on the broad roll-out of the Bunnings format. The historical poor performance of Homebase is expected to continue in the short term, despite improvements in range and value, with customers continuing to adjust to the new offer. Until the Bunnings roll-out reaches sufficient scale, business performance will also continue to be negatively affected by disproportionate non-operating costs and disruptions associated with new store openings.

[4] See footnotes within Appendix One for relevant retail calendars.

Department Stores

Kmart

Full-year ended 30 June ($m)	2017	2016	Variance %
Revenue	**5,578**	**5,190**	***7.5***
EBITDA	665	571	*16.5*
Depreciation and amortisation	(112)	(101)	*(10.9)*
EBIT	**553**	**470**	***17.7***
EBIT margin (%)	9.9	9.1	
RoC (R12, %)	43.7	37.7	
Safety (R12, LTIFR)	6.0	6.7	
Total sales growth[a] (%)	7.9	13.5	
Comparable sales growth[a] (%)	4.2	10.5	

[a] See footnotes within Appendix One for relevant retail calendars.

Performance review

Kmart's revenue increased 7.5 per cent on the prior year to $5,578 million, with EBIT growing 17.7 per cent to $553 million. Total sales growth of 7.9 per cent was achieved during the year[5], with comparable sales increasing by 4.2 per cent.

Sales growth was driven by increased customer transactions and higher units sold per customer. Product ranges and everyday low prices continued to resonate well with customers with growth delivered across all categories.

In the fourth quarter[5], sales increased by 9.8 per cent to $1,372 million, with comparable sales increasing 4.7 per cent. These results were supported by events including Easter and Mother's Day as well as further investments in lower prices. Adjusting for the later timing of Easter in the 2017 financial year, comparable sales increased 3.0 per cent for the quarter[5].

Kmart delivered another year of strong earnings growth through improved inventory management, enhanced product ranges, productivity improvements across stores and the supply chain and sourcing benefits. Growth in earnings, combined with a continued focus on working capital management, resulted in an improvement of 596 basis points in return on capital to 43.7 per cent.

Kmart continued to invest in its store network, opening 11 new stores, including two Target store conversions, and completing 33 store refurbishments during the year. There were 220 Kmart stores as at 30 June 2017.

Kmart Tyre & Auto Service ended the financial year with 251 service centres, after opening seven new centres and closing four centres.

Outlook

The business will continue to drive sustainable growth through a focus on making Kmart a great place to shop that is simple to run and delivering better products at lower prices. Further investments in price will be made to drive volume and maintain Kmart's price leadership position in the market. The business is well positioned for the 2018 financial year, with inventory in good shape and core everyday ranges performing well.

Continued investment in the store network is expected to deliver 10 new stores and the completion of 35 store refurbishments in the 2018 financial year.

In August 2017, the business acquired the rights to the Kmart brand name in Australia and New Zealand, which was previously used by the business under a long-term licence agreement, for $100 million. The transaction is not expected to have a material impact on Kmart's earnings.

[5] See footnotes within Appendix One for relevant retail calendars.

Target

Full-year ended 30 June ($m)	2017	2016	Variance %
Revenue	**2,950**	**3,456**	***(14.6)***
EBITDA[a]	74	(105)	*n.m.*
Depreciation and amortisation	(84)	(90)	*6.7*
EBIT[a]	(10)	(195)	*n.m.*
EBIT excluding significant items[a,b]	**3**	**(50)**	***n.m.***
EBIT margin excluding significant items[a,b] (%)	0.1	(1.4)	
RoC (R12, %)	(1.0)	(8.2)	
Safety (R12, LTIFR)	2.9	4.5	
Total sales growth[c] (%)	(14.5)	0.2	
Comparable sales growth[c] (%)	(14.9)	(0.4)	

n.m. - not meaningful

[a] 2016 excludes a pre-tax non-cash impairment of $1,266 million.

[b] 2017 excludes $13 million of restructuring costs associated with the planned relocation of Target's store support office. 2016 excludes $145 million of restructuring costs and provisions to reset Target.

[c] See footnotes within Appendix One for relevant retail calendars.

Performance review

The 2017 financial year was a transitional year which reflected the decisive actions taken to transform Target, including a reset of the sales base and a reduction of the cost base. Target's revenue for the year was $2,950 million, a decrease of 14.6 per cent on the prior corresponding period. Reported earnings increased by $185 million to a loss of $10 million, which included $13 million of restructuring costs associated with the planned relocation of Target's store support office. Excluding the restructuring costs in the 2017 financial year, and $145 million of restructuring costs in the 2016 financial year, underlying EBIT increased $53 million to $3 million.

Target's total sales decreased 14.5 per cent during the year[6], with comparable sales declining by 14.9 per cent. For the fourth quarter[6], total sales decreased 3.3 per cent, with comparable sales declining 3.2 per cent. Adjusting for the later timing of Easter in the 2017 financial year, comparable sales decreased 4.6 per cent for the fourth quarter[6].

During the year, further progress was made to transition the business to everyday low prices, with prices lowered, loss making products removed, unprofitable events exited including the annual Toy Sale, and levels of promotional activity reduced. Buying programs were significantly reset which, due to lead times, affected the availability of seasonal stock and the levels of fashionability.

Improved merchandise disciplines and planning processes, supported by investments in systems, delivered SKU reductions, lower levels of inventory, increased levels of direct sourcing and factory consolidation. Good progress was made to reduce costs, including the streamlining of the supply chain, restructuring the store support office and improved store productivity.

Improved working capital management and moderated levels of capital expenditure supported higher free cash flows for the year.

Target's store network plan was reviewed, existing renewal stores reset, and range and space trials commenced. Target opened one new store during the year and closed four stores, including two conversions to Kmart. There were 303 Target stores as at 30 June 2017.

Outlook

The 2018 financial year will continue to reflect the significant transition underway in the business towards fashionable home, kidswear, and womenswear offers, supported by improved merchandise disciplines and quality of sales. The focus on end-to-end costs will continue, with increased levels of direct sourcing and continued improvements in operational efficiency. Renewal and space and range trials will be progressed and five new stores will be launched. Working capital efficiency and cash flow generation will continue to be a focus.

[6] See footnotes within Appendix One for relevant retail calendars.

Officeworks

Full-year ended 30 June ($m)	2017	2016	Variance %
Revenue	**1,964**	**1,851**	***6.1***
EBITDA	168	156	*7.7*
Depreciation and amortisation	(24)	(22)	*(9.1)*
EBIT	**144**	**134**	***7.5***
EBIT margin (%)	7.3	7.2	
RoC (R12, %)	14.7	13.5	
Safety (R12, AIFR)	12.0	15.9	
Total sales growth[a] (%)	6.1	8.1	

[a] See footnotes within Appendix One for relevant retail calendars.

Performance review

Officeworks' revenue increased 6.1 per cent to $1,964 million. Earnings of $144 million were 7.5 per cent higher than the prior corresponding period.

Officeworks' 'every channel' strategy continued to resonate with customers, with sales growth achieved across stores and online. Total sales increased 6.1 per cent for the year[7]. In the fourth quarter[7], sales increased 3.5 per cent, with the results negatively affected by the later timing of Easter compared to the prior corresponding period.

Growth in sales and earnings was driven by store layout and design changes, new and expanded product ranges, and ongoing enhancements to the online offer. A relentless focus on providing great customer service, both in stores and online, and ongoing price investment to strengthen the value proposition also contributed to the result.

Strong momentum in the business-to-business segment was maintained as an increasing number of micro, small and medium-sized business customers responded favourably to Officeworks' 'every channel' offer.

Strong sales growth, effective cost control and disciplined capital management delivered an increase in the return on capital of 121 basis points to 14.7 per cent.

Ongoing investment in stores and online, to support the future growth of the business, was reflected in a strong capital expenditure program for the year.

Six new stores were opened during the year, and at the end of June 2017 there were 164 stores operating across Australia.

Outlook

Officeworks will continue to drive growth and productivity by executing its strategic agenda. Key focus areas in the 2018 financial year will include continuing to strengthen and expand the customer offer, extending its 'every channel' reach even further, enhancing productivity and efficiency, investing in the talent, diversity and safety of the team, and making a positive difference in the community.

Competitive intensity is expected to remain high, but Officeworks is well placed to continue to drive growth in this environment.

[7] See footnotes within Appendix One for relevant retail calendars.

Industrials

Chemicals, Energy and Fertilisers

Full-year ended 30 June ($m)	**2017**	**2016**	**Variance %**
Revenue			
Chemicals	813	910	*(10.7)*
Energy[a]	368	325	*13.2*
Fertilisers	458	585	*(21.7)*
Total	**1,639**	**1,820**	***(9.9)***
EBITDA	472	400	*18.0*
Depreciation and amortisation	(77)	(106)	*27.4*
EBIT	**395**	**294**	***34.4***
EBIT excluding significant items[b]	**340**	**326**	***4.3***
External sales volume[c] ('000 tonnes)			
Chemicals	979	1,021	*(4.1)*
LPG	103	120	*(14.2)*
Fertilisers	956	1,080	*(11.5)*
RoC (R12, %)	27.4	18.9	
Safety (R12, LTIFR)	0.7	3.2	

[a] Includes interest revenue from Quadrant Energy loan notes and excludes intra-division sales.
[b] 2017 excludes a profit on sale of land of $22 million and $33 million relating to WesCEF's share of revaluation gains in Quadrant Energy. 2016 excludes $32 million of one-off restructuring costs associated with the decision to cease PVC manufacturing.
[c] External sales exclude AN volumes transferred between chemicals and fertilisers business segments.

Performance review

Revenue of $1,639 million was 9.9 per cent below last year due to declines in Chemicals and Fertilisers revenue. Chemicals revenue declined due to lower PVC volumes following the change to an import model, and lower ammonia prices which affected ammonium nitrate sales prices as well as ammonia revenue. Fertiliser sales volumes were lower due to a dry start to the 2017 season. Growth in natural gas and electricity revenue contributed to growth in Energy revenue.

Reported EBIT of $395 million was 34.4 per cent higher than the prior year, including a $22 million profit on sale of land and $33 million relating to WesCEF's share of revaluation gains in Quadrant Energy in the current year, and $32 million of one-off costs associated with the cessation of PVC manufacturing in the prior year. Excluding these significant items, EBIT increased 4.3 per cent to $340 million.

Pleasingly, safety performance improved significantly during the year, with an LTIFR of 0.7 compared to 3.2 last year.

Chemicals

The ammonium nitrate business continued its strong performance with all three plants operating at close to full capacity for the majority of the year. The business benefited from declines in ammonia input pricing in the first half which were largely passed through to customers in the second half.

Earnings from the ammonia business decreased due to a series of unplanned shutdowns in the first half of the year and lower global ammonia pricing.

Sodium cyanide earnings were marginally higher than the previous year due to higher domestic sales volumes and lower raw material costs, largely offset by increased competition in export markets and a higher Australian dollar.

QNP earnings were negatively affected by disruptions caused by Cyclone Debbie.

Australian Vinyls' earnings, excluding one-off closure costs of $32 million in the prior year, increased due to the cessation of PVC manufacturing and the associated reduction in plant depreciation.

Energy

Kleenheat achieved earnings growth across all business segments. Higher earnings were driven by an increase in the Saudi CP (the international benchmark pricing indicator for LPG), improvements in the LPG and LNG sales mix, growth in natural gas retailing and lower operating costs.

Fertilisers

Fertiliser earnings declined compared to the very strong earnings delivered in the 2016 financial year. Despite a strong start to the 2017 financial year and a record 2016 harvest, a very dry autumn across large parts of Western Australia resulted in a decline in sales volumes during the year. Margins were also weaker than the prior year.

Outlook

Chemicals, Energy and Fertilisers will continue to focus on maintaining strong operational performance and developing new business opportunities, including through the use of technology and innovation. Earnings will remain subject to international commodity prices, exchange rates, competitive factors and seasonal outcomes.

Earnings for the Chemicals business in the 2018 financial year will be affected by an anticipated oversupply in the Western Australian explosive grade ammonium nitrate market. Good work has been undertaken to secure new contracts for ammonium nitrate and emulsion, with the new emulsion plant due to be commissioned in the 2018 financial year. New opportunities to maximise and optimise sales will also be pursued.

Kleenheat's earnings remain dependent upon international LPG prices and LPG content in the Dampier to Bunbury natural gas pipeline. The upcoming year will see increased competition in the natural gas retailing market, but Kleenheat is well positioned to maintain solid sales momentum.

Fertiliser earnings will remain dependent upon a good seasonal break in the second half of the financial year when the majority of sales occur. Compared to the same time last year, on-farm fertiliser stock levels are higher and farmer sentiment is less positive due to the unseasonal dry conditions in significant parts of the Western Australian agricultural region.

Industrial and Safety

Full-year ended 30 June ($m)	2017	2016	Variance %
Revenue	**1,776**	**1,844**	***(3.7)***
EBITDA	158	105	*50.5*
Depreciation and amortisation	(43)	(42)	*(2.4)*
EBIT	**115**	**63**	***82.5***
EBIT excluding restructuring costs[a]	**115**	**98**	***17.3***
EBIT margin excluding restructuring costs[a] (%)	6.5	5.3	
RoC (R12, %)	8.4	4.7	
Safety (R12, LTIFR)	1.4	1.5	

[a] 2016 excludes $35 million of restructuring costs associated with the 'Fit for Growth' transformation.

Performance review

Revenue of $1,776 million was 3.7 per cent below the prior year, with challenging market conditions affecting Blackwoods and Workwear Group's industrial wear business, and Workwear Group also being impacted by an unfavourable foreign exchange translation of United Kingdom sales. In recent months, Blackwoods' revenue has shown signs of stabilising following a prolonged period of decline. Coregas experienced revenue growth as it continued to increase market share and develop new market opportunities.

Reported EBIT of $115 million represented an 82.5 per cent increase on last year. Excluding restructuring costs of $35 million in the prior year, underlying EBIT increased 17.3 per cent with higher earnings across all businesses.

Safety performance improved due to a continued focus on safety awareness programs.

Blackwoods

Blackwoods delivered higher earnings supported by higher gross margins from improved category management and supplier relationships, and stronger pricing disciplines. Cost savings from the 'Fit for Growth' simplification program were partially reinvested in:

- sales by establishing a more customer-focused channel structure to allow a tailored offer and value proposition;
- supply chain by introducing enhanced inventory, freight management and other systems that have improved service levels and communication to customers; and
- digital with the launch of Blackwoods Xpress and enhancements to **Blackwoods.com.au** generating increased sales through digital platforms.

Workwear Group

Workwear Group earnings increased as a result of cost savings achieved through 'Fit for Growth'. 'Go-to-market channels' were realigned to better meet customer needs and target growth opportunities in industrial and corporate wear.

Coregas

Coregas continued to increase its market share as the challenger brand in the industrial gas market. Strong revenue growth was driven by the acquisition of Supagas NZ, the continued 'Trade N Go' gas roll-out through the Blackwoods and Bunnings distribution networks, and the development of new market opportunities such as Coregas Healthcare. Revenue growth resulted in earnings above the prior year.

Outlook

While investment activity in mining and resources is expected to remain subdued, the reset of the Blackwoods and Workwear Group businesses, together with initiatives to improve core capabilities, are expected to mitigate these competitive pressures and provide a platform for growth across different market sectors.

Industrial and Safety will continue to improve systems and processes in Blackwoods and Workwear Group to enhance supply chain efficiency and customer service, and optimise category management and sourcing to improve sales and margins.

Resources

Full-year ended 30 June ($m)	2017	2016	Variance %
Revenue	**1,746**	**1,008**	***73.2***
Royalties[a]	(262)	(143)	*(83.2)*
Mining and other costs	(1,019)	(1,029)	*1.0*
EBITDA[b]	465	(164)	*n.m.*
Depreciation and amortisation	(60)	(146)	*58.9*
EBIT[b]	**405**	**(310)**	***n.m.***
RoC (R12, %)	69.0	(22.9)	
Coal production ('000 tonnes)	15,465	13,963	*10.8*
Safety[c] (R12, LTIFR)	1.4	0.0	

n.m. - not meaningful

[a] Includes Stanwell export rebate expense for 2017 of $98 million and for 2016 of $65 million.

[b] 2016 excludes a pre-tax non-cash impairment of $850 million in Curragh.

[c] Excludes Bengalla.

Performance review

Revenue of $1,746 million was 73.2 per cent above the prior year, primarily due to significantly higher export coal prices and higher sales volumes. Revenue was impacted by locked-in foreign exchange rate losses of $92 million and a marginally higher Australian dollar.

Reported EBIT of $405 million was $715 million above last year, primarily due to significantly higher export sales revenue. Despite higher production volumes, mining and other costs were marginally lower than the prior year, assisted by a one-off $35 million provision adjustment due to the settlement of the Stanwell litigation and a build in inventory. Depreciation and amortisation was $86 million lower reflecting the non-cash impairment charge in the carrying value of Curragh recognised in the prior year.

Disappointingly, Curragh's LTIFR increased with four LTIs recorded during the year. There were fewer recordable injuries, with the TRIFR declining from 4.8 to 3.7. The business remains focused on maintaining a safe working environment.

Curragh (Queensland)

Metallurgical coal production of 8.2 million tonnes was 12.5 per cent above last year, despite impacts from weather disruptions in the first quarter and Cyclone Debbie in the second half. Steaming coal production of 3.8 million tonnes was 16.5 per cent higher than the prior year. A continued focus on productivity and a revised mine plan, as well as the opportunistic use of contractor fleet to take advantage of higher export metallurgical coal prices, resulted in higher production. Unit mine cash costs per tonne increased on the prior year due to the weather disruptions and the use of additional contractor fleet.

Metallurgical coal sales volumes of 8.2 million tonnes were 9.0 per cent above the prior year, in line with higher metallurgical production. Steaming coal sales volumes increased 8.8 per cent to 3.7 million tonnes due to higher contracted deliveries, supported by consistent steaming coal production, to the Stanwell Power Station.

Curragh's earnings continue to be negatively affected by its obligations to Stanwell Corporation. For the 2017 financial year, this represented a cost of $186 million, including $98 million of export rebates and $88 million relating to contracted domestic coal that is supplied below cost.

Good progress was made to extend Curragh's mine life into the 2030s with conditional commonwealth government approval received for the mine leases within the MDL162 area, which is adjacent to the existing Curragh and Curragh North mining leases.

Bengalla (New South Wales)

Sales volumes from the Bengalla mine, in which Wesfarmers holds a 40 per cent interest, were in line with the prior year and production volumes were up 1.6 per cent. The mine benefited from higher export steaming coal prices.

Outlook

Thermal and metallurgical coal prices are expected to remain volatile in the near term. Following the recent collapse of the bilaterally negotiated benchmark quarterly pricing system, implementation of an index-linked quarterly price mechanism for hard coking coal is underway.

Both Curragh and Bengalla mines will continue to have a strong focus on operational productivity, cost control and capital discipline.

Curragh's metallurgical coal sales volume is forecast to be in the range of approximately 8.5 to 9.0 million tonnes for the 2018 financial year, subject to mine operating performance, weather and key infrastructure availability.

For the 2018 financial year, the impact of locked-in foreign exchange hedge book losses is expected to reduce to $34 million from $92 million. The obligations to Stanwell Corporation will continue to adversely impact earnings, with export rebates expected to be significantly higher at $175 million to $195 million due to the lag effect from higher coal prices in the 2017 financial year.

Opportunities to increase production and extend mine life continue to be assessed.

Wesfarmers continues to review strategic options for the Resources business. There is no certainty that the review will result in a transaction. An update will be provided to the market if and when appropriate.

Other

Full-year ended 30 June ($m)	Holding %	2017	2016	Variance %
Share of profit of associates				
BWP Trust	25	55	77	*(28.6)*
Other	Various	31	4	*n.m.*
Sub-total share of profit of associates		**86**	**81**	***6.2***
Interest revenue[a]		8	5	*60.0*
Other		(23)	(30)	*23.3*
Corporate overheads		(125)	(124)	*(0.8)*
Total Other (excluding non-trading items)		**(54)**	**(68)**	***20.6***
NTIs[b]		-	(2,116)	*100.0*
Total Other (including non-trading items)		**(54)**	**(2,184)**	***n.m.***

n.m. - not meaningful

[a] Excludes interest revenue from Coles Financial Services and Quadrant Energy loan.

[b] Includes pre-tax non-cash impairments of $2,116 million relating to Target ($1,266 million) and Curragh ($850 million).

Performance review

Other businesses and corporate overheads reported an expense of $54 million, compared to an expense of $68 million, excluding non-trading items (NTIs), in the previous corresponding period.

Earnings from the Group’s share of profit from associates were $86 million, compared to $81 million in the prior year. Within this result, the contribution from the BWP Trust reduced by 28.6 per cent due to lower property revaluations. This was offset by revaluations of Bunnings properties held via the Group’s interest in a special purpose securitised investment vehicle.

Corporate overheads of $125 million were broadly in line with the prior year.

In the 2017 financial year, there were no non-trading items (NTIs) recorded. In the prior year, NTIs of $2,116 million were recorded, comprising a pre-tax non-cash impairment in the carrying value of Target of $1,266 million and $850 million of pre-tax non-cash asset impairments in Curragh.

CASH FLOW, FINANCING AND DIVIDENDS

Full-year ended 30 June ($m)	2017	2016	Variance %
Cash flow			
Operating cash flows	4,226	3,365	*25.6*
Gross capital expenditure	1,681	1,899	*(11.5)*
Net capital expenditure	1,028	1,336	*(23.1)*
Free cash flow	4,173	1,233	*238.4*
Cash realisation ratio[a] (%)	102.1	94.9	*7.2ppts*
Balance sheet and credit metrics			
Net financial debt[b]	4,321	6,537	*(33.9)*
Finance costs	264	308	*(14.3)*
Effective cost of debt (%)	4.04	4.50	*(46 bps)*
Interest cover[a] (cash basis) (R12, times)	25.0	16.8	*48.8*
Fixed charges cover[a] (R12, times)	3.1	2.7	*14.8*
Net debt to equity (%)	20.1	30.9	
Dividends per share (cents per share)			
Full-year ordinary dividend	223	186	*19.9*

[a] 2016 excludes the following pre-tax (post-tax) amounts: $1,266 million ($1,249 million) non-cash impairment of Target and $850 million ($595 million) non-cash impairment of Curragh.

[b] Interest bearing liabilities less cash at bank and on deposit, net of cross currency interest rate swaps and interest rate swap contracts.

Cash flow

Cash flow management during the period was a highlight, with operating cash flows of $4,226 million, $861 million or 25.6 per cent above the prior year. Higher operating cash flows were driven by higher earnings and lower working capital outflows during the year, resulting in an improvement in the cash realisation ratio to 102.1 per cent. The favourable working capital movement was primarily driven by improved inventory management across the retail divisions, which was partially offset by higher fertilisers inventory in WesCEF, and higher receivables in Resources due to higher coal prices and higher sales volumes.

Strict capital disciplines were maintained during the year. Gross capital expenditure of $1,681 million was $218 million or 11.5 per cent lower than last year, reflecting fewer store openings in BANZ, reduced refurbishment activity in Target and lower capital expenditure across the Industrials division.

Proceeds from disposals of $653 million were $90 million above last year due to the divestment of Coles' interest in a number of joint venture properties to ISPT, and the sale of land by WesCEF. The resulting net capital expenditure of $1,028 million was $308 million or 23.1 per cent lower than the prior year.

Strong operating cash flows, lower net capital expenditure and proceeds of $947 million from the sale of Coles' credit card receivables, resulted in free cash flows of $4,173 million. Excluding the Coles credit card transaction, and the acquisition of Homebase in the prior year, free cash flows increased $1,328 million.

Financing

Net financial debt at the end of the period, comprising interest bearing liabilities net of cross currency interest rate swaps and cash at bank and on deposit, was $4,321 million, $2,216 million below the net financial debt position at 30 June 2016.

In November 2016, $500 million of domestic medium term notes were repaid using existing cash balances and bank facilities. In addition, more than $900 million of debt was repaid following the completion of the divestment of Coles' credit card receivables in February 2017.

Finance costs decreased 14.3 per cent to $264 million as a result of a lower average net debt balance, and a 46 basis point reduction in the Group's 'all-in' effective borrowing cost to 4.04 per cent driven by active management of debt sources. Lower finance costs contributed to strong liquidity metrics, with cash interest cover increasing to 25.0 times and fixed charges cover increasing to 3.1 times.

The Group maintained strong and stable credit ratings during the year. Moody's Investors Services' rating remained unchanged at A3 (stable) and Standard and Poor's remained unchanged at A- (negative).

Dividends

The Group's dividend policy considers current earnings and cash flows, available franking credits and targeted credit metrics. In line with this year's record earnings and strong cash flow performance, the Board today declared a fully-franked final ordinary dividend of 120 cents per share. This takes the full-year ordinary dividend to 223 cents per share, representing an increase of 19.9 per cent on the 2016 financial year full-year ordinary dividend of 186 cents per share. Due to the accumulation of New Zealand franking credits, the final dividend will also carry a New Zealand franking credit, in addition to the Australian franking credit, of 10 cents per share. The final dividend will be paid on 28 September 2017 to shareholders on the company's register on 23 August 2017, the record date for the final dividend.

Given the preference of many shareholders to receive dividends in the form of equity, the directors have decided to continue the operation of the Dividend Investment Plan (the 'Plan'). The allocation price for shares issued under the Plan will be calculated as the average of the daily volume weighted average price of Wesfarmers shares on each of the 15 consecutive trading days from and including the third trading day after the record date, being 28 August 2017 to 15 September 2017.

The last date for receipt of applications to participate in, or to cease or vary participation in the Plan, is 24 August 2017. No discount will apply to the allocation price and the Plan will not be underwritten. Shares to be allocated under the Plan will be transferred to participants on 28 September 2017. Given the Group's strong cash flow performance for the year, and strong credit metrics, any shares to be issued under the Plan will likely be acquired on-market and transferred to participants on 28 September 2017.

APPENDIX ONE

2017 FULL-YEAR AND FOURTH QUARTER RETAIL SALES RESULTS

HEADLINE RETAIL SALES RESULTS

Full-year Sales ($m)	2017	2016	Variance %
Food & Liquor[1,2]	32,612	31,978	*2.0*
Convenience[1,3]	6,113	6,631	*(7.8)*
Total Coles	**38,725**	**38,609**	***0.3***
Bunnings Australia & New Zealand[5]	11,508	10,568	*8.9*
Bunnings UK & Ireland[4,5]	2,058	986	*108.7*
Home Improvement[5,6,7]	**13,566**	**11,554**	***17.4***
Target[8]	2,941	3,439	*(14.5)*
Kmart[1]	5,560	5,154	*7.9*
Total Department Stores	**8,501**	**8,593**	***(1.1)***
Officeworks[5]	**1,963**	**1,850**	***6.1***

Fourth Quarter Sales ($m)	2017	2016	Variance %
Food & Liquor[2,9]	7,982	7,803	*2.3*
Convenience[3,9]	1,451	1,517	*(4.4)*
Total Coles	**9,433**	**9,320**	***1.2***
Bunnings Australia & New Zealand[10]	2,761	2,478	*11.4*
Bunnings UK & Ireland[4,10]	629	766	*(17.9)*
Home Improvement[6,10]	**3,390**	**3,244**	***4.5***
Target[11]	728	753	*(3.3)*
Kmart[9]	1,372	1,250	*9.8*
Total Department Stores	**2,100**	**2,003**	***4.8***
Officeworks[10]	**479**	**463**	***3.5***

[1] Financial Year 2017 for the 52 week period 27 June 2016 to 25 June 2017 and Financial Year 2016 for the 52 week period 29 June 2015 to 26 June 2016.

[2] Includes hotels, excludes gaming revenue and property.

[3] Includes fuel sales.

[4] £1,220 million for the period 1 July 2016 to 30 June 2017 and £369 million for the three month period 1 April 2017 to 30 June 2017. £512 million for the period 28 February 2016 to 30 June 2016 and £396 million for the three month period 1 April 2016 to 30 June 2016. Sales for the period 28 February 2016 to 30 June 2016 have been restated from the previously reported amount of £386 million.

[5] Financial Year 2017 and Financial Year 2016 for the 12 month period 1 July to 30 June.

[6] Includes cash and trade sales, excludes property income.

[7] Includes trading for Homebase from acquisition on 28 February 2016.

[8] Financial Year 2017 for the 52 week period 26 June 2016 to 24 June 2017 and Financial Year 2016 for the 52 week period 28 June 2015 to 25 June 2016.

[9] Financial Year 2017 for the 13 week period 27 March 2017 to 25 June 2017 and Financial Year 2016 for the 13 week period 28 March 2016 to 26 June 2016.

[10] Financial Year 2017 and Financial Year 2016 for the three month period 1 April to 30 June.

[11] Financial Year 2017 for the 13 week period 26 March 2017 to 24 June 2017 and Financial Year 2016 for the 13 week period 27 March 2016 to 25 June 2016.

APPENDIX TWO

2017 FOURTH QUARTER AND FULL-YEAR RETAIL SALES RESULTS

KEY METRICS

Key Metrics (%)	Fourth Quarter 2017[1]	Full-year 2017[2]
COLES		
Food & Liquor[3]		
Comparable sales growth (Food)[4]	1.0	1.0
Comparable sales growth (Food & Liquor)[4]	1.2	1.0
Price inflation/(deflation)	(0.8)	(0.8)
Convenience		
Total fuel volume growth	(15.4)	(13.6)
Comparable fuel volume growth	(16.6)	(16.0)
Total convenience store sales growth (excl. fuel sales)	4.7	4.6
Comparable convenience store sales growth (excl. fuel sales)	2.4	1.7
HOME IMPROVEMENT[5]		
Bunnings Australia and New Zealand		
Total store sales growth	11.7	8.9
Store-on-store sales growth	10.4	7.3
Bunnings United Kingdom and Ireland		
Total sales growth (£)	(6.8)	n.m.
Store-on-store sales growth (£)	(4.3)	n.m.
DEPARTMENT STORES		
Target		
Comparable sales growth[6,7]	(3.2)	(14.9)
Kmart		
Comparable sales growth[6,7]	4.7	4.2
OFFICEWORKS		
Total sales growth	3.5	6.1

n.m. - not meaningful

[1] 2017 growth for Coles and Kmart reflects the 13 week period 27 March 2017 to 25 June 2017 and the 13 week period 28 March 2016 to 26 June 2016; for Home Improvement and Officeworks represents the three month period 1 April 2017 to 30 June 2017 and 1 April 2016 to 30 June 2016; and for Target represents the 13 week period 26 March 2017 to 24 June 2017 and the 13 week period 27 March 2016 to 25 June 2016.

[2] 2017 growth for Coles and Kmart reflects the 52 week period 27 June 2016 to 25 June 2017 and the 52 week period 29 June 2015 to 26 June 2016; for Home Improvement and Officeworks represents the 12 month period 1 July 2016 to 30 June 2017 and 1 July 2015 to 30 June 2016; and for Target represents the 52 week period 26 June 2016 to 24 June 2017 and the 52 week period 28 June 2015 to 25 June 2016.

[3] Includes hotels, excludes gaming revenue and property.

[4] After adjusting for the later timing of Easter in the 2017 financial year, comparable food and liquor store sales and comparable food store sales for the fourth quarter 2017 increased 0.7 per cent and 0.6 per cent respectively.

[5] Includes cash and trade sales, excludes property income.

[6] Comparable store sales include lay-by sales. Lay-by sales are excluded from total sales under Australian Accounting Standards.

[7] After adjusting for the later timing of Easter in the 2017 financial year, comparable store sales for the fourth quarter 2017 decreased 4.6 per cent at Target and increased 3.0 per cent at Kmart.

APPENDIX THREE

RETAIL OPERATIONS – STORE NETWORK

	Open at 1 Jul 2016	Opened	Closed	Re-branded	Open at 30 Jun 2017
COLES					
Supermarkets					
Coles	786	21	(8)	1	800
Bi-Lo	1	-	-	-	1
Total Supermarkets	787	21	(8)	1	801
Liquor					
1st Choice	97	3	(1)	-	99
Vintage Cellars	81	1	-	-	82
Liquorland	687	25	(10)	-	702
Hotels	89	-	-	-	89
Total Liquor	954	29	(11)	-	972
Convenience	690	17	(5)	-	702
Selling Area (m^2)					
Supermarkets	1,789,290	n.a.	n.a.	n.a.	1,835,743
Liquor (excluding hotels)	208,233	n.a.	n.a.	n.a.	211,373
HOME IMPROVEMENT					
Bunnings Warehouse	244	9	(4)	-	249
Bunnings smaller formats	70	8	(1)	-	77
Bunnings Trade Centres	33	1	(1)	-	33
Bunnings UK & Ireland	260	4	(9)	-	255
DEPARTMENT STORES					
Target					
Large	186	1	(1)	(2)[1]	184
Small	120	-	(1)	-	119
Kmart					
Kmart	209	9	-	2[1]	220
Kmart Tyre & Auto	248	7	(4)	-	251
OFFICEWORKS					
Officeworks	159	6	(1)	-	164

n.a. - not applicable

[1] Includes two Target stores converted to Kmart during the period.

APPENDIX FOUR

FIVE-YEAR HISTORY – FINANCIAL PERFORMANCE AND KEY METRICS

GROUP FINANCIAL PERFORMANCE

Full-year ended 30 June ($m)[1]	2017	2016	2015	2014	2013
Summarised income statement					
Revenue	68,444	65,981	62,447	62,348	59,832
EBITDA	5,668	2,642	4,978	5,273	4,729
Depreciation and amortisation	(1,266)	(1,296)	(1,219)	(1,123)	(1,071)
EBIT	4,402	1,346	3,759	4,150	3,658
Finance costs	(264)	(308)	(315)	(363)	(432)
Income tax expense	(1,265)	(631)	(1,004)	(1,098)	(965)
NPAT	2,873	407	2,440	2,689	2,261
Profit from continuing operations[2] excl. NTIs[3]	2,873	2,251	2,440	2,253	2,128
Profit/(losses) from discontinued ops.[2] and NTIs[3]	-	(1,844)	-	436	133
Summarised balance sheet					
Total assets	40,115	40,783	40,402	39,727	43,155
Total liabilities	16,174	17,834	15,621	13,740	17,133
Net assets	23,941	22,949	24,781	25,987	26,022
Net debt	4,809	7,103	6,209	3,401	5,259
Summarised cash flow statement					
Operating cash flows	4,226	3,365	3,791	3,226	3,931
Add/(less): Net capital expenditure	(1,028)	(1,336)	(1,552)	(1,216)	(1,672)
Add/(less): Other investing cash flows	975	(796)	(346)	2,168	(88)
Add/(less): Total investing cash flows	(53)	(2,132)	(1,898)	952	(1,760)
Free cash flow	4,173	1,233	1,893	4,178	2,171
Add/(less): Financing cash flows	(3,771)	(1,333)	(3,249)	(3,444)	(1,965)
Net increase/(decrease) in cash	402	(100)	(1,356)	734	206
Distributions to shareholders (cents per share)					
Interim ordinary dividend	103	91	89	85	77
Final ordinary dividend	120	95	111	105	103
Full-year ordinary dividend	223	186	200	190	180
Special dividend	-	-	-	10	-
Capital management (paid)	-	-	100	50	-
Key performance metrics					
Earnings per share (cents per share)	254.7	36.2	216.1	234.6	195.9
Earnings per share from continuing operations[2] excl. significant items and NTIs[4] (cents per share)	254.7	209.5	216.1	196.6	195.9
Operating cash flow per share[5] (cents per share)	374.1	299.2	335.1	281.0	339.7
Cash realisation ratio[6] (%)	102	95	104	92	118
Return on equity (R12, %)	12.4	1.7	9.8	10.5	8.9
Return on equity (R12, %) (continuing ops.[2] excl. significant items and NTIs[4])	12.4	9.6	9.8	9.4	8.2
Net tangible asset backing per share ($ per share)	4.44	3.45	4.85	6.14	4.69
Interest cover (cash basis)[7] (R12, times)	25.0	16.8	20.5	15.9	12.2
Fixed charges cover[7] (R12, times)	3.1	2.7	3.0	3.2	3.0

[1] All figures are presented as last reported.

[2] 2014 and 2013 income statement balances have been restated for the classification of the Insurance division as a discontinued operation.

[3] 2016 NTIs include non-cash impairments of $1,844 million relating to Target and Curragh. 2014 NTIs include the impairment of Target's goodwill, Coles Liquor restructuring provision and the gains on the sales of the Insurance division and ALWA totaling $291 million.

[4] 2016 significant items and NTIs include non-cash impairments of $1,844 million relating to Target and Curragh and $102 million of restructuring costs and provisions to reset Target. NTIs equal $291 million in 2014.

[5] For the purposes of this calculation, reserved shares have been included in the weighted average number of ordinary shares.

[6] Operating cash flows as a percentage of net profit after tax, before depreciation and amortisation and NTIs.

[7] 2016 excludes pre-tax non-cash impairments of $2,116 million relating to Target and Curragh.

DIVISIONAL KEY PERFORMANCE METRICS

Full-year ended 30 June ($m)[1]	2017	2016	2015	2014	2013
COLES					
Divisional performance					
Revenue	39,217	39,242	38,201	37,391	35,780
EBITDA[2]	2,256	2,475	2,347	2,157	1,987
Depreciation and amortisation	(647)	(615)	(564)	(485)	(454)
EBIT[2]	1,609	1,860	1,783	1,672	1,533
EBIT margin[2] (%)	4.1	4.7	4.7	4.5	4.3
ROC (R12, %)	9.7	11.2	11.0	10.3	9.5
Capital expenditure (cash basis)	805	797	941	1,016	1,187
Food & Liquor					
Revenue[3]	33,084	32,564	30,784	29,220	27,933
Headline sales growth[4,5] (%)	2.0	5.1	5.3	4.7	5.5
Comparable sales growth[4,5] (%)	1.0	4.1	3.9	3.7	4.3
Convenience					
Revenue	6,133	6,678	7,417	8,171	7,847
Total sales growth[4,6] (%)	(7.8)	(10.2)	(9.2)	4.1	4.0
Total fuel volume growth[4] (%)	(13.6)	(4.4)	(1.3)	(3.5)	5.4
Comparable fuel volume growth[4] (%)	(16.0)	(7.9)	(3.7)	(3.9)	2.3
Total convenience store sales growth[4] (%)	4.6	11.1	9.8	6.0	1.5
Comparable convenience store sales growth[4] (%)	1.7	6.9	6.8	5.5	(0.8)
HOME IMPROVEMENT					
Revenue[7]	13,586	11,571	9,534	8,546	7,661
EBITDA[7,8]	1,463	1,383	1,228	1,106	1,028
Depreciation and amortisation[7]	(218)	(169)	(140)	(127)	(124)
EBIT[7,8]	1,245	1,214	1,088	979	904
EBIT margin[7,8] (%)	9.2	10.5	11.4	11.5	11.8
ROC[7] (R12, %)	30.3	33.7	33.5	29.3	25.9
Total sales growth[9] (%)	8.9	11.0	11.5	11.6	7.0
Total store sales growth[9,10] (%)	8.9	11.1	11.4	11.7	7.2
Store-on-store sales growth[9,10] (%)	7.3	8.1	8.8	8.4	4.4

[1] All figures are presented as last reported.

[2] 2017 includes earnings of $39 million related to the sale of Coles' interest in a number of joint venture properties to ISPT. 2014 excludes $94 million provision relating to restructuring activities within the Coles Liquor business (reported as an NTI).

[3] Includes property.

[4] Based on retail periods (rather than Gregorian reporting). Refer to Appendix One for applicable retail periods.

[5] Includes hotels, excludes gaming revenue and property.

[6] Includes fuel sales.

[7] 2016 includes trading for Homebase from acquisition on 28 February 2016.

[8] Includes net property contribution for 2017 of $43 million; 2016 of $46 million; 2015 of $40 million; 2014 of $13 million; 2013 of $8 million.

[9] Includes Bunnings Australia and New Zealand only.

[10] Excludes sales related to Trade Centres and 'Frame and Truss'.

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Full-year ended 30 June ($m)[1]	2017	2016	2015	2014	2013
DEPARTMENT STORES DIVISION					
Divisional performance					
Revenue	8,528	8,646	7,991	7,710	7,825
EBITDA[2]	739	466	697	615	631
Depreciation and amortisation	(196)	(191)	(175)	(163)	(151)
EBIT[2]	543	275	522	452	480
Capital expenditure (cash basis)	225	292	296	240	176
Target					
Revenue	2,950	3,456	3,438	3,501	3,658
EBITDA[2]	74	(105)	176	167	216
Depreciation and amortisation	(84)	(90)	(86)	(81)	(80)
EBIT[2]	(10)	(195)	90	86	136
EBIT margin[2] (%)	(0.3)	(5.6)	2.6	2.5	3.7
ROC (R12, %)	(1.0)	(8.2)	3.6	2.9	4.6
Capital expenditure (cash basis)	71	129	127	78	81
Total sales growth[3] (%)	(14.5)	0.2	(1.8)	(4.2)	(1.7)
Comparable sales growth[3] (%)	(14.9)	(0.4)	(1.0)	(5.3)	(3.3)
Kmart					
Revenue	5,578	5,190	4,553	4,209	4,167
EBITDA	665	571	521	448	415
Depreciation and amortisation	(112)	(101)	(89)	(82)	(71)
EBIT	553	470	432	366	344
EBIT margin (%)	9.9	9.1	9.5	8.7	8.3
ROC (R12, %)	43.7	37.7	32.9	26.9	25.9
Capital expenditure (cash basis)	154	163	169	162	95
Total sales growth[3] (%)	7.9	13.5	8.2	0.9	2.7
Comparable sales growth[3] (%)	4.2	10.5	4.6	0.5	2.1
OFFICEWORKS					
Revenue	1,964	1,851	1,714	1,575	1,506
EBITDA	168	156	139	124	117
Depreciation and amortisation	(24)	(22)	(21)	(21)	(24)
EBIT	144	134	118	103	93
EBIT margin (%)	7.3	7.2	6.9	6.5	6.2
ROC (R12, %)	14.7	13.5	11.4	9.4	8.1
Total sales growth (%)	6.1	8.1	8.8	4.7	1.6

[1] All figures are presented as last reported.

[2] 2017 includes $13 million of restructuring costs associated with the planned relocation of Target's store support office. 2016 includes $145 million of restructuring costs and provisions, and excludes $1,266 million pre-tax non-cash impairment; 2014 excludes $677 million impairment of Target's goodwill (reported as a NTI).

[3] Based on retail periods (rather than Gregorian reporting). Refer to Appendix One for applicable retail periods.

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Full-year ended 30 June ($m)[1]	2017	2016	2015	2014	2013
INDUSTRIALS					
Divisional performance					
Revenue	5,161	4,672	4,985	4,977	4,991
EBITDA	1,095	341	668	765	839
Depreciation and amortisation	(180)	(294)	(315)	(283)	(277)
EBIT	915	47	353	482	562
Capital expenditure (cash basis)	169	228	250	386	391
Chemicals, Energy and Fertilisers					
Chemicals revenue	813	910	840	730	731
Energy revenue[2,3]	368	325	435	592	577
Fertilisers revenue	458	585	564	490	497
Total revenue	1,639	1,820	1,839	1,812	1,805
EBITDA[3,4]	472	400	345	314	348
Depreciation and amortisation	(77)	(106)	(112)	(93)	(99)
EBIT[3,4]	395	294	233	221	249
ROC (R12, %)	27.4	18.9	15.2	14.4	17.8
Capital expenditure (cash basis)	44	60	56	172	262
External sales volumes (‘000 tonnes)					
Chemicals	979	1,021	912	807	819
LPG[3]	103	120	185	243	265
Fertilisers	956	1,080	1,036	939	933

[1] All figures are presented as last reported.

[2] Includes interest revenue from Quadrant Energy loan notes and excludes intra-division sales.

[3] Includes Kleenheat (including east coast LPG operations prior to sale in February 2015) and ALWA prior to December 2013 divestment.

[4] Includes a profit on sale of land of $22 million and $33 million relating to WesCEF’s share of revaluation gains in Quadrant Energy in 2017. Includes $32 million of one-off restructuring costs associated with the decision to cease PVC manufacturing in 2016; net $10 million gain from one-off restructuring, comprising a gain on sale of Kleenheat’s east coast LPG distribution business and asset writedowns, as well as insurance proceeds in 2015; ALWA earnings prior to December 2013 divestment (excludes $95 million gain on sale, reported as an NTI).

DIVISIONAL KEY PERFORMANCE METRICS (CONTINUED)

Full-year ended 30 June ($m)[1]	**2017**	**2016**	**2015**	**2014**	**2013**
Industrial and Safety					
Revenue	1,776	1,844	1,772	1,621	1,647
EBITDA[2]	158	105	108	161	192
Depreciation and amortisation	(43)	(42)	(38)	(30)	(27)
EBIT[2]	115	63	70	131	165
EBIT margin[2] (%)	6.5	3.4	4.0	8.1	10.0
ROC (R12, %)	8.4	4.7	5.5	11.6	14.7
Capital expenditure (cash basis)	34	52	57	51	50
Resources					
Revenue	1,746	1,008	1,374	1,544	1,539
Royalties[3]	(262)	(143)	(167)	(221)	(262)
Mining and other costs	(1,019)	(1,029)	(992)	(1,033)	(978)
EBITDA[4]	465	(164)	215	290	299
Depreciation and amortisation	(60)	(146)	(165)	(160)	(151)
EBIT[4]	405	(310)	50	130	148
ROC (R12, %)	69.0	(22.9)	3.4	8.9	10.0
Capital expenditure (cash basis)	91	116	137	163	79
Curragh export metallurgical sales mix (%)					
Hard	42	34	40	38	40
Semi	23	30	35	31	31
PCI	35	36	25	31	29
Mine performance – Curragh (QLD) ('000 tonnes)					
Metallurgical coal production volumes	8,227	7,316	9,066	8,810	7,380
Steaming coal production volumes	3,801	3,263	3,187	3,498	3,254
Metallurgical coal sales volumes[5]	8,162	7,488	8,604	8,779	7,212
Steaming coal sales volumes	3,684	3,386	3,202	3,570	3,166
Mine performance – Bengalla (NSW) ('000 tonnes)					
Steaming coal production volumes[6]	3,437	3,384	3,304	3,451	3,096
Steaming coal sales volumes[6]	3,408	3,382	3,351	3,446	3,028

[1] All figures are presented as last reported.

[2] Includes $35 million of restructuring costs associated with the 'Fit for Growth' transformation in 2016; and $20 million of restructuring costs in 2015.

[3] Includes Stanwell rebate expense for 2017 of $98 million; 2016 of $65 million; 2015 of $67 million; 2014 of $102 million; and 2013 of $154 million.

[4] Excludes $850 million pre-tax non-cash impairment of Curragh in 2016.

[5] Excludes traded coal.

[6] Wesfarmers' attributable volumes.

RETAIL OPERATIONS – STORE NETWORK

Open at 30 June	2017	2016	2015	2014	2013
COLES					
Supermarkets					
Coles	800	786	771	745	722
Bi-Lo	1	1	5	17	34
Total Supermarkets	801	787	776	762	756
Liquor					
1st Choice	99	97	100	98	92
Vintage Cellars	82	81	79	77	79
Liquorland	702	687	679	656	639
Hotels	89	89	90	90	92
Total Liquor	972	954	948	921	902
Convenience	702	690	662	642	636
Selling Area (m^2)					
Supermarkets	1,835,743	1,789,290	1,749,840	1,692,642	1,656,520
Liquor (excluding hotels)	211,373	208,233	209,490	205,179	199,178
HOME IMPROVEMENT					
Bunnings Warehouse	249	244	236	223	210
Bunnings smaller formats	77	70	65	64	67
Bunnings Trade Centres	33	33	33	33	36
Bunnings UK & Ireland	255	260	-	-	-
KMART					
Kmart	220	209	203	192	190
Kmart Tyre & Auto	251	248	246	243	263
TARGET					
Large	184	186	183	180	178
Small	119	120	122	128	130
OFFICEWORKS					
Officeworks	164	159	156	151	149
Harris Technology	-	-	-	1	1