

BY ELECTRONIC LODGEMENT

ASX ANNOUNCEMENT



**CALTEX AUSTRALIA LIMITED**  
**ACN 004 201 307**

**LEVEL 24, 2 MARKET STREET**  
**SYDNEY NSW 2000 AUSTRALIA**

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7 April 2014

Company Announcements Office  
Australian Securities Exchange

**CALTEX AUSTRALIA LIMITED**  
**CALTEX PRESENTATION – INTERNATIONAL ROAD SHOW**

Slides for presentations to be made by Mr Simon Hepworth (Chief Financial Officer) and Mr Rohan Gallagher (General Manager Investor Relations & Corporate Affairs) as part of an international investor road show during the week commencing on 7 April 2014 are attached for immediate release to the market.

Over the course of the road show, Mr Hepworth and Mr Gallagher will be making a number of presentations to investors and analysts. The presentations will be based on the material provided in the attached slides.

A handwritten signature in black ink, appearing to be "Peter Lim", written in a cursive style.

**Peter Lim**  
**Company Secretary**

**Phone:** (02) 9250 5562 / 0414 815 732

**Attach.**

# INTERNATIONAL ROADSHOW PRESENTATION



April 2014



# AGENDA

1. Operational Excellence Moment
2. Strategy
  - Transform Kurnell
  - Improve Lytton
  - Growth
3. Australian Transport Fuels Market
  - Market size and Structure
  - Product Drivers
  - Caltex Market Share (by product; region)
4. Operational & Financial Highlights
  - 2013
  - Outlook
5. Summary
6. Appendix





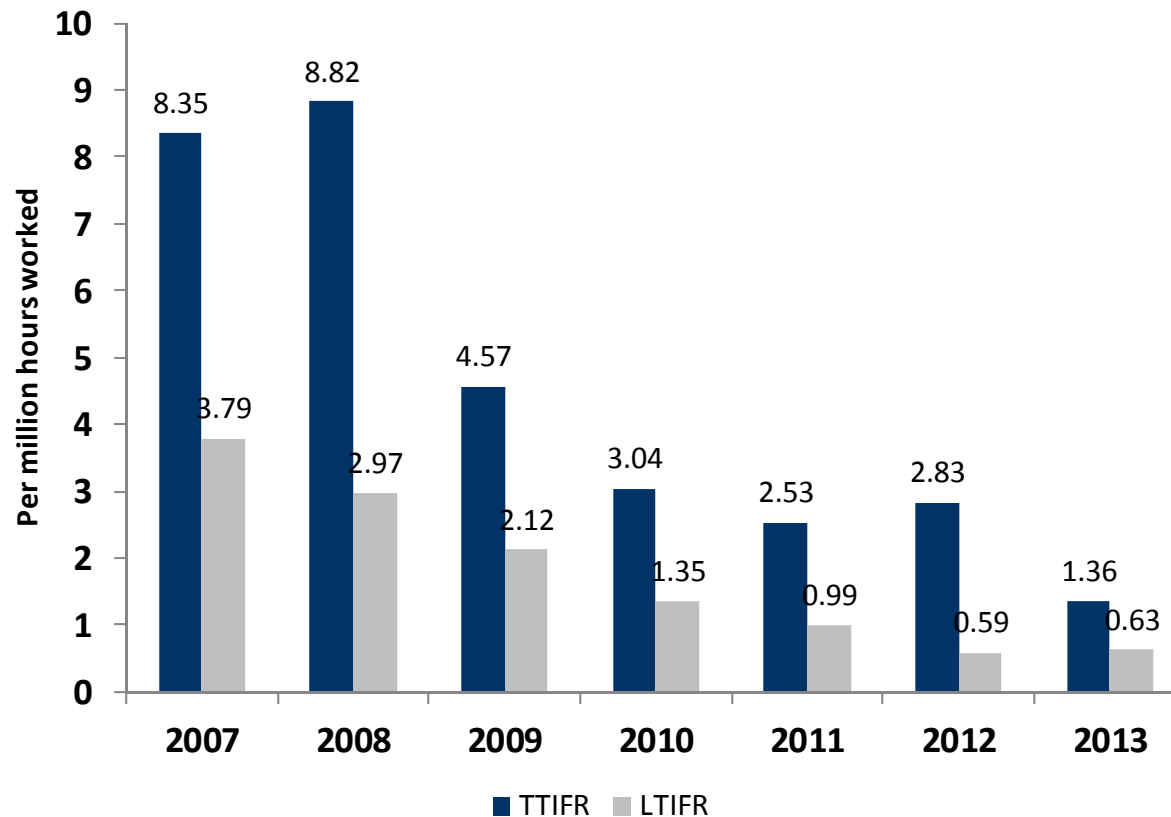


## OPERATIONAL EXCELLENCE MOMENT



# Operational Excellence (OE) Moment

## Personal safety performance



- Sustained and significant progress in personal safety results
- Excellent outcomes given significant Kurnell Conversion works and retail network development program

Note: From 2010 frequency rates have included contractors.



# Strategy Update

Caltex's strategy is very clear

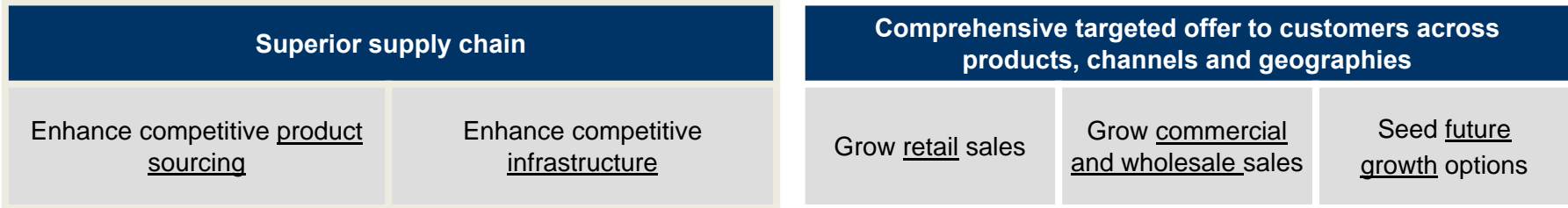
## CALTEX'S VISION

**Outright leader in transport fuels across Australia**

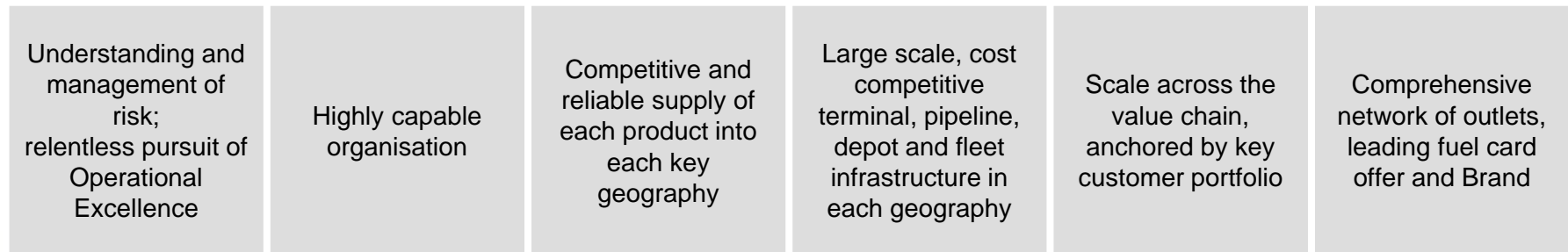
## MEASURE OF SUCCESS

**Safely and reliably deliver top quartile total shareholder returns**

## KEY STRATEGY PILLARS

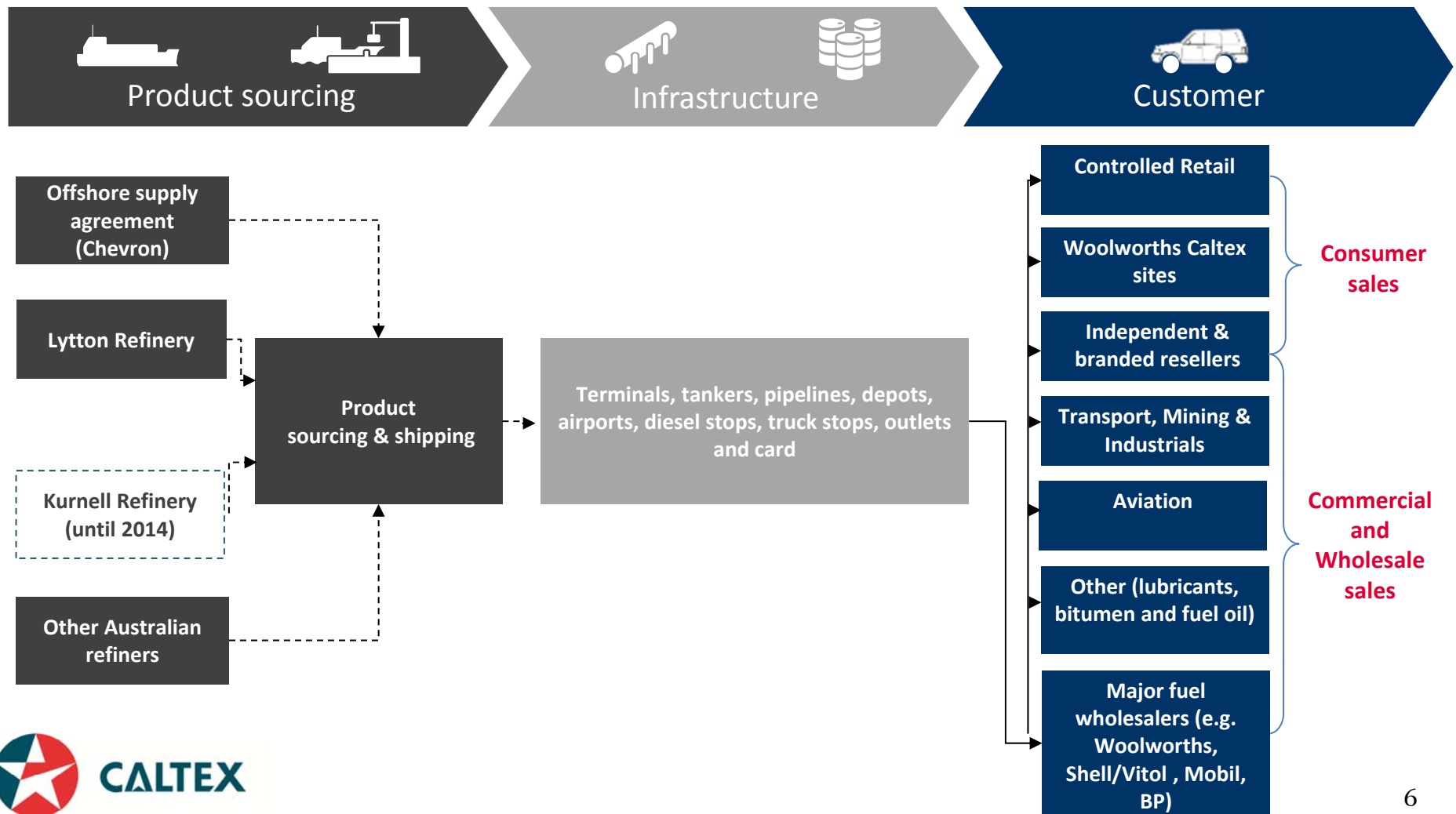


## KEY SOURCES OF COMPETITIVE ADVANTAGE

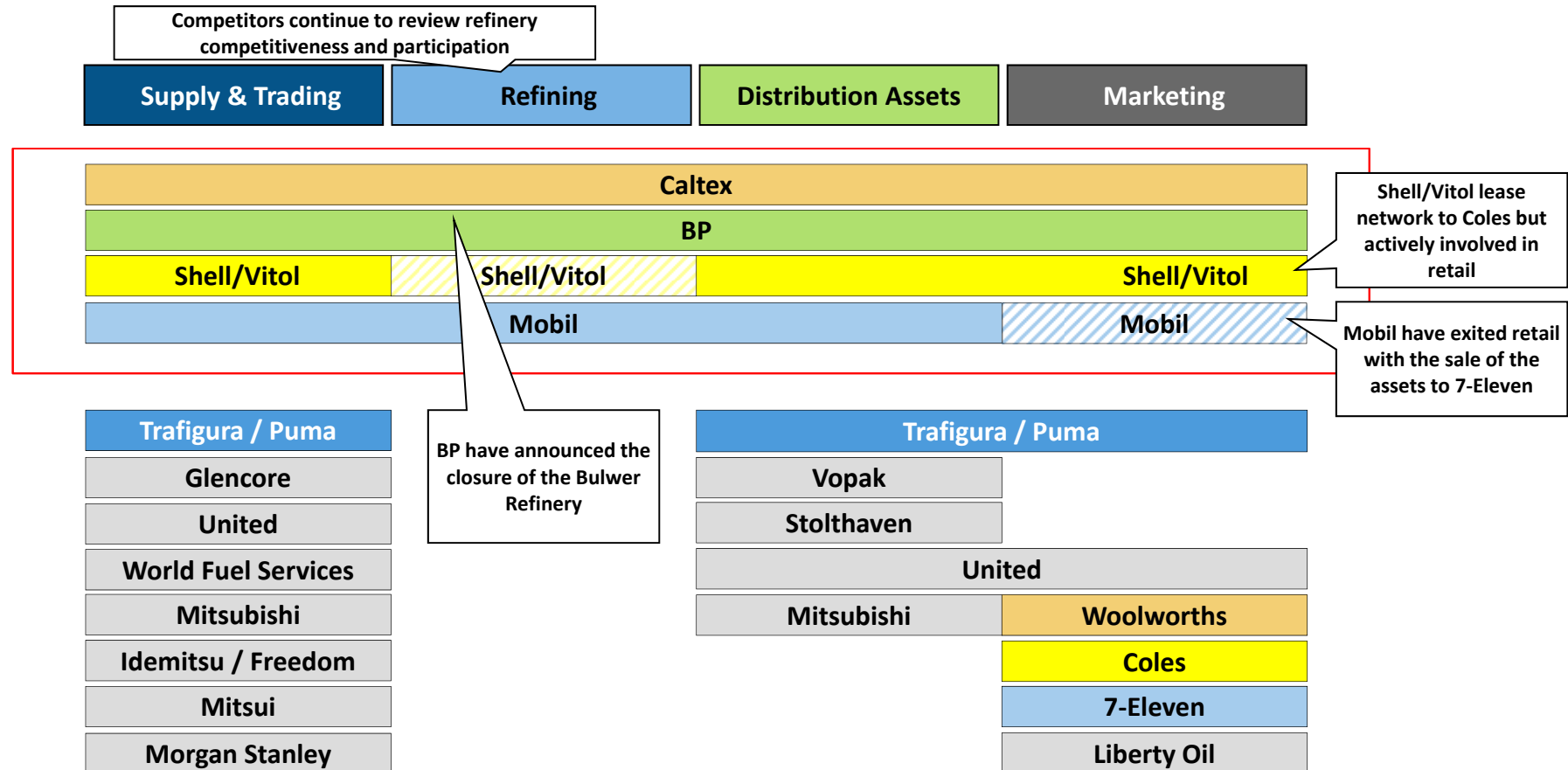


# Caltex Value Chain

Our Competitive Position: To optimise the entire value chain



# The Competitive Landscape





# Strategy Update

Growing close to our core (with expected lower earnings and cash flow volatility)

## TRANSFORM

- Kurnell closure on track for end 2014
- Conversion to Australia's leading import terminal
- Dredging complete
- Approximately 80% through the conversion timeline
- Regulatory approvals on track
- On time, on budget

## IMPROVE

- Lytton (Brisbane) Refinery
- Operational Improvements in progress
  - ISOM upgrade investment (\$47m) to increase production of premium gasolines – under construction
  - Maintains sourcing optionality versus imported product, buy-sell arrangements

## GROW

- Continue to target growth in Marketing
- Target high growth channels / geographies / products
- Continue to build and leverage import infrastructure
- Infrastructure services to the sector (e.g. Kurnell terminal)
- Continue network expansion (e.g. Diesel stops, new to industry sites, knock down rebuilds)
- Targeted M&A (fill network gaps, adjacent businesses, under-represented geographies)

## OPTIMISE VALUE CHAIN

- Establishment of Singapore operations for product sourcing
- Optimise entire value chain from product sourcing to customer
- Optimise the organisation structure



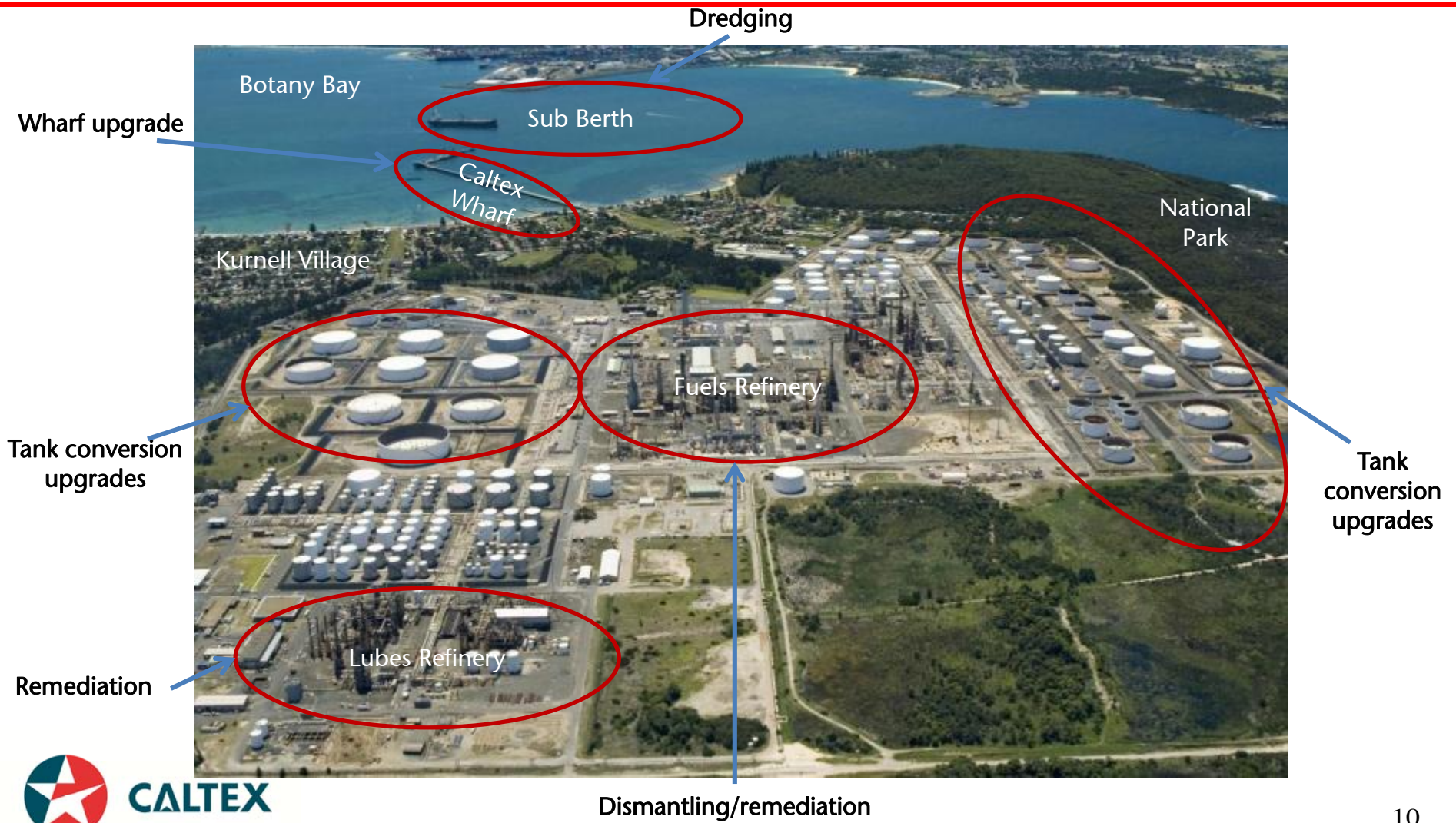
# Strategy Update

## Kurnell Conversion – key milestones

Time	Proposed Work	Status
1H 2013	<ul style="list-style-type: none"> <li>• Marine EIS submission / Public Exhibition Feb-Mar 2013</li> <li>• Land EIS submission / Public Exhibition May-Jun 2013</li> <li>• Demolition of Kurnell Propane De-asphalting Unit (PDU)</li> <li>• Draft Kurnell refinery shutdown and decommissioning schedule developed</li> <li>• Terminal operating model and organisational structure finalised</li> </ul>	<ul style="list-style-type: none"> <li>• Complete</li> <li>• Complete</li> <li>• Complete</li> <li>• Complete</li> <li>• Complete</li> </ul>
2H 2013	<ul style="list-style-type: none"> <li>• Approval for Kurnell marine works expected Q3 2013</li> <li>• Approval for Kurnell land works expected late Q3 2013</li> <li>• Refinery conversion works including tanks, piping and infrastructure</li> <li>• Dredging at Kurnell wharf and sub berth</li> <li>• Shutdown of Kurnell's #1 FCCU</li> </ul>	<ul style="list-style-type: none"> <li>• Complete</li> <li>• Complete</li> <li>• On schedule</li> <li>• Complete</li> <li>• Complete</li> </ul>
1H 2014	<ul style="list-style-type: none"> <li>• Conclude de-inventory sequence planning</li> <li>• Product supply enterprise established in Singapore</li> <li>• Complete tanks, piping and infrastructure</li> <li>• Recruitment, Training and transition planning for terminal operations</li> </ul>	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Established and operating</li> <li>• On schedule</li> <li>• In progress</li> </ul>
4Q 2014	<ul style="list-style-type: none"> <li>• Commence shutdown of Kurnell refinery process units</li> <li>• Kurnell refinery ceases operations</li> <li>• Commence Kurnell terminal operations</li> </ul>	
2015	<ul style="list-style-type: none"> <li>• Kurnell refinery demolition commences</li> <li>• Investigation and planning of Kurnell site remediation</li> <li>• Assessment of long term terminal optimisation (incl. ongoing tank conversions/upgrades)</li> </ul>	
2016	<ul style="list-style-type: none"> <li>• Terminal optimisation projects (e.g. ongoing tank upgrades)</li> </ul>	



# Kurnell





# AUSTRALIAN TRANSPORT FUELS MARKET



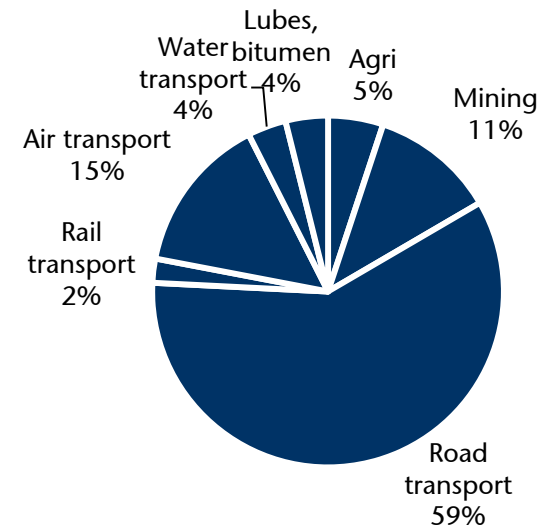


# Australian Transport Fuels Market

The Australian economy is dependant on a secure and reliable transport fuels market, creating significant opportunities across geography, products and channels.

- Market Size: 47bn litres by volume; \$46bn by value (2012)
- Market Growth: ~3.0% CAGR (last 5 years)
- Petroleum Products represent ~35% of total energy consumed
- Highly Diversified: across various market segments
- By Product. Diesel is now the most significant transport fuel product (by volume)
  - Diesel ~21BL
  - Petrol ~19BL
  - Jet ~7BL

Australian transport fuels comprise ~47 billion litres p.a.



# Product Drivers

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## Diesel

- Forecast Growth: 4.5% p.a. (2011 – 2016, 5 year CAGR)
  - Passenger car fleet
  - Resource sector growth (production, not prices)
  - Retail fleet penetration (now 1 in 4 new vehicles are diesel)

## Petrol

- Forecast Growth: -1-2% p.a. (2011 – 2016, 5 year CAGR)
  - More energy efficient cars
  - Substitution towards diesel
  - Switch to premium, high octane fuels (consumer preference, manufacturer engine specification, fuel efficiency and maintenance factors)

## Jet Fuel

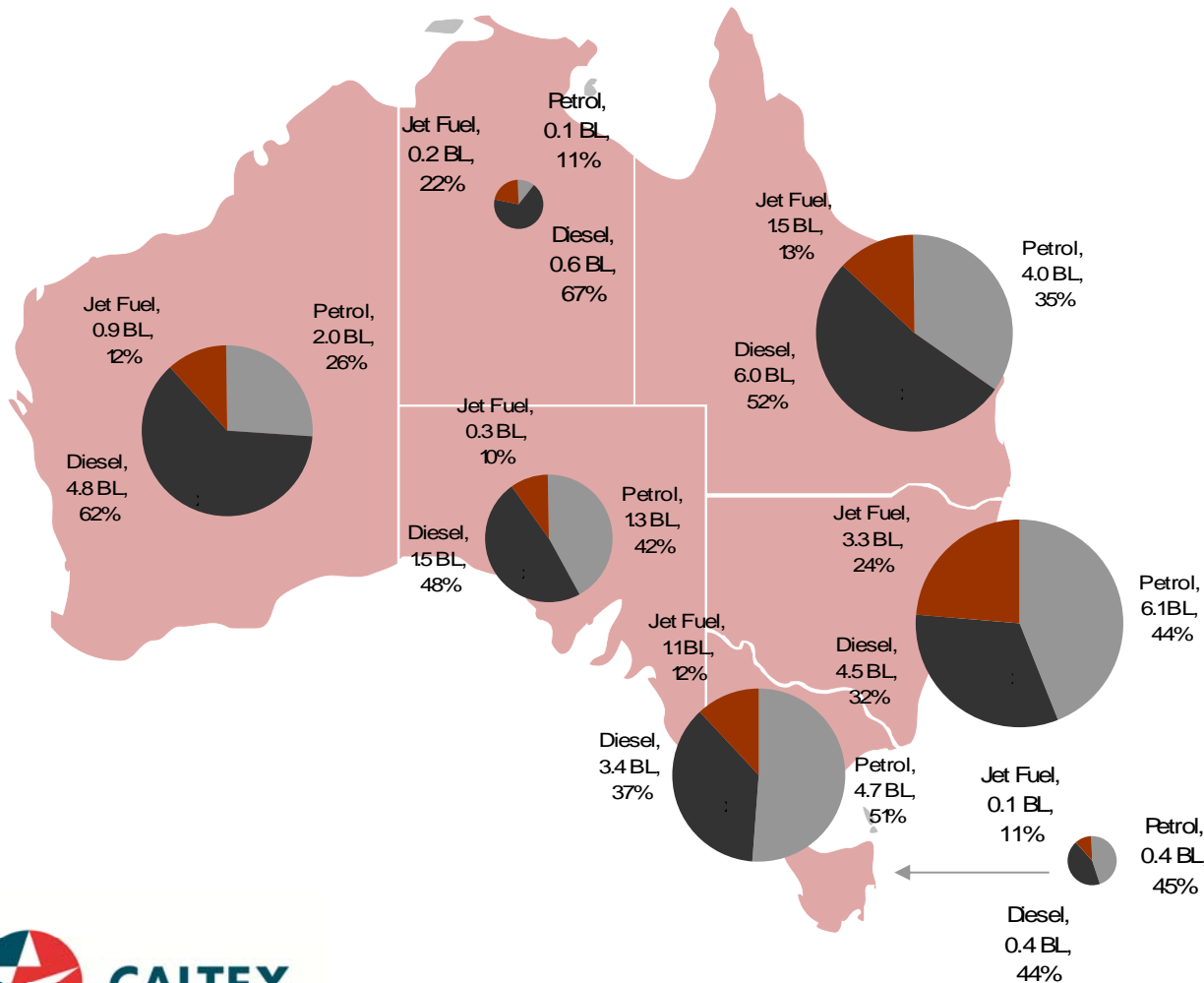
- Forecast Growth: ~4% p.a. (2011 – 2016, 5 year CAGR)
  - Increasing domestic, international passenger traffic
  - Proliferation of new airline carriers (Middle East, Chinese, discount)
  - Longer haul flights (greater pay loads)



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Source: Australian Petroleum Statistics, Caltex estimates

# Australian Transport Fuel Market by region



- Australia is a large and relatively geographically isolated country, with key and growing regional markets dispersed around the long coastline
- Regional markets not connected by distribution infrastructure (no pipelines, major rail or major rivers)
- Given market dynamics, key enablers are:
  - Product sourcing
  - Well located import infrastructure in each regional market
  - Strong customer relationships



# Caltex Market Position

Caltex is #1 or #2 across all products

		<u>Caltex share*</u>	<u>Caltex position*</u>
Products	Diesel	31%	No. 1
	Petrol	34%	No. 1
	Jet	32%	No. 2
	Lubricants	22%	No. 2
	Convenience	24%	No. 2



\* Indicative share of volume (2013)



# Caltex Market Position

By state

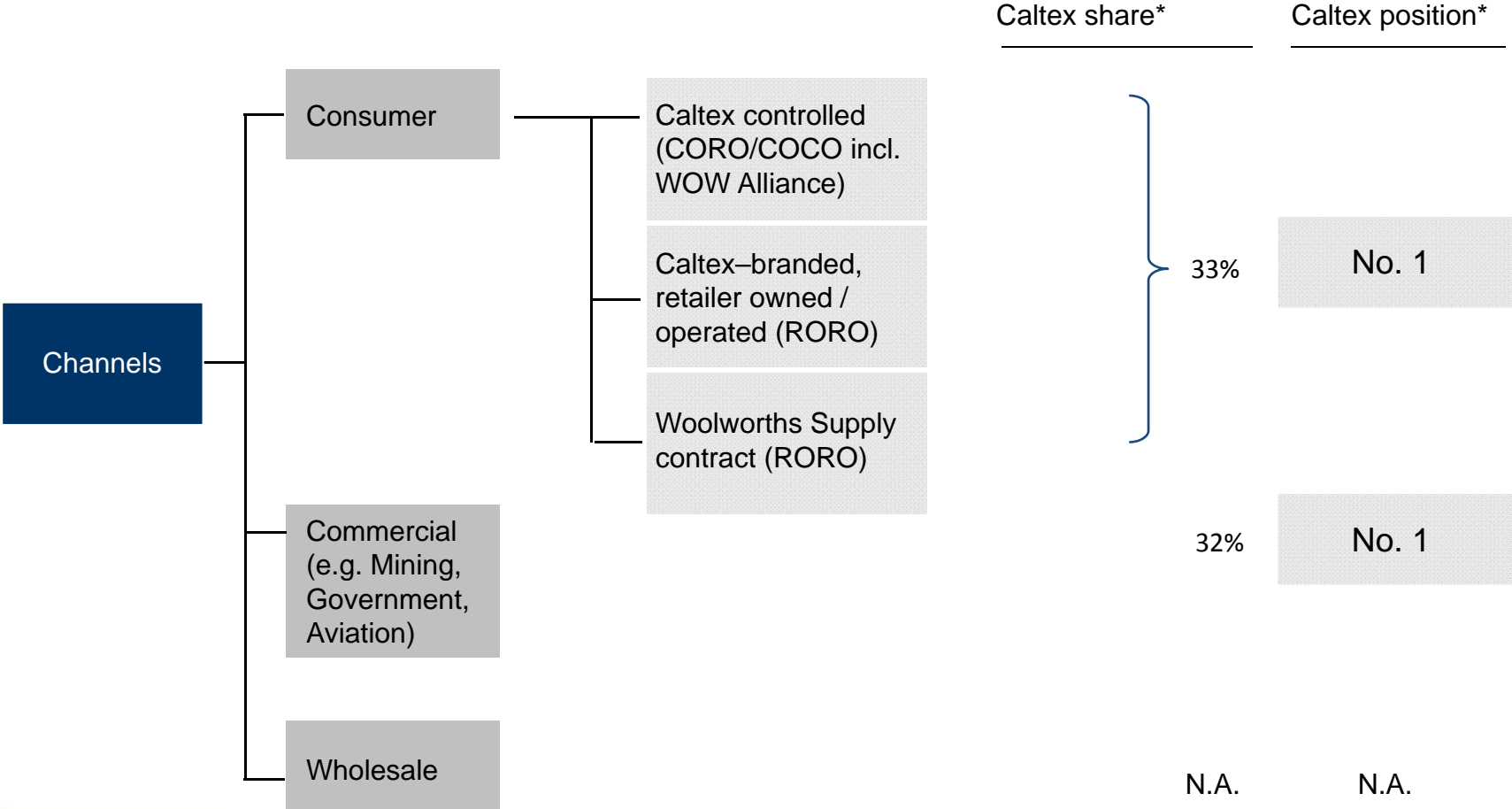
		<u>Market size</u>	<u>Caltex share*</u>	<u>Caltex position*</u>
Geographies	NSW / ACT	14.8BL	36%	No. 1
	Queensland	13.0BL	37%	No. 1
	Victoria	10.9BL	24%	No. 2
	WA	8.7BL	24%	No. 3
	SA	3.6BL	21%	No. 2
	NT	0.8BL	28%	No. 3
	Tasmania	0.8BL	40%	No. 1



\* Indicative share of volume (2013)









# Caltex Market Position – Major Channels

Caltex has scale positions across key channels



Source: Caltex estimates  
 \* Indicative 2013 share of volume

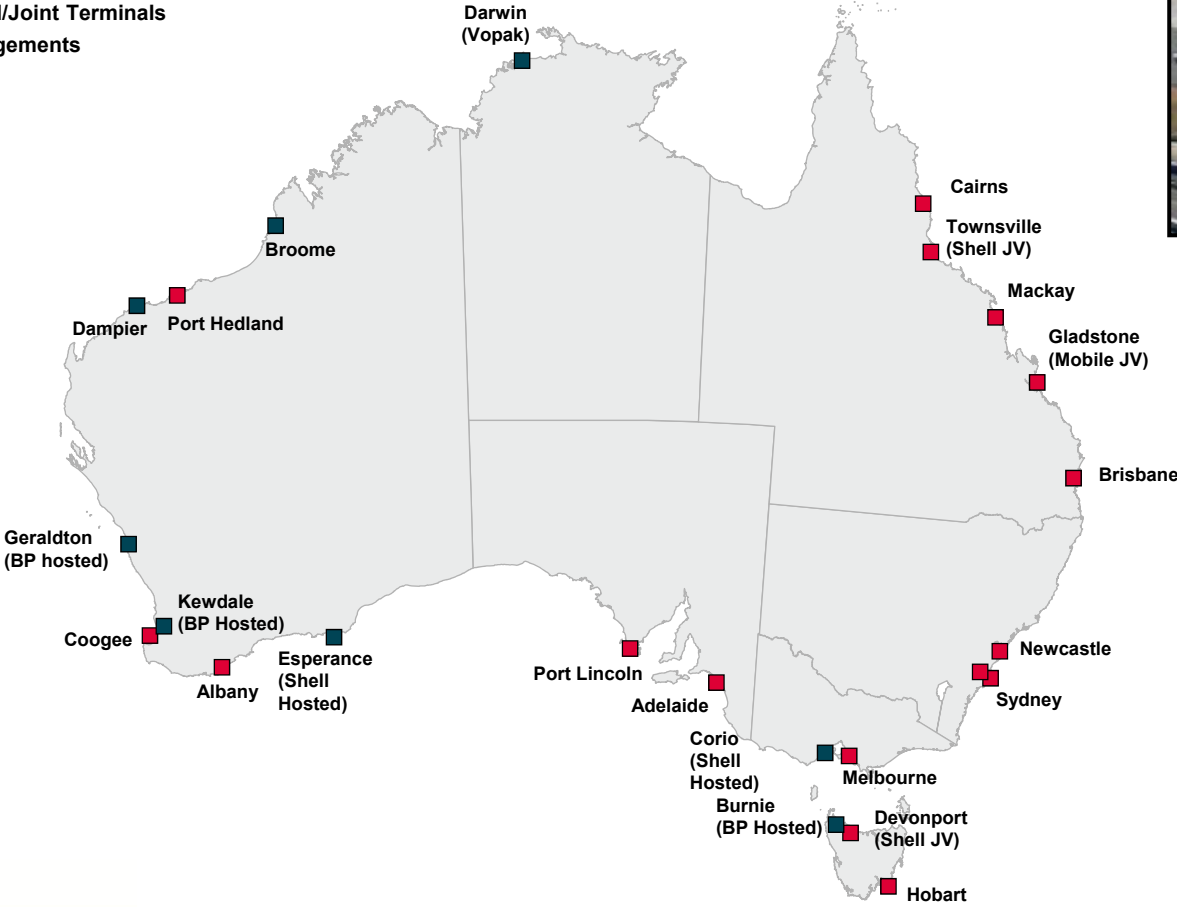
# Caltex has both a national and comprehensive infrastructure footprint

<b>Terminals</b>	<b>Pipelines</b>	<b>Depots</b>	<b>Airport depot and refuelling</b>
One of three players with national terminal coverage (24 locations)	Five major pipelines in Sydney, Newcastle and Brisbane basins	Industry-leading network of 89 CAL owned/leased depots	Membership at seven major east coast airports (JUHI)
			
<b>Site network (incl. WOW)</b>	<b>Marine Refuelling Network</b>	<b>Barges</b>	<b>StarCard</b>
=#1 position with ~2,000 service stations and diesel/truck stops	Emerging position established with acquisition of Baileys	Barges in key locations (Sydney, Brisbane)	#1 position with 40% of cards on issue
			



# One of three players with national import terminal coverage (24 locations)....

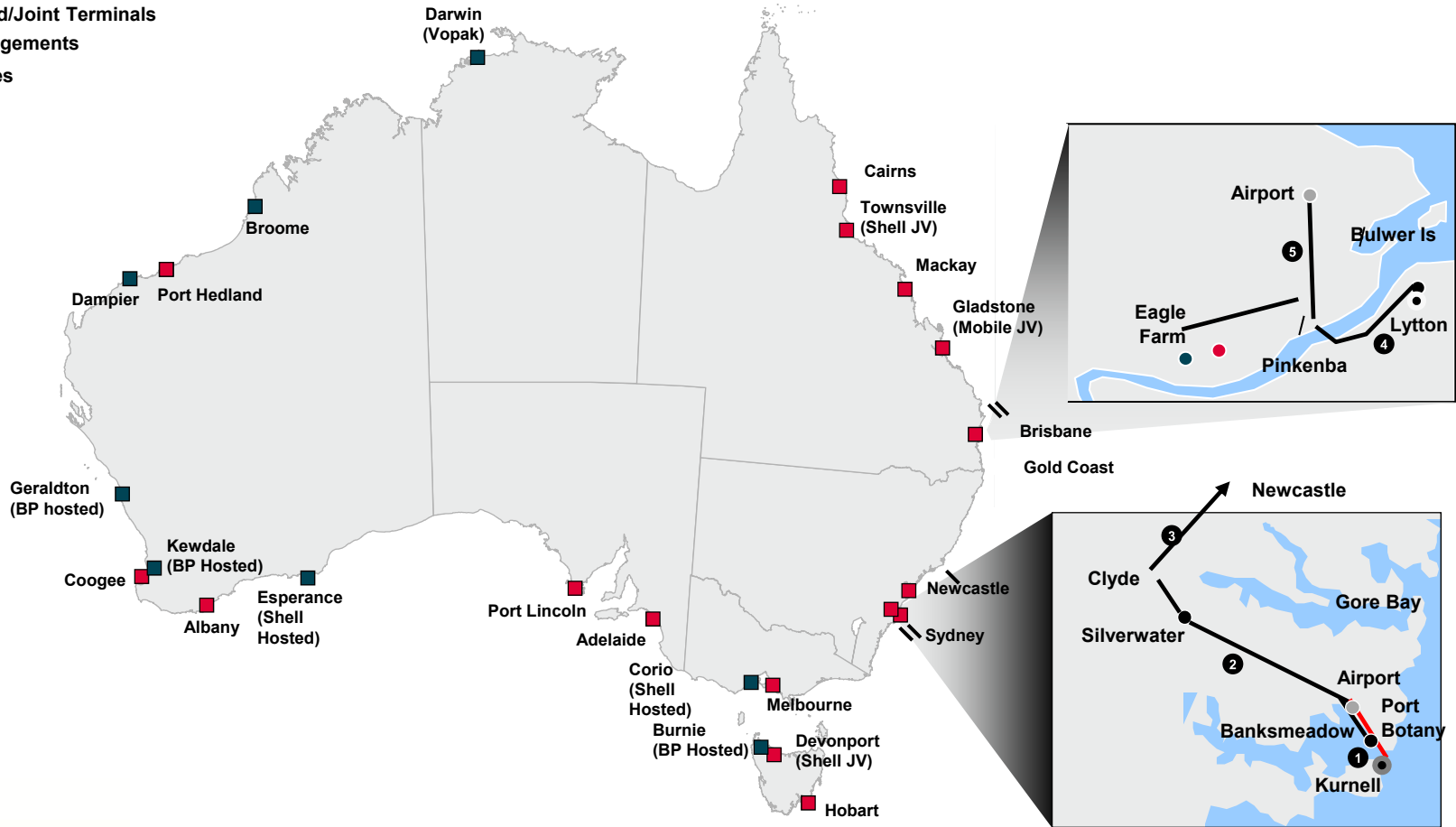
- Owned/Leased/Joint Terminals
- Hosting Arrangements





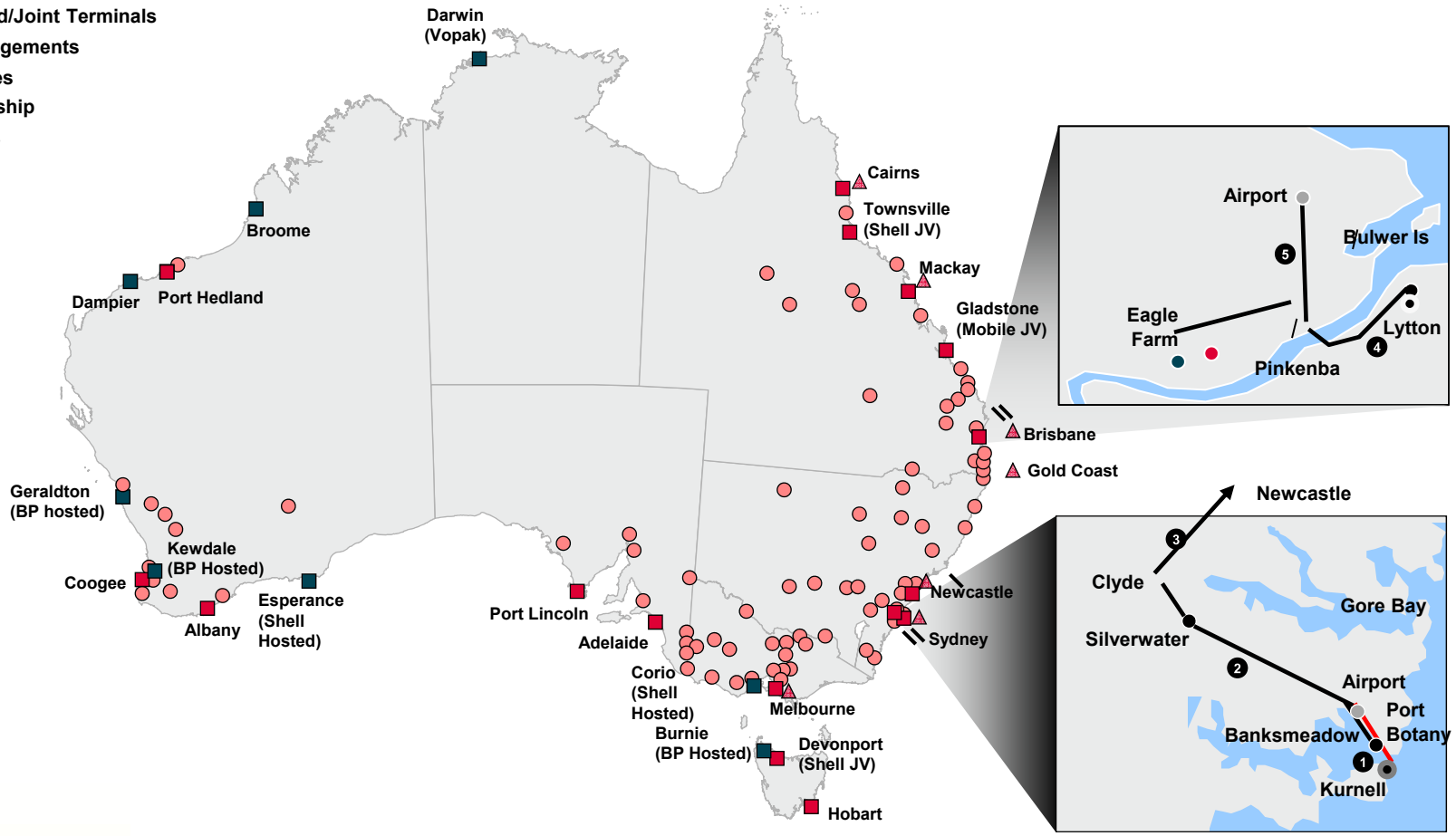
# ...with pipelines and barge operations in Sydney, Newcastle and Brisbane basins...

- Owned/Leased/Joint Terminals
- Hosting Arrangements
- ↘ Major Pipelines

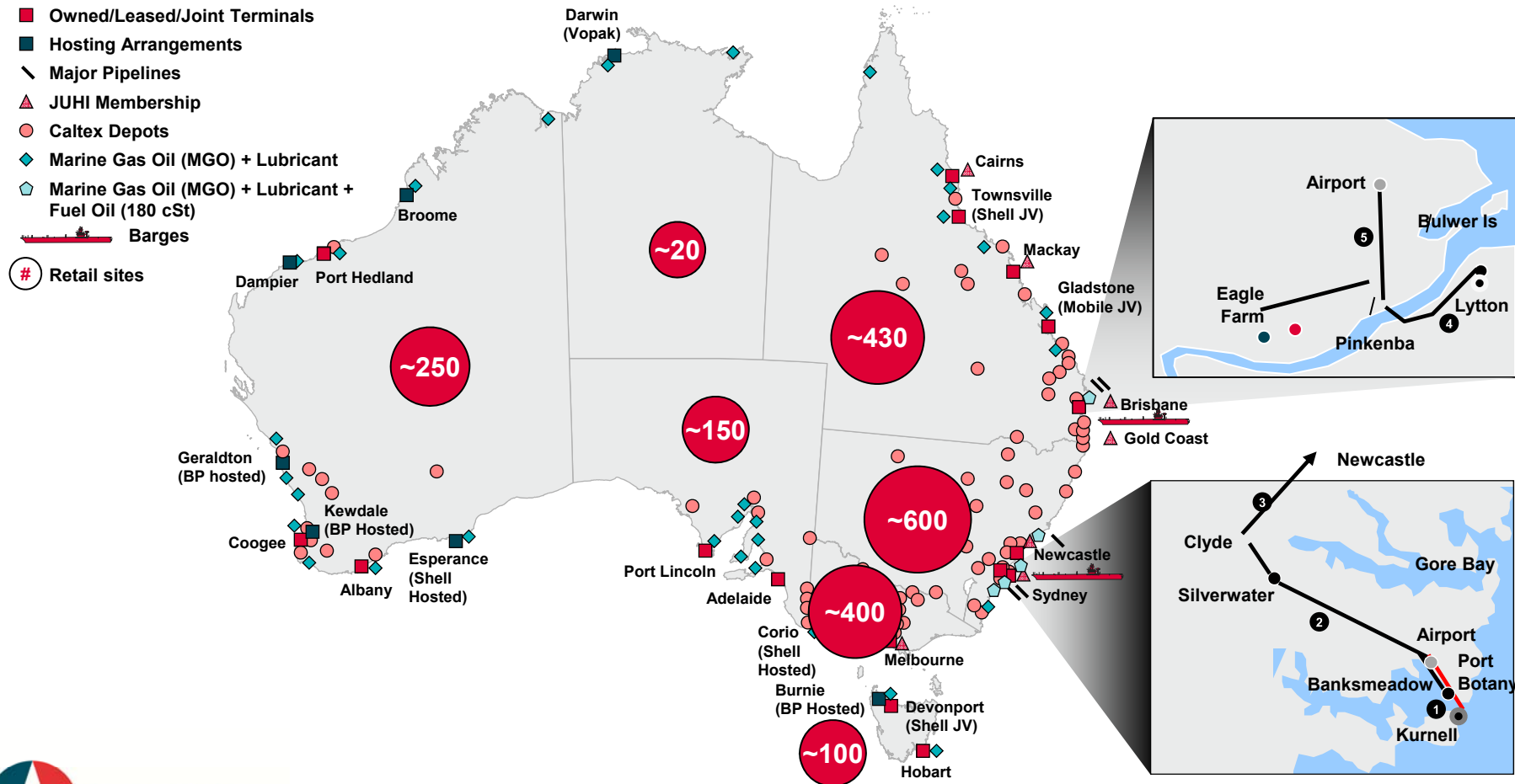


# ...and an industry-leading network of 89 Caltex owned/leased depots and membership of JUHIs at seven major east coast airports...

- Owned/Leased/Joint Terminals
- Hosting Arrangements
- ↘ Major Pipelines
- ▲ JUHI Membership
- Caltex Depots

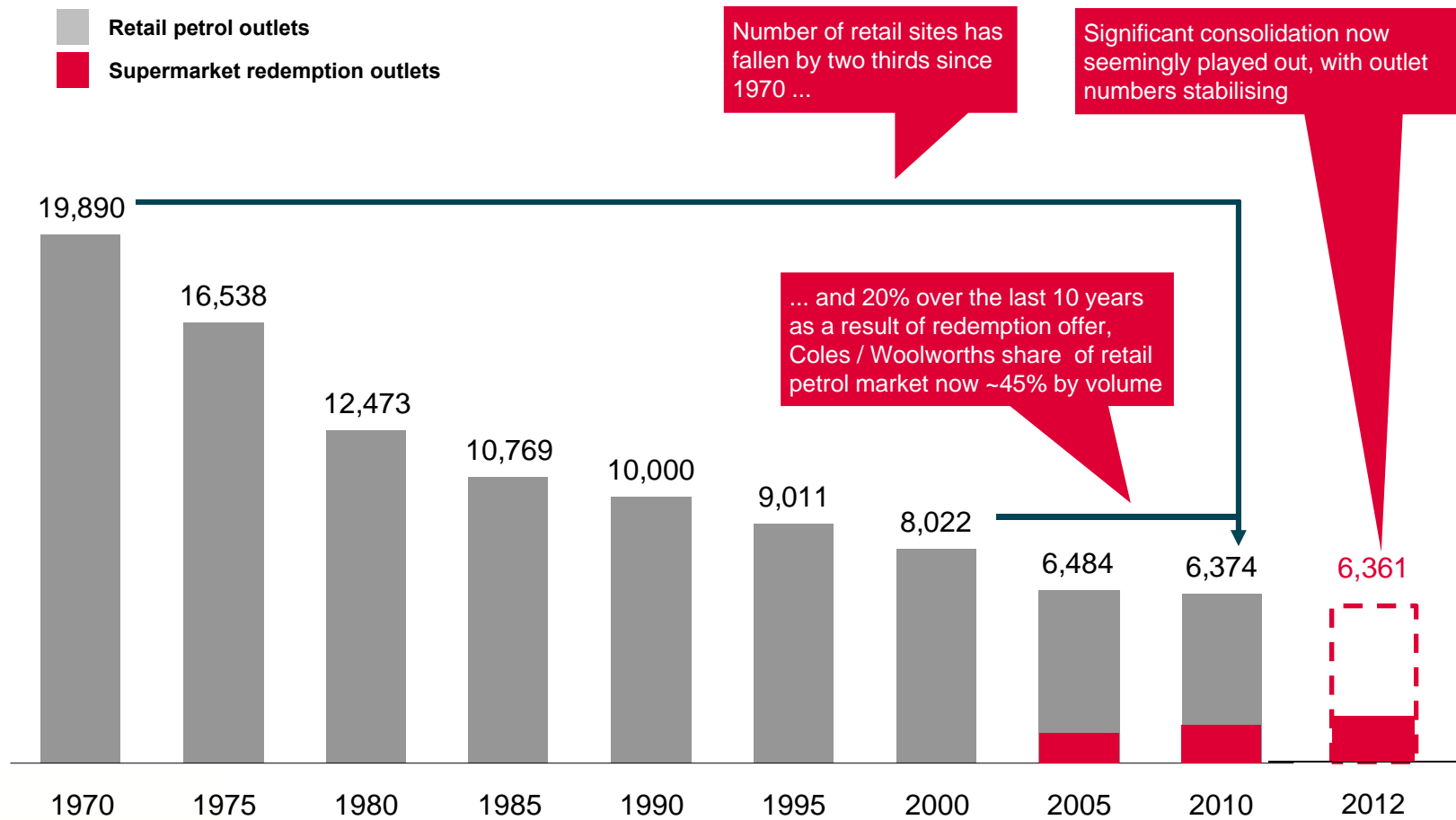


# ...a #1 network supplying ~2,000 service stations and diesel/truck stops, as well as a comprehensive marine refuelling network



# Customer: Caltex's Consumer Business Landscape

## Outlet rationalisation and supermarket entry





# Our consumer business strategy is to target the large and growing “convenience” and “redemption” segments

Caltex Consumer business is focussed on serving two attractive customer segments

Site type:

Convenience retail sites

Corner/Rural service stations

Volume pumps (no redemption)

Redemption sites

Key competitors:



Target customer:

- “One stop” convenience shopper
- Driven by premium fuels and convenience

- Motorist with fuel focus
- Driven by location appeal

- Motorist with fuel focus
- Discount or value driven

- Motorist with fuel focus
- Redemption and discount driven

Number of CAL branded sites:

- ~250 Retail sites

- ~200 Retail “Tier 3” franchised sites
- ~600 Reseller sites

- ~180 “Retail Owned Retail Operated”\*\* sites

- ~130 Retail sites
- ~500 Woolworths Supply



# Marketing & Distribution

## Other Developments



NTI/NTC: 10 - 15 p.a.  
KDR: 15 - 20 p.a.



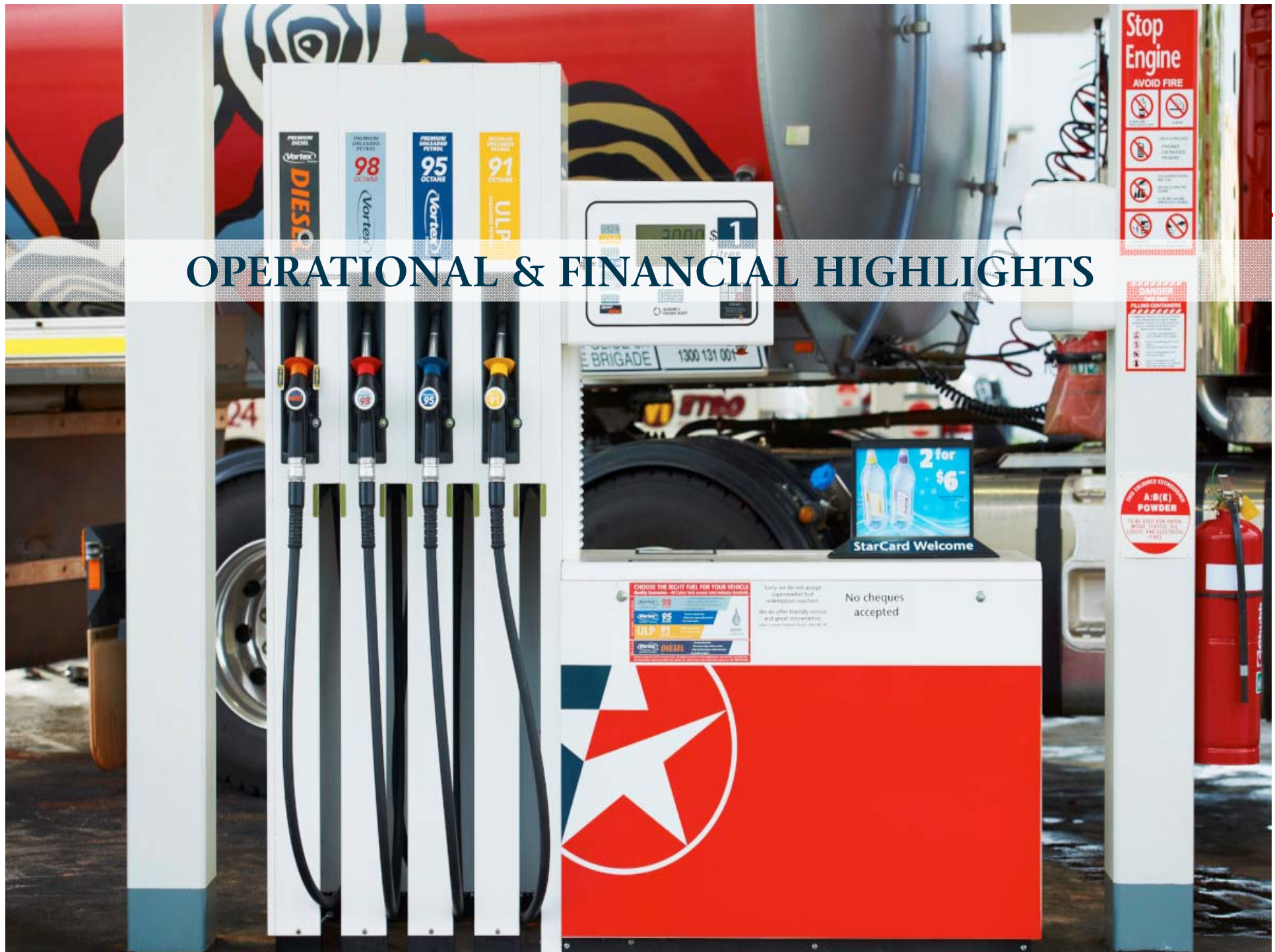
Diesel Stops: 10 - 12 p.a.



Pay@Pump: Live at >215 sites



# OPERATIONAL & FINANCIAL HIGHLIGHTS



# Financial Highlights

Full Year Ending 31 December

	2013	2012	% Change
<b>HISTORIC COST</b>			
EBIT (\$m)	826	183	350
NPAT (\$m)	530	57	834
EPS (cps)	196	21	834
<b>REPLACEMENT COST</b>			
EBIT (\$m)	551	756	(27)
NPAT (\$m)	332	458	(28)
EPS (cps)	123	170	(28)
Dividend (cps) <sup>1</sup>	34	40	(15)
<b>Balance Sheet</b>			
Debt (\$m)	742	740	0
Gearing (%)	22	26	(13)
Gearing (Lease adjusted %)	31	36	(13)
Working Capital (\$M)	1,051	1,108	(5)
Capital Expenditure (\$M)	568	403	41
Depreciation & Amortisation (\$M)	166	126	32



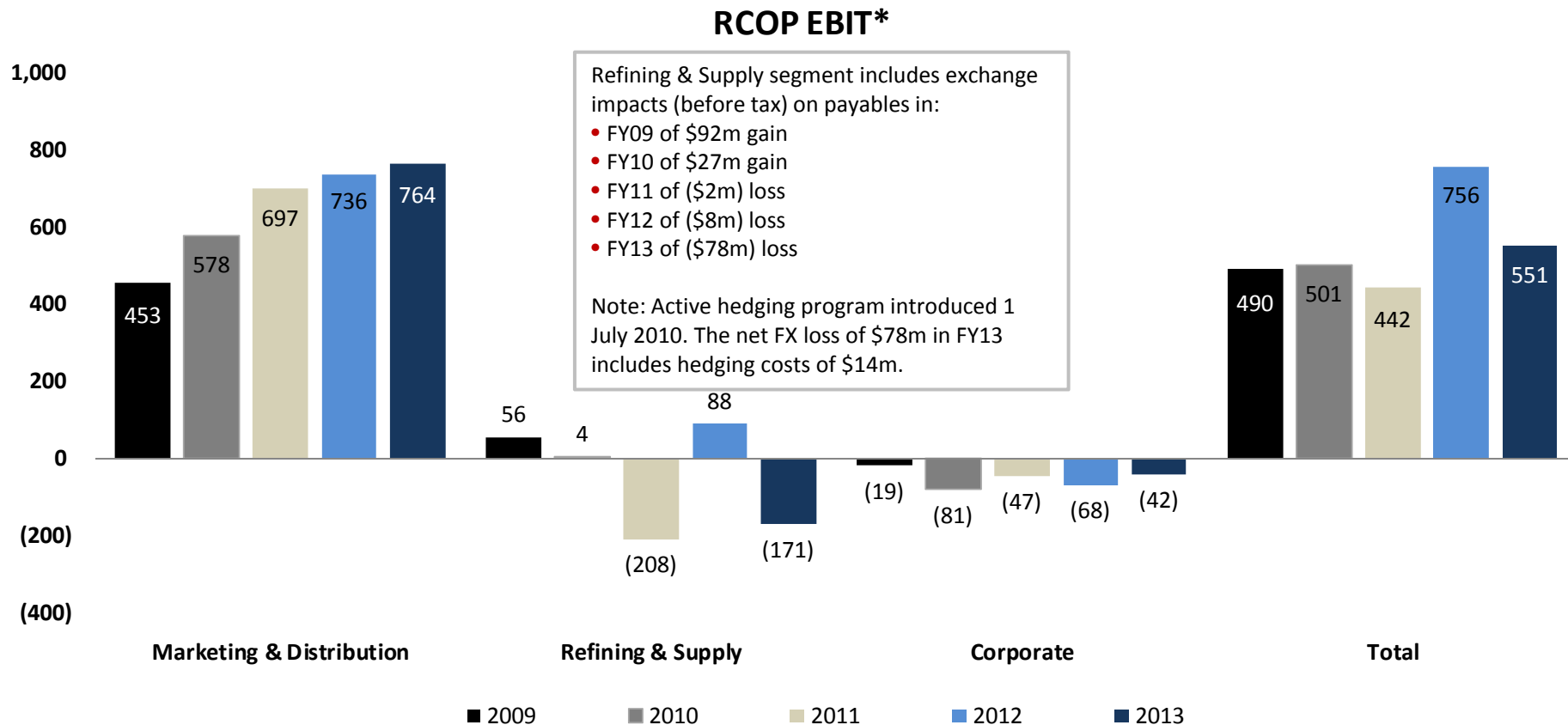
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<sup>1</sup> Dividend reflects the temporary dividend policy change to 20% to 40% payout (from 40% to 60%)



# Financial Highlights

## Segmented<sup>#</sup> Reporting



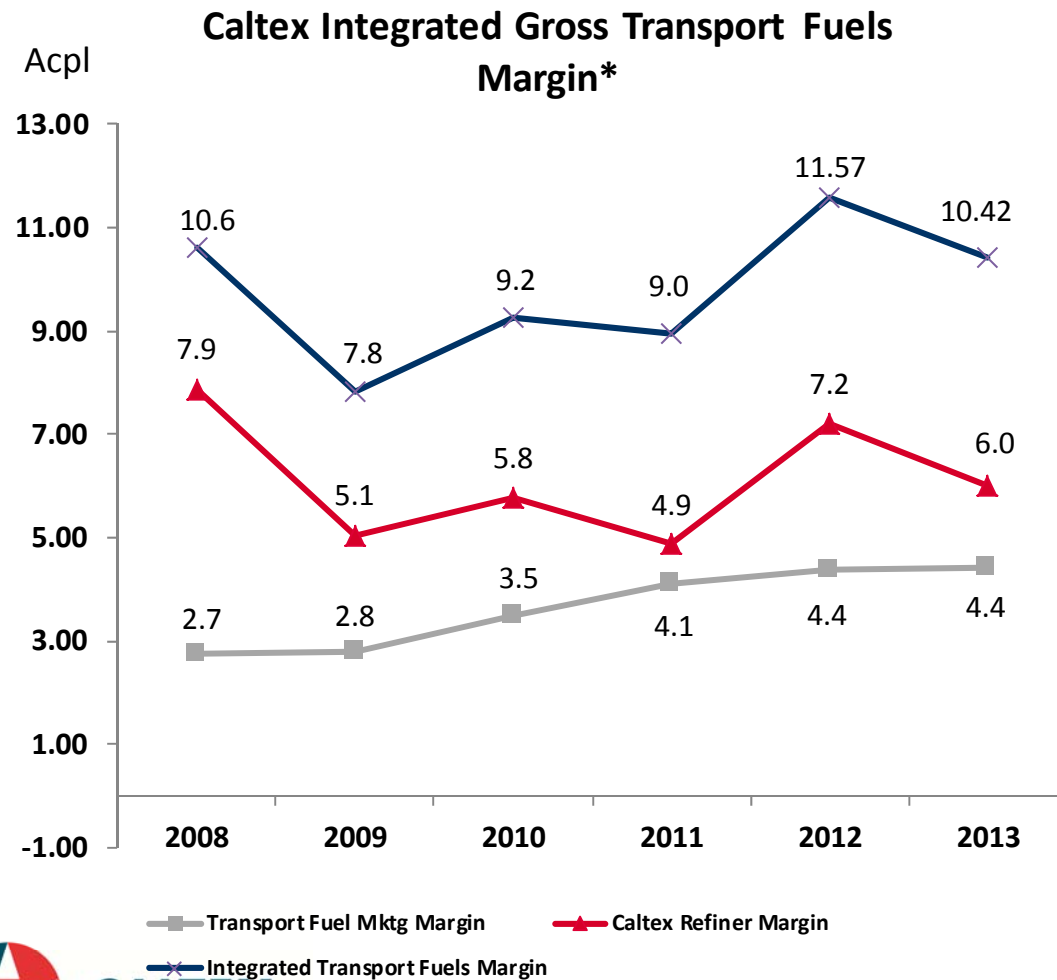
\* RCOP EBIT excluding significant items



#Segment results are based on a transfer price between Refining & Supply and Marketing & Distribution determined by reference to relevant import parity prices for petrol, diesel and jet, and other products including specialties and lubricants. Such import parity prices are referenced to benchmarks quoted in Singapore, and may not reflect actual costs incurred in importing product of the appropriate quality for sale in Australia.

# Integrated Transport Fuels Margin

Unfavourable externalities (lower CRM led) impact integrated transport fuel margins;  
Marketing margins maintained



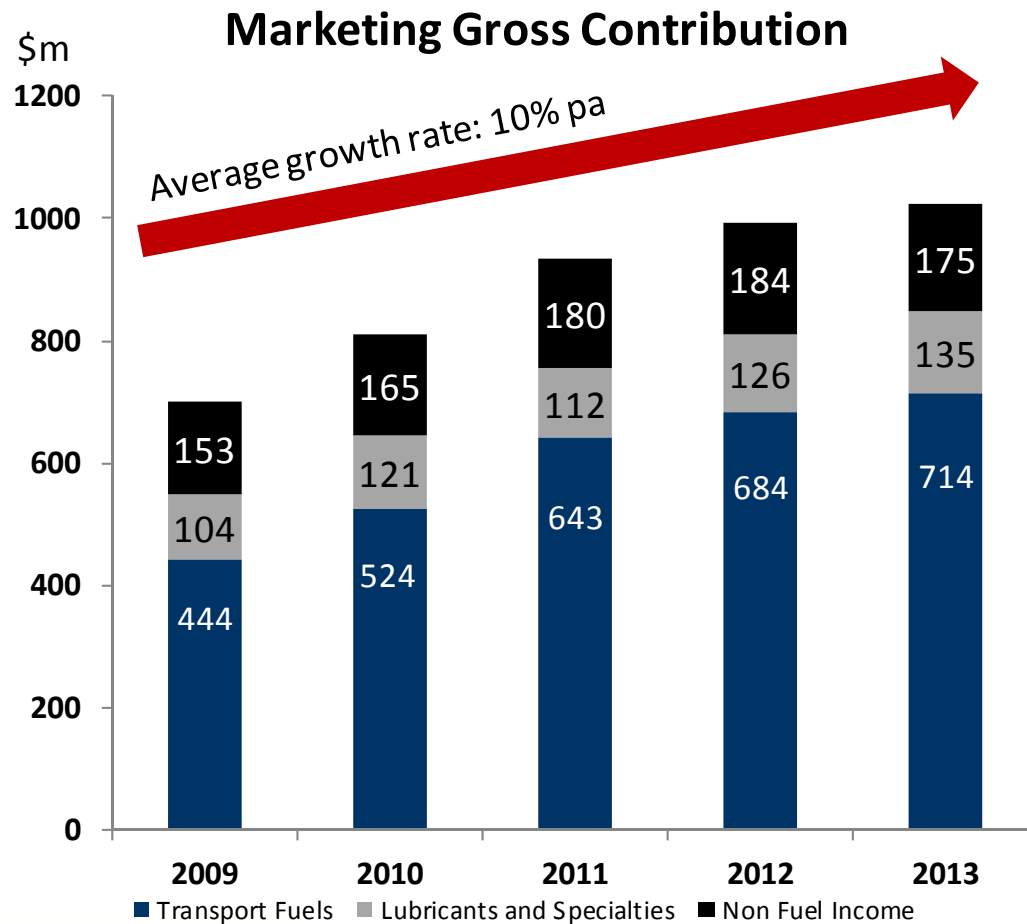
- Integrated transport fuels margin down 10% to 10.42cpl (2H refiner margin impact)
- Lower average Caltex Refiner Margin (US\$9.34/bbl or A6.0cpl; 2012 US\$11.83/bbl or A7.2cpl) driven by regional supply surplus (lower Singapore WAM), higher crude premiums, unfavourable lag and higher yield loss

\*Gross transport fuels margin, before expenses. Note that Transport fuels Marketing margin applies to total transport fuel sales (16.0BL for 2013) whereas the Caltex Refiner Margin applies to sales from production (10.6BL for 2013).



# Marketing & Distribution Highlights

Resilient result despite competitive environment, one offs. Growth continues



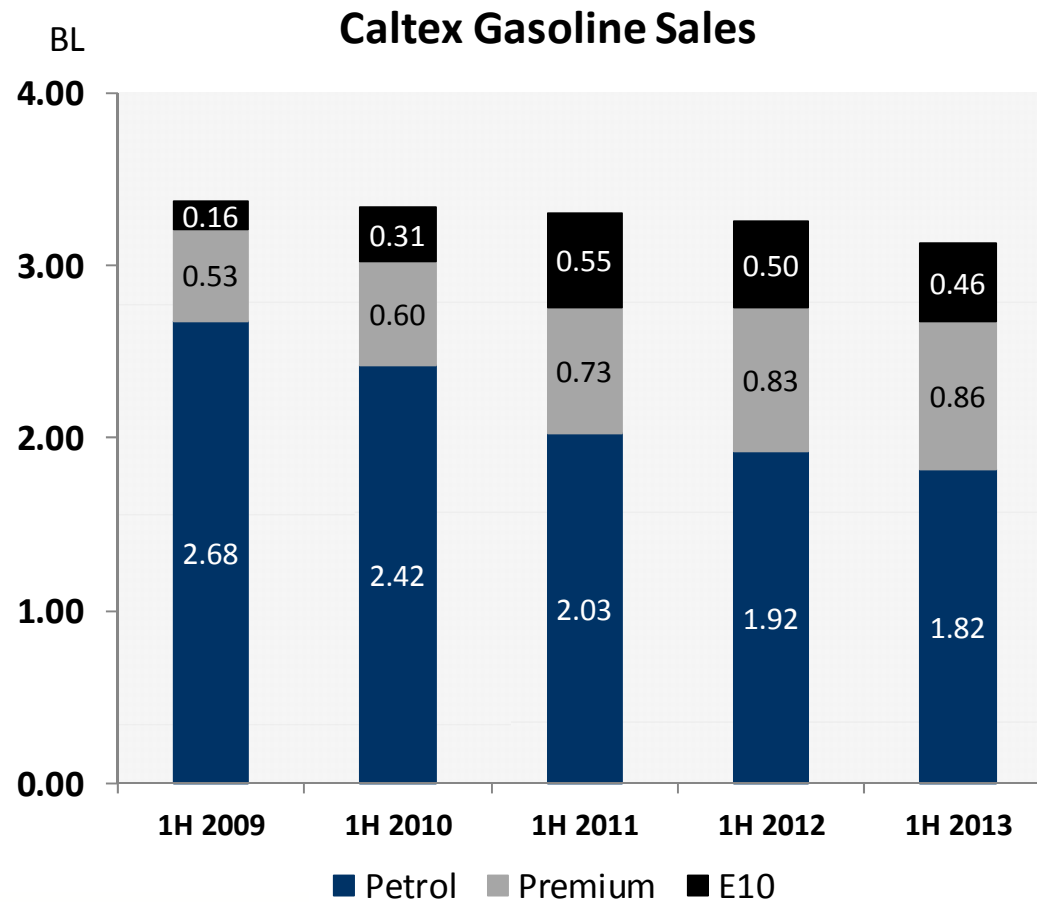
Note: Gross Contribution is earned margin before operating expenses

- Continued investment to grow Marketing
- Transport Fuels contribution (+4.4%) despite 1H one-offs (-\$11m); Volumes +2.0%
- Highly competitive environment across retail and commercial businesses
- Non fuel income (-5.0%) with accelerated network investments in increased leased sites exceeding incremental rental, royalty income (but excludes incremental transport fuel profits)
- Short term above normal contribution from Bitumen; Lubricants down 10% (volumes -8%) due to softer mining contractor market



# Marketing & Distribution Highlights

## Gasoline Sales – Continued Premium Fuels Growth



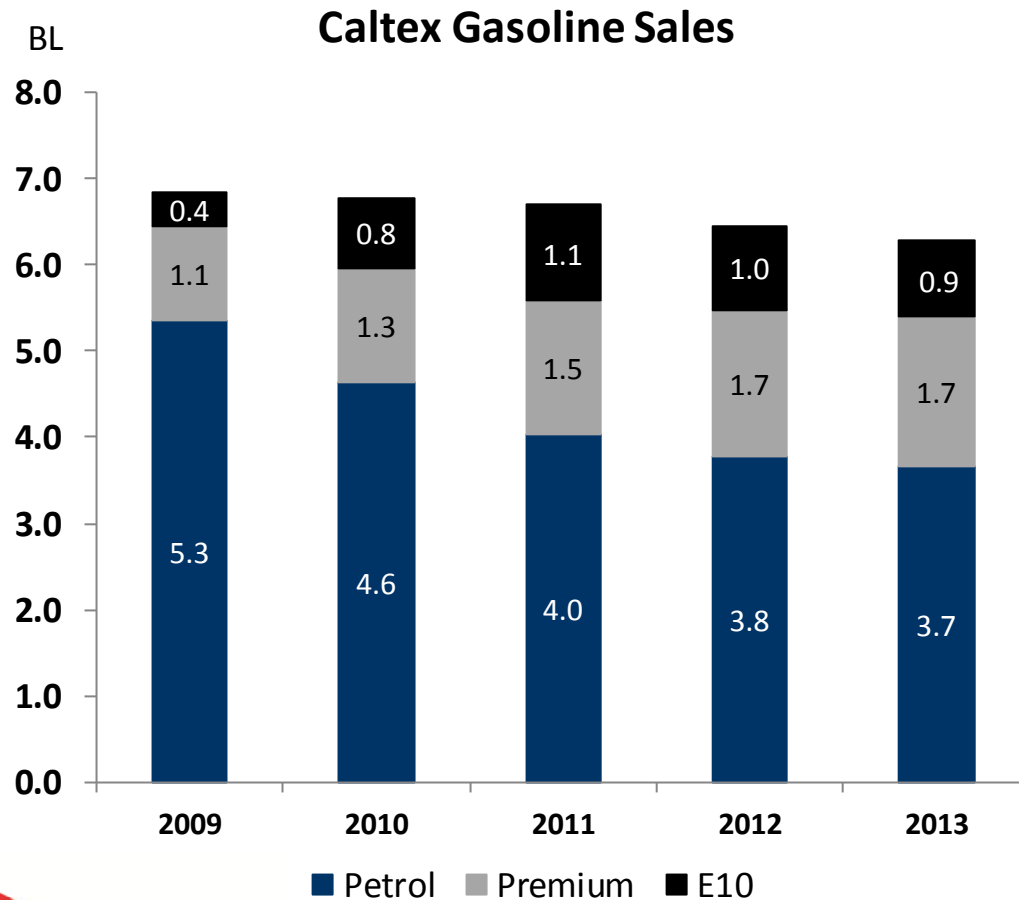
- Total gasoline volumes down 3.8%
- Premium gasoline sales up 4% (trending at +5% prior to Sydney premium gasoline supply interruption); now represents 27% of total gasoline sales
- Modest market share gains across premium (95/98) gasolines
- ULP sales volumes down 5.3%; E10 sales down 7% on 1H12 reflecting diesel and premium gasoline substitution and general long term industry-wide decline





# Marketing & Distribution Highlights

## Continued Premium Fuels Growth

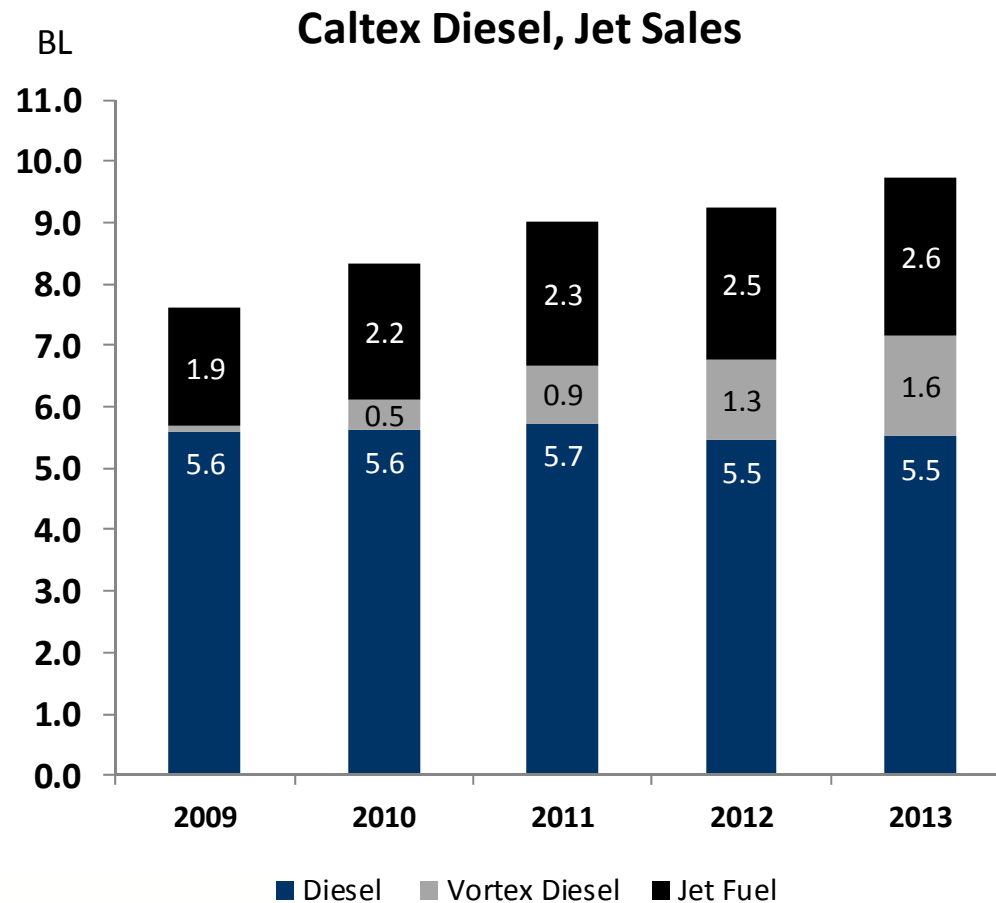


- Premium gasoline sales up 3.0% (trending at +5.0% prior to 1H Sydney premium gasoline supply interruption); now represents 28% of total gasoline sales
- Total gasoline volumes down 2.5% (recovery from 3.8% decline in 1H 2013)
- Modest market share gains across Vortex 98 gasolines; some share loss across ULP/E10
- ULP sales volumes down 3.2% (1H 2013 down 5.3%); E10 sales down 9.4% on FY12 reflecting diesel and premium gasoline substitution and general long term industry-wide decline



# Marketing & Distribution Highlights

Diesel, jet fuel sales – strong second half volume growth



- Total diesel volumes up 5.8% on FY 2012
- Vortex retail diesel sales up 24% on 2012 in total (underlying retail diesel growth +7.8%) and now represents 23% of total diesel sales volumes
- Commercial diesel sales volumes up, with some record 2H volumes
  - Mining overall minor growth but robust. New contract wins and growth from existing customers offset large contract loss in prior year
  - Industrial, SME and transport sectors challenging environment
- Jet fuel sales up 4.2% following new 2H13 contract volumes



# Refining & Supply

Lytton profitable / cash flow positive despite adverse externalities, higher depreciation

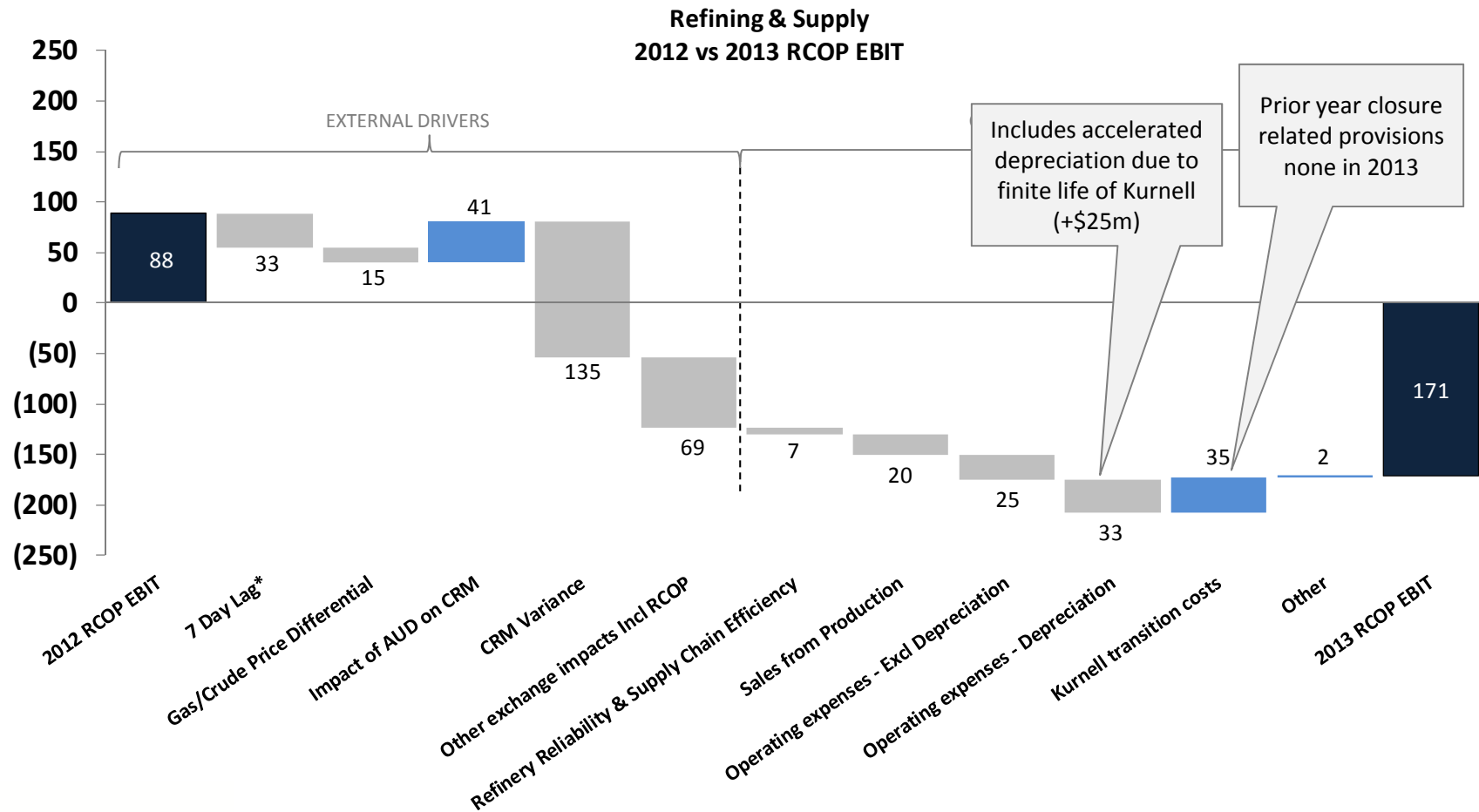
<b>Refining &amp; Supply Result Composition</b>			
<b>EBIT (\$ millions)</b>		<b>FY13</b>	<b>FY12</b>
<b>Lytton EBIT</b>		<b>95</b>	<b>178</b>
<b>Kurnell EBIT</b>		<b>(21)</b>	<b>61</b>
Supply	- Underlying	(110)	(85)
	- Kurnell closure and conversion	(23)	(58)
	- FX impact on USD payables and 7 day lag	(111)	(9)
<b>Supply EBIT</b>		<b>(244)</b>	<b>(151)</b>
Refining & Supply	- Underlying	(36)	154
	- Kurnell closure and conversion	(23)	(58)
	- FX impact on USD payables and 7 day lag	(111)	(9)
<b>Refining &amp; Supply Total EBIT</b>		<b>(171)</b>	<b>88</b>

- Lytton performed well operationally, excluding May unplanned outage
- Strong Kurnell refining performance given on-going conversion process and impending closure
- Sudden and significant fall in Australian dollar had material negative impact via FX loss on USD payables (\$78m); and 7 day lag (\$33m)



# Refining & Supply Highlights

External drivers (unfavourable CRM, Net FX losses, 7 day lag) and higher depreciation account for 80% of adverse year on year earnings change



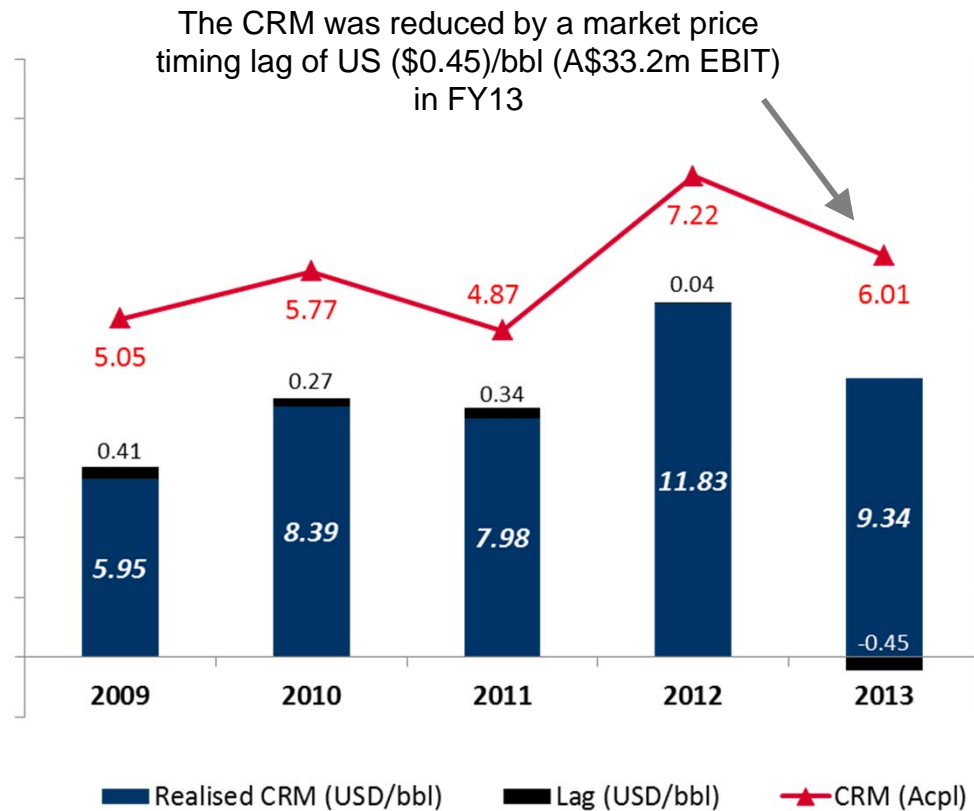
\*Lag effect due to exchange and crude/product price movements.

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# Refining & Supply Highlights

Lower CRM adversely impacts R&S EBIT result by \$94m



Caltex Refiner Margin Build-up (US\$bbl)		
	FY13	FY12
Singapore WAM*	13.20	14.49
Product freight	5.12	4.77
Quality premium	1.94	2.07
Crude freight	(2.72)	(3.09)
Crude premium	(3.77) <sup>(2)</sup>	(2.54)
Yield loss	(3.98) <sup>(1)</sup>	(3.84)
Lag	(0.45)	(0.04)
<b>Realised CRM</b>	<b>9.34</b>	<b>11.83</b>

(1) Improved Lytton yield offset by Kurnell decline

(2) Soft crude markets in 2H2012 and higher proportion of long haul crudes resulted in lower crude premia in 2012. Crude premia in 2013 back to more "normal" levels.

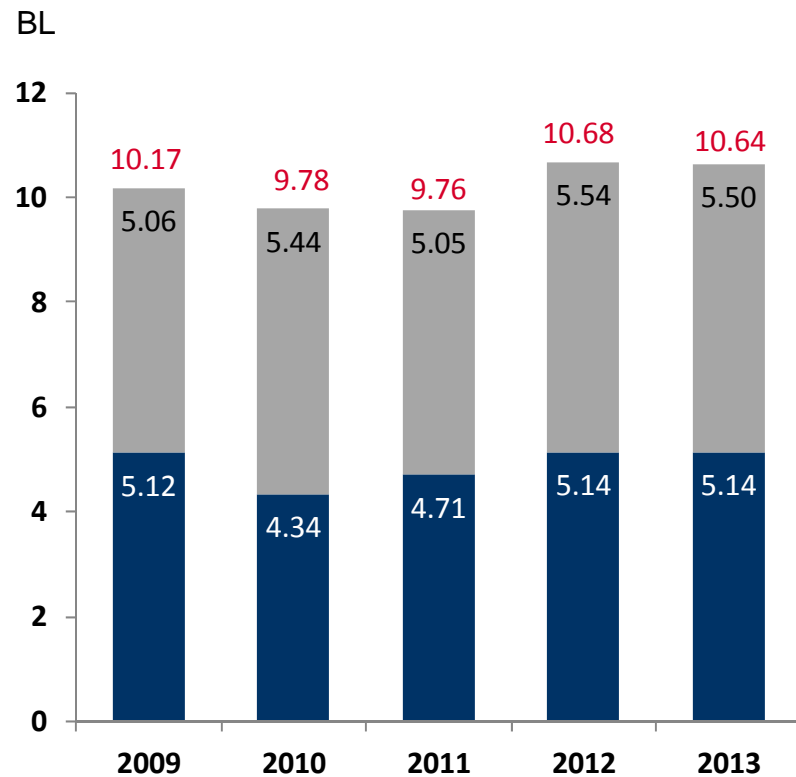
\*The Caltex Refiner Margin (CRM) represents the difference between the cost of importing a standard Caltex basket of products to Eastern Australia and the cost of importing the crude oil required to make that product basket. The CRM calculation represents: average Singapore refiner margin + product quality premium + crude discount/(premium) + product freight - crude freight - yield loss. Numbers used are volume weighted.



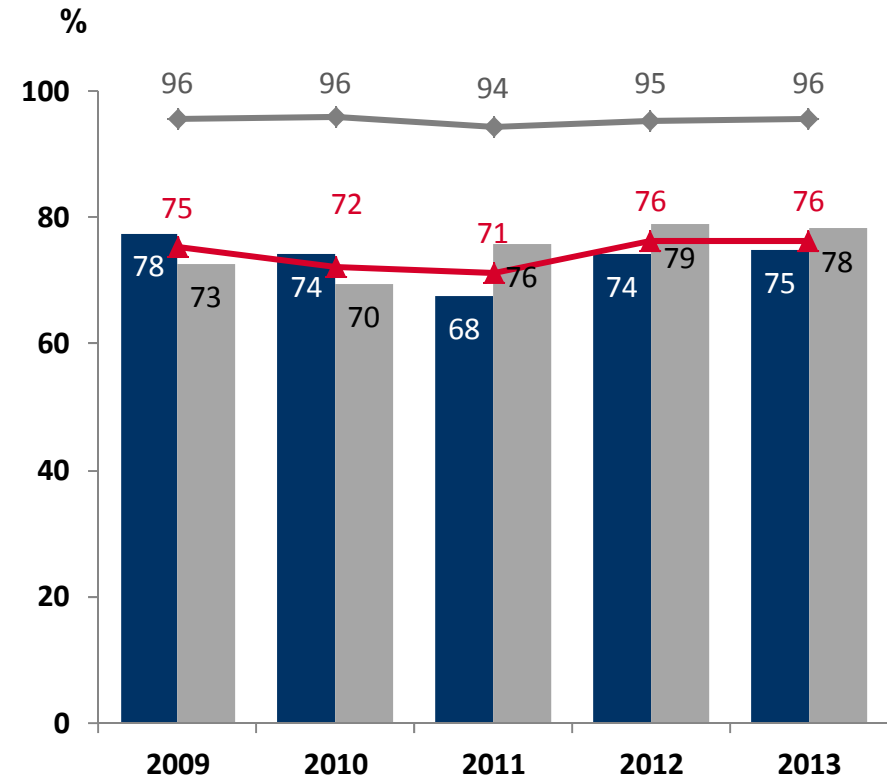
# Refining & Supply Highlights

Production and mechanical availability maintained despite unplanned Lytton outage, Lytton utilisation down slightly, and Kurnell conversion works

Refinery transport fuel production



Refinery utilisation (%) and Availability (%)



■ 1H ■ 2H



■ Kurnell ■ Lytton ▲ Avg. Utilisation ◆ MA

MA ≡ Mechanical Availability

# Refining & Supply Production

Lytton's product slate (% of total volumes) assists Refinery earnings differential

	LYTTON				KURNELL			
	2013	2012	2011	2010	2013	2012	2011	2010
Diesel	39%	40%	38%	39%	29%	26%	26%	26%
Premium Gasolines	12%	13%	12%	10%	16%	14%	10%	10%
Jet	10%	10%	9%	7%	20%	19%	18%	18%
	<b>61%</b>	<b>63%</b>	<b>59%</b>	<b>56%</b>	<b>65%</b>	<b>59%</b>	<b>55%</b>	<b>54%</b>
Unleaded Petrol	35%	34%	37%	41%	26%	29%	32%	34%
Other	4%	4%	4%	3%	9%	13%	13%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Note: Figures may include minor rounding errors



# Financial Discipline

Indicative Capital Expenditure, subject to change (includes T&I\*\*)

\$ millions	Average (FY10-12 inclusive)	2012	2013 Forecast	2013 Actual	2014 Forecast
<b>Marketing &amp; Distribution</b>					
- Stay in business	75	96	110	108	120-130
- Growth*	130	125	165-185	173	220-240
	<b>205</b>	<b>221</b>	<b>275-295</b>	<b>281</b>	<b>340-370</b>
<b>Refining &amp; Supply (R&amp;S) - Stay in business (including T&amp;I **)</b>					
i. Kurnell	75	59	40	39	25-35
ii. Lytton	65	57	95	93	55-65
iii. Supply	5	9	20	8	10-15
	145	125	155	140	90-115
<b>Refining &amp; Supply (R&amp;S) - Other / Growth</b>	<b>30</b>	<b>29</b>	<b>10-15</b> <sup>Δ</sup>	<b>13</b>	<b>45-55</b>
<b>Refining &amp; Supply – Total</b>	<b>175</b>	<b>154</b>	<b>165-170</b>	<b>153</b>	<b>135-170</b>
Kurnell Terminal Transition	0	20	120-130	127	100-120
<b>Corporate – Other</b>	<b>10</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>5-10</b>
<b>Total</b>	<b>390</b>	<b>403</b>	<b>570-605</b>	<b>568</b>	<b>580-670</b>

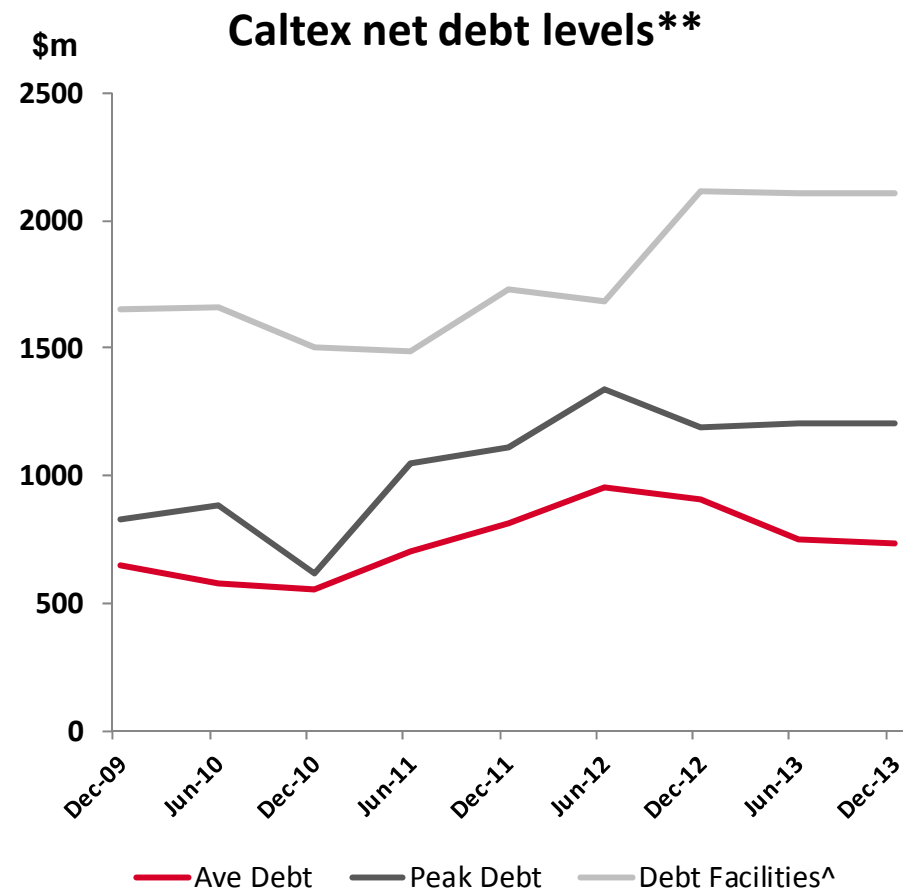
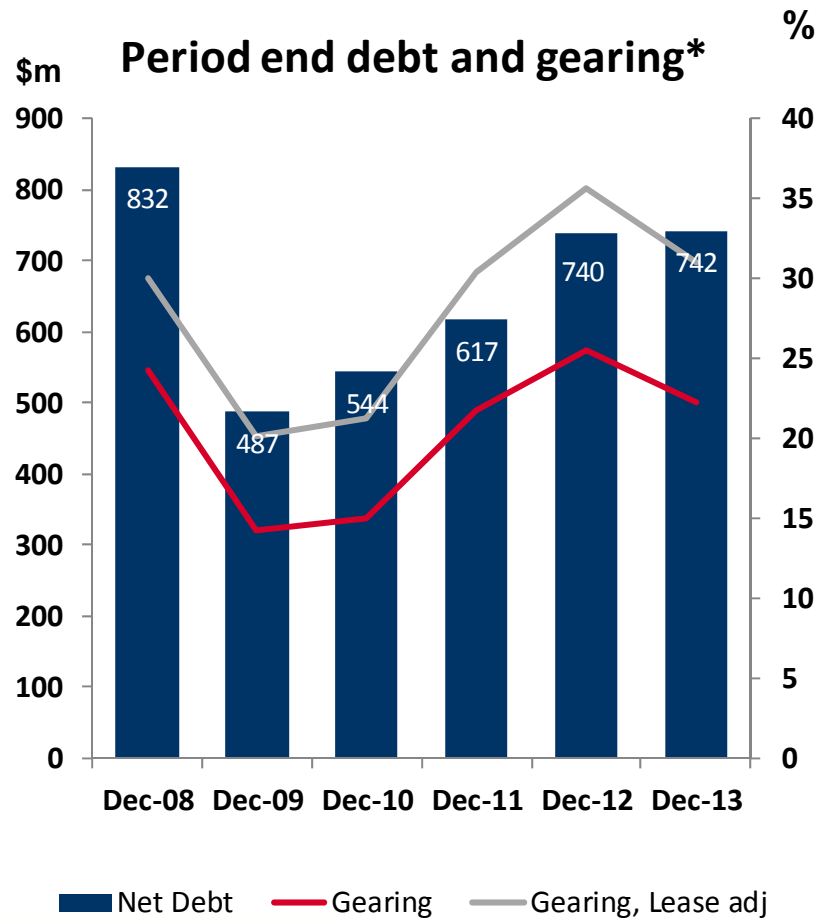


\* Indicative ranges only. Subject to change pending market conditions, opportunities, etc. Includes Scott's Fuels acquisition in 2014 Forecast

\*\* T & I = Turnaround & Inspection    Δ Lytton improvement project

# Financial Discipline

Less Long Haul Crude reduces Average Debt



\* Gearing = net debt / (net debt + equity); Gearing – Lease adjusted, adjusts net debt to include lease liabilities

\*\* Average debt is the average level of debt through the year; Peak debt is the maximum daily debt through the year

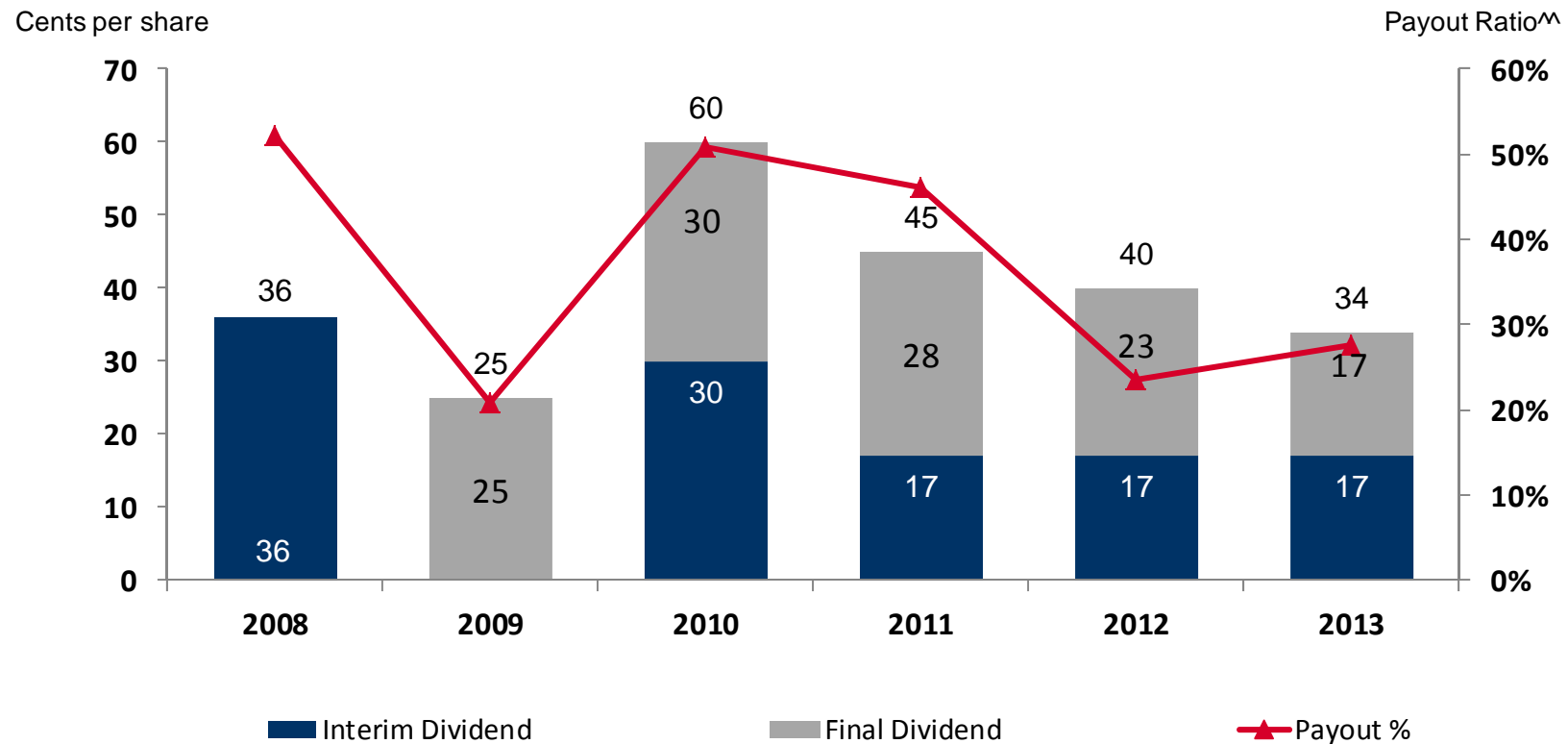
^ Debt facilities includes committed facilities as at 31 December 2013.



# Dividend

Final dividend of 17 cents per share (2012: 23cps)

**Caltex dividend history<sup>^</sup>**



<sup>^</sup> Dividends declared relating to the operating financial year period; all dividends fully franked

<sup>^^</sup> Payout ratio of reported RCOP NPAT (20% - 40% payout, reflects the temporary reduction during the period leading to the successful closure of Kurnell refinery)



# RESULT SUMMARY & OUTLOOK

<b>RESULT TAKE-AWAYS</b>	<ul style="list-style-type: none"><li>• Result within recent profit guidance</li><li>• Marketing earnings growth continues, despite competitive environment</li><li>• Refining &amp; Supply losses – adversely impacted by unfavourable externalities (lower CRM, currency impact on USD payables, 7 day lag), higher depreciation and unplanned plant outages</li><li>• Supply chain restructure – Kurnell conversion to a major import terminal on time and on budget</li><li>• Fully franked dividend 17cps declared</li></ul>
<b>OUTLOOK</b>	<ul style="list-style-type: none"><li>• Increasingly competitive environment expected to continue</li><li>• Lower AUD will benefit Australian dollar refiner margins (any further deterioration in the AUD will have immediate negative earnings impact, but longer term benefit)</li><li>• Prioritise the optimisation of the entire supply chain<ul style="list-style-type: none"><li>- Conversion of Kurnell refinery to a leading import terminal is progressing on time and on budget</li><li>- Upgrade supply chain information systems to ensure competitive supply</li><li>- Ramp up of Ampol Singapore operations for product sourcing</li><li>- On-going focus on capturing further operational improvements and margin improvements at Lytton</li></ul></li></ul>
<b>SUMMARY</b>	<ul style="list-style-type: none"><li>• Caltex is one integrated transport fuels company that is underpinned by comprehensive infrastructure with a diverse set of customers spanning consumer, commercial and wholesale</li><li>• We have a clear strategy to grow earnings, reduce volatility of earnings and cash flow and increase balance sheet flexibility to maximise longer term shareholder returns</li></ul>



# Summary

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- Caltex is:
  - One integrated transport fuels company
  - Underpinned by comprehensive infrastructure
  - With a diverse set of customers spanning consumer, commercial and wholesale
  - And with significant growth opportunities close to its core
- High confidence in the company's ability to continue to execute and deliver
- Financially in control of Caltex's destiny
- Key takeaways:
  - Leading position in an attractive industry
  - Lower earnings and cash-flow volatility through reduced exposure to refining
  - Re-allocation of capital to growth
  - Clear growth pathway across products, infrastructure, channels, geographies
  - Over time, increasing balance sheet flexibility



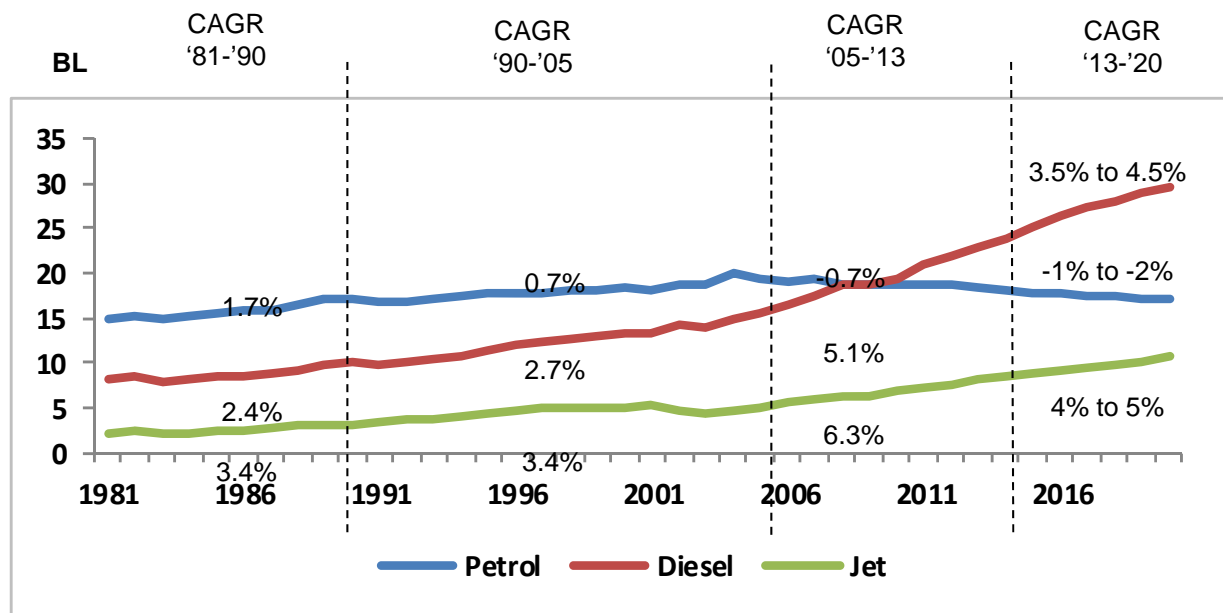
# APPENDICES





# Appendix – Australian Demand Growth

## Continued demand growth for Diesel and Jet Fuel



- Longer-term transport fuels demand outlook remains favourable
- Diesel demand underpinned by GDP growth and gasoline substitution
- Gasoline in decline (diesel substitution, engine efficiency improvements) but favourable mix shift towards higher octane, premium gasolines (new vehicle requirements)
- Steady jet fuel growth expected due to increasing passenger travel

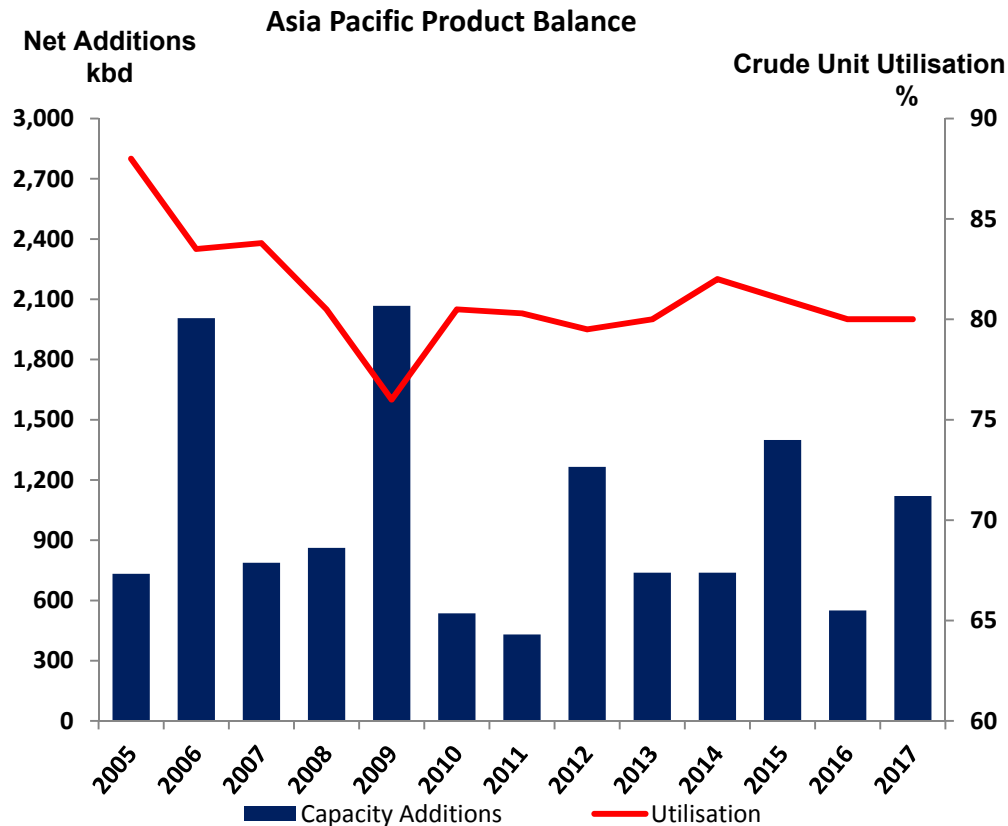
Source: ABARE; DITR & CTX Analysis





# Appendix – Regional Supply Capacity

Regional refining utilisation expected to decline medium term



- 2014 regional refining capacity additions will be partly offset by capacity closures in Japan (~400kbpd) and Caltex’s Kurnell closure (~100kbpd)
- Significant new capacity expected 2015 onwards (China primarily)
- 2014 Asian product demand growth forecast +2.4%, slightly below the 10 year average (FACTS)
- Steady demand growth forecast (underpinned by solid diesel, jet fuel growth)
- Refinery utilisation rates under pressure over the next four years (forecast regional capacity additions to exceed demand growth)

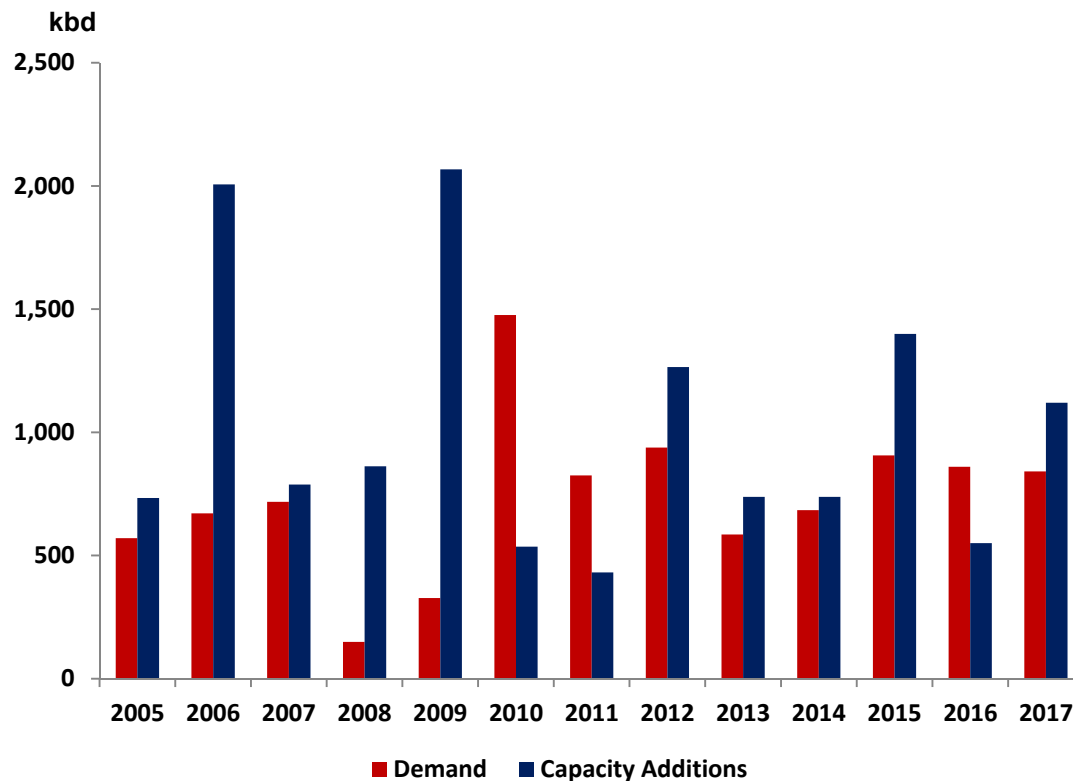
Source: FACTS Global Energy October 2013 Forecast, Caltex estimates  
Capacity additions are net of forecast closures



# Appendix – Regional Supply and Demand

Refining capacity additions are forecast to exceed product demand growth medium term

## Asia Pacific Product Demand Growth versus CDU Capacity Additions



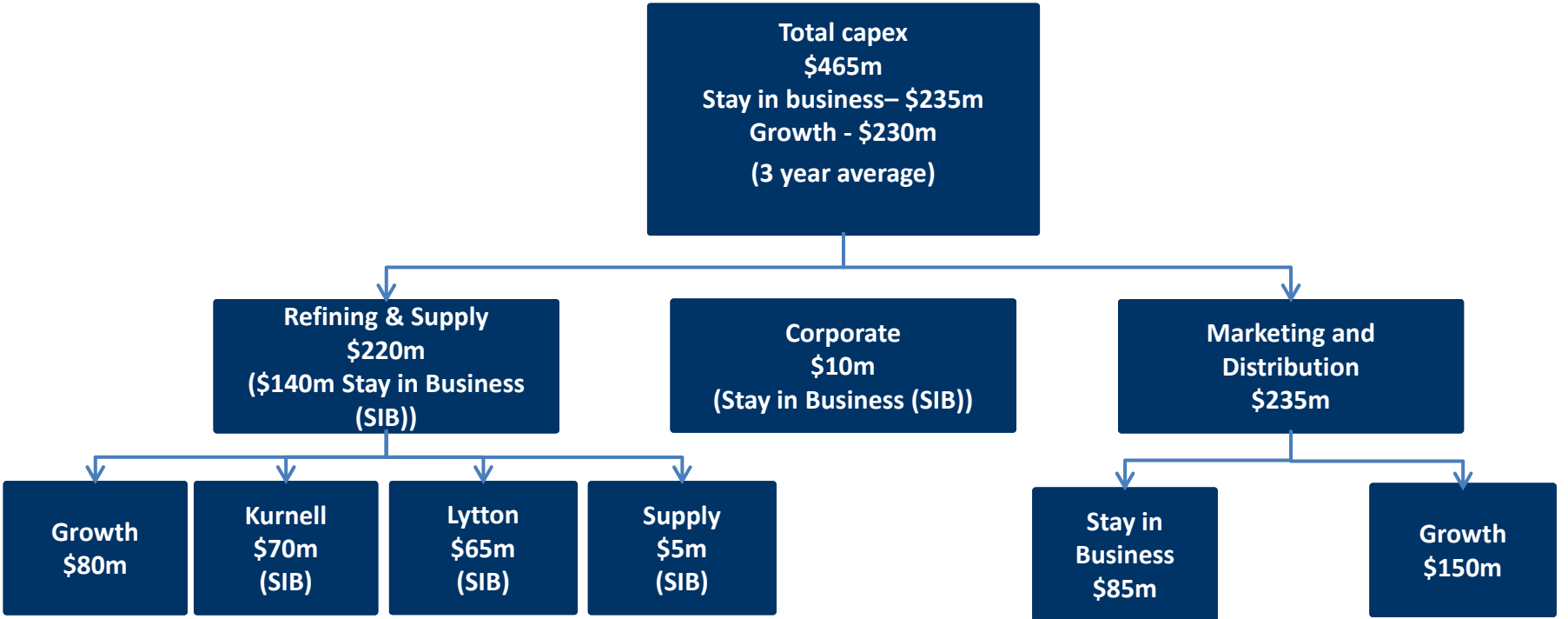
Source: FACTS Global Energy October 2013 Forecast, Caltex estimates  
Capacity additions are net of forecast closures

- Regional product demand growth in 2014 growth is projected to be similar to net refining capacity additions
- Regional net capacity additions in 2014 will be constrained by refinery closures in Japan and Australia
- Post 2014, capacity additions are projected to exceed demand growth
- The refining operating environment is therefore expected to remain challenging over the medium term (even allowing for the possibility of any commissioning delays)



# Financial Highlights

Historical Capex Levels (2011 – 2013 inclusive)



- Growth capex is discretionary
- Target pay backs for growth capital depend on the nature of the asset, strategic importance and the risk/reward trade-off (e.g. typical investments will target 5-7 year paybacks)
- Stay in business capex includes compliance, product quality, risk costs, Refining Turnaround and Inspections (T&I) and upgrades (Marketing)
- Residual monies within Corporate function (primarily IT)



# Financial Discipline

## Depreciation & Amortisation (D&A) over time

Higher FY13 D&A reflects the useful life of refining assets generally, the finite life of the Kurnell refinery and the accelerated investment within Marketing & Distribution.

Dec YE (\$m)	2012	2013	2014*	2015*
Refining & Supply	56	70	70 - 85	60 - 70
	+	+	+	+
Marketing, Distribution & Corporate	70	96	110	140-150
<b>Total Range*</b>	<b>126</b>	<b>166</b>	<b>180 - 195</b>	<b>200 - 220</b>



\*Indicative estimates only (subject to change)

# Appendix

## Kurnell Closure Cash-flow (unchanged)

Item	Description	Indicative amount	Timing
Closure costs (pre-tax)	Includes redundancy, decommissioning and remediation	\$(430)m*	<ul style="list-style-type: none"> <li>Redundancies H2 2014</li> <li>Dismantling and removal 2015</li> <li>Remediation post removal</li> </ul>
Terminal conversion costs	Conversion and expansion of current import facilities	~\$(270)m	<ul style="list-style-type: none"> <li>Work commenced 2012</li> <li>Proposed completion 4Q2014 (possible further tank optimisation beyond 2015)</li> </ul>
Working capital release	Working capital (Requirements of operating a refined product import facility are lower than operating an oil refinery)	~\$200m	<ul style="list-style-type: none"> <li>Estimated 2015</li> <li>Note: One off in nature</li> <li>Estimated: 2m barrels @ US\$100/BBL @ AUD USD1.00</li> <li>Ultimate benefit will depend on proportion amount of WAF sourced crude, crude prices, regional premiums, freight costs and currency at time of closure.</li> </ul>
Tax credit	Benefit from tax write-down of assets	~\$120m	<ul style="list-style-type: none"> <li>Tax benefit expected to be realised within 12 month period of closure (i.e. 2015)</li> <li>Tax write-down of c.\$400m in assets</li> </ul>



**CALTEX**

\* Pre-tax estimates



# Financials

## Summary Financial Information

	2013	2012	2011	2010	2009
<b>Dividends</b>					
Dividends (\$/share)	0.34	0.40	0.45	0.60	0.25
Dividend payout ratio - RCOP basis (excl. significant items)	28%	24%	46%	51%	21%
Dividend franking percentage	100%	100%	100%	100%	100%
<b>Other data</b>					
Total revenue (\$m)	24,676	23,542	22,400	18,931	17,984
Earnings per share - HCOP basis (cents per share)	196	21	(264)	117	116
Earnings per share - RCOP basis (cents per share) (excl. significant items)	123	170	98	118	120
Earnings before interest and tax - RCOP basis (\$m) (excl. significant items)	551	756	442	500	489
Operating cash flow per share (\$/share)	2.3	1.5	1.7	1.6	2.5
Interest cover - RCOP basis (excl. significant items)	6.2	7.8	6.5	8.7	17.4
Return on capital employed - RCOP basis (excl. significant items)	10%	16%	9%	9%	10%
Total equity (\$m)	2,597	2,160	2,218	3,083	2,925
Return on equity (members of the parent entity) after tax - (HCOP basis)	20%	3%	-32%	10%	11%
Total assets (\$m)	6,021	5,386	4,861	5,291	4,952
Net tangible asset backing (\$/share)	9.05	7.55	7.82	11.08	10.48
Net debt (\$m)	742	740	617	544	487
Net debt to net debt plus equity	22%	26%	22%	15%	14%

