CALTEX AUSTRALIA LIMITED

ACN 004 201 307

2016 HALF YEAR REPORT

HALF YEAR INFORMATION GIVEN TO THE ASX
UNDER LISTING RULE 4.2A

THE 2016 HALF YEAR REPORT SHOULD BE READ IN
CONJUNCTION WITH THE 2015 FINANCIAL REPORT

CALTEX

CALTEX AUSTRALIA LIMITED
LEVEL 24, 2 MARKET STREET
SYDNEY NSW 2000 AUSTRALIA

Results for Announcement to the Market

Key Results (Millions of dollars)			Half year ended 30 June 2016	2015
Revenues from ordinary activities	↓	13%	8,507	9,743
Profit from ordinary activities after tax/net profit for the period attributable to members:				
Historical cost basis (including significant items)	↓	15%	318	375
Replacement cost basis[1] (excluding significant items)	↑	1%	254	251

Dividend	2016	2015
Dividends declared: Interim dividend: - Amount per security (fully franked)	50 c	47c
Final dividend - Amount per security (fully franked)	N/A	70c
Record date for determining entitlement to 2016 interim dividend		8 September 2016
Date 2016 interim dividend is payable		30 September 2016

Comments update

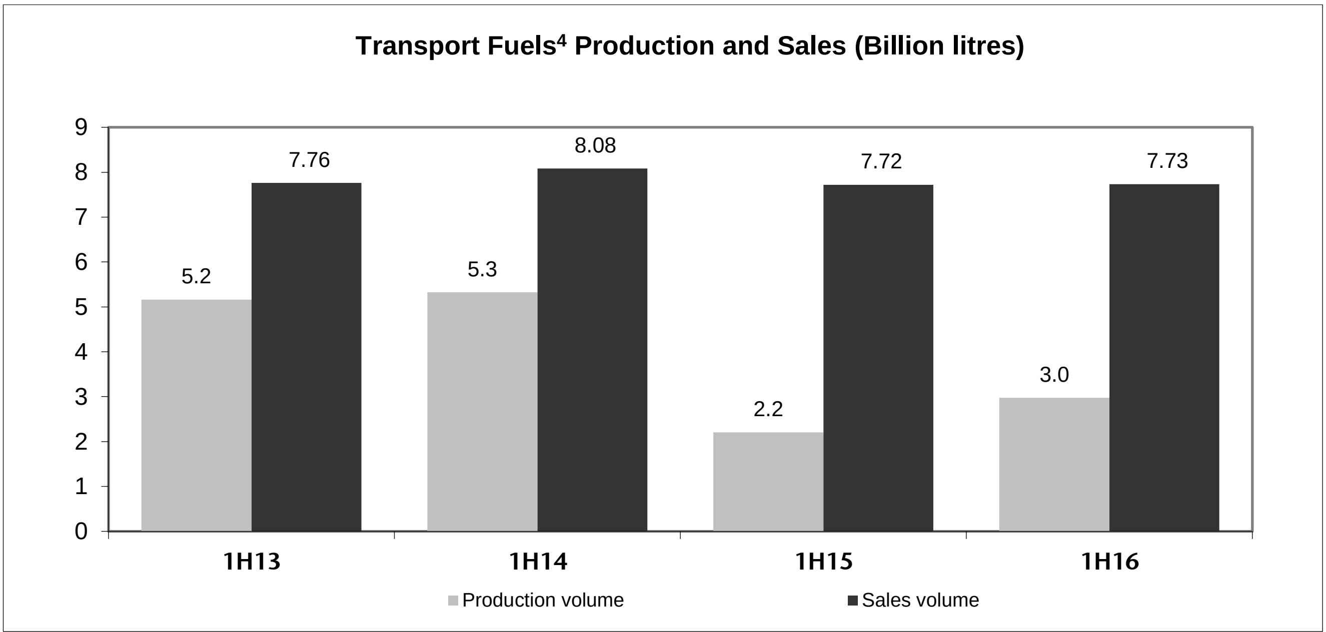
- On a historic cost profit basis, Caltex's after tax profit was $318 million for the first half of 2016. This compares unfavourably to the $375 million after tax profit for the first half of 2015. The 2016 half year result includes crude and product inventory gains of $64 million after tax, compared with crude and product inventory gains of $95 million after tax for the half year to 30 June 2015.
- On a replacement cost of sales operating profit (RCOP) basis, Caltex's after tax profit was $254 million for the first half of 2016. This compares with $251 million for the first half of 2015.
- Net debt at 30 June 2016 was $693 million, which compares with $432 million at 31 December 2015 and $715 million at 30 June 2015. The increase in debt reflects the $270 million off-market buy back completed in April of this year, as well as the payment of the increased final 2015 dividend. This equates to a gearing ratio of 21% (net debt / net debt plus equity). On a lease adjusted basis, gearing was 34%.
- The Board has declared an interim fully franked dividend of 50 cps for the first half of 2016, in line with the target dividend pay-put ratio of 40% to 60%. This compares to Caltex's 2015 interim dividend of 47 cps, fully franked. The record and payment dates for the interim dividend are 8 September 2016 and 30 September 2016, respectively.

[1] Replacement Cost Operating Profit (RCOP) (on a pre and post tax basis) is a non-International Financial Reporting Standards (IFRS) measure. It is derived from the statutory profit adjusted for inventory (losses)/gains as management believes this presents a clearer picture of the company's underlying business performance as it is consistent with the basis of reporting commonly used within the global refineries industry. This is un-audited. RCOP excludes the impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, including the effect of contract based revenue lags.

[2] Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 30 June 2016 half year financial statements.

Key Performance Indicators

	Half year ended 30 June				
	2016	2015	2014	2013	2012
Profit before interest and tax ($m)					
- Historical cost basis (including significant items)	488	551	275	319	285
- Historical cost basis (excluding significant items)[1]	488	519	275	319	285
- Replacement cost basis (excluding significant items)	397	383	290	284	329
Profit after interest and tax ($m)					
- Historical cost basis (including significant items)	318	375	163	195	167
- Historical cost basis (excluding significant items)[1]	318	346	163	195	167
- Replacement cost basis (excluding significant items)	254	251	173	171	197
Inventory gains/(losses) before tax ($m)	91	136	(15)	34	(44)
Basic earnings per share (cents)					
- Historical cost basis (including significant items)	119.6	138.7	60.2	72.2	61.8
- Replacement cost basis (excluding significant items)	95.5	92.9	64.0	63.3	73.1
Return on equity attributable to members of the parent entity after tax, annualised (%)					
- Historical cost basis (including significant items) [2]	24	27	12	17	15
- Replacement cost basis (excluding significant items)[2]	19	18	13	15	17
Net tangible asset backing per share ($)[3]	9.13	9.47	9.31	8.06	8.13
Net debt ($m)	693	715	827	729	780
Gearing (net debt to net debt plus equity) (%)	21	21	23	24	25



[1] Historical cost basis excluding significant items (on a pre- and post-tax basis) is a non IFRS measure. It is derived from the statutory profit adjusted for significant items relating to the gain on sale of surplus property. Significant items are events that Management and the Board consider to be outside the scope of usual business. These are excluded to give a clearer reflection of underlying financial performance from one period to the next. This is un-audited.

[2] This is a non-IFRS un-audited measure that management and the Board consider key for users of the financial statements.

[3] Net tangible asset backing per share is derived by dividing net tangible assets by the number of shares issued. Net tangible assets are net assets attributable to members of Caltex less intangible assets. The weighted average number of ordinary shares used in the calculation of net tangible assets per share was 266 million (2014: 270 million).

[4] Transport fuels comprise unleaded petrol, diesel and jet.

2016 HALF YEAR FINANCIAL REPORT

FOR

CALTEX AUSTRALIA LIMITED
ACN 004 201 307

The 2016 Half Year Financial Report for Caltex Australia Limited includes the:

- Directors' Report
- Directors' Declaration
- Independent Review Report
- Half Year Financial Statements
- Notes to the Half Year Financial Statements

for the half year ended 30 June 2016

Caltex Australia Group

For the purposes of this report, the Caltex Australia Group refers to:

- Caltex Australia Limited, which is the parent company of the Caltex Australia Group and is listed on the Australian Securities Exchange (ASX)
- major operating companies, including Caltex Australia Petroleum Pty Ltd, Caltex Refineries (Qld) Pty Ltd, Caltex Petroleum Services Pty Ltd, Calstores Pty Ltd and Ampol Singapore Trading Pte Ltd
- a number of wholly owned entities and other companies that are controlled by the Group.

Please note that terms such as Caltex and Caltex Australia have the same meaning in this report as the Caltex Australia Group, unless the context requires otherwise.

THE 2016 HALF YEAR FINANCIAL REPORT SHOULD BE READ IN CONJUNCTION WITH THE 2015 FINANCIAL REPORT

Directors' Report

Introduction

The Board of Caltex Australia Limited presents the 2016 Half Year Directors' Report and the 2016 Half Year Financial Report for Caltex Australia Limited and its controlled entities (the Caltex Australia Group) for the half year ended 30 June 2016. An Independent Review Report from KPMG, Caltex's external auditor, is also provided.

Board of directors

The following persons were on the Board of Caltex Australia Limited during the half year and up to the date of this report unless stated otherwise:

Greig Gailey	-	Chairman (Independent, Non-executive Director appointed on 11 December 2007; Chairman from 10 December 2015)
Julian Segal	-	Managing Director & CEO (appointed 1 July 2009)
Trevor Bourne	-	Independent, Non-executive Director (appointed on 2 March 2006)
Steven Gregg	-	Independent, Non-executive Director (appointed on 9 October 2015)
Bruce Morgan	-	Independent, Non-executive Director (appointed 29 June 2013)
Barbara Ward	-	Independent, Non-executive Director (appointed 1 April 2015)
Penny Winn	-	Independent, Non-executive Director (appointed 1 November 2015)

There were no changes to the composition of the Caltex Board during the six month period ended 30 June 2016.

A biography of each Director is available on the Caltex website at www.caltex.com.au.

Review of Operations

Company Overview

Caltex, including predecessor companies, has operated in Australia for more than 100 years, focusing on providing reliable, safe and efficient fuel supply to our customers.

Caltex is one of Australia's leading transport fuel suppliers and convenience retailers and is listed on the Australian Securities Exchange. The head office is based in Sydney, and Caltex has approximately 3,000 employees working across the country. Caltex operates its business as one integrated value chain and incorporates operational excellence principles throughout supply, refining, logistics and marketing.

The principal activities of Caltex during the year were the purchase, refining, distribution and marketing of petroleum products and the operation of convenience stores throughout Australia. There were no significant changes in the nature of Caltex's principal activities or in the state of affairs during the half year.

Caltex operates one oil refinery, the Lytton refinery in Brisbane. This refinery produces petrol, diesel and jet fuel, along with small amounts of fuel oil and specialty products, liquid petroleum gas (LPG) and other gases. Caltex also buys refined products on the open market both overseas and locally, and along with the products that Caltex refines, Caltex markets these products across consumer and commercial channels. These products are supplied to customers via a network of pipelines, terminals, depots and company-owned and contracted transport fleets.

Group strategy

There have been no material changes to the description of Caltex's group strategy as included in the Operating and Financial Review included in the Annual Report as at 31 December 2015.

In March 2016, Caltex announced its new vision of 'Freedom of Convenience'. This vision will be enacted through our stated role – "To be the market leader in complex supply chains and the evolving convenience marketplace, by delivering the fuel and other everyday needs of our diverse set of customers through our networks". Our measure of success continues to be safely and reliably delivering top quartile shareholder returns.

Our vision and role sits across our strategy as set out in 2015, which involves the elements of:

- Protect and Grow: focused on capturing the many opportunities that exist to continue to enhance and expand the core fuel business.
- Extend: focused on building on our current assets, capabilities and customer base to develop the business in both existing and new adjacent markets.

There are five key strategy pillars within Protect and Grow, and Extend:

- Optimising our infrastructure position
- Building trading & shipping capability
- Protecting and grow supply base
- Enhancing the fuel retain customer offering
- Creating new customer solutions in the convenience marketplace

These pillars are underpinned by a continued focus on enhancing the capabilities and competitiveness of the organisation in terms of safety, efficiency and people, brought together under a "One Caltex" ethos.

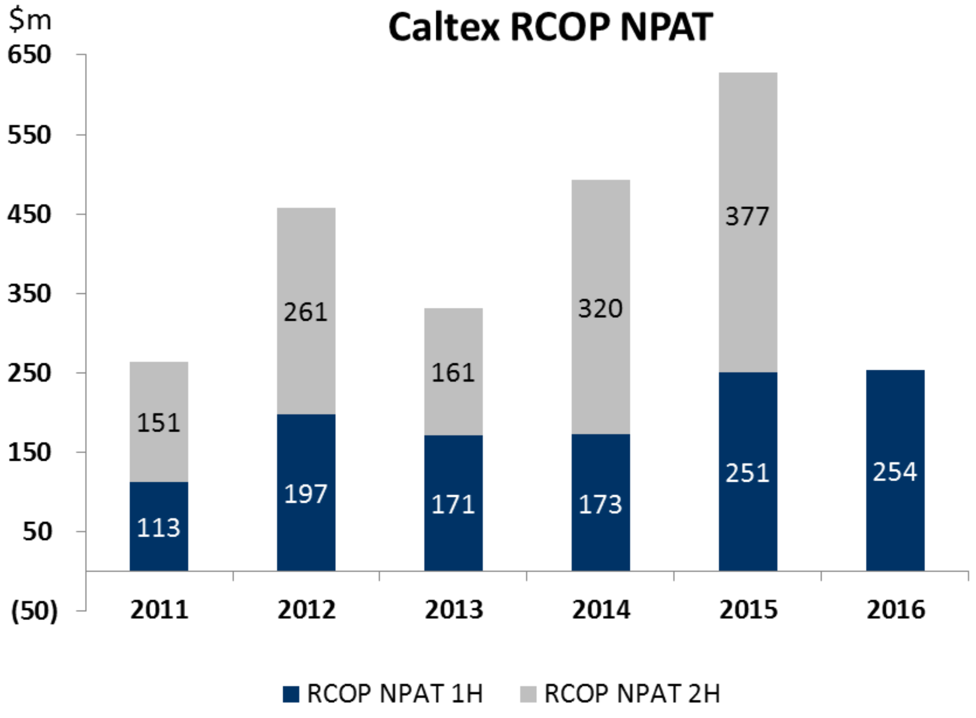
Caltex Group Results 30 June 2016

On an historic cost profit basis, Caltex's after tax profit was $318 million for the first half of 2016. This compares unfavourably to the $375 million after tax profit for the first half of 2015. The 2016 half year includes crude and product inventory gains of $64 million after tax, compared with crude and product inventory gains of $95 million after tax for the half year to 30 June 2015.

A reconciliation of the underlying result to the statutory result is set out in the following table:

Reconciliation of the underlying result to the statutory result	June 2016 $m (after tax)	June 2015 $m (after tax)
Net profit attributable to equity holders of the parent entity	**318**	375
Deduct: Inventory gain	**(64)**	(95)
Deduct: Significant items gain	**-**	(29)
RCOP NPAT (excluding significant items)	**254**	**251**

On a replacement cost of sales operating profit (RCOP)[1] basis, Caltex's after tax profit excluding significant items was $254 million for the first half of 2016. This compares with $251 million for the first half of 2015.



Dividend

The Board has declared an interim fully franked dividend of 50 cents per share for the first half of 2016, in line with the dividend pay-out ratio of 40%-60%. This compares to Caltex's 2015 interim dividend of 47 cents per share, fully franked. The record and payment dates for the interim dividend are 8 September 2016 and 30 September 2016, respectively.

[1] Replacement cost of sales operating profit (RCOP) excluding significant items (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure. It is derived from the statutory profit adjusted for inventory (losses)/gains, as management believes this presents a clearer picture of the company's underlying business performance, as it is consistent with the basis of reporting commonly used within the global refineries industry. This is unaudited. RCOP excludes the impact of the fall or rise in oil and product prices (key external factors) and presents a clearer picture of the company's underlying business performance. It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, including the effect of contract based revenue lags.

Income statement

For the half year ended 30 June 2016		2016 $m	2015 $m
1.	Total revenue[1]	8,507	9,743
2.	Total expenses	(8,110)	(9,360)
	Replacement cost earnings before interest, tax and significant items	**397**	**383**
	Finance income	3	3
	Finance expenses	(39)	(42)
3.	**Net finance costs**	**(36)**	**(39)**
	Income tax expense[2]	(107)	(93)
	Replacement cost of sales operating profit (RCOP) (excluding significant items)	**254**	**251**
4.	Significant items gain after tax	-	29
5.	Inventory gain after tax	64	95
	Historical cost net profit after tax	**318**	**375**
	Interim dividend per share	50c	47c
	Final dividend per share	N/A	70c
	Basic earnings per share		
	- Replacement cost	95.5c	92.9c
	- Historical cost	119.6c	138.7c

Discussion and analysis – Income statement		
1.	**Total revenue** Total revenue decreased primarily due to the significant fall in world crude oil and product prices (Brent crude oil 2016: US$40/bbl; 2015: US$57/bbl).	↓ **13%**
2.	**Total expenses – replacement cost basis** Total expenses also decreased primarily as a result of a lower replacement cost of goods sold due to the lower price of crude oil.	↓ **13%**

[1] 2016 includes other income of $3 million (2015: $35 million). There were no significant items in 2016 (2015: significant item gain of $32 million).

[2] 2016 excludes tax cost on significant items gain and tax cost on inventory gain of $27 million (2015: $45 million tax gain).

Income statement (continued)

RCOP EBIT breakdown[1]

Caltex Refiner Margin (CRM) 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 basically represents: average Singapore refiner margin + product quality premium + crude discount / (premium) + product freight – crude freight – yield loss. US dollar realised CRM was lower in the first half of 2016 at US$10.10/bbl compared with US$16.00/bbl for the first half of 2015. In AUD terms, the realised CRM was 8.68 Australian cents per litre in 2016, compared with 12.82 Australian cents per litre in 2015 driven by the lower USD margin. CRM sales from production volumes were higher in 1H16 (1H16: 2.9 billion litres vs. 1H15: 2.4 billion litres) primarily due to a major Turnaround and Inspection (T&I) programme at the Lytton refinery in May and June 2015.	**$254m**
Transport fuels margin Transport fuels comprise petrol, diesel and jet. The transport fuels margin consists of the earnings on these products within the Supply and Marketing segment and represents the integrated sourcing, distribution and sales margin. Transport fuel sales volumes are in line with the prior period (1H16: 7.7 billion litres vs. 1H15: 7.7 billion litres). Transport fuel sales volumes have seen decreases in base grade fuel sales for petrol and diesel, offset by increased sales volumes in premium and jet fuel sales. Premium fuel sales volumes have increased with sales of 2.2 billion litres for the half year compared to 2.0 billion litres in 1H15. The ongoing decline in regular unleaded petrol sales is due primarily to the continued increase in sales of vehicles requiring diesel or premium grades of petrol.	**$535m**
Lubricants and specialties margin Lubricants and specialties products include finished lubricants, base oils, liquefied petroleum gas, petrochemicals, wax and marine fuels. Specialty products and Lubricants margin decreased by 8% in 2016, mainly driven by market competitive pressures and high operating costs following transition of the business from a joint venture with BP.	**$36m**
Non-fuel income Non fuel income includes convenience store income, franchise income, royalties, property, plant and equipment rentals, StarCard income and share of profits from distributor businesses.	**$93m**
Operating expenses Operating expenses in this caption include Supply and Marketing, Lytton and Corporate operating expenditure. Operating expenses increased by $29 million compared to 1H15. The major drivers of this increase were higher incremental depreciation following increased capex spend on the Lytton major maintenance last year, the expansion of Ampol Singapore and increases to brand, loyalty and strategic growth costs.	**($514m)**
Other Other includes a number of miscellaneous items that typically include: foreign exchange impacts, gain/loss on disposal of assets and subsidiary earnings.	**($7m)**
RCOP EBIT excluding significant items	**$397m**

[1] The breakdown of RCOP shown here represents a management reporting view of the breakdown and, therefore, individual components may not reconcile to statutory accounts.

Income statement (continued)

Discussion and analysis – Income statement (continued)		
3.	**Net finance costs** Net finance costs decreased by $3 million compared with the first half 2015. Decreased net financing costs reflect the lower cost of funding as a result of the composition of borrowings and lower average net debt for the period.	**↓ 8%**
4.	**Significant items gain after tax** There was a significant items gain of $32 million ($29 million after tax) in the first half 2015 on the gain on sale of a surplus property in Western Australia. There were no significant items in 2016.	**↓ $29m**
5.	**Inventory gains after tax** There was an inventory gain of $91 million ($64 million after tax) in the first half 2016. Caltex holds crude and product inventory. As these prices increase/decrease over time, there is a resulting inventory gain/loss impact to HCOP NPAT. Further, crude and product inventory holdings are denominated in US dollars and as the AUD exchange rate weakens compared to the US dollar, the result is that Caltex's inventory values increase from an Australian dollar perspective. Inventory gains in the first half of 2016 were driven by increases in crude oil and product prices, with the Dated Brent crude oil increasing from US$38/bbl in December 2015 to US$48/bbl at June 2016. This was partly offset by increases in the Australian dollar in 1H16 resulting in decreased product prices on an Australian dollar basis, reducing inventory gains.	**↓ $31m**

Business performance

Supply and Marketing continues to focus on optimising the entire value chain, from product sourcing to the customer, with the result incorporating Ampol Singapore and supply operations and continued focus on Tabula Rasa benefits, offset by the ongoing competitiveness of wholesale and commercial markets.

Supply and Marketing delivered an EBIT result of $349 million. This result includes unfavourable externalities of $10 million, including a price timing lag loss of $8 million (1H15: a price timing lag loss of $14 million) and a realised loss on US dollar denominated product payables of $2 million (1H15: a realised loss of $17 million). Excluding these externalities, the underlying Supply and Marketing EBIT of $359 million compares favourably to the first half 2015 EBIT of $315 million (which excludes the $20 million in one-off supply costs incurred in supporting Lytton's major maintenance program in 2015).

Continued growth in sales of premium grades Vortex 95 and Vortex 98 partially offset the long term decline in demand for unleaded petrol, including E10. Total petrol volumes fell 2.2% to 2.9 billion litres (1H15: 3.0 billion litres), broadly in line with industry trends.

Total diesel volumes of 3.5 billion litres were in line with prior year. Strong growth in premium Vortex diesel product across Caltex's retail segment continues with sales volumes up 14%. Lower commercial diesel volumes reflect completion of a number of LNG related infrastructure projects, with the transport, industrial and SME sectors remaining subdued.

Jet volumes increased 7.0% to 1.3 billion litres.

Caltex continues to invest in its retail site and terminal network, with 8 new retail sites and 4 knock down and rebuild retail sites completed in the first half of 2016. The rate of retail site investment has been temporarily slowed with future plans to reflect the outcome of our convenience retail strategy review.

Business performance (continued)

Lytton refinery delivered an EBIT of $92 million in the first half, compared with an EBIT of $154 million for the first half of 2015.

Sales from production from the Lytton refinery in the first half totalled 2.9 billion litres, up approximately 20% from the same period last year (2.4 billion litres). This reflects a continued strong operational performance, and the 2015 impact of the major Turnaround & Inspection maintenance program, which occurs once every five years.

The average realised Caltex Refiner Margin (CRM) for the six months to 30 June 2016 was US$10.10 per barrel. This compares unfavourably to the 2015 first half average of US$16.00 per barrel.

Balance sheet

as at 30 June 2016	Jun 2016 $m	Dec 2015 $m	Change
1. Working capital	590	524	66
2. Property, plant and equipment	2,612	2,603	9
3. Intangibles	189	183	6
4. Net debt	(693)	(432)	(261)
5. Other non-current assets and liabilities	(68)	(90)	22
Total equity	**2,630**	**2,788**	**(158)**

Discussion and analysis – Balance sheet

1. Working capital — ↑ $66m

The increase in working capital represents:

- Higher product inventory held at terminals around the country and on water;

Partly offset by:

- An increase in current provisions as remediation and decommissioning works continue at Kurnell
- Higher current tax liabilities due to timing of payments.

2. Property, plant and equipment — ↑ $9m

The increase in property, plant and equipment is due to Capital expenditure and accruals, including major cyclical maintenance, of $116 million which is partly offset by depreciation of $92 million and disposals of $15 million.

3. Intangibles — ↑ $6m

Intangibles balances are materially consistent with last year.

4. Net debt — ↑ $261m

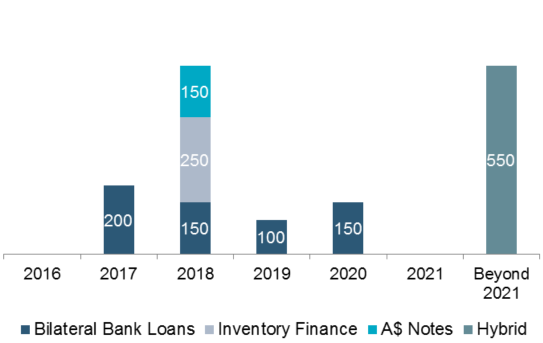
Net debt increased by $261 million to $693 million at 30 June 2016. Caltex's gearing at 30 June 2016 (net debt to net debt plus equity) was 20.9%, increasing from 13.4% at 31 December 2015. On a lease-adjusted basis, gearing at 30 June 2016 was 33.7% compared with 27.8% at 31 December 2015.

The higher debt at 30 June 2016 includes the impact of the $270 million share buyback which was completed in April 2016.

Committted Sources of Funding as at 30 June 2016

	A$m	Source
A$ notes	150	Australian and Asian institutional
Bank facilities	600	Australian and global banks
Inventory finance facility	250	Australian bank
Hybrid	550	Australian and Asian retail and institutional investors
Total	**$1,550m**	

Debt Maturity Profile



Balance Sheet (continued)

5.	**Other non-current assets and liabilities** Increase in non-current assets and liabilities is primarily due to reduced non-current Kurnell remediation and dismantling provisions. This occurs as expected future spend is continually monitored and portions of the provision are subsequently reclassified to current when expected to be utilised within the next 12 months. This has been partly offset by the utilisation of deferred tax assets of $42 million against 2016 taxable profit as a result of timing differences between the accounting and tax basis of inventory, provisions and property plant and equipment.	↑ **$22m**

Cash flows

For the half year ended 30 June 2016		2016 $m	2015 $m	Change
1.	Net operating cash inflows	325	189	136
2.	Net investing cash outflows	(124)	(128)	4
3.	Net financing cash outflows	(446)	(95)	(351)
	Net decrease in cash held	**(245)**	**(34)**	**(211)**

Discussion and analysis – Cash flows		
1.	**Net operating cash inflows** The increase in net cash inflows from operating activities reflects timing differences in cash inflows from customers, and payments to suppliers.	↑ **$136m**
2.	**Net investing cash outflows** Net investing cash outflows were lower in 1H16 due to reduced cyclical maintenance at Lytton refinery ($39 million), offset by lower proceeds from disposals of PP&E resulting from the disposal of surplus land in Western Australia in 2015 not being repeated in 2016 ($32 million).	↓ **$4m**
3.	**Net financing cash outflows** Net financing cash outflows have increased in 1H16. This was primarily due to an off-market buy-back undertaken by Caltex to repurchase $270 million worth of its own shares. In addition dividends paid in 1H16 were $54 million higher than the comparative period.	↑ **$351m**

Business risks and management

There have been no material changes to the description of Caltex's business risks and management as included in the Operating and Financial Review included in the Annual Report as at 31 December 2015.

Events subsequent to the end of the period

No items, transactions or events of a material or unusual nature that, in the opinion of the Board, are likely to significantly affect the operations of Caltex, the results of those operations or the state of affairs of the Group in subsequent financial years, have arisen in the period from 30 June 2016 to the date of this report.

Rounding of Amounts

Caltex Australia Limited is an entity to which Class Order 98/100 (as issued by the Australian Securities & Investments Commission) applies. Amounts in the 2016 Half Year Directors' Report and the 2016 Half Year Financial Report have been rounded off to the nearest thousand dollars (unless otherwise stated) in accordance with this class order.

The Directors' Report is made in accordance with a resolution of the Board of Caltex Australia Limited:

G Gailey
Chairman

J Segal
Managing Director & CEO

Sydney, 23 August 2016

Lead Auditor's Independence Declaration
under Section 307C of the *Corporations Act 2001*

To: the directors of Caltex Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

G Boydell

Greg Boydell
Partner

Sydney, 23 August 2016

Directors' Declaration

The Board of Caltex Australia Limited has declared that:

(a) in the directors' opinion, there are reasonable grounds to believe that Caltex Australia Limited will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the consolidated financial statements for the Caltex Australia Group for the half year ended 30 June 2016, and the notes to the financial statements, are in accordance with the Corporations Act, including:

  (i) section 304 (compliance with Accounting Standards); and

  (ii) section 305 (true and fair view).

The Directors' Declaration is made in accordance with a resolution of the Board of Caltex Australia Limited.

G Gailey
Chairman

J Segal
Managing Director & CEO

Sydney, 23 August 2016

Independent auditor's review report to the members of Caltex Australia Limited

We have reviewed the accompanying half-year financial report of Caltex Australia Limited, which comprises the consolidated balance sheet as at 30 June 2016, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, notes A to E comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Caltex Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Caltex Australia Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

G Boydell

Greg Boydell
Partner
Sydney, 23 August 2016

Financial statements

Contents

Consolidated income statement

for the half year ended 30 June 2016

Thousands of dollars	Note	30 June 2016	30 June 2015
Revenue	B1	**8,504,535**	9,739,482
Replacement cost of goods sold (excluding product duties and taxes and inventory gains)		**(5,115,933)**	(6,329,715)
Product duties and taxes		**(2,420,030)**	(2,458,899)
Inventory gains		**91,450**	136,100
Cost of goods sold – historical cost		**(7,444,513)**	(8,652,514)
Gross profit		**1,060,022**	1,086,968
Other income	B1	**2,520**	35,612
Net foreign exchange losses		**(2,052)**	(17,132)
Selling and distribution expenses		**(519,020)**	(516,975)
General and administration expenses		**(53,174)**	(37,125)
Results from operating activities		**488,296**	551,348
Finance costs		**(38,930)**	(41,750)
Finance income		**3,225**	2,710
Net finance costs	B2	**(35,705)**	(39,040)
Share of net profit of entities accounted for using the equity method		**679**	931
Profit before income tax expense		**453,270**	513,239
Income tax expense		**(134,558)**	(137,634)
Net profit		**318,712**	375,605
Profit attributable to:			
Equity holders of the parent entity		**318,148**	374,603
Non-controlling interest		**564**	1,002
Net profit		**318,712**	375,605
Basic and diluted earnings per share:			
Historical cost – cents per share	B4	**119.6**	138.7

The consolidated income statement for the half year ended 30 June 2016 includes no significant items before tax (2015: significant gain of $31,924,000). Details of these items are disclosed in note B1.

The consolidated income statement is to be read in conjunction with the notes to the financial statements.

Consolidated statement of comprehensive income
for the half year ended 30 June 2016

Thousands of dollars	**30 June 2016**	30 June 2015
Profit for the period	**318,712**	375,605
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/gain on defined benefit plans	**(1,049)**	8,373
Tax on items that will not be reclassified to profit or loss	**315**	(2,512)
Total items that will not be reclassified to profit or loss	**(734)**	5,861
Items that may be reclassified subsequently to profit or loss:		
Foreign operations – foreign currency translation differences	**(5,704)**	2,903
Effective portion of changes in fair value of cash flow hedges	**(10,725)**	2,480
Net change in fair value of cash flow hedges reclassified to profit or loss	**7,257**	(989)
Tax on items that may be reclassified subsequently to profit or loss	**1,040**	(447)
Total items that may be reclassified subsequently to profit or loss	**(8,132)**	3,947
Other comprehensive income for the period, net of income tax	**(8,866)**	9,808
Total comprehensive income for the period	**309,846**	385,413
Attributable to:		
Equity holders of the parent entity	**309,282**	384,411
Non-controlling interest	**564**	1,002
Total comprehensive income for the period	**309,846**	385,413

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

Consolidated balance sheet

as at 30 June 2016

Thousands of dollars	Note	30 June 2016	31 December 2015
Current assets			
Cash and cash equivalents		**19,105**	263,764
Receivables		**756,415**	681,542
Inventories		**1,197,455**	969,885
Current tax assets		**-**	51,167
Other		**42,471**	38,881
Total current assets		**2,015,446**	2,005,239
Non-current assets			
Receivables		**2,579**	2,824
Investments accounted for using the equity method		**9,790**	9,412
Intangibles		**188,997**	182,626
Property, plant and equipment		**2,612,380**	2,602,865
Deferred tax assets		**256,234**	298,158
Employee benefits		**531**	1,411
Other		**3,504**	2,206
Total non-current assets		**3,074,015**	3,099,502
Total assets		**5,089,461**	5,104,741
Current liabilities			
Payables		**1,128,536**	966,806
Interest bearing liabilities	C1	**15,110**	122
Current tax liabilities		**51,785**	30,478
Employee benefits		**85,154**	109,993
Provisions		**141,031**	110,350
Total current liabilities		**1,421,616**	1,217,749
Non-current liabilities			
Payables		**8,400**	9,743
Interest bearing liabilities	C1	**696,821**	695,238
Employee benefits		**44,143**	50,669
Provisions		**288,073**	343,537
Total non-current liabilities		**1,037,437**	1,099,187
Total liabilities		**2,459,053**	2,316,936
Net assets		**2,630,408**	2,787,805
Equity			
Issued capital	C3	**524,944**	543,415
Treasury stock		**(676)**	(644)
Reserves		**(25,487)**	(9,223)
Retained earnings		**2,118,787**	2,241,981
Total parent entity interest		**2,617,568**	2,775,529
Non-controlling interest		**12,840**	12,276
Total equity		**2,630,408**	2,787,805

The consolidated balance sheet is to be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity

for the half year ended 30 June 2016

Thousands of dollars	Issued capital	Treasury stock	Foreign currency translation reserve	Hedging reserve	Equity compen-sation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2015	543,415	(607)	1,206	(2,027)	(2,677)	1,981,319	2,520,629	11,962	2,532,591
Total comprehensive income for the half year									
Profit for the period	-	-	-	-	-	374,603	374,603	1,002	375,605
Total other comprehensive income	-	-	2,903	1,044	-	5,861	9,808	-	9,808
Total comprehensive income for the half year	-	-	2,903	1,044	-	380,464	384,411	1,002	385,413
Own shares acquired	-	(29,252)	-	-	-	-	(29,252)	-	(29,252)
Shares vested to employees	-	27,811	-	-	(27,811)	-	-	-	-
Expense on equity settled transactions	-	-	-	-	4,421	-	4,421	-	4,421
Dividends to shareholders	-	-	-	-	-	(135,000)	(135,000)	(400)	(135,400)
Balance at 30 June 2015	543,415	(2,048)	4,109	(983)	(26,067)	2,226,783	2,745,209	12,564	2,757,773
Balance at 1 January 2016	**543,415**	**(644)**	**8,922**	**(1,476)**	**(16,669)**	**2,241,981**	**2,775,529**	**12,276**	**2,787,805**
Total comprehensive income for the half year									
Profit for the period	**-**	**-**	**-**	**-**	**-**	**318,148**	**318,148**	**564**	**318,712**
Total other comprehensive income	**-**	**-**	**(5,704)**	**(2,428)**	**-**	**(734)**	**(8,866)**	**-**	**(8,866)**
Total comprehensive income for the half year	**-**	**-**	**(5,704)**	**(2,428)**	**-**	**317,414**	**309,282**	**564**	**309,846**
Own shares acquired, net of tax	**-**	**(10,952)**	**-**	**-**	**2,113**	**-**	**(8,839)**	**-**	**(8,839)**
Shares vested to employees	**-**	**10,920**	**-**	**-**	**(10,920)**	**-**	**-**	**-**	**-**
Expense on equity settled transactions	**-**	**-**	**-**	**-**	**675**	**-**	**675**	**-**	**675**
Shares bought back(i)	**(18,471)**	**-**	**-**	**-**	**-**	**(251,608)**	**(270,079)**	**-**	**(270,079)**
Dividends to shareholders	**-**	**-**	**-**	**-**	**-**	**(189,000)**	**(189,000)**	**-**	**(189,000)**
Balance at 30 June 2016	**524,944**	**(676)**	**3,218**	**(3,904)**	**(24,801)**	**2,118,787**	**2,617,568**	**12,840**	**2,630,408**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

(i) 9,189,481 shares were bought back and cancelled during the period ended 30 June 2016.

Consolidated cash flow statement

for the half year ended 30 June 2016

Thousands of dollars	Note	30 June 2016	30 June 2015
Cash flows from operating activities			
Receipts from customers		**9,429,872**	10,919,641
Payments to suppliers, employees and governments		**(9,047,717)**	(10,674,177)
Shares acquired for vesting employee benefits		**(10,952)**	(29,252)
Dividends and disbursements received		**300**	250
Interest received		**3,177**	2,737
Interest and other finance costs paid		**(33,787)**	(31,423)
Income taxes (paid)/received		**(15,443)**	1,356
Net operating cash inflows		**325,450**	189,132
Cash flows from investing activities			
Purchase of investment		**(2,689)**	-
Purchases of property, plant and equipment		**(100,258)**	(109,368)
Major cyclical maintenance		**(15,044)**	(54,296)
Purchases of intangibles		**(9,304)**	(7,328)
Net proceeds from sale of property, plant and equipment		**2,834**	43,461
Net investing cash outflows		**(124,461)**	(127,531)
Cash flows from financing activities			
Proceeds from borrowings		**2,907,000**	3,445,000
Repayments of borrowings		**(2,893,460)**	(3,405,000)
Payments for shares bought back		**(270,079)**	-
Repayment of finance lease principal		**(109)**	(117)
Dividends paid to non-controlling interest		**-**	(400)
Dividends paid	B5	**(189,000)**	(135,000)
Net financing cash outflows		**(445,648)**	(95,517)
Net decrease in cash and cash equivalents		**(244,659)**	(33,916)
Cash and cash equivalents at the beginning of the period		**263,764**	53,122
Cash and cash equivalents at the end of the period		**19,105**	19,206

The consolidated cash flow statement is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

for the half year ended 30 June 2016

A Basis of preparation

Caltex Australia Limited (the Company) is a Company limited by shares, incorporated and domiciled in Australia. The shares of Caltex are publicly traded on the Australian Securities Exchange. The 2016 Half Year Financial Report for the six months ended 30 June 2016 comprises the Company and its controlled entities (together referred to as the "Caltex Group") and the Caltex Group's interest in associates and jointly controlled entities. The Caltex Group is a for-profit entity and is primarily involved in the purchase, refining, distribution and marketing of petroleum products and the operation of convenience stores.

The 2016 Half Year Financial Report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134 "Interim Financial Reporting". This Half Year Financial Report is to be read in conjunction with the 2015 Financial Report and any public announcements by Caltex Australia Limited during the half year in accordance with continuous disclosure obligations under the Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules. The 2016 Half Year Financial Report was approved and authorised for issue by the Board of Directors on 23 August 2016.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

The 2016 Half Year Financial Report has been prepared on an historical cost basis except for derivative financial instruments that are stated at their fair value.

The preparation of a consolidated financial report in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Caltex Group. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. These are consistent with those applied as part of the 31 December 2015 Annual Financial Report. The Half Year Financial Report does not include full note disclosures of the type require in an annual financial report

The Group has not elected to early adopt any new standards or amendments.

Notes to the financial statements
for the half year ended 30 June 2016 (continued)

B Results for the half year

This section highlights the performance of the Group for the half year, including revenue and other income, costs and expenses, results by operating segment, earnings per share and dividends.

B1 Revenue and other income

Revenue

Thousands of dollars	**30 June 2016**	30 June 2015
Revenue		
Sale of goods	**8,348,812**	9,591,243
Other revenue		
Rental income	**35,095**	33,956
Royalties and franchise income	**55,996**	51,507
Transaction and merchant fees	**48,238**	44,234
Other	**16,394**	18,542
Total other revenue	**155,723**	148,239
Total revenue	**8,504,535**	9,739,482
Other income		
Net gain on sale of property, plant and equipment	**2,520**	35,612

Significant items

No significant items were recognised in the half year ended 30 June 2016.

During the half year ended 30 June 2015, the Group recognised a significant gain before tax totalling $31,924,000 in the income statement. This related to the sale of surplus property in Western Australia and is included in net gain on sale of property, plant and equipment.

B2 Costs and expenses

Thousands of dollars	**30 June 2016**	30 June 2015
Finance costs		
Interest expense	**30,615**	32,466
Finance charges on capitalised leases	**109**	54
Unwinding of discount on provisions	**8,733**	10,538
Less: capitalised finance costs	**(527)**	(1,308)
Finance costs	**38,930**	41,750
Finance income	**(3,225)**	(2,710)
Net finance costs	**35,705**	39,040
Depreciation and amortisation:		
Amortisation of intangibles	**7,081**	7,089
Depreciation and amortisation (excluding intangibles)	**92,101**	82,221
Total amortisation and depreciation expense	**99,182**	89,310

Notes to the financial statements
for the half year ended 30 June 2016 (continued)

B3 Segment reporting

B3.1 Segment disclosures

The accounting policies used by the Group in reporting segments are consistent with those applied as part of the 31 December 2015 Financial Report.

Types of products and services

The following summary describes the operations in each of the Group's reportable segments:

Supply and Marketing

The Supply and Marketing function is an integrated transport fuel supply chain which sources crude oil and refined products on the international market and sells Caltex fuels, lubricants, specialty products and convenience store goods through a national network of Caltex, Caltex Woolworths and Ampol branded service stations, as well as through company owned and non-equity resellers and direct sales to corporate customers. The Group's broad distribution capabilities encompass pipelines, terminals, depots and both an owned and contracted transportation fleet.

Lytton

Lytton refinery in Brisbane refines crude oil into petrol, diesel, jet fuel and many specialty products such as liquid petroleum gas.

B3.2 Information about reportable segments

	Supply and Marketing		Lytton		Total operating segments	
Thousands of dollars	**30 June 2016**	30 June 2015	**30 June 2016**	30 June 2015	**30 June 2016**	30 June 2015
Gross segment revenue	**8,037,359**	9,276,193	**59,577**	61,803	**8,096,936**	9,337,996
Product duties and taxes	**(2,416,876)**	(2,459,889)	**-**	-	**(2,416,876)**	(2,459,889)
External segment revenue	**5,620,483**	6,816,304	**59,577**	61,803	**5,680,060**	6,878,107
Inter-segment revenue	**-**	-	**1,606,376**	1,797,190	**1,606,376**	1,797,190
Total segment revenue	**5,620,483**	6,816,304	**1,665,953**	1,858,993	**7,286,436**	8,675,297
Replacement Cost of Sales Operating Profit (RCOP) before interest and income tax	**348,827**	263,517	**92,004**	154,311	**440,831**	417,828

B3.3 Reconciliation of reportable segment profit or loss

Thousands of dollars	**30 June 2016**	30 June 2015
Profit or loss		
Segment RCOP before interest and income tax, excluding significant items	**440,831**	417,828
Other expenses	**(43,870)**	(2,651)
RCOP before interest and income tax, excluding significant items	**396,961**	415,177
Inventory gains	**91,450**	136,100
Consolidated historical cost profit before interest and income tax	**488,411**	551,277
Net financing costs	**(35,705)**	(39,040)
Net profit attributable to non-controlling interest	**564**	1,002
Consolidated profit before income tax	**453,270**	513,239

Notes to the financial statements
for the half year ended 30 June 2016 (continued)

B4 Earnings per share

Cents per share	30 June 2016	30 June 2015
Historical cost	**119.6**	138.7
RCOP excluding significant items	**95.5**	92.9

Weighted average number of shares (thousands)	30 June 2016	30 June 2015
Issued shares as at 1 January	**270,000**	270,000
Shares bought back and cancelled	**(9,189)**	-
Issued shares as at 30 June	**260,811**	270,000
Weighted average number of shares as at 30 June	**265,989**	270,000

The calculation of historical cost basic earnings per share for the period ended 30 June 2016 was based on the net profit attributable to ordinary shareholders of the parent entity of $318,148,000 (2015: $374,603,000) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2016 of 266 million shares (2015: 270 million shares). In April 2016, there was a share buyback of 9.2 million shares at a total cost of $270 million. Refer to note C3.

The calculation of RCOP excluding significant items basic earnings per share for the half year ended 30 June 2016 was based on the net RCOP profit attributable to ordinary shareholders of the parent entity of $254,133,000 (2015: $250,833,000) and a weighted average number of ordinary shares outstanding as disclosed during the period ended 30 June 2016 of 266 million shares (2015: 270 million shares). RCOP is calculated by adjusting the statutory profit for significant items and inventory gains and losses as follows:

Thousands of dollars	30 June 2016	30 June 2015
Net profit after tax attributable to equity holders of the parent entity	**318,148**	374,603
Adjust: Significant items gains after tax	**-**	(28,500)
Adjust: Inventory gains after tax	**(64,015)**	(95,270)
RCOP excluding significant items after tax	**254,133**	250,833

There are no dilutive potential ordinary shares, and therefore diluted earnings per share equals basic earnings per share.

Notes to the financial statements
for the half year ended 30 June 2016 (continued)

B5 Dividends declared or paid

Dividends recognised in the current year by the Company are:

	Date of payment	Franked/ unfranked	Cents per share	Total amount $'000
2016				
Final 2015	4 April 2016	Franked	70	189,000
Total amount				189,000
2015				
Interim 2015	30 September 2015	Franked	47	126,900
Final 2014	2 April 2015	Franked	50	135,000
Total amount			97	261,900

Subsequent events

Since 30 June 2016, the directors declared the following dividend. The dividend has not been provided for and there are no income tax consequences for the Group in relation to 2016.

Interim 2016	30 September 2016	Franked	**50**	**130,405**

C Capital, funding and risk management

C1 Interest bearing liabilities

Thousands of dollars	30 June 2016	31 December 2015
Current		
Bank loans	**15,000**	-
Lease liabilities	**110**	122
	15,110	122
Non-current		
Domestic medium term notes	**149,792**	149,750
Subordinated note	**546,107**	544,578
Lease liabilities	**922**	910
	696,821	695,238

Domestic medium term and subordinated notes

These notes are initially recognised when issued at fair value, less transaction costs. These costs are subsequently accounted for using the amortised cost method. Any difference between the fair value and the principal value is recognised in the consolidated income statement over the period of the interest bearing liability on an effective interest basis.

C Capital, funding and risk management (continued)

C2 Fair value of financial assets and liabilities

The Group's accounting policies and disclosures may require the measurement of fair values for both financial and non-financial assets and liabilities. The Group has an established framework for fair value measurement. When measuring the fair value of an asset or a liability, the Group uses market observable data where available.

Fair values are categorised into different levels in a fair value hierarchy based on the following valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values of recognised financial assets and liabilities with their carrying amounts shown in the balance sheet are as follows:

Thousands of dollars		Asset/(Liability)			
30 June 2016	**Carrying amount**	**Fair value total**	**Quoted market price (Level 1)**	**Observable inputs (Level 2)**	**Non-market observable inputs (Level 3)**
Interest bearing liabilities					
Domestic medium term notes (i)	**(149,792)**	**(198,900)**	**-**	**(198,900)**	**-**
Subordinated note	**(546,107)**	**(561,743)**	**(561,743)**	**-**	**-**
Lease liabilities (ii)	**(1,032)**	**(1,156)**	**-**	**(1,156)**	**-**
Payables					
Interest rate swaps (iii)	**(3,651)**	**(3,635)**	**-**	**(3,635)**	**-**
Forward foreign exchange contracts (iii)	**(4,211)**	**(4,211)**	**-**	**(4,211)**	**-**
Foreign currency options (iii)	**1,367**	**1,367**	**-**	**1,367**	**-**
Commodity hedges (iii)	**990**	**990**	**-**	**990**	**-**
Total	**(702,436)**	**(767,288)**	**(561,743)**	**(205,545)**	**-**

Thousands of dollars		Asset/(Liability)			
31 December 2015	**Carrying amount**	**Fair value total**	**Quoted market price (Level 1)**	**Observable inputs (Level 2)**	**Non-market observable inputs (Level 3)**
Interest bearing liabilities					
Domestic medium term notes (i)	(149,750)	(200,400)	-	(200,400)	-
Subordinated note	(544,578)	(564,438)	(564,438)	-	-
Lease liabilities (ii)	(1,032)	(1,242)	-	(1,242)	-
Payables					
Interest rate swaps (iii)	(1,640)	(1,640)	-	(1,640)	-
Forward foreign exchange contracts (iii)	(460)	(460)	-	(460)	-
Foreign currency options (iii)	952	952	-	952	-
Commodity hedges (iii)	6,422	6,422	-	6,422	-
Total	(690,086)	(760,806)	(564,438)	(196,368)	-

Notes to the financial statements
for the half year ended 30 June 2016 (continued)

C Capital, funding and risk management (continued)

C2 Fair value of financial assets and liabilities (continued)

Estimation of fair values

(i) Domestic medium term notes

The fair value of domestic medium term notes is determined by using an independent broker quotation.

(ii) Lease liabilities

The fair value is estimated as the present value of future cash flows using the Group's risk free rate.

(iii) Derivatives

Interest rate instruments
The fair value of interest rate swap contracts is the estimated amount that the Group would receive or pay to terminate the swap at balance date taking into account current interest rates and credit adjustments.

Foreign exchange contracts
The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles as at reporting date. The fair value of foreign currency option contracts is determined using standard valuation techniques. Spot foreign exchange contracts are recorded at fair value, being the quoted market price at balance date.

Crude and finished product swap contracts
The fair value of crude and product swap contracts is calculated by reference to market prices for contracts with similar maturity profiles at reporting date.

C3 Issued capital

Thousands of dollars	**30 June 2016**	31 December 2015
Ordinary shares		
Shares on issue at beginning of period – fully paid	**543,415**	543,415
Shares repurchased for cash	**(18,471)**	-
Shares on issue at end of period – fully paid	**524,944**	543,415

In April 2016, the Group repurchased 9,189,481 shares at a total cost of $270 million as part of the Group's capital management program. The capital component of the shares repurchased was $18.5 million and is recognised in Issued Capital (refer to E6).

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of the winding up of Caltex, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Caltex grants performance rights to senior executives, see the 2015 Financial Report for further detail. For each right that vests, Caltex purchases a share on-market following vesting.

Notes to the financial statements
for the half year ended 30 June 2016 (continued)

D Group structure

D1 Business combinations

2016

There were no material business combinations during the half year ended 30 June 2016.

2015

There were no material business combinations during the half year ended 30 June 2015.

Details of entities over which control has been gained or lost during the period

2016

There were no entities over which control was gained or lost during the half year ended 30 June 2016.

2015

There were no entities over which control was gained or lost during the half year ended 30 June 2015.

D2 Investments accounted for using the equity method

	% interest	
Name	**30 June 2016**	31 December 2015
Investments in associates and joint ventures		
Airport Fuel Services Pty Ltd	**40**	40
Australasian Lubricants Manufacturing Company Pty Ltd (i)	**50**	50
Cairns Airport Refuelling Service Pty Ltd	**25**	25
Geraldton Fuel Company Pty Ltd	**50**	50

(i) Australasian Lubricants Manufacturing Company Pty Ltd ceased joint venture operations on 17 April 2015.

The companies listed in the above table were all incorporated in Australia and are principally concerned with the sale, marketing and/or distribution of fuel products.

Notes to the financial statements
for the half year ended 30 June 2016 (continued)

E Other information

E1 Commitments

Thousands of dollars	30 June 2016	31 December 2015
Capital expenditure contracted but not provided for in the financial report and payable	**75,256**	25,564

E2 Related party disclosures

There were no material related party disclosures during the half year ended 30 June 2016.

Other arrangements with related parties continue to be in place. For details on these arrangements refer to the 2015 Financial Report.

E3 Net tangible assets per share

Dollars	30 June 2016	31 December 2015
Net tangible assets per share	**9.13**	9.60

Net tangible assets are net assets attributable to members of Caltex less intangible assets. The weighted average number of ordinary shares used in the calculation of net tangible assets per share was 266 million (2015: 270 million).

E4 Events after the reporting date

There were no items, transactions or events of a material or unusual nature, that, in the opinion of the Board, are likely to significantly affect the operations of Caltex, the results of those operations or the state of affairs of the Group that have arisen in the period from 30 June 2016 to the date of this report.

E5 Taxation

At the date of this report, the Australian Taxation Office (ATO) had not determined the extent to which earnings from the Group's Singaporean entities would be subject to income tax in Australia under the regime for the taxation of controlled foreign company income. Due to the uncertainty of the ATO's determination, the Group has estimated the income tax rate of 30% for the period ended 30 June 2016, being the Australian corporate income tax rate.

E6 Share buyback

$270 million was paid to shareholders in relation to shares bought back during the period ended 30 June 2016. The amount paid to shareholders consisted of fully franked dividend and capital components. Please refer to C3 for more information.