

Half yearly report

Name of entity

WESFARMERS LIMITED

ACN

008 984 049

Financial year ended

31 DECEMBER 1998

Equity accounted results for announcement to the market

				\$A'000
Sales (or equivalent operating) revenue (item 1.1)	up	2.9%	to	1,323,999
Abnormal items after tax attributable to members (item 2.5)				20,815
Operating profit (loss) after tax (before amortisation of goodwill) attributable to members (item 1.26)	up	41.6%	to	106,877
Operating profit (loss) after tax attributable to members (item 1.10) *	up	43.8%	to	102,895
Extraordinary items after tax attributable to members (item 1.13)				Nil
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up	43.8%	to	102,895
Dividends (distribution)				
				Amount per security
				Franked amount per security at 36% tax
Interim dividend (item 15.6)				25¢
Previous corresponding period (item 15.7)				23¢
Record date for determining entitlements to the dividend (see item 15.2)				26 March 1999
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market: Nil				
* Consists of				
Profit before abnormal items and goodwill amortisation	up	14.1%	to	85,672
Goodwill amortisation				3,592
Profit before abnormal items	up	14.7%	to	82,080
Abnormal items				20,815
	up	43.8%	to	102,895

Consolidated profit and loss account

	Current half-year \$A'000	Previous corresponding half-year \$A'000
1.1 Sales (or equivalent operating) revenue	1,323,999	1,287,122
1.2 Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)	6,715	3,092
1.3 Other revenue	221,253	31,650
Total revenue	1,551,967	1,321,864
1.4 Operating profit (loss) before abnormal items and tax	122,347	113,840
1.5 Abnormal items before tax (detail in item 2.4)	30,851	-
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	153,198	113,840
1.7 Less tax	49,913	41,908
1.8 Operating profit (loss) after tax but before outside equity interests	103,285	71,932
1.9 Less outside equity interests	390	372
1.10 Operating profit (loss) after tax attributable to members*	102,895	71,560
1.11 Extraordinary items after tax (detail in item 2.6)	-	-
1.12 Less outside equity interests	-	-
1.13 Extraordinary items after tax attributable to members	-	-
1.14 Total operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)	103,285	71,932
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 + 1.12)	390	372
1.16 Operating profit (loss) and extraordinary items after tax attributable to members (item 1.10 + 1.13)	102,895	71,560
1.17 Retained profits (accumulated losses) at beginning of financial period	209,794	205,921
1.18 Adjustment on introduction of new accounting standard – equity accounting	-	2,246
1.19 Aggregate of amounts transferred from reserves	-	-
1.20 Total available for appropriation	312,689	279,727
1.21 Dividends provided for or paid	65,060	57,068
1.22 Aggregate of amount transferred to reserves	-	-
1.23 Retained profits (accumulated losses) at end of financial period	247,629	222,659
* Consists of:		
Profit before abnormal items and goodwill amortisation	85,672	75,118
Goodwill amortisation	3,592	3,558
Profit before abnormal items	82,080	71,560
Abnormal items	20,815	-
	102,895	71,560

Profit restated to exclude amortisation of goodwill

	Current half-year \$A'000	Previous corresponding half-year \$A'000
1.24 Operating profit (loss) after tax before outside equity interests (item 1.8) and amortisation of goodwill (item 2.1)	106,877	75,490
1.25 Less (plus) outside equity interests relating to goodwill	-	-
1.26 Operating profit (loss) after tax (before amortisation of goodwill) attributable to members	106,877	75,490

Intangible, abnormal and extraordinary items

	Consolidated – current half-year			
	Before tax \$A'000	Related tax \$A'000	Related outside equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1 Amortisation of goodwill	3,592	-	-	3,592
2.2 Amortisation of other intangibles	-	-	-	-
2.3 Total amortisation of intangibles	3,592	-	-	3,592
2.4 Abnormal items				
Profit on sale of Bunnings Warehouses	16,756	4,962	-	11,794
Profit on sale of SGIO Insurance Limited shares	14,095	5,074	-	9,021
2.5 Total abnormal items	30,851	10,036	-	20,815
2.6 Extraordinary items	-	-	-	-
2.7 Total extraordinary items	Nil	Nil	Nil	Nil

Consolidated balance sheet

	At end of current half-year \$A'000	As shown in last annual report \$A'000	As shown in last corresponding half yearly report \$A'000
Current assets			
4.1 Cash	39,038	66,878	43,445
4.2 Receivables	350,624	367,613	292,354
4.3 Investments	-	-	-
4.4 Inventories	489,888	379,444	440,769
4.5 Other (provide details if material)	-	-	-
4.6 Total current assets	879,550	813,935	776,568
Non-current assets			
4.7 Receivables	117,866	80,901	91,537
4.8 Investments in associates	71,239	40,166	23,301
4.9 Other investments	26,394	26,519	33,986
4.10 Inventories	-	-	-
4.11 Exploration and evaluation expenditure capitalised	-	-	-
4.12 Development properties (mining entities)	147,093	88,252	52,232
4.13 Other property, plant and equipment (net)	1,144,924	1,161,675	1,062,151
4.14 Intangibles (net)	145,359	148,883	153,263
4.15 Other (provide details if material)	17,382	13,314	14,866
4.16 Total non-current assets	1,670,257	1,559,710	1,431,336
4.17 Total assets	2,549,807	2,373,645	2,207,904
Current liabilities			
4.18 Accounts payable	297,108	389,436	286,111
4.19 Borrowings	250,789	195,776	234,395
4.20 Provisions	149,668	160,386	135,666
4.21 Other (insurance provisions)	116,374	111,875	105,862
4.22 Total current liabilities	813,939	857,473	762,034
Non-current liabilities			
4.23 Accounts payable	2,693	2,521	2,587
4.24 Borrowings	432,513	220,192	208,718
4.25 Provisions	107,897	101,202	97,309
4.26 Other (insurance provisions)	22,719	22,719	18,989
4.27 Total non-current liabilities	565,822	346,634	327,603
4.28 Total liabilities	1,379,761	1,204,107	1,089,637
4.29 Net assets	1,170,046	1,169,538	1,118,267
Equity			
4.30 Capital	845,489	125,549	124,060
4.31 Reserves	74,428	832,355	769,477
4.32 Retained profits (accumulated losses)	247,629	209,794	222,659
4.33 Equity attributable to members of the parent entity	1,167,546	1,167,698	1,116,196
4.34 Outside equity interests in controlled entities	2,500	1,840	2,071
4.35 Total equity	1,170,046	1,169,538	1,118,267
4.36 Preference capital and related premium included as part of 4.33	Nil	Nil	Nil

Exploration and evaluation expenditure capitalised

Not applicable

Development properties

	Current half-year \$A'000	Previous corresponding half-year \$A'000
6.1 Opening balance	88,252	31,686
6.2 Expenditure incurred during current period	58,841	20,546
6.3 Expenditure transferred from exploration and evaluation	-	-
6.4 Expenditure written off during current period	-	-
6.5 Acquisitions, disposals, revaluation increments, etc.	-	-
6.6 Expenditure transferred to mine properties	-	-
6.7 Closing balance as shown in the consolidation balance sheet (item 4.12)	147,093	52,232

Consolidated statement of cash flows

	Current half-year \$A'000	Previous corresponding half-year \$A'000
Cash flow related to operating activities		
7.1 Receipts from customers	1,360,410	1,350,896
7.2 Payments to suppliers and employees	(1,373,061)	(1,271,473)
7.3 Dividends received from associates	2,137	2,509
7.4 Other dividends received	784	501
7.5 Interest and other items of similar nature received	3,792	6,107
7.6 Interest and other costs of finance paid	(9,698)	(7,902)
7.7 Income taxes paid	(33,905)	(56,958)
7.8 Other (provide details if material)	-	-
7.9 Net operating cash flows	(49,541)	23,680
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	(239,408)	(169,478)
7.11 Proceeds from sale of property, plant and equipment	177,638	5,849
7.12 Payment for purchases of equity investments	(83,166)	(4,433)
7.13 Proceeds from sale of equity investments	64,959	8,559
7.14 Loans to other entities	(3,381)	(573)
7.15 Loans repaid by other entities	-	20
7.16 Other	(475)	(4,580)
7.17 Net investing cash flows	(83,833)	(164,636)
Cash flows related to financing activities		
7.18 Proceeds from issues of securities (shares, options, etc.)	6,318	53
7.19 Proceeds from borrowings	266,805	169,434
7.20 Repayment of borrowings	-	-
7.21 Dividends paid	(53,779)	(24,172)
7.22 Repayment of employee share plan loans	6,008	9,035
7.23 Payment of capital return	(119,818)	-
7.24 Net financing cash flows	105,534	154,350
Net increase (decrease) in cash held		
7.25 Cash at beginning of year (see Reconciliation of cash)	66,878	30,051
7.26 Exchange rate adjustments to item 7.25	-	-
7.27 Cash at end of period (see Reconciliation of cash)	39,038	43,445

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

	Current half-year \$000	Previous corresponding half-year \$000
Share capital issues:		
Dividend investment plan	50,120	63,508
Employee share plan	54,457	41,709
	104,577	105,217
Dividends:		
Employee share plan repayments	4,637	3,771
Capital return:		
Employee share plan	5,731	-

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current half-year \$A'000	Previous corresponding half-year \$A'000
8.1 Cash on hand and at bank	8,476	17,732
8.2 Deposits at call	30,562	25,713
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.26)	39,038	43,445

Ratios

	Current half-year	Previous corresponding half-year
Profit before abnormals and tax/sales		
9.1 Consolidated operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	9.2%	8.8%
Profit after tax/equity interests		
9.2 Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)		
(a) After abnormal items and before goodwill amortisation	9.1%	6.7%
(b) After abnormal items	8.8%	6.4%

Earnings per security (EPS)

	Current half-year	Previous corresponding half-year
10.1 Calculation of basic and fully diluted, EPS in accordance with AASB 1027: Earnings per share		
Basic and diluted		
(i) Before abnormals and goodwill amortisation	33.8¢	31.1¢
(ii) Before abnormal items	32.4¢	29.6¢
(iii) After abnormal items	40.7¢	29.6¢
Weighted average number of ordinary shares outstanding during the period used in the calculation of the basic EPS	253,109,986	245,317,153

NTA backing

	Current half-year	Previous corresponding half-year
11.1 Net tangible asset backing per ordinary security	\$3.93	\$3.88

Supplementary information – “cashflow per share”

In accordance with general principles used by financial analysts, “cashflow per share” has been calculated by adding all forms of depreciation and amortisation to operating profit after tax and before abnormal items and dividing by the weighted average number of ordinary shares on issue during the year.

	Current half-year	Previous corresponding half-year
	54.8¢	51.1¢

Details of specific receipts/outlays, revenues/expenses

	Current half-year \$A'000	Previous corresponding half-year \$A'000
12.1 Interest revenue included in determining item 1.4	2,767	2,916
12.2 Interest revenue included in item 12.1 but not received (if material)	1,633	1,302
12.3 Interest expense included in item 1.4 (include all forms of interest, lease, finance charges, etc.)	11,153	9,033
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	5,986	1,776
12.5 Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6 Depreciation and amortisation (excluding amortisation of intangibles)	52,932	48,279

Control gained over entities having material effect

Not applicable

Loss of control of entities having material effect

Not applicable

Reports for industry and geographical segments

	Operating revenue		Segment assets		Earnings	
	1998 \$A'000	1997 \$A'000	1998 \$A'000	1997 \$A'000	1998 \$A'000	1997 \$A'000
Rural operations and insurance	342,011	346,480	432,222	409,189	13,853	14,886
Fertiliser and chemicals	139,996	135,547	537,516	419,672	14,096	16,417
Energy	236,300	241,797	593,744	473,477	49,885	56,016
Hardware and forest products	610,607	459,411	805,953	743,546	58,096	37,462
Other	82,804	141,336	289,448	264,193	12,109	10,209
	1,411,718	1,324,571	2,658,883	2,310,077	148,039	134,990
Consolidation adjustments	(2,935)	(2,707)	(109,076)	(102,173)	(2,880)	(2,658)
Abnormal items						
Hardware and forest products segment	78,675	-	-	-	16,756	-
Other segment	64,509	-	-	-	14,095	-
Interest paid and corporate overheads					(22,812)	(18,492)
Operating profit before income tax					153,198	113,840
Income tax expense					(49,913)	(41,908)
	1,551,967	1,321,864	2,549,807	2,207,904	103,285	71,932

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable

19 April 1999

15.2 Record the date to determine entitlements to the dividend (distribution) (ie. on the basis of registrable transfers received up to 5.00pm if paper based or by "End of Day" if a proper SCH transfer)

26 March 1999

Amount per security

		Amount per security	Franked amount per security at 36% tax
15.6	Interim dividend	Current year	25¢
15.7		Previous year	23¢

Interim dividend on all securities

	Current half-year \$A'000	Previous corresponding half-year \$A'000
15.10 Ordinary securities	65,060	57,068
15.11 Preference securities	-	-
15.12 Total	65,060	57,068

The dividend or distribution plans shown below are in operation.

Westfarmers Limited Shareholders' Investment Plan – Dividend Investment Plan

The last date(s) for receipt of election notices for the dividend or distributions plans

26 March 1999

Any other disclosures in relation to dividends (distributions)

The directors have maintained a discount rate of 2.5 per cent for new Westfarmers Limited shares issued through the company's Dividend Investment Plan. The discount rate applied to the 1998 final dividend paid in October 1998 was also 2.5 per cent.

Details of aggregate share of profits (losses) of associates

Entity's share of associates	Current half-year \$A'000	Previous corresponding half-year \$A'000
16.1 Operating profit (loss) before income tax	10,185	5,173
16.2 Income tax expense	3,470	2,081
16.3 Operating profit (loss) after income tax	6,715	3,092
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	6,715	3,092
16.6 Outside equity interests	-	-
16.7 Net profit (loss) attributable to members	6,715	3,092

Material interests in entities which are not controlled entities

No material interest

Issued and quoted securities at end of current period

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of securities	Total number	Number quoted	Issue price per security (see note 15) (cents)	Amount paid up per security (see note 15) (cents)
18.1 Preference securities	Nil			
18.2 Changes during current period				
(a) increases through issues	Nil			
(b) decreases through returns of capital, buybacks, redemptions	Nil			
18.3 *Ordinary securities	260,238,233	260,238,233	-	-
18.4 Changes during current period				
(a) increases through issues	9,139,795			
(b) decreases through returns of capital, buybacks				
18.5 *Convertible debt securities	Nil			
18.6 Changes during current period				
(a) increases through issues	Nil			
(b) decreases through securities matured, converted	Nil			
18.7 Options			Exercise price	Expiry date
	6,220,766	6,220,766	\$12.00	30 June 1999
18.8 Issued during current period	Nil			
18.9 Exercised during current period	526,310	526,310	\$12.00	
18.10 Expired during current period	-			
18.11 Debentures	Nil			
18.12 Unsecured notes	Nil			

Comments by directors

Material factors affecting the revenues and expenses of the economic entity for the current period.

Refer to the press release dated 9 February 1999 accompanying this statement.

Comments by directors (continued)

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible).

Nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

It is anticipated that dividends paid or declared for the year ended 30 June 1999 will be fully franked.

Changes in accounting policies since the last annual report are disclosed as follows.

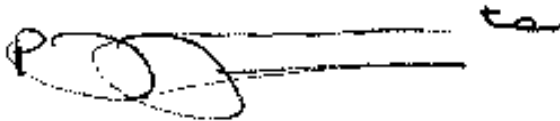
Nil

Additional disclosure for trusts

Not applicable

Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This report and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 This report gives a true and fair view of the matters disclosed.
- 4 This report is based on financial statements which have been subject to review by a registered auditor.
- 5 The independent audit review is attached.
- 6 The entity has a formally constituted audit committee.



Sign here:
(Company Secretary)

Date: 9 February 1999

Print name: P J JOHNSTON