Wesfarmers Limited

ABN 28 008 984 049

NEWS

6 August 2002

Wesfarmers announces record profit

The directors of Wesfarmers Limited today announced a record net profit of $414 million for the year ended 30 June 2002, an increase of 65 per cent over the 2001 year profit of $251 million. The result compares favourably with the proforma forecast of $379.7 million included in the bidder's statement dated 13 June 2001 issued for the Howard Smith takeover.

Operating profit (before goodwill amortisation) was $493 million, an increase of 89 per cent on the $261 million reported in the corresponding period last year. Operating revenue of $7.4 billion was 68 per cent higher than last year's $4.4 billion.

The strong result was attributable to increased earnings from all key business units.

Earnings per share of $1.38 (before goodwill amortisation) were 44 per cent higher than last year's 96.2 cents. Cash flow per share of $1.98 was 29 per cent above the $1.53 reported last year.

The 2001/2002 result included profit after tax of $9.9 million from non-current asset disposals, compared with $18.1 million earned last year.

Final dividend

The directors have declared a fully-franked final dividend of 77 cents per share (last year 60 cents per share). The dividend will be paid on 26 September 2002, which is approximately one month earlier than in previous years. This lifts the full-year dividend to $1.11 per share compared to last year's 87 cents.

The directors have decided to continue the company's Dividend Investment Plan for the final dividend with shareholders able to invest all or part of their dividend at the prevailing market price calculated in accordance with the Plan. Previously a discount of 2.5 per cent applied.

Finance

Net operating cashflows for the year for the group's activities were $683.7 million compared to $383.7 million last year, an increase of 78 per cent. Operating cashflow was adequate to finance the group's replacement and expansion capital expenditure of $230 million as well as the net amount of acquisition expenditure not covered by the issue of new equity.

As a result, there was a significant decrease in the group's ratio of net debt to equity from 63.4 per cent last year to 38.8 per cent at 30 June 2002.

Net interest cover on a cash basis of 12.7 times was higher than last year's 10.9 times and remains well above the group's policy level of a minimum of four times.

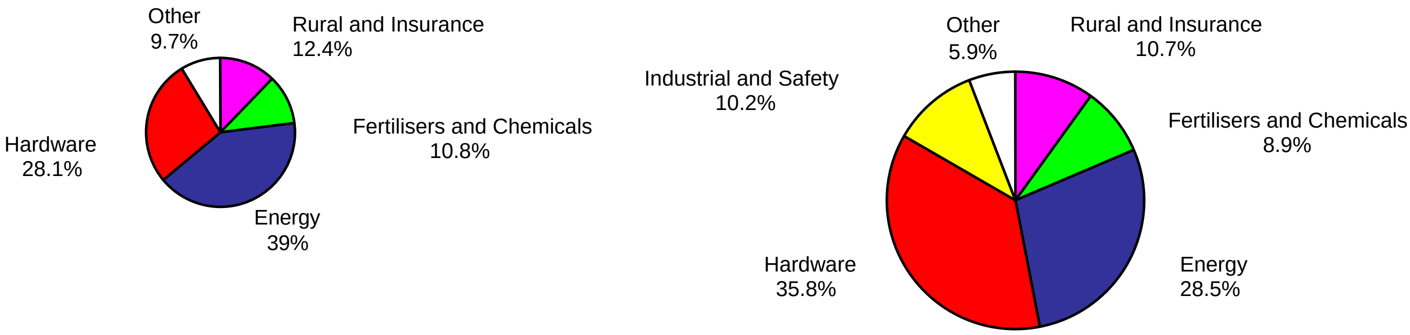
Operations

Following the acquisition of the Howard Smith hardware and industrial and safety businesses, there is an increased diversity and balance in profit contribution from the group's business units as illustrated in the following graphs.

Divisional EBIT (before goodwill amortisation)

2000/2001
$488m

2001/2002
$831m



Further details of the contributions made by each of the operating businesses to the group's results are set out below.

Hardware

Operating revenue for the Bunnings hardware business increased by 122 per cent from last year's $1.4 billion to $3.1 billion. Earnings before interest and tax (before goodwill amortisation) of $297 million were 117 per cent higher than the $137.1 million earned in 2000/2001.

Increased revenue and earnings were due to the inclusion of Howard Smith's BBC hardware acquisition from August 2001 and strong growth in the combined network.

Total sales for the whole Bunnings/BBC/Hardwarehouse network on a full-year basis were 14.7 per cent above the previous year. Retail cash sales increased by 17.5 per cent above last year and represented 76.5 per cent of total sales whilst trade credit sales increased by 9 per cent above last year and were 23.5 per cent of total sales.

Store-on-store growth in the combined network, excluding stores not trading for the full period or those affected by opening or closing of stores, was 11 per cent. Growth in the Bunnings' outlets was 12.4 per cent. BBC/Hardwarehouse growth, on a comparable basis, was lower at 9.8 per cent but represented a significant improvement on the 5.8 per cent annualised growth recorded in the first quarter of the year.

During the year, seven new warehouse stores were opened and three were closed, resulting in 111 operating warehouse stores at year-end. The number of traditional stores trading at 30 June 2002 was 114, with 28 closures during the year. A total of 18 WA Salvage stores were operating at year-end with two new stores opened and one store closure during the year.

Integration of Howard Smith's hardware division has progressed satisfactorily. A more detailed integration report is attached.

Energy

Operating revenue of $964 million from the group's energy businesses was in line with budget but marginally lower than in 2000/2001. Earnings before interest and tax (before goodwill amortisation) of $236.9 million were 24 per cent higher than the $190 million earned last year due to strong growth in coal earnings.

Gas

Domestic liquified petroleum gas (LPG) sales volumes were ahead of budget but lower than last year's due to the commencement of the Eastern Australian-based Unigas autogas joint venture in August 2001 and general weak demand for autogas. Despite above budget earnings in the traditional Australian gas distribution activity, the poor autogas performance, together with below budget sales volumes and profit margins in the Bangladesh LPG import and distribution business, resulted in Kleenheat's earnings for the year being marginally below budget and last year's.

Wesfarmers LPG's export volumes of 225,000 tonnes were ahead of budget but below last year's 235,000 tonnes due to shipment timing differences. The lower export volumes and weaker international LPG prices more than offset increased domestic sales and resulted in revenues and earnings being below budget and those of last year.

In September 2001 Wesfarmers acquired a controlling interest in StateWest Power which specialises in the supply of electricity to mining operations and regional centres. Performance during the year was in line with expectations and the current major focus is on completion of the Mid West power project, which will provide power to six Western Australian country centres over the next ten years.

Earnings from the 40 per cent-owned Air Liquide WA were above last year's with strong growth in the health services sector and bulk sales offsetting reduced demand for cylinder products. In a major milestone, June 26 saw the achievement of ten years without a lost-time injury.

Coal

Sales of 3.6 million tonnes of coal in 2001/2002 from the Premier mine in Collie, Western Australia were in line with last year but below budget, due mainly to a continued shortfall in deliveries required by the mine's major customer, Western Power. However, earnings were in line with budget despite the volume shortfall, due to reductions in production costs.

The Curragh coal mine in Queensland performed well ahead of expectations. Total sales volumes of 6.0 million tonnes were more than 20 per cent higher than last year's. Overburden removal and coal production were both higher than last year to meet the increase in sales volumes.

Earnings were ahead of budget and rose significantly from last year's result due to a combination of increased export and domestic volumes, stronger selling prices and favourable exchange rates.

During the year, Curragh's Coal Preparation Plant was upgraded to improve yield, the initial development of the Curragh East deposit was completed and work began on the second stage of the development.

Wesfarmers holds a 40 per cent interest in the Bengalla coal mine in New South Wales. Lower domestic sales volumes, which were down 20 per cent versus the prior year, together with less than budgeted volume growth in export markets due to weak demand and strong competition, resulted in total sales volumes slightly below last year's. Earnings were above last year's due to higher prices but were below budget.

Industrial and safety

The industrial and safety businesses reported operating revenue of $1.1 billion and earnings contribution (before goodwill amortisation) of $84.8 million for the eleven months from August 2001. Earnings before interest and tax (after goodwill amortisation) were $61.7 million, a pleasing result considering the mixed trading conditions in the Australian industrial sector over this period, with two major customers failing.

The integration of the Protector and Atkins Carlyle businesses has been completed. Work is well progressed to enable all businesses to operate from two information technology platforms, one in each of Australia and New Zealand.

The Australian Blackwoods' business units returned a solid result, with the Northern and Southern regions performing strongly. The Australian safety businesses (Alsafe and Protector) experienced growth in sales and earnings. All of the New Zealand businesses achieved sales and earnings results which exceeded budget.

Rural services and insurance

Operating revenue in the Wesfarmers Landmark rural services and Wesfarmers Federation Insurance businesses was $1.6 billion as against $1.3 billion last year. Earnings before interest and tax (before goodwill amortisation) of $89.2 million were 47 per cent above last year's $60.2 million.

The results reflect the synergies and scale achieved in the rural service businesses from the acquisition of IAMA Limited in February 2001 and positive trading conditions across major areas of activities.

Merchandise and fertiliser sales increased by 33 per cent on last year's figures. These results were strongly influenced by the IAMA acquisition. Apart from wool, which is being impacted by lower production levels, all other activity areas achieved higher revenue and gross profit results, with the livestock and real estate operations performing strongly.

Premium income for Wesfarmers Federation Insurance grew by 16.6 per cent and earnings were ahead of budget and similar to last year's record result due to strong expense management. This outcome was achieved despite a high level of crop related claims and is particularly pleasing given the difficulties being faced by other insurance companies in Australia and internationally.

Fertilisers and chemicals

Operating revenue of $464 million was recorded by the group's fertilisers and chemicals business segment, representing growth of six per cent over 2000/2001 with higher sales in both fertilisers and chemicals. Earnings contribution (before goodwill amortisation) of $73.5 million was 39 per cent above last year's $52.9 million.

Despite difficult seasonal conditions, total fertiliser sales of 1.04 million tonnes were 11 per cent above last year with a four per cent lift in Western Australian sales and higher sales to producers in other States. Investment in liquid fertiliser facilities supported the growth of this product range while rationalisation of the country superphosphate production facilities continued.

The company's chemicals activities performed strongly. Sales volumes were five per cent higher than in the previous year, with ammonia volumes 14 per cent higher and ammonium nitrate volumes increasing by 26 per cent. Revenue and earnings from chemicals activities were above budget and above last year.

Construction of the $26 million, 20,000 tonne per annum solid sodium cyanide plant by the 75 per cent-owned Australian Gold Reagents was completed on budget in the first week of July 2002 and the plant is on schedule to commence operations in August 2002. An 8,000 tonne per annum export sales contract for solid sodium cyanide commencing from October 2002 has recently been secured.

Despite good demand, production problems at the Queensland ammonium nitrate joint venture resulted in it again recording a loss for the year.

Other operations

Revenues from the 50 per cent-owned Australian Railroad Group were marginally below budget. Earnings were also below budget due largely to one-off restructuring costs and the costs associated with the bid for the National Rail Corporation and Freightcorp.

Operating revenue of the forest products business, Sotico Pty Ltd, was slightly below budget. Earnings were above budget but below last year's. The restructuring of the hardwood business in response to changes in the West Australian Government's forest policy is progressing well.

A strong result was achieved by the 50 per cent-owned investment bank Gresham Partners Group Limited which won a number of mandates for large corporate advisory transactions. An initial profit contribution of approximately $5 million was received from Wesfarmers' interest in the Gresham Private Equity Fund.

The divestment of Wesfarmers Transport's freight services and logistics operations was completed in December 2001. The only remaining road transport operation is the North Queensland-based Johnstone River Transport, a business involved in the cartage of sugar cane which is now performed by the rural services business. Profits from the divestments led to above budget road transport earnings in the period.

Outlook

The directors expect the company's solid performance to continue in the 2003 year. Integration work on the recent major acquisitions is progressing well and the group's key business units continue to perform strongly.

The outlook for the expanded hardware merchandising business for both the retail and trade sectors is for continued strong revenue and earnings growth in 2002/2003, although a recent downturn in housing approvals may result in more subdued trade sales later in the year.

Earnings for the coal and gas businesses are impacted by international price trends but the outlook is generally positive. The overall profits of the coal business are expected to increase marginally despite a 500,000 tonne reduction in deliveries at Premier, a fall in Curragh's domestic tonnages and a fall in steaming coal prices applying to Bengalla's export product. Profit increases will be achieved through anticipated growth in export volumes from Curragh and Bengalla and higher coking coal prices.

Profits from the group's gas operations are budgeted to increase but their ultimate performance will depend on the level of international prices.

The outlook for the industrial and safety business is positive, with the realisation of cost savings resulting from logistics improvement programmes.

With the integration of IAMA almost complete, the focus of the rural services business in the coming year will be on growing revenue and maximising the benefits of increased scale. With expectations of drier seasonal conditions and lower beef prices, there will be continued emphasis on managing costs.

Subject to seasonal conditions CSBP is expected to continue its improved performance, due principally to increased profits from its chemicals businesses.

The outlook for the Australian Railroad Group remains positive.

In forest products, Sotico will continue to reduce the scale of its operations.

Continued strong cash flow from the group's operations is expected to fund the increased capital expenditure programme for the 2002/2003 year, as well as further strengthening the group's financial position. As a consequence, interest expense on borrowed funds is budgeted to be lower than in 2001/2002, in the absence of major acquisition expenditure.

As foreshadowed previously, the surplus which has existed in the Wesfarmers Superannuation Fund for most of the last 20 years and which allowed the suspension of most company contributions over that period, has now been eliminated. The superannuation costs borne by the company in 2002/2003 are budgeted to increase by around $15 million over those in 2001/2002.

Overall the directors are budgeting for what they consider to be an acceptable increase in group earnings in the 2002/2003 year.

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ATTACHMENT TO WESFARMERS' 6 AUGUST 2002 NEWS RELEASE

PROGRESS REPORT ON THE INTEGRATION OF BUNNINGS AND HOWARD SMITH HARDWARE BUSINESSES

Integration of Bunnings and the Howard Smith hardware businesses - Hardwarehouse, BBC and Benchmark - has progressed satisfactorily and is largely complete. Details of key achievements since the report provided in February 2002 are set out below.

Branding and advertising

As reported in the February progress report, the "one brand per region" rebranding programme for warehouse stores was completed in November 2001. All Hardwarehouse stores, with the exception of those in metropolitan Sydney, Tasmania, Toowoomba, Townsville and New Zealand, were rebranded as "Bunnings Warehouse" stores.

The rebranding programme for the remaining Hardwarehouse and BBC Hardware stores has now been accelerated. It is proposed that all Australian warehouse stores will be operating under the "Bunnings Warehouse" banner by September 2002.

The BBC traditional store network will be branded as "Bunnings" by November 2002. All advertising from November will be under the "Bunnings" brand, resulting in additional savings and increased market penetration.

New Zealand warehouse stores will be rebranded "Bunnings Warehouse" by December 2002, while the Benchmark name will be retained for the Benchmark chain of traditional stores.

Merchandising and refurbishment

The rebranding of all stores is being undertaken in conjunction with changes to merchandising and refurbishment in order to further increase the performance of the BBC network to acceptable levels.

The programme for the next phase of refurbishment of the former BBC traditional stores and Hardwarehouse stores will be implemented in conjunction with the final rebranding. The programme is aimed at improving the range and intensity of product and introducing many of the service offers historically available to Bunnings' customers.

Supply chain and store support functions

All non-store activities in Australia have now been rationalised into the major support centres in Perth and Melbourne and minor state support centres in Sydney, Brisbane and Adelaide. In December 2002, the Sydney support centre in Epping will be relocated to the 14,000 m^2 state distribution centre in Smithfield, which was opened in March.

Bunnings has also committed to the development of a new 18,000 m^2 distribution centre in Dandenong, Victoria to cater for both the expanded business and expected growth over the next five years.

A project for rationalising the accounts held by trade customers has already commenced, with the purpose of refocusing the trade activities and achieving savings through the removal of low volume, high cost credit accounts.

Systems

All stores in Australia are now operating on the Bunnings back office systems. From August through to November 2002, the Bunnings point of sale system will be implemented in all Australian stores.

Improvements have been made, and will continue to be made, to the New Zealand stores to ensure that the back office systems are in line with Bunnings' operating philosophies.

Accounting adjustments

A detailed financial and commercial evaluation of BBC Hardware was undertaken following the completion of the takeover. This work resulted in a number of asset write-downs and accounting adjustments for obsolete inventory, bad debts and redundant store fixtures, fittings, plant and equipment. Provisions have also been established to reflect planned store closures. These were taken to account as pre-acquisition adjustments.

Synergies

The $40 million forecast full year benefit described in the bidder's statement dated 13 June 2001 issued for the Howard Smith takeover has been achieved and at least $60 million per annum should be achieved in subsequent years.

Growth/store network development

Bunnings' growth in revenue and earnings for the foreseeable future will come from the four major areas outlined below:

- The continued rationalisation of the store network will occur over the next three to five years. By 30th June 2002, three Hardwarehouse stores, 28 traditional BBC stores and six manufacturing and wholesale outlets were closed. Further identified closures or relocations will include up to 13 warehouse stores, 40 traditional and seven wholesale and manufacturing outlets;

- A primary focus on the DIY consumer in all warehouses will be developed as a core competency. A number of preliminary changes to layout and product have been made with good results. The next refurbishment and remerchandising phase will improve product intensity, range and implement many of the service offers historically available to Bunnings' customers;

- A strategy to build on Bunnings' position as the leading supplier of building materials to the housing industry will be implemented over the next three years. Strategically located warehouse stores have been selected and will be developed into major centres to more efficiently service the building industry; and

- The rollout of stores will continue. Development of 8 to 12 new stores per annum is expected to continue over the longer term. It will include experimentation with new formats for specific markets and property issues.

Preliminary Final Report

Name of entity

WESFARMERS LIMITED

	Half yearly *(tick)*	Preliminary final *(tick)*	Financial year ended
ABN 28 008 984 049		✓	30 JUNE 2002

For announcement to the market

.   *$A'000*

Revenues from ordinary activities *(item 1.1)*	up	68.3%	to	7,385,656
Profit (loss) from ordinary activities after tax attributable to members (*item 1.22*)	up	64.9%	to	413,923
Profit (loss) from extraordinary items after tax attributable to members (*item 2.5(d))*	gain (loss) of	N/A		
Net profit (loss) for the period attributable to members *(item 1.11)*	up	64.9%	to	*413,923

Dividends	Amount per security	Franked amount per security
Final dividend	77 cents	77 cents
Previous corresponding period	60 cents	60 cents

Record date for determining entitlements to the dividend (see item 15.2)	6 SEPTEMBER 2002

*Consists of:

Net profit before goodwill amortisation	up	88.7%	to	493,263
Goodwill amortisation				79,340
Net profit after goodwill amortisation	up	64.9%	to	413,923

Condensed consolidated statement of financial performance

		Current period - $A'000	Previous corresponding period - $A'000
1.1	Revenues from ordinary activities *(see items 1.23 -1.25)*	7,385,656	4,388,650
1.2	Expenses from ordinary activities (*see items 1.26 and 1.27)*	(6,719,933)	(3,970,919)
1.3	Borrowing costs	(94,084)	(68,681)
1.4	Share of net profits (losses) of associates and joint venture entities (*see item 16.7*)	**35,662**	21,053
1.5	**Profit (loss) from ordinary activities before tax**	**607,301**	**370,103**
1.6	Income tax on ordinary activities	193,115	118,499
1.7	**Profit (loss) from ordinary activities after tax**	**414,186**	**251,604**
1.8	Profit (loss) from extraordinary items after tax (*see item 2.5*)	-	-
1.9	**Net profit (loss)**	**414,186**	**251,604**
1.10	Net profit (loss) attributable to outside equity interests	263	598
1.11	**Net profit (loss) for the period attributable to members**	***413,923**	**251,006**
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	(57)	109
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	(57)	109
1.17	**Total changes in equity not resulting from transactions with owners as owners**	**413,866**	**251,115**

	*Consists of:		
	Net profit before goodwill amortisation	493,263	261,372
	Goodwill amortisation	79,340	10,366
	Net profit after goodwill amortisation	**413,923**	**251,006**

Earnings per security (EPS)		Current period	Previous corresponding period
1.18	Basic EPS		
	– before goodwill amortisation	138.2 cents	96.2 cents
	– after goodwill amortisation	116.0 cents	92.4 cents
1.19	Diluted EPS	-	-

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

		Current period - $A'000	Previous corresponding period - $A'000
1.20	Profit (loss) from ordinary activities after tax (*item 1.7*)	414,186	251,604
1.21	Less (plus) outside equity interests	263	598
1.22	**Profit (loss) from ordinary activities after tax, attributable to members**	**413,923**	**251,006**

Revenue and expenses from ordinary activities

		Current period - $A'000	Previous corresponding period - $A'000
1.23	Revenue from sales or services	7,180,493	4,243,284
1.24	Interest revenue	13,791	12,934
1.25	Other relevant revenue	191,372	132,432
		7,385,656	4,388,650
1.26	Details of relevant expenses:-		
	Cost of goods sold	4,871,541	2,776,733
	Distribution expenses	131,159	95,320
	Sales and marketing expenses	1,075,261	558,085
	Direct selling expenses	233,763	288,511
	Administration expenses	287,503	174,171
	Other expenses	120,706	78,099
		6,719,933	3,970,919
1.27	Depreciation and amortisation excluding amortisation of intangibles *(see item 2.3)* included in 1.26 above	212,893	153,967
Capitalised outlays			
1.28	Interest costs capitalised in asset values	-	-
1.29	Outlays capitalised in intangibles (unless arising from an acquisition of a business)	-	-

Consolidated retained profits

		Current period - $A'000	Previous corresponding period - $A'000
1.30	Retained profits at the beginning of the financial period	236,534	225,121
1.31	Net profit (loss) attributable to members (*item 1.11*)	413,923	251,006
1.32	Net transfers from (to) reserves *(details if material)*	128	5,798
1.33	Net effect of changes in accounting policies	-	-
1.34	Dividends paid or payable	(459,966)	(245,391)
1.35	**Retained profits at end of financial period**	**190,619**	**236,534**

Intangible and extraordinary items

		Consolidated - current period			
		Before tax $A'000 (a)	Related tax $A'000 (b)	Related outside equity interests $A'000 (c)	Amount (after tax) attributable to members $A'000 (d)
2.1	Amortisation of goodwill	79,340	-	-	79,340
2.2	Amortisation of other intangibles				
2.3	**Total amortisation of intangibles**	79,340	-	-	79,340
2.4	Extraordinary items (details)	-	-	-	-
2.5	**Total extraordinary items**	**Nil**	**Nil**	**Nil**	**Nil**

Comparison of half year profits

		Current year - $A'000	Previous year - $A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the *1st* half year (item 1.11 in the half yearly report)	180,285	111,821
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the *2nd* half year	233,638	139,185

	Condensed consolidated statement of financial position	At end of current period $A'000	As shown in last annual report $A'000	As in last half yearly report $A'000
	Current assets			
4.1	Cash	171,937	110,753	91,262
4.2	Receivables	971,284	741,317	936,601
4.3	Investments	-	-	-
4.4	Inventories	1,310,832	722,031	1,324,863
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	-	-	-
4.7	**Total current assets**	**2,454,053**	**1,574,101**	**2,352,726**
	Non-current assets			
4.8	Receivables	255,264	191,723	299,368
4.9	Investments (equity accounted)	342,070	258,558	344,289
4.10	Other investments	30,203	106,514	29,126
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised	-	-	-
4.13	Development properties (mining entities)	-	772	772
4.14	Other property, plant and equipment (net)	1,819,127	1,511,297	1,864,690
4.15	Intangibles (net)	1,601,291	295,751	1,670,320
4.16	Tax assets	110,711	57,716	178,903
4.17	Other (provide details if material)	2	7,639	483
4.18	**Total non-current assets**	**4,158,668**	**2,429,970**	**4,387,951**
4.19	**Total assets**	**6,612,721**	**4,004,071**	**6,740,677**
	Current liabilities			
4.20	Payables	824,787	629,539	719,373
4.21	Interest bearing liabilities	582,740	383,212	825,957
4.22	Tax liabilities	45,028	47,657	18,850
4.23	Provisions exc. tax liabilities	410,266	206,735	398,666
4.24	Other (insurance provisions)	159,536	141,193	156,408
4.25	**Total current liabilities**	**2,022,357**	**1,408,336**	**2,119,254**
	Non-current liabilities			
4.26	Payables	3,091	2,256	3,194
4.27	Interest bearing liabilities	906,457	751,129	1,074,732
4.28	Tax liabilities	94,631	97,429	94,527
4.29	Provisions exc. tax liabilities	138,958	86,625	90,462
4.30	Other (provide details if material)	37,150	40,488	40,810
4.31	**Total non-current liabilities**	**1,180,287**	**977,927**	**1,303,725**
4.32	**Total liabilities**	**3,202,644**	**2,386,263**	**3,422,979**
4.33	**Net assets**	**3,410,077**	**1,617,808**	**3,317,698**

	Condensed consolidated statement of financial position (continued)	At end of current period $A'000	As shown in last annual report $A'000	As in last half yearly report $A'000
	Equity			
4.34	Capital/contributed equity	3,027,008	1,234,171	2,963,859
4.35	Reserves	182,059	123,436	105,024
4.36	Retained profits (accumulated losses)	190,619	236,534	238,047
4.37	**Equity attributable to members of the parent entity**	**3,399,686**	**1,594,141**	**3,306,930**
4.38	Outside equity interests in controlled entities	10,391	23,667	10,768
4.39	**Total equity**	**3,410,077**	**1,617,808**	**3,317,698**
4.40	Preference capital included as part of 4.37	**Nil**	**Nil**	**Nil**

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised
(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

		Current period $A'000	Previous corresponding period - $A'000
5.1	Opening balance	-	-
5.2	Expenditure incurred during current period	-	-
5.3	Expenditure written off during current period	-	-
5.4	Acquisitions, disposals, revaluation increments, etc.	-	-
5.5	Expenditure transferred to Development Properties	-	-
5.6	**Closing balance as shown in the consolidated balance sheet** *(item 4.12)*	**-**	**-**

Development properties
(To be completed only by entities with mining interests if amounts are material)

		Current period $A'000	Previous corresponding period - $A'000
6.1	Opening balance	772	772
6.2	Expenditure incurred during current period	-	-
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	772	-
6.7	**Closing balance as shown in the consolidated balance sheet** *(item 4.13)*	**-**	**772**

Condensed consolidated statement of cash flows

		Current period $A'000	Previous corresponding period - $A'000
	Cash flows related to operating activities		
7.1	Receipts from customers	7,941,660	4,311,473
7.2	Payments to suppliers and employees	(7,052,143)	(3,786,471)
7.3	Dividends received from associates	22,078	9,901
7.4	Other dividends received	3,147	3,263
7.5	Interest and other items of similar nature received	15,733	10,644
7.6	Interest and other costs of finance paid	(97,931)	(60,744)
7.7	Income taxes paid	(148,830)	(104,416)
7.8	Other	-	-
7.9	**Net operating cash flows**	**683,714**	**383,650**
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	(230,429)	(242,690)
7.11	Proceeds from sale of property, plant and equipment	84,199	30,055
7.12	Payment for purchases of equity investments	(8,444)	(138,118)
7.13	Proceeds from sale of equity investments	11,740	15,920
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities		(7,700)
7.16	Acquisition (net of disposals) of entities	(539,667)	(64,595)
	Other (provide details if material)	(192)	(4,118)
7.17	**Net investing cash flows**	**(682,793)**	**(411,246)**
	Cash flows related to financing activities		
7.18	Proceeds from issues of securities (shares, options, etc.)	25,150	206,066
7.19	Proceeds from borrowings	247,466	-
7.20	Repayment of borrowings	-	(28,675)
7.21	Dividends paid	(164,618)	(121,304)
7.22	Repayment of employee share plan loans	52,265	54,972
	Repayment of securitised receivable facility	(100,000)	-
	Costs associated with restructure	-	(30,709)
7.23	**Net financing cash flows**	**60,263**	**80,350**
7.24	**Net increase in cash held**	**61,184**	**52,754**
7.25	Cash at beginning of period	110,753	57,999
7.26	Exchange rate adjustments to item 7.25.	-	-
7.27	**Cash at end of period**	**171,937**	**110,753**

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.	Current period $A'000	Previous corresponding period - $A'000
Share capital issues:		
Acquisition of Howard Smith Limited	1,446,303	-
Simplification plan	-	20,474
Employee share plan	155,020	74,450
Dividend investment plan	166,023	71,697
Dividends – employee share plan repayments	11,708	10,575

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 period $A'000	Previous corresponding period - $A'000
8.1 Cash on hand and at bank	150,081	101,095
8.2 Deposits at call	21,856	9,658
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period *(item 7.27)*	**171,937**	**110,753**

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 **Profit before tax / revenue** Consolidated profit (loss) from ordinary activities before tax (*item 1.5*) as a percentage of revenue (*item 1.1*)	8.2	8.4
9.2 **Profit after tax / equity interests** Consolidated net profit (loss) from ordinary activities after tax attributable to members (*item 1.11*) as a percentage of equity (similarly attributable) at the end of the period (*item 4.37*)	12.2	15.8

Earnings per security (EPS)	Current period	Previous corresponding Period
10.1 Calculation of the following in accordance with *AASB 1027: Earnings per Share*		
(a) Basic EPS - before goodwill amortisation	138.2 cents	96.2 cents
- after goodwill amortisation	116.0 cents	92.4 cents
(b) Diluted EPS (if materially different from (a))	-	-
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	356,831,323	271,731,323

NTA backing	Current period	Previous corresponding Period
11.1 Net tangible asset backing per ordinary security	$4.83	$4.61

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 net profit after tax and dividing by the weighted average number of ordinary shares on issue during the year**.**

Current period	Previous corresponding Period
$1.98	$1.53

Discontinuing Operations

12.1 Discontinuing Operations

Nil

Control gained over entities having material effect

13.1	Name of entity (or group of entities)	Howard Smith Limited
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was acquired	See below
13.3	Date from which such profit has been calculated	1 August 2001
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	See below

In August 2001, the company acquired control of Howard Smith Limited ("HSL") and the activities of HSL have been consolidated into the Wesfarmers group from 1 August 2001.

There is no meaningful comparative data for the HSL group of entities in the period 1 July 2001 to 30 June 2002 due to the following factors:-

(i) in the period 1 July 2000 to 30 June 2001, the HSL group results included significant earnings from towage operations in Australia and the United Kingdom and these operations were divested by HSL prior to August 2001; and

(ii) since acquiring HSL, its underlying businesses have been fully integrated into the Wesfarmers group which has included a substantial restructuring of the BBC Hardware operations and the retirement of HSL's former external funding arrangements.

Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	Not applicable
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	Nil
14.3	Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	Nil
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	Nil

Dividends (in the case of a trust, distributions)

15.1	Date the dividend is payable	26 September 2002
15.2	Record date to determine entitlements to the dividend (ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)	6 September 2002
15.3	If it is a final dividend, has it been declared?	Yes

Amount per security			Amount per security	Franked amount per security at *30% tax **34% tax	Amount per security of foreign source dividend
15.4	**Final dividend:**	Current year	77 cents	77 cents*	Nil
15.5		Previous year	60 cents	60 cents*	Nil
15.6	**Interim dividend:**	Current year	34 cents	34 cents*	Nil
15.7		Previous year	27 cents	27 cents**	Nil

Total dividend per security (interim *plus* final)		Current year	Previous year
15.8	Ordinary securities	111 cents	87 cents
15.9	Preference securities	Nil	Nil

Final dividend on all securities		Current period $A'000	Previous corresponding period - $A'000
15.10	Ordinary securities	286,664	169,048
15.11	Preference securities	-	-
15.12	Other equity instruments	-	-
15.13	**Total**	**286,664**	**169,048**

The dividend plans shown below are in operation.

New shares issued under the company's dividend investment plan in respect of the 2002 final dividend payable on 26 September 2002 will be at the market price as calculated in the plan. A discount of 2.5% applied previously.

The last date(s) for receipt of election notices for the dividend plans	6 September 2002

Any other disclosures in relation to dividends

Nil

Details of aggregate share of profits (losses) of associates and joint venture entities

		Current period $A'000	Previous corresponding period - $A'000
16.1	Profit (loss) from ordinary activities before tax	46,935	30,603
16.2	Income tax on ordinary activities	11,273	9,550
16.3	**Profit (loss) from ordinary activities after tax**	35,662	21,053
16.4	Extraordinary items net of tax	-	-
16.5	**Net profit (loss)**	35,662	21,053
16.6	Adjustments	-	-
16.7	**Share of net profit (loss) of associates and joint venture entities**	**35,662**	**21,053**

Material interests in entities which are not controlled entities
The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (*item 1.9*)	
17.1 Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period $A'000	Previous corresponding period - $A'000
17.2 Total	**Nil**	**Nil**	**Nil**	**Nil**
17.3 Other material interests	-	-	-	-
17.4 Total	**Nil**	**Nil**	**Nil**	**Nil**

Issued and quoted securities at end of current period

Category of securities		Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1	**Preference securities**	Nil			
18.2	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	 Nil Nil			
18.3	**Ordinary securities**	372,291,010			
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	 90,544,744 Nil			
18.5	**Convertible debt securities**	Nil			
18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	 Nil Nil			
18.7	**Options**	Nil		*Exercise price*	*Expiry date (if any)*
18.8	Issued during current period	Nil			
18.9	Exercised during current period	Nil			
18.10	Expired during current period	Nil			

18.11	**Debentures**	Nil	
18.12	Changes during current period		
	(a) Increases through issues	Nil	
	(b) Decreases through securities matured, converted	Nil	
18.13	**Unsecured notes**	Nil	
18.14	Changes during current period		
	(a) Increases through issues	Nil	
	(b) Decreases through securities matured, converted	Nil	

Segment Reporting

The attached schedule sets out the segment reporting details (see **Attachment 1**).

Basis of financial report preparation

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Refer to the press release dated 6 August 2002 accompanying this statement.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

No material subsequent events.

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

Future dividends are anticipated to be fully franked

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows:-

Nil

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

Nil

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

Nil

Annual meeting

The annual meeting will be held as follows:

Place	Hyatt Regency Perth
Date	Monday, 4 November 2002
Time	2:00pm
Approximate date the annual report will be available	Friday, 27 September 2002

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used	N/A

2 This report, and the accounts upon which the report is based, use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed.

4 This report is based on accounts to which one of the following applies.

(Tick one)

☐	The accounts have been audited.	☐	The accounts have been subject to review.
✓	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available.

6 The entity does have a formally constituted audit committee.

Sign here: .... Date: 6 August 2002
Company Secretary

Print name: L J Kenyon

SEGMENT REPORTING SCHEDULE **ATTACHMENT 1 (Page1)**
FOR THE FULL YEAR ENDED 30 JUNE 2002
WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

	HARDWARE		ENERGY		INDUSTRIAL AND SAFETY DISTRIBUTION		RURAL SERVICES AND INSURANCE		FERTILISERS AND CHEMICALS		OTHER		CONSOLIDATED	
	June 2002 $000	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000
(a) Operating revenue	3,066,261	1,383,947	963,536	978,132	1,055,353	-	1,645,813	1,272,054	463,923	438,058	198,261	325,048	7,393,147	4,397,239
Consolidation adjustment													(7,491)	(8,589)
Total operating revenue													7,385,656	4,388,650
(b) Earnings														
Earnings before interest paid, tax, goodwill amortisation, and corporate overheads	297,057	137,149	236,935	190,358	84,790	-	89,182	60,469	73,514	52,887	49,212	47,494	830,690	488,357
Goodwill amortisation	(46,535)	(6,392)	(429)	(232)	(23,046)	-	(9,068)	(3,479)	(262)	(263)	-	-	(79,340)	(10,366)
Earnings before interest paid, tax and corporate overheads	**250,522**	**130,757**	**236,506**	**190,126**	**61,744**	**-**	**80,114**	**56,990**	**73,252**	**52,624**	**49,212**	**47,494**	**751,350**	**477,991**
Consolidation adjustments													(7,369)	(8,441)
Interest paid and corporate overheads													(136,680)	(99,447)
Operating profit before income tax													607,301	370,103
Income tax expense													193,115	118,499
Net profit before outside shareholder's interest													414,186	251,604
Share of net profit or loss of associates included in earnings before interest paid, tax and corporate overheads	5,274	4,667	3,518	1,765	-	-	(1,436)	1,365	(647)	(1,798)	28,953	15,054	35,662	21,053
Depreciation and amortisation (excluding goodwill amortisation)	58,538	18,437	81,913	74,686	8,640	-	16,338	11,651	38,432	35,944	9,032	13,249	212,893	153,967
Non cash expenses other than depreciation	33,068	7,466	17,145	12,920	27,986	-	14,342	10,616	3,273	5,984	16,069	20,484	111,883	57,470

SEGMENT REPORTING SCHEDULE (CONTINUED)
FOR THE FULL YEAR ENDED 30 JUNE 2002
WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

ATTACHMENT 1 (Page 2)

	HARDWARE		ENERGY		INDUSTRIAL AND SAFETY DISTRIBUTION		RURAL SERVICES AND INSURANCE		FERTILISERS AND CHEMICALS		OTHER		CONSOLIDATED	
	June 2002 $000	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000	**June 2002 $000**	June 2001 $000
(c) Assets and liabilities														
Segment assets	2,421,180	747,202	1,080,577	1,042,299	966,685	-	978,963	1,077,297	511,790	539,049	712,131	688,657	6,671,326	4,094,504
Tax assets													110,711	57,716
Consolidation adjustment													(169,316)	(148,149)
Consolidated assets													6,612,721	4,004,071
Segment liabilities	348,429	119,679	252,008	263,610	158,261	-	538,763	521,813	59,262	50,940	73,733	66,270	1,430,456	1,022,312
Tax liabilities													139,659	145,086
Provision for dividend													143,332	84,524
Interest bearing liabilities													1,489,197	1,134,341
Consolidated liabilities													3,202,644	2,386,263
Investments accounted for using the equity method	53,601	49,470	19,499	3,417	-	-	17,427	14,173	6,812	7,457	215,826	154,580	313,165	229,097
Acquisition of non-current assets	1,246,731	59,512	77,571	133,843	594,517	-	26,345	210,467	23,865	23,603	8,807	10,155	1,977,836	437,580