



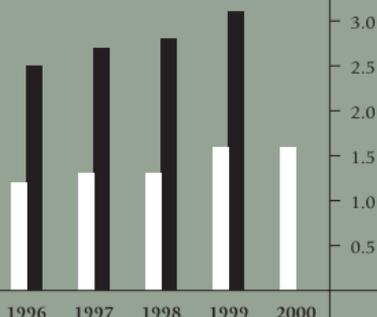
HALF YEARLY REPORT TO SHAREHOLDERS
SIX MONTHS TO 31 DECEMBER 1999



INTERIM HIGHLIGHTS

OPERATING REVENUE

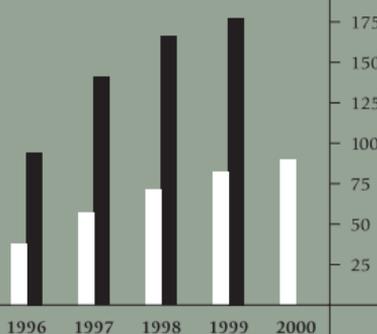
up 4.3 per cent to \$1.6 billion



OPERATING PROFIT AFTER TAX

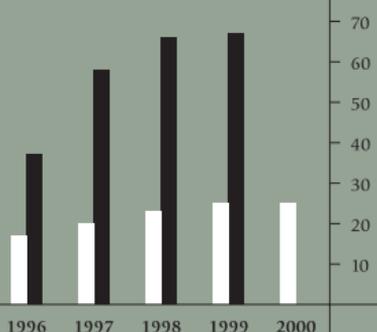
BEFORE ABNORMAL ITEMS

up 9.4 per cent to \$89.8 million



INTERIM DIVIDEND

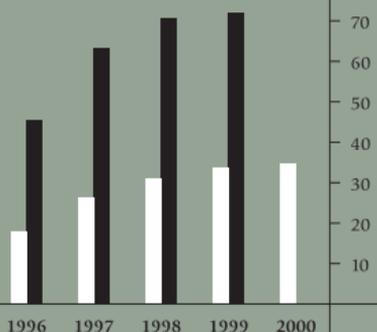
maintained at 25 cents



EARNINGS PER SHARE

BEFORE ABNORMAL ITEMS AND GOODWILL AMORTISATION

up 3.3 per cent to 34.9 cents



First half
 Full year to 30 June



REPORT TO SHAREHOLDERS

The directors of Wesfarmers Limited have pleasure in presenting this interim report to shareholders covering consolidated results of the company and its controlled entities for the six months ended 31 December 1999. The report also contains a brief overview of group business activities for the half year.

The group operating profit after tax (before abnormal items) was \$89.8 million for the half year, an increase of nine per cent on the previous half year's result of \$82.1 million.

The result has been lifted by a significantly higher contribution from the Bunnings hardware retailing business offsetting lower earnings from the group's fertilisers/chemicals business.

Profits from rural operations, insurance and the energy businesses were all above the comparative period last year.

The half year result before abnormal items also included profit after tax of \$13.5 million from the sale of an investment and other non-current assets. This compares with \$11.2 million from the sale of non-current assets in the first half last year.

The group also recorded a first half abnormal gain of \$10.3 million from the restatement of tax timing differences due to changes in corporate tax rates effective from 1 July 2000 and 2001. Last year's result included abnormal profits totalling \$20.8 million arising from the sale of retail properties to the Bunnings Warehouse Property Trust and shares in SGIO Insurance Limited.

Earnings per share (before abnormal items and goodwill amortisation) of 34.9 cents for the six months compared with 33.8 cents in the corresponding period last year.

Cash flow per share of 56.2 cents (before abnormal items) was also higher than last year's 54.8 cents.

Operating revenue of \$1.6 billion was in line with the corresponding period in 1998/99 but last year's result included revenue of \$79 million from the sale of warehouses to the Bunnings Warehouse Property Trust and \$65 million from the sale of SGIO shares.

FINANCE

The group's net debt to equity ratio is traditionally higher at the end of each calendar year mainly due to the seasonal build up of inventories. At 31 December 1999 the ratio of 52.3 per cent was up from 36.3 per cent at 30 June 1999, but marginally lower than the 55.2 per cent at 31 December 1998. In normal circumstances, this ratio would be expected to reduce in the second half of the current financial year but the Wesfarmers share buy back announced in August 1999 gained momentum subsequent to the end of the half year and, together with the ongoing suspension of the dividend investment plan, is expected to achieve the effect of maintaining the company's net debt to equity ratio in the target range of between 40 and 65 per cent.

As at 15 February 2000 Wesfarmers had repurchased about 1.7 per cent of its ordinary shares for \$57.4 million. The directors have decided to continue the buy back for a further six month period during which the company may repurchase the balance of up to five per cent of the company's issued capital, as previously announced.

OUTLOOK

The directors are confident that group revenue and profit for the full 1999/2000 year will be higher than results achieved last year.

Hardware retailing is expected to maintain its strong growth both from new warehouses and through established stores and the forest products business will continue to benefit from the current pre-GST building boom.

The fertilisers and chemicals business is expected to record a stronger second half but will not fully recover the first half shortfall prior to financial year end. Its full year result is now expected to be below last year's.

Wesfarmers Energy (gas and coal) and Wesfarmers Dalgety (rural and insurance) are expected to record strong second half results and finish 1999/2000 ahead of last year in terms of revenues and profits.

INTERIM DIVIDEND

The directors have declared an interim dividend of 25 cents per share which is the same as last year, payable to shareholders on 17 April 2000. The company expects to maintain its dividend policy of paying out 100 per cent of profits for the full year.

The company's dividend investment plan remains suspended as a continuing measure of balance sheet management.

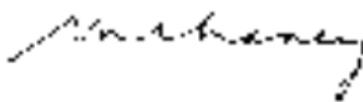
ENVIRONMENT, SAFETY & HEALTH REPORT

In December 1999 Wesfarmers published its annual environment, safety and health progress report. The report reviews the performance of some of the company's operating businesses: coal; gas retailing; forestry and timber; fertilisers and chemicals; and transport.

A copy of this report is available to shareholders on request from the Public Affairs Co-ordinator on (08) 9327 4257.



C H Perkins
Chairman



M A Chaney
Managing Director



HARDWARE AND
FOREST PRODUCTS



ENERGY



FERTILISERS AND
CHEMICALS



RURAL SERVICES
AND INSURANCE



TRANSPORT

REVIEW OF OPERATIONS

HARDWARE AND FOREST PRODUCTS

Wesfarmers Bunnings Limited has interests in hardware retailing and in the production and marketing of Western Australian timbers.

Operating revenue for the six months to 31 December 1999 increased by 22 per cent to \$743.0 million, with most of the growth attributable to the rapidly expanding national chain of warehouse hardware stores.

Earnings before interest and tax of \$73.2 million were 26 per cent higher than the \$58.1 million earned in the corresponding period last year.

Home and hardware products

Bunnings Building Supplies is a specialist retailer of home and garden improvement products and building materials.

About 85 per cent of its business is conducted with do-it-yourself consumers and the balance with builders and contractors.

During the first half Bunnings opened six new warehouse stores around Australia, increasing the number of operating warehouses in its national chain to 36. These new stores contributed to the increase in revenue but established warehouses and traditional stores not affected by new warehouses also recorded strong growth in the period.

Further warehouses will be opened in the second half and Bunnings is on target to have 46 warehouses trading by the end of the calendar year.

Forest products

Bunnings Forest Products is a producer and supplier of Western Australian timber and forest products to Australian and international markets. The business also produces woodchips for the export market from sawmill and forest residues and is involved in the development and management of eucalypt and pine plantations in the south-west of Western Australia.

The forest products business recorded a relatively flat result in the first six months despite benefits arising from the buoyant housing market driven by pre-GST demand. Results from this market segment were offset by reduced selling prices for woodchip exports into Japan.

ENERGY

Wesfarmers Energy Limited incorporates the group's gas and coal operations.

Operating revenue for the six months to 31 December 1999 increased by 19 per cent to \$282.0 million with higher sales recorded in both gas and coal.

Earnings before interest and tax of \$52.2 million were five per cent higher than the \$49.9 million recorded last year.

Gas

The gas business comprises three operating segments: Wesfarmers Kleenheat Gas Pty Ltd (retailing), Wesfarmers LPG Pty Ltd (production and export) and Air Liquide WA Pty Ltd (industrial gases).

The Kleenheat business has been reorganised, moving from traditional state based operations to a national structure aligned with three key market segments: autogas – managing metropolitan and country autogas sites; commercial – responsible for bulk and cylinder customers; and retail – covering the appliance and cylinder retailing activities including the "Gas House" franchises. This restructure will reduce operational costs, allow more rapid growth and align the business more closely to key customer requirements.

The growth of a specialist gas appliance retail chain has continued, with the "Gas House" brand now seen on 64 franchises and 30 branches across Australia.

Domestic sales of LP Gas for the six months were above the comparative period last year but margins were affected by higher international benchmark prices. This resulted in significantly reduced domestic earnings offset by the benefit of higher prices on export sales to Japan. The profit contribution made by the group's 40 per cent owned Air Liquide was lower than last year due to the downturn in Western Australia's gold and fabrication industries and as a result of supply difficulties. The overall first half profit contribution from the gas business was below the comparative period last year but full year earnings are expected to be in line with those recorded in 1998/99.

A project to establish an LP Gas importation, marketing and distribution business in Bangladesh has commenced. The project is a joint venture led by Wesfarmers Energy with a 55 per cent holding. The project facilities will be developed in phases, with the capital costs of the first phase expected to total AUS \$27 million.

Coal

The volume of coal deliveries by Wesfarmers Coal from its mine at Collie in Western Australia was 40 per cent above the corresponding period last year mainly due to the commencement of sales to Western Power's new Collie power station. Overburden removal at the Collie mine was 36 per cent higher to facilitate the increased coal sales volume. As a result, earnings for the period were higher than the corresponding period last year although not commensurately with the sales increase due to contract price reductions.

The Bengalla coal mine in the Hunter Valley in New South Wales was officially opened in July 1999. Sales volumes were below budget in the first half but cost reductions resulted in above budget earnings. A combination of above budget sales and sustained cost reductions is expected for the full year.

FERTILISERS AND CHEMICALS

Wesfarmers CSBP Limited is the major supplier of fertilisers and chemicals to Western Australia's agricultural, mining and industrial sectors.

Operating revenue for the six months to 31 December 1999 declined by 10 per cent to \$125.3 million.

Earnings before interest and tax of \$4.1 million were significantly below last year's result of \$14.1 million.

Fertilisers

Total fertiliser despatches were seven per cent above the corresponding six months last year. The prospect of a favourable harvest, together with lower prices for both phosphate and nitrogen commodities resulted in strong despatches of cropping fertilisers but margins were significantly lower owing to competitive pressures.

Sales of superphosphate for pastures remained subdued, consistent with the continuing weakness in wool prices.

The net result was a lower profit contribution from fertilisers for the period.

Chemicals

Sales of chemical products were, in total, substantially below the corresponding period, impacted in particular by a 28 per cent reduction in ammonium nitrate production and sales volumes attributable to a nitric acid plant failure.

Sales of ammonia were at similar levels to last year with stronger demand late in the six months period as the recently established lateritic nickel mines continued to ramp up their production rates.

Construction of CSBP's new ammonia plant at Kwinana in Western Australia was delayed with commissioning now expected at the end of March, some four months behind the original schedule.

Sales of sodium cyanide were below the corresponding period last year due to reduced activity in the gold mining sector.

Overall earnings from the chemicals business were lower in the six months but the outlook is for a stronger second half as operational issues are overcome.

RURAL SERVICES AND INSURANCE

Wesfarmers Dalgety Limited - also encompassing Wesfarmers Federation Insurance - is one of Australia's largest suppliers of services to the rural sector.

Operating revenue for the six months to 31 December 1999 increased by 10 per cent to \$376.5 million.

Earnings before interest and tax of \$14.7 million were six per cent above the corresponding six months last year.

Rural services

The rural trading business achieved improved results across all areas of activity. Benefits were realised from growth strategies in merchandising and fertilisers and, despite continuing difficulties in the wool industry, revenue from this market sector also increased.

The development of the Wesfarmers Dalgety website (www.wesfarmersdalgety.com.au) is continuing, including on-line marketing initiatives.

Insurance

Wesfarmers Federation Insurance experienced higher than budgeted claims in the first half particularly in the crop insurance sector. Premium income growth has been achieved, however, and the business is expected to record a satisfactory result for the full year in the absence of any abnormal claims in the second half.

TRANSPORT

The group's express freight and logistics management activities recorded satisfactory results in the half year with the other transport activities recording results lower than were achieved last year but in line with market conditions.

PROFIT AND LOSS ACCOUNT

FOR THE HALF-YEAR ENDED 31 DECEMBER 1999
WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED

DECEMBER 1999 DECEMBER 1998
\$000 \$000

Operating revenue	1,619,132	1,551,967
Operating profit before abnormal items and income tax	134,408	122,347
Abnormal items before income tax	-	30,851
	134,408	153,198
Income tax attributable to:		
Operating profit before abnormal items	44,257	39,877
Abnormal items	(10,294)	10,036
	33,963	49,913
Operating profit after income tax	100,445	103,285
Outside equity interests in operating profit after income tax	366	390
Operating profit after income tax attributable to members of Wesfarmers Limited	100,079	102,895
Retained profits at the beginning of the half year	211,426	209,794
Total available for appropriation	311,505	312,689
Dividends provided for or paid	67,725	65,060
Aggregate of amounts transferred to reserves	1,231	-
Retained profits at the end of the half year	242,549	247,629
Operating profit after income tax attributable to members of Wesfarmers Limited consists of:		
Profit before abnormal items and goodwill amortisation	93,315	85,672
Goodwill amortisation	(3,530)	(3,592)
Profit before abnormal items	89,785	82,080
Abnormal items	10,294	20,815
	100,079	102,895

BALANCE SHEET

AT 31 DECEMBER 1999

WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED

DECEMBER	JUNE
1999	1999
\$000	\$000

Current assets

Cash	44,893	56,366
Receivables	398,967	394,702
Inventories	564,122	485,532

Total current assets	1,007,982	936,600
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Non-current assets

Receivables	89,901	100,854
Investments	137,166	96,341
Property, plant and equipment	1,297,385	1,279,633
Intangibles	139,060	141,997
Other	19,511	20,804

Total non-current assets	1,683,023	1,639,629
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Total assets	2,691,005	2,576,229
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Current liabilities

Borrowings	244,722	231,558
Accounts payable	354,035	398,265
Provisions	156,488	213,523
Other	124,356	117,533

Total current liabilities	879,601	960,879
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Non-current liabilities

Borrowings	439,283	261,827
Accounts payable	2,324	2,411
Provisions	115,181	118,148
Other	28,317	25,506

Total non-current liabilities	585,105	407,892
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Total liabilities	1,464,706	1,368,771
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Net assets	1,226,299	1,207,458
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Shareholders' equity

Share capital	935,502	950,402
Reserves	45,536	44,301
Retained profits	242,549	211,426

Shareholders' equity attributable to members of Wesfarmers Limited	1,223,587	1,206,129
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Outside equity interests in controlled entities	2,712	1,329
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Total shareholders' equity	1,226,299	1,207,458
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STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 1999
WESFARMERS LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED

DECEMBER	DECEMBER
1999	1998
\$000	\$000

Cash flows from operating activities:

Receipts from customers	1,541,645	1,360,410
Payments to suppliers and employees	(1,487,507)	(1,373,061)
Dividends received	5,422	2,921
Interest received	2,778	3,792
Interest paid	(9,826)	(9,698)
Income tax paid	(45,120)	(33,905)

Net cash (used in) provided by operating activities

7,392	(49,541)
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Cash flows from investing activities:

Acquisition of property, plant and equipment	(93,720)	(239,408)
Acquisition of investments	(24,652)	(83,641)
Proceeds from sale of non-current assets	37,229	242,597
Loans to other entities	(19,578)	(3,381)
Loans repaid by other entities	4,213	-
Other	(759)	-

Net cash used in investing activities

(97,267)	(83,833)
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Cash flows from financing activities:

Proceeds from issue of shares		
- Wesfarmers Limited	-	6,318
- Outside shareholders	592	-
Net proceeds of borrowings	191,416	266,805
Dividends paid	(108,392)	(53,779)
Repayment of employee share plan loans	9,686	6,008
Share buyback	(14,900)	-
Payment of capital return	-	(119,818)

Net cash provided by financing activities

78,402	105,534
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Net (decrease) increase in cash held	(11,473)	(27,840)
Cash at the beginning of the half year	56,366	66,878

Cash at the end of the half year

44,893	39,038
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