

# Preliminary Final Report

Name of Entity

WESFARMERS LIMITED

ACN

008 984 049

Financial year ended

30 JUNE 1997

## For announcement to the market

				\$A'000
Sales (or equivalent operating) revenue (item 1.1)	up	6.8%	to	2,600,602
Abnormal items after tax attributable to members (item 2.5)		loss of		1,250
Operating profit (loss) after tax (before amortisation of goodwill)attributable to members(item 1.26)	up	45.2%	to	147,201
Operating profit (loss) after tax attributable to members (item 1.10))	up	50.4%	to	* 139,553
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	50.4%	to	139,553
<b>Dividends(distribution)</b>		Amount per security		Franking amount per security at 36% tax
Final dividend (item 15.4)		38¢		38¢
Previous corresponding period (item 15.5)		20¢		20¢
Record date for determining entitlements to the dividend (see item 15.2)		3 October 1997		
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	45.0%	to	147,827
Goodwill amortisation				(7,024)
Profit before abnormal items	up	49.5%	to	140,803
Abnormal items				(1,250)
				139,553

## Consolidated profit and loss account

(The figures shown are not equity accounted)

	Current Year \$A'000	Previous Year \$A'000
1.1 Sales (or equivalent operating) revenue	2,600,602	2,434,598
1.2 Other revenue	108,921	78,428
1.3 <b>Total Revenue</b>	2,709,523	2,513,026
1.4 <b>Operating profit (loss) before abnormal items and tax</b>	219,209	152,501
1.5 Abnormal items before tax (detail in item 2.4)	(1,250)	(5,371)
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	217,959	147,130
1.7 Less tax	77,782	53,520
1.8 Operating profit (loss) after tax but before outside equity interests	140,177	93,610
1.9 Less outside equity interests	624	825
1.10 <b>Operating profit(loss) after tax attributable to members *</b>	139,553	92,785
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 <b>Total operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)</b>	140,177	93,610
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 + 1.12)	624	825
1.16 <b>Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)</b>	139,553	92,785
1.17 Retained profits (accumulated losses) at beginning of financial period	204,651	195,949
1.18 Adjustment on change of accounting policy	-	-
1.19 Aggregate of amounts transferred from reserves	169	56
1.20 Total Available for appropriation	344,373	288,790
1.21 Dividends provided for or paid	138,452	84,139
1.22 Aggregate of amount transferred to reserves	-	-
1.23 <b>Retained profits (accumulated losses) at end of financial period</b>	205,921	204,651
* Consists of:		
Profit before abnormal items and goodwill amortisation	147,827	101,965
Goodwill amortisation	(7,024)	(7,803)
Profit before abnormal items	140,803	94,162
Abnormal items	(1,250)	(1,377)
	139,553	92,785

## Profit restated to exclude amortisation of goodwill

	Current Year \$A'000	Previous Year \$A'000
1.24 Operating profit (loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill (item 2.1)	147,201	101,413
1.25 Less(plus) outside equity interests relating to goodwill	-	-
1.26 Operating profit(loss) after tax (before amortisation of goodwill) attributable to members	147,201	101,413

## Intangible, abnormal and extraordinary items

	Consolidated - current year			
	Before tax \$A'000	Related Tax \$A'000	Related outside equity interests \$A000	Amount (after tax) attributable to members \$A000
2.1 Amortisation of goodwill	7,024	-	-	7,024
2.2 Amortisation of other intangibles	-	-	-	-
2.3 <b>Total amortisation of intangibles</b>	7,024	-	-	7,024
2.4 Abnormal items Adjustment to profit on sale of controlled entity in previous year	(1,250)	-	-	(1,250)
2.5 <b>Total abnormal items</b>	(1,250)	-	-	(1,250)
2.6 Extraordinary items				
2.7 <b>Total extraordinary items</b>	Nil	Nil	Nil	Nil

## Comparison of half year profits

	Current Year \$A'000	Previous Year \$A'000
3.1 Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	57,548	38,246
3.2 Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	82,005	54,539

## Consolidated balance sheet

	At end of Current Year \$A'000	As shown in last Annual Report \$A'000	As shown in last Half Yearly Report \$A'000	
<b>Current assets</b>				
4.1	Cash	30,672	54,831	49,854
4.2	Receivables	362,695	364,410	298,670
4.3	Investments	-	-	-
4.4	Inventories	368,051	332,641	387,910
4.5	Other (provide details if material)	-	-	-
4.6	<b>Total current assets</b>	<b>761,418</b>	<b>751,882</b>	<b>736,434</b>
<b>Non-current assets</b>				
4.7	Receivables	64,842	36,369	76,907
4.8	Investments	57,524	101,754	55,157
4.9	Inventories	-	-	-
4.10	Exploration and evaluation expend. capitalised	-	-	-
4.11	Development properties (mining entities)	31,686	14,874	21,613
4.12	Other property, plant and equipment (net)	976,957	926,319	950,563
4.13	Intangibles (net)	152,241	159,548	156,023
4.14	Other (provide details if material)	13,142	13,831	14,173
4.15	<b>Total non-current assets</b>	<b>1,296,392</b>	<b>1,252,695</b>	<b>1,274,436</b>
4.16	<b>Total assets</b>	<b>2,057,810</b>	<b>2,004,577</b>	<b>2,010,870</b>
<b>Current liabilities</b>				
4.17	Accounts payable	386,288	342,732	276,645
4.18	Borrowings	161,846	199,772	245,895
4.19	Provisions	170,618	141,274	124,003
4.20	Other (insurance provisions)	103,119	96,287	102,316
4.21	<b>Total current liabilities</b>	<b>821,871</b>	<b>780,065</b>	<b>748,859</b>
<b>Non-current liabilities</b>				
4.22	Accounts payable	2,591	2,270	2,367
4.23	Borrowings	112,456	230,623	177,933
4.24	Provisions	89,908	80,467	90,712
4.25	Other (insurance provisions)	18,989	17,268	17,268
4.26	<b>Total non-current liabilities</b>	<b>223,944</b>	<b>330,628</b>	<b>288,280</b>
4.27	<b>Total liabilities</b>	<b>1,045,815</b>	<b>1,110,693</b>	<b>1,037,139</b>
4.28	<b>Net assets</b>	<b>1,011,995</b>	<b>893,884</b>	<b>973,731</b>
<b>Equity</b>				
4.29	Capital	119,826	114,251	118,460
4.30	Reserves	685,111	574,202	639,628
4.31	Retained profits (accumulated losses)	205,921	204,651	214,815
4.32	Equity attributable to members of the parent entity	1,010,858	893,104	972,903
4.33	Outside equity interests in controlled entities	1,137	780	828
4.34	<b>Total Equity</b>	<b>1,011,995</b>	<b>893,884</b>	<b>973,731</b>
4.35	Preference capital and related premium included as part of 4.32	Nil	Nil	Nil

## Exploration and evaluation expenditure capitalised

Not Applicable

## Development properties

	Current Year \$A'000	Previous Year \$A'000
6.1 Opening balance	14,874	3,427
6.2 Expenditure incurred during current period	16,812	9,168
6.3 Expenditure transferred from exploration and evaluation	-	-
6.4 Expenditure written off during current period	-	-
6.5 Acquisitions, disposals, revaluation increments, etc.	-	2,279
6.6 Expenditure transferred to mine properties	-	-
6.7 <b>Closing balance as shown in the consolidation balance sheet (item 4.11)</b>	<b>31,686</b>	<b>14,874</b>

## Consolidated statement of cash flows

	Current Year \$A'000	Previous Year \$A'000
<b>Cash flows related to operating activities</b>		
7.1 Receipts from customers	2,603,696	2,432,729
7.2 Payments to suppliers and employees	(2,231,081)	(2,115,033)
7.3 Dividends received	4,162	4,323
7.4 Interest and other items of similar nature received	6,499	14,081
7.5 Interest and other costs of finance paid	(27,088)	(35,598)
7.6 Income taxes paid	(72,437)	(68,364)
7.7 Other (provide details if material)	-	-
<b>7.8 Net operating cash flows</b>	<b>283,751</b>	<b>232,138</b>
<b>Cash flows related to investing activities</b>		
7.9 Payment for purchases of property, plant and equipment	(184,818)	(222,729)
7.10 Proceeds from sale of property, plant and equipment	22,218	17,226
7.11 Payment for purchases of equity investments	(961)	(14,136)
7.12 Proceeds from sale of equity investments	46,919	36,987
7.13 Loans to other entities	(138)	-
7.14 Loans repaid by other entities	8,600	-
7.15 Other (acquisitions of entities)	(376)	(7,463)
<b>7.16 Net investing cash flows</b>	<b>(108,556)</b>	<b>(190,115)</b>
<b>Cash flows related to financing activities</b>		
7.17 Proceeds from issues of securities (shares, options, etc.)	14	-
7.18 Proceeds from borrowings	-	4,178
7.19 Repayment of borrowings	(156,458)	-
7.20 Dividends paid	(42,930)	(49,169)
7.21 Other (provide details if material)	-	-
<b>7.22 Net financing cash flows</b>	<b>(199,374)</b>	<b>(44,991)</b>
<b>Net increase (decrease) in cash held</b>		
7.23 Cash at beginning of year (see Reconciliation of cash)	54,230	57,198
7.24 Exchange rate adjustments to item 7.23	-	-
<b>7.25 Cash at end of period (see Reconciliation of cash)</b>	<b>30,051</b>	<b>54,230</b>

## 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 year \$000	Previous year \$000
Share capital issues:		
Dividend investment plan	46,642	48,427
Employee share plan	45,511	14,408
Acquisition of shares in a controlled entity	-	-
	92,153	62,835
Dividends:		
Employee share plan repayments	3,835	3,313

## 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 Year \$A'000	Previous Year \$A'000
8.1 Cash on hand and at bank	6,498	17,034
8.2 Deposits at call	24,174	37,797
8.3 Bank overdraft	(621)	(601)
8.4 Other (provide details)	-	-
8.4 <b>Total cash at end of period</b> (item 7.25)	30,051	54,230

## Ratios

	Current Year	Previous Year
<b>Profit before abnormals and tax/sales</b>		
9.1 Consolidated operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	8.4%	6.3%
<b>Profit after tax/equity interests</b>		
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 4.32)		
(a) Before abnormal items and goodwill amortisation	14.6%	11.4%
(b) Before abnormal items	13.9%	10.5%
(c) After abnormal items	13.8%	10.4%

## Earnings per security (EPS)

	Current Year	Previous Year
10.1 Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
Basic and diluted		
(a) Before abnormals and goodwill amortisation	63.2¢	45.4¢
(b) Before abnormal items	60.2¢	42.0¢
(c) After abnormal items	59.6¢	41.3¢

## NTA backing

	Current Year	Previous Year
11.1 Net tangible asset backing per ordinary security	\$3.58	\$3.21

## 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 Year	Previous Year
\$1.07	\$0.87

## Details of specific receipts/outlays, revenues/expenses

	Current Year \$A'000	Previous Year \$A'000
12.1 Interest revenue included in determining item 1.4	10,057	14,883
12.2 Interest revenue included in item 12.1 but not yet received (if material)	4,493	935
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	25,978	35,072
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	1,610	3,160
12.5 Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6 Depreciation (excluding amortisation of intangibles)	101,585	93,442
12.7 Amortisation of intangibles	7,024	7,803

## 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	
	1997 \$A'000	1996 \$A'000	1997 \$A'000	1996 \$A'000	1997 \$A'000	1996 \$A'000
Rural operations and insurance	677,680	655,961	476,143	470,773	22,138	1,707
Fertiliser and chemicals	531,294	415,400	343,681	381,207	83,560	55,254
Energy	453,923	419,649	414,318	372,205	96,995	87,044
Building and forest products	794,800	756,027	690,581	645,975	56,840	46,818
Other	258,305	266,273	231,739	227,641	14,583	19,395
	2,716,002	2,513,310	2,156,462	2,097,801	274,116	210,218
Consolidation adjustments	(6,479)	(6,784)	(98,652)	(93,224)	(6,379)	(6,685)
Abnormal items						
- Energy segment						(7,514)
- Building and forest products						(4,357)
- Other segment		6,500			(1,250)	6,500
Interest paid and corporate overheads					(48,528)	(51,032)
Operating profit before income tax					217,959	147,130
Income tax expense					77,782	53,520
	2,709,523	2,513,026	2,057,810	2,004,577	140,177	93,610

## Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable

30 October 1997

15.2 Record 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)

3 October 1997

15.3 If it is a final dividend, has it been declared

Yes

## Amount per security

		Amount per security	Franked amount per security at 36% tax
15.4	<b>Final dividend:</b> Current year	38c	38c
15.5	Previous year	20c	20c
15.6	<b>Interim dividend:</b> Current year	20c	20c
15.7	Previous year	17c	17c

## Total annual dividend (distribution) per security

- 15.8 Ordinary securities  
15.9 Preference securities

Current Year	Previous Year
58¢	37¢
Nil	Nil

## Total dividend (distribution)

- 15.10 Ordinary securities  
15.11 Preference securities  
15.12 **Total**

Current Year \$A000	Previous Year \$A000
138,452	84,139
-	-
138,452	84,139

The dividend or distribution plans shown below are in operation.

Wesfarmers Limited Shareholders' Investment Plan - Dividend Investment Plan

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

3 October 1997

Any other disclosures in relation to dividends (distributions)

Nil

## Equity accounted associated entities and other material interests

Not Applicable

## Material interests in entities which are not controlled entities

Not Applicable

## 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		Number issued	Number quoted	Par value (cents)	Paid-up value (cents)
18.1	<b>Preferences securities</b>	Nil			
18.2	Issued during current period	Nil			
18.3	<b>Ordinary securities</b>	239,652,020	239,652,020	50	50
18.4	Issued during current period	11,150,633	11,150,633	50	50
18.5	<b>Convertible debt securities</b>	Nil			
18.6	Issued during current period	Nil			
18.7	<b>Options</b>	6,775,254	6,775,254	Exercise price	Expiry date
				\$12.50	30/06/99
18.8	Issued during current period	Nil			
18.9	Exercised during current period	1,100	1,100	\$12.50	
18.10	Expired during current period	Nil			
18.11	<b>Debentures</b>	Nil			
18.12	<b>Unsecured notes</b>	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 5 August 1997 accompanying this statement.

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 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 1998 will be fully franked.

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

Nil

### Additional disclosure for trusts

Not Applicable

### Annual meeting

The annual meeting will be held as follows:

Place

Hyatt Regency Perth, Western Australia
5 November 1997
2.00pm
9 October 1997

Date

Time

Approximate date the annual report will be available

### 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 are in the process of being audited.
- 5 As the accounts are being audited and the audit report is not attached, details of any qualifications will follow immediately they are available.
- 6 The entity has a formally constituted audit committee.

Sign here: .....  
(Company Secretary)

Date: 5 August 1997

Print name: P J JOHNSTON