

Preliminary Final Report

Name of entity

WESFARMERS LIMITED

	Half yearly (tick)	Preliminary final (tick)	Financial year ended
ABN 28 008 984 049	<input type="checkbox"/>	<input checked="" type="checkbox"/>	30 June 2001

For announcement to the market

\$A'000

Revenues from ordinary activities (<i>item 1.1</i>)	up	26.1%	to	4,388,650
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members (<i>item 1.20</i>)	up	22%	to	261,372
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.23</i>)	up	21.2%	to	251,006
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of	N/A		
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	up	21.2%	to	* 251,006
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend		60¢		60¢
Previous corresponding period		48¢		48¢
Record date for determining entitlements to the dividend, (<i>see item 15.2</i>)		11 October 2001		
* Consists of				
Net profit before goodwill amortisation	up	22.0%	to	261,372
Goodwill amortisation				10,366
Net profit after goodwill amortisation	up	21.2%	to	251,006
(Note: The net profit for the year ended 30 June 2000 included a \$12.5 million abnormal gain arising from the change in income tax rates. In the absence of that gain, the underlying net profit increase for the year ended 30 June 2001 would have been 29%)				

Consolidated profit and loss account

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities	4,388,650	3,480,156
1.2 Expenses from ordinary activities (see items 1.24 12.5 12.6)	(3,970,919)	(3,166,684)
1.3 Borrowing costs	(68,681)	(32,330)
1.4 Share of net profit (loss) of associates and joint venture entities (see item 16.7)	21,053	15,617
1.5 Profit (loss) from ordinary activities before tax	370,103	296,759
1.6 Income tax on ordinary activities	118,499	88,989
1.7 Profit (loss) from ordinary activities after tax	251,604	207,770
1.8 Profit (loss) from extraordinary items after tax (see item 2.5)	-	-
1.9 Net profit (loss)	251,604	207,770
1.10 Net profit (loss) attributable to outside equity interests	598	741
1.11 Net profit (loss) for the period attributable to members	* 251,006	207,029

* Consists of:

Net profit before goodwill amortisation	261,372	214,314
Goodwill amortisation	10,366	7,285
Net profit after goodwill amortisation	251,006	207,029

(Note: The net profit for the year ended 30 June 2000 included a \$ 12.5 million abnormal gain arising from the change in income tax rates)

Consolidated retained profits

1.12 Retained profits (accumulated losses) at the beginning of the financial period	225,121	211,426
1.13 Net profit (loss) attributable to members (item 1.11)	251,006	207,029
1.14 Net transfers to and from reserves	19,930	(373)
1.15 Net effect of changes in accounting policies	-	-
1.16 Dividends and other equity distributions paid or payable	(245,391)	(192,961)
1.17 Retained profits (accumulated losses) at end of financial period	250,666	225,121

Profit restated to exclude amortisation of goodwill

	Current period \$A'000	Previous corresponding period - \$A'000
1.18 Profit (loss) from ordinary activities after tax before outside equity interests (items 1.7) and amortisation of goodwill	261,970	215,055
1.19 Less (plus) outside equity interests	598	741
1.20 Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	261,372	214,314

See chapter 19 for defined terms.

Profit (loss) from ordinary activities attributable to members

	Current period \$A'000	Previous corresponding period - \$A'000
1.21 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	251,604	207,770
1.22 Less (plus) outside equity interests	598	741
1.23 Profit (loss) from ordinary activities after tax, attributable to members	251,006	207,029

Revenue and expenses from ordinary activities

	Current period \$A'000	Previous corresponding period - \$A'000
1.24 Details of revenue and expenses		
Revenue from sale of goods	3,723,705	2,848,114
Revenue from services	519,579	510,381
Proceeds on sale of non-current assets	91,194	75,166
Dividends - other corporations	3,262	359
Interest	12,934	7,596
Rent received	5,908	9,824
Other income	32,068	28,716
Total revenue from ordinary activities	<u>4,388,650</u>	<u>3,480,156</u>
Cost of goods sold	2,776,733	2,102,068
Distribution expenses	95,320	88,527
Sales and marketing expenses	558,085	465,436
Direct selling expenses	288,511	296,642
Administration expenses	174,171	147,388
Other expenses	78,099	66,623
Total expenses from ordinary activities	<u>3,970,919</u>	<u>3,166,684</u>

Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		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	10,366	-	-	-
2.2	Amortisation of other intangibles	-	-	-	-
2.3	Total amortisation of intangibles	10,366	-	-	-
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 1 st half year (item 1.23 in the half yearly report)	111,821	100,079
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2 nd half year	139,185	106,950

See chapter 19 for defined terms.

Consolidated balance sheet		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	110,753	57,999	63,203
4.2	Receivables	741,317	558,181	485,590
4.3	Investments	-	-	-
4.4	Inventories	722,031	544,580	653,789
4.5	Other (provide details if material)	-	-	-
4.6	Total current assets	1,574,101	1,160,760	1,202,582
Non-current assets				
4.7	Receivables	191,723	138,733	114,157
4.8	Investments (equity accounted)	258,558	112,285	236,008
4.9	Other investments	106,514	72,820	103,135
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised	-	-	-
4.12	Development properties (mining entities)	772	772	772
4.13	Other property, plant and equipment (net)	1,511,297	1,522,016	1,479,852
4.14	Intangibles (net)	295,751	135,488	132,655
4.15	Other	65,355	25,886	37,009
4.16	Total non-current assets	2,429,970	2,008,000	2,103,588
4.17	Total assets	4,004,071	3,168,760	3,306,170
Current liabilities				
4.18	Payables	629,539	560,399	398,144
4.19	Interest bearing liabilities	383,212	401,104	303,698
4.20	Provisions	254,392	184,224	169,134
4.21	Other (Insurance provisions)	141,193	128,832	139,418
4.22	Total current liabilities	1,408,336	1,274,559	1,010,394
Non-current liabilities				
4.23	Payables	2,256	2,249	2,165
4.24	Interest bearing liabilities	751,129	483,905	830,404
4.25	Provisions	184,054	151,424	164,004
4.26	Other (Insurance provisions)	40,488	25,167	25,167
4.27	Total non-current liabilities	977,927	662,745	1,021,740
4.28	Total liabilities	2,386,263	1,937,304	2,032,134
4.29	Net assets	1,617,808	1,231,456	1,274,036

See chapter 19 for defined terms.

Consolidated balance sheet continued

Equity				
4.30	Capital/contributed equity	1,234,171	892,192	945,951
4.31	Reserves	109,304	107,886	62,714
4.32	Retained profits (accumulated losses)	250,666	225,121	263,778
4.33	Equity attributable to members of the parent entity	1,594,141	1,225,199	1,272,443
4.34	Outside equity interests in controlled entities	23,667	6,257	1,593
4.35	Total equity	1,617,808	1,231,456	1,274,036
4.36	Preference capital included as part of 4.33	NIL	NIL	NIL

Exploration and evaluation expenditure capitalised

	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 4.11)	-

Development properties

	Current period \$A'000	Previous corresponding Period - \$A'000
6.1	Opening balance	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	-
6.7	Closing balance as shown in the consolidated balance sheet (item 4.12)	772

See chapter 19 for defined terms.

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	4,311,473	3,284,408
7.2	Payments to suppliers and employees	(3,708,691)	(2,960,892)
7.3	Dividends received from associates	9,901	15,232
7.4	Other dividends received	3,263	359
7.5	Interest and other items of similar nature received	10,644	8,587
7.6	Interest and other costs of finance paid	(60,744)	(32,146)
7.7	Income taxes paid	(104,416)	(61,150)
7.8	GST paid	(77,780)	-
7.9	Net operating cash flows	383,650	254,398
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(242,690)	(189,395)
7.11	Proceeds from sale of property, plant and equipment	30,055	62,618
7.12	Payment for purchases of equity investments	(138,118)	(76,449)
7.13	Proceeds from sale of equity investments	15,920	21,548
7.14	Loans to other entities	-	(38,772)
7.15	Loans repaid by other entities	(7,700)	5,687
7.16	Acquisition (net of disposals) of entities	(64,595)	(157,698)
	Other	(4,118)	(1,452)
7.17	Net investing cash flows	(411,246)	(373,913)
Cash flows related to financing activities			
7.18	Proceeds from issues of securities (shares, options, etc.)	206,066	5,092
7.19	Proceeds from borrowings	-	380,471
7.20	Repayment of borrowings	(28,675)	-
7.21	Dividends paid	(121,304)	(171,262)
7.22	Repayment of employee share plan loans	54,972	14,777
	Share buy back	-	(107,930)
	Costs associated with restructure	(30,709)	-
7.23	Net financing cash flows	80,350	121,148
7.24	Net increase in cash held	52,754	1,633
7.25	Cash at beginning of period	57,999	56,366
7.26	Exchange rate adjustments to item 7.25.	-	-
7.27	Cash at end of period	110,753	57,999

See chapter 19 for defined terms.

Non-cash financing and investing activities

<i>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.</i>	Current period \$A'000	Previous corresponding period - \$A'000
Share capital issues – Simplification plan	20,474	-
– employee share plan	74,450	49,720
– dividend investment plan	71,697	-
Dividends – employee share plan repayments	10,575	8,795

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	101,095	25,774
8.2 Deposits at call	9,658	32,225
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	110,753	57,999

Ratios

	Current period	Previous corresponding Period
Profit before tax / revenue		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	8.4	8.5
Profit after tax / equity interests		
9.2 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 4.33)	15.8	17.0

Earnings per security (EPS)

	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
(a) Basic EPS – before goodwill amortisation	96.2 cents	80.4 cents
– after goodwill amortisation	92.4 cents	77.6 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	271,731,323	266,650,758

NTA backing

	Current period	Previous corresponding period
11.1 Net tangible asset backing per ordinary security	\$4.61	\$4.13

See chapter 19 for defined terms.

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 \$A'000	Previous corresponding period - \$A'000
\$1.53	\$1.25

Details of specific receipts/outlays, revenues/ expenses

	Current period \$A'000	Previous corresponding period - \$A'000
12.1 Interest revenue included in determining item 1.5	12,934	7,596
12.2 Interest revenue included in item 12.1 but not yet received (if material)	2,328	38
12.3 Interest costs excluded from borrowing costs, capitalised in asset values	-	7,126
12.4 Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.5 Depreciation and amortisation (excluding amortisation of intangibles)	153,967	117,740
12.6 Other specific relevant items not shown in item 1.24		
Income tax credit arising from change in tax rate	-	12,495

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	N/A
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	NIL
13.3 Date from which such profit has been calculated	N/A
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	NIL

See chapter 19 for defined terms.

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 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	NIL
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the 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

Segment Information

	Operating revenue		Segment assets		Earnings before tax	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Rural services and insurance	1,272,054	843,229	1,115,004	598,781	56,990	40,144
Fertilisers and chemicals	438,058	403,519	539,049	548,140	52,624	45,115
Energy	978,132	588,205	1,043,829	946,265	190,126	107,460
Hardware and forest products	1,541,747	1,489,735	840,174	861,686	145,876	139,977
Other – investments and services	167,248	162,252	614,164	346,798	32,375	29,666
	4,397,239	3,486,940	4,152,220	3,301,670	477,991	362,362
Consolidation adjustments	(8,589)	(6,784)	(148,149)	(132,910)	(8,441)	(6,692)
Interest paid and corporate overheads	-	-	-	-	(99,447)	(58,911)
	4,388,650	3,480,156	4,004,071	3,168,760	370,103	296,759

The consolidated entity operates predominantly in Australia.

Dividends

15.1	Date the dividend is payable	25 OCTOBER 2001
15.2	Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers 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)	11 October 2001
15.3	If it is a final dividend, has it been declared?	YES

See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at * 30% tax ** 34% tax *** 36% tax	Amount per security of foreign source dividend
15.4	Final dividend: Current year	60¢	* 60¢	-
15.5	Previous year	48¢	** 48¢	-
15.6	Interim dividend: Current year	27¢	** 27¢	-
15.7	Previous year	25¢	*** 25¢	-

Total dividend per security (interim plus final)

	Current year	Previous year
15.8 Ordinary securities	87¢	73¢
15.9 Preference securities	NIL	NIL

Final dividend on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 Ordinary securities	169,048	126,570
15.11 Preference securities	-	-
15.12 Other equity instruments	-	-
15.13 Total	169,048	126,570

New shares issued under the company's dividend investment plan in respect of the 2001 final dividend payable on 25 October 2001 will be at a discount of 2.5 per cent to market.

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

11 October 2001

Any other disclosures in relation to dividends (distributions)

NIL

See chapter 19 for defined terms.

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 income tax	30,603	22,924
16.2	Income tax on ordinary activities	9,550	7,307
16.3	Profit (loss) from ordinary activities after income tax	21,053	15,617
16.4	Extraordinary items net of tax	-	-
16.5	Net profit (loss)	21,053	15,617
16.6	Outside equity interests	-	-
16.7	Net profit (loss) attributable to members	21,053	15,617

Material interests in entities which are not controlled entities

The economic entity has an interest in the following entities.

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

See chapter 19 for defined terms.

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	281,746,266	281,746,266		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks *	154,092,880 136,033,934			
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		<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period	NIL			
18.9 Exercised during current period	NIL			
18.10 Expired during current period	NIL			
18.11 Debentures (totals only)	NIL			
18.12 Unsecured notes (totals only)	NIL			

* The shares bought back under the Simplification Plan took place on 4 July 2001. For accounting purposes this buy back was deemed to have taken place on 24 April 2001, being the same date as the shares issued under the Simplification Plan.

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

Refer to the press release dated 7 August 2001 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 effect quantified (if possible)

On 13 June 2001 Wesfarmers Retail Pty Ltd, a wholly owned subsidiary of Wesfarmers Limited (“Wesfarmers”) announced an Offer to acquire all the shares in Howard Smith Limited (“Howard Smith”) and subsequently varied the terms of the Offer on 12 July 2001. The Offer is \$13.25 cash and 2 Wesfarmers shares for every 5 Howard Smith shares. At the date of this report the Offer remains conditional upon achieving 90 per cent minimum acceptances and is scheduled to close on 22 August 2001. As at the close of business on 6 August 2001, Wesfarmers had received acceptances from 74 per cent of Howard Smith registered shareholders totalling 48 per cent of Howard Smith shares.

Wesfarmers’ Offer has been recommended by Howard Smith’s directors, and the Australian Competition and Consumer Commission has confirmed that it will not oppose the acquisition.

Note that the final dividend payable as disclosed at item 15.10 does not include the dividend that will be payable to accepting Howard Smith shareholders if the Offer is completed successfully before the closing date.

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

All future dividends are anticipated to be fully franked.

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

NIL

Annual meeting

The annual meeting will be held as follows:

Place	Hyatt Regency Perth
Date	Monday, 5 November 2001
Time	2.00pm
Approximate date the annual report will be available	Monday, 24 September 2001

Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.

Identify other standards used

- 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:
Company Secretary

Print name: J C Gillam