Wesfarmers Limited

ABN 28 008 984 049

NEWS

11 February 2003

WESFARMERS REPORTS SOLID FIRST HALF RESULT

The directors of Wesfarmers Limited today reported a solid result for the half year ended 31 December 2002, with net profit increasing 25 per cent over the previous period to $224.9 million and dividends increasing by 24 per cent to 42 cents per share.

Net profit (before goodwill amortisation) was $267.6 million, an increase of 23 per cent on the $217.5 million earned in the corresponding period last year. The result was achieved on operating revenue of $3.7 billion which was three per cent higher than last year's $3.6 billion.

The result was attributable to increased earnings from the hardware, energy, industrial/ safety and chemicals/fertilisers businesses, while the drought negatively impacted earnings in the rural services business and the 50 per cent-owned railroad business.

The 31 December 2002 half year result included profit after tax of $2.2 million on the sale of non-current assets, compared with $7.7 million earned in the same period last year.

Earnings per share of 71.4 cents (before goodwill amortisation) for the half year were 12 per cent above the 63.5 cents in the corresponding six months last year. Cash flow per share of 98.4 cents was also higher than last year's 91.5 cents.

Hardware

Operating revenue for the Bunnings hardware merchandising business increased by 16 per cent to $1.8 billion in the first half. Earnings before interest and tax (before goodwill amortisation) of $196 million were 35 per cent higher than in the corresponding period last year.

Increased sales and earnings were partially due to an extra one month's trading result from the Howard Smith hardware business, which was integrated from 1 August 2001. For the period 1 August to 31 December 2002, earnings before interest and tax (before goodwill amortisation) increased by 28 per cent over the same five month period last year.

For the first half as a whole, retail sales were above those recorded last year in all regions and in line with budget.

For the hardware network (excluding WA Salvage) raw sales growth for the second quarter was similar to that recorded in the period 1 August to 30 September, although some softness occurred in December and this continued into the new year.

An overall trend in sales growth is difficult to determine because of a number of unusual factors which have prevailed. These included water restrictions which reduced sales of garden products and unseasonally hot weather in a number of regions on key weekends. Additionally, in December 2001 significant clearance activities took place involving inventories acquired in the

Howard Smith takeover. These were at lower prices and their absence from the December 2002 figures resulted in an apparently lower sales growth rate, but with a beneficial effect on margins.

Trade sales, representing 23 per cent of total sales in the first half, were above those of the comparative six months last year.

Indicatively, normalised store on store growth has been around 10 per cent for the first half. There have been four new warehouse stores opened and 12 stores, including two warehouse stores, closed during the period.

Gross margins were in line with budget and ahead of those in the corresponding period last year as a result of buying benefits achieved. Expenses were also well controlled.

While the outlook for hardware in the second half is positive, some softening in growth in both the retail and trade sectors is expected. Growth in the housing construction market is expected to slow over the next six months after a strong performance in 2002. Notwithstanding the recent softness of sales, Bunnings is still expected to achieve its full year profit budget.

Energy

Operating revenue of $476 million from the group's energy businesses was slightly above the $475 million recorded in the corresponding period last year. Earnings before interest and tax (before goodwill amortisation) of $123.6 million were 16 per cent higher than the $107 million for the comparative period last year, due to growth in both coal and gas earnings.

Coal

Sales volumes for the first half from the Curragh coal mine in Queensland were below expectations and those in the corresponding period last year, due mainly to the timing of export shipping schedules, a planned shutdown of the coal preparation plant during its upgrade and unscheduled maintenance of the draglines. Earnings for the period were higher than last year's due to increased selling prices.

The Bengalla coal mine in New South Wales, in which Wesfarmers holds a 40 per cent interest, produced sales volumes and revenue above last year's but marginally below budget. This was due to strong competition in international steaming coal markets together with weaker than expected demand and prices. Bengalla earnings were in line with budget but below those for the same period last year.

Coal deliveries from the Premier coal mine in Western Australia were lower than in the corresponding period last year due to the loss of a contract which was partially offset by higher deliveries to Western Power. As a result, earnings for the period were lower than last year's but in line with budget.

Development highlights during the six month period included the completion of the upgrade of the Curragh coal mine preparation plant and the commencement of mining at the Curragh East deposit.

As reported recently Wesfarmers has reached agreement to sell the Girrah coal deposit which will result in an after tax profit of $56 million being brought to account once the necessary approvals have been obtained, expected to be before the end of the financial year. The company also announced that it had won the right to develop the Pisces (now Curragh North) deposit.

The outlook for coal in the second half remains positive. Coking coal sales volumes are expected to be strong although production and logistics performance will be stretched. Also, earnings in the fourth quarter will be impacted by annual price re-negotiations. Export steaming coal sales volumes and prices appear to have stabilised, but competition for incremental sales opportunities remains strong.

Gas

Domestic LP gas sales volumes and revenue were marginally below the comparative period last year due mainly to weak autogas demand. Kleenheat's earnings were well above budget and last year's, despite higher international LPG prices, due to improved margin management and continued strong focus on cost control and asset productivity.

Wesfarmers LPG's export volumes were above last year's but below budget due to a delayed export shipment budgeted for late December and a number of unscheduled plant shutdowns. The lower volumes resulted in earnings being below budget and those of the comparative period last year.

Overall the gas activities recorded an above budget result for the half year and the results were considerably above those for the comparative period last year. Full year earnings, although dependent on international price trends and shipment timing, are expected to be ahead of last year's result.

Industrial and safety

Operating revenue of $578 million from the industrial and safety businesses was 19 per cent above the $485 million recorded in the first half of last year. Earnings before interest and tax (before goodwill amortisation) of $55.5 million were 42 per cent above the $39.2 million recorded in the comparative period last year and marginally below budget.

Last year's first half comparative results for this division included only five months of trading from its 1 August 2001 acquisition date by Wesfarmers. For the period 1 August to 31 December 2002 (and excluding earnings from the metals business sold in August 2002), earnings before interest and tax (before goodwill amortisation) increased by 15 per cent over the same five month period last year.

The continuing drought in eastern Australia has constrained sales in regional locations. However, it is expected that the commencement of a number of larger infrastructure projects across Australia and the continued strong performance of the New Zealand economy will underpin an improved revenue and earnings outlook for the business.

Rural services and insurance

As a result of the impact of one of the worst national droughts ever experienced, the first half operating revenue of $694 million for the group's rural services and insurance business was 14 per cent below the comparative figure last year. Earnings before interest and tax (before goodwill amortisation) of $33.9 million were two per cent below the $34.6 million recorded last year.

Wesfarmers Landmark experienced reduced merchandise sales and livestock revenue as a result of the severe drought conditions. However gross profit from wool broking, rural property, fertiliser sales, finance and the insurance agency business all increased compared to the same period last year. The North Queensland-based Johnstone River Transport made a positive earnings contribution of $2.7 million in the first half. Results from this operation were not included in last year's figures.

The result reflects the advantages of the diversified activities and geographical spread of the rural services business, together with a strong focus on cost control and capital but earnings in recent months have been impacted by the drought more significantly than previously expected. The drought is expected to reduce the division's full year budgeted results by $15 to 20 million at the EBIT level.

The short-term outlook for rural Australia is subject to the arrival of widespread autumn rains sufficient to break the drought and ensure the planting of winter crops and the rebuilding of the cattle herd and sheep flock. Commodity prices remain at reasonable levels.

Wesfarmers Federation Insurance reported an excellent result which was higher than budget and the comparative period last year despite lower crop insurance business due to reduced plantings and poorer crops. Total premium income increased by eight per cent, reflecting increased new business and above-budget retention of existing business. Claims were below budget.

The strong performance of Wesfarmers Federation Insurance is expected to continue, assuming a normal claims pattern in the second half.

Chemicals and fertilisers

Operating revenue of $158 million from the group's chemicals and fertilisers businesses for the six months was one per cent higher than the $156 million for the comparative period last year. Improved operations in both chemicals and fertilisers resulted in earnings before interest and tax (before goodwill amortisation), increasing by 59 per cent to $15.7 million compared with last year's $9.9 million. The low absolute level of the first half earnings figures is a result of the seasonal timing of fertiliser sales, with historically over 70 per cent of these sales occurring in the second half of the financial year.

Overall sales volumes of the company's chemical products were nine per cent lower than in the corresponding period last year, with volumes lower in all chemicals activities due to short term softness in demand. An improved operational performance from the Kwinana ammonia plant, however, resulted in earnings contribution from chemicals activities exceeding last year's.

The sodium cyanide solids plant constructed by the 75 per cent owned Australian Gold Reagents joint venture has been operating since August 2002. Sales of solid sodium cyanide have commenced, although the plant is still to perform in line with expectations.

Operations at the Queensland Nitrates joint venture were markedly improved with the plant operating at or above nameplate capacity throughout the period.

Despite difficult seasonal conditions, fertiliser sales volumes and revenue were above budget and ahead of last year's volumes and revenue.

Notwithstanding the difficult cropping season experienced last year, with reasonable commodity prices and on the assumption of a return to normal seasonal conditions in autumn and winter, CSBP currently estimates that its sales volumes in Western Australia will exceed last year's. No fertiliser sales to producers in other States are anticipated as a result of the severe drought conditions experienced across eastern Australia. Last year 88,000 tonnes were sold to these producers at wholesale prices.

The full year outlook for the group's chemicals and fertilisers businesses is for an improved profit result compared with last year's.

Other operations

Revenues from the 50 per cent-owned Australian Railroad Group, comprising the Western Australian and South Australian rail freight businesses acquired in December 2000, were below budget as a result of lower than forecast grain and iron ore volumes, the former arising from the severe drought conditions. Earnings during the period were well below budget as a result of the reduced revenue, restructuring costs and a high level of derailment incidents. The reduced grain volumes in both Western Australia and South Australia are expected to have a further significant adverse impact on second half revenue and earnings.

Operating revenue for the forest products business, Sotico Pty Ltd, in the first half was above budget but below those in the corresponding period last year due to divestments and voluntary reductions of log intake. Earnings were in line with last year's due mainly to the strong performance from Wespine Industries Pty Ltd in which Wesfarmers has a 50 per cent interest. Steady progress continues to be made in the orderly rationalisation of the forest products business in response to changes in the Western Australian government's forest management policy.

Earnings from Gresham Partners, the company's partly owned investment house associate, were significantly lower than the previous year's due to reduced corporate activity. The underlying investment in the Gresham Private Equity Fund, to which Wesfarmers has $100 million committed, grew in value. However, the Fund's earnings are only recognised when its investments are realised and profits returned to investors.

Finance

The group's ratio of net debt to equity as at 31 December 2002 was 35.2 per cent, down from 54.9 per cent at 31 December 2001. The rolling 12 month cash interest cover was 14 times, well above the group's minimum benchmark of four times and unchanged from last year.

The directors have decided to suspend the company's Dividend Investment Plan for the interim dividend and institute a buyback of up to five per cent of the shares in the company over the next year in line with the group's ongoing capital management strategy.

Interim dividend

A fully franked interim dividend of 42 cents per share (last year 34 cents per share) payable to shareholders on 28 March 2003 has been declared by the directors and the company expects to maintain its dividend policy of paying out 100 per cent of operating profits, fully franked, for the full year.

Outlook

The directors are pleased with the half year result given the difficult trading conditions existing in some sectors, particularly rural. As described above the severe drought is having a negative effect on earnings in the rural, railroad and industrial and safety businesses. The directors' current expectations are that while they continue to anticipate an acceptable increase in profit, it will be difficult for the group to achieve its original full year budget result this year (before bringing to account the additional $56 million profit from the sale of Girrah). A number of external factors will affect the result, including the seasonal autumn weather break across southern Australia, coking and steaming coal shipments and prices beyond 1 April 2003 and trends in the Australian retail environment.

For further information contact: Mr Michael Chaney, Managing Director
(08) 9327 4203

Half Yearly Report

Name of entity

WESFARMERS LIMITED

Half year ended

ABN 28 008 984 049	31 December 2002

For announcement to the market

				$A'000
Revenues from ordinary activities *(item 1.1)*	up	3.2%	to	3,728,111
Profit (loss) from ordinary activities after tax (attributable to members *(item 1.22)*	up	24.7%	to	224,900
Profit (loss) from extraordinary items after tax attributable to members (*item 2.5)*	gain (loss) of			N/A
Net profit (loss) for the period attributable to members *(item 1.11)*	up	24.7%	to	*224,900

Dividends	Amount per security	Franked amount per security
Interim dividend	42¢	42¢
Previous corresponding period	34¢	34¢

Record date for determining entitlements to the dividend, *(see item 15.2)*	7 March 2003

*Consists of: Net profit before goodwill amortisation	up	23.0%	to	267,612
Goodwill amortisation				(42,712)
Net profit after goodwill amortisation	up	24.7%	to	224,900

This half yearly report is to be read in conjunction with the most recent annual financial report.

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)*	3,728,111	3,612,747
1.2	Expenses from ordinary activities (*see items 1.26*)	(3,372,286)	(3,321,203)
1.3	Borrowing costs	(42,944)	(48,071)
1.4	Share of net profit (losses) of associates and joint venture entities (*see item 16.7*)	15,875	18,503
1.5	**Profit (loss) from ordinary activities before tax**	328,756	261,976
1.6	Income tax on ordinary activities	104,188	81,208
1.7	**Profit (loss) from ordinary activities after tax**	224,568	180,768
1.8	Profit (loss) from extraordinary items after tax (*see item 2.5*)	-	-
1.9	**Net profit (loss)**	224,568	180,768
1.10	Net profit (loss) attributable to outside equity interests	(332)	483
1.11	**Net profit (loss) for the period attributable to members**	*224,900	*180,285
	Non-owner transaction changes in equity		
1.12	Increase in revaluation reserves	2,020	-
1.13	Net exchange differences recognised in equity	(566)	(2,307)
1.14	Other revenue, expense and initial adjustments recognised directly in equity	-	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity	1,454	(2,307)
1.17	**Total changes in equity not resulting from transactions with owners as owners**	226,354	177,978

*Consists of:		
Net profit before goodwill amortisation	267,612	217,532
Goodwill amortisation	(42,712)	(37,247)
Net profit after goodwill amortisation	224,900	180,285

Earnings per security (EPS)

		Current period	Previous corresponding period
1.18/1.19	Basic and diluted EPS		
	- before goodwill amortisation	71.4c	63.5c
	- after goodwill amortisation	60.0c	52.6c

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*)	224,568	180,768
1.21	Less (plus) outside equity interests	(332)	483
1.22	Profit (loss) from ordinary activities after tax, attributable to members	224,900	180,285

Revenue and expenses from ordinary activities

		Current period $A'000	Previous corresponding period - $A'000
1.23	Revenue from sale of goods	3,415,426	3,194,102
	Revenue from services	234,355	271,213
	Interest received	4,472	9,350
	Dividends – other corporations	1,454	1,695
	Proceeds on sale of non-current assets	36,633	81,572
	Rent received	3,569	2,992
	Other income	32,202	51,823
	Total revenue from ordinary activities	3,728,111	3,612,747
1.26	Cost of goods sold	2,412,576	2,392,283
	Distribution	72,538	78,417
	Sales and marketing	609,474	503,382
	Direct service expenses	100,869	139,485
	Administration expenses	137,243	131,037
	Other expenses	39,586	76,599
	Total expenses from ordinary activities	3,372,286	3,321,203
1.27	Depreciation and amortisation excluding amortisation of intangibles (see item 2.3) included in 1.26 above	100,887	96,037

Consolidated retained profits

		Current period $A'000	Previous corresponding period - $A'000
1.30	Retained profits (accumulated losses) at the beginning of the financial period	190,619	250,666
1.31	Net profit (loss) attributable to members (*item 1.11*)	224,900	180,285
1.32	Net transfers from (to) reserves	212	(19,610)
1.33	Net effect of changes in accounting policies	-	-
1.34	Dividends paid or payable	-	(173,294)
1.35	Retained profits (accumulated losses) at end of financial period	415,731	238,047

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	42,712	-	-	42,712
2.2	Amortisation of other intangibles				
2.3	Total amortisation of intangibles	42,712	-	-	42,712
2.4	Extraordinary items (details)				
2.5	Total extraordinary items	-	-	-	-

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	117,559	171,937	91,262
4.2	Receivables	802,962	971,284	936,601
4.3	Investments	-	-	-
4.4	Inventories	1,440,326	1,310,832	1,324,863
4.5	Tax assets	-	-	-
4.6	Other	-	-	-
4.7	Total current assets	2,360,847	2,454,053	2,352,726
	Non-current assets			
4.8	Receivables	358,698	255,264	299,368
4.9	Investments (equity accounted)	369,406	342,070	344,289
4.10	Other investments	28,446	30,203	29,126
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised	-	-	-
4.13	Development properties (mining entities)	-	-	772
4.14	Other property, plant and equipment (net)	1,788,714	1,819,127	1,864,690
4.15	Intangibles (net)	1,558,902	1,601,291	1,670,320
4.16	Tax assets	102,598	110,711	178,903
4.17	Other	5	2	483
4.18	Total non-current assets	4,206,769	4,158,668	4,387,951
4.19	Total assets	6,567,616	6,612,721	6,740,677
	Current liabilities			
4.20	Payables	731,845	824,787	719,373
4.21	Interest bearing liabilities	451,361	582,740	825,957
4.22	Tax liabilities	6,224	45,028	18,850
4.23	Provisions	218,777	410,266	398,666
4.24	Other (Insurance provisions)	176,000	159,536	156,408
4.25	Total current liabilities	1,584,207	2,022,357	2,119,254
	Non-current liabilities			
4.26	Payables	3,865	3,091	3,194
4.27	Interest bearing liabilities	969,545	906,457	1,074,732
4.28	Tax liabilities	108,662	94,631	94,527
4.29	Provisions	140,141	138,958	90,462
4.30	Other (Insurance provisions)	37,150	37,150	40,810
4.31	Total non-current liabilities	1,259,363	1,180,287	1,303,725
4.32	Total liabilities	2,843,570	3,202,644	3,422,979
4.33	Net assets	3,724,046	3,410,077	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	3,258,226	3,027,008	2,963,859
4.35	Reserves	39,970	182,059	105,024
4.36	Retained profits (accumulated losses)	415,731	190,619	238,047
4.37	Equity attributable to members of the parent entity	3,713,927	3,399,686	3,306,930
4.38	Outside equity interests in controlled entities	10,119	10,391	10,768
4.39	Total equity	3,724,046	3,410,077	3,317,698
4.40	Preference capital included as part of 4.34	NIL	NIL	NIL

Notes to the condensed consolidated statement of financial position

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 4.12)*	-	-

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 4.13)*	-	772

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	3,935,517	3,687,623
7.2	Payments to suppliers and employees	(3,516,597)	(3,424,841)
7.3	Dividends received from associates	18,336	2,686
7.4	Other dividends received	1,131	1,195
7.5	Interest and other items of similar nature received	5,617	10,436
7.6	Interest and other costs of finance paid	(43,877)	(55,841)
7.7	Income taxes paid	(113,710)	(103,356)
7.8	Other	-	-
7.9	Net operating cash flows	286,417	117,902
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	(120,190)	(134,685)
7.11	Proceeds from sale of property, plant and equipment	36,604	71,153
7.12	Payment for purchases of equity investments	-	-
7.13	Proceeds from sale of equity investments	-	10,419
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	1,032
7.16	Other - Acquisition of controlled entities	-	(563,382)
	- Acquisition of associated entities	(25,037)	(8,437)
	- Other	207	599
7.17	Net investing cash flows	(108,416)	(623,301)
	Cash flows related to financing activities		
7.18	Proceeds from issues of securities (shares, options, etc.)	-	25,439
7.19	(Repayment of) proceeds from borrowings	(68,291)	630,851
7.20	Repayment of securitised receivable facility	-	(100,000)
7.21	Dividends paid	(180,825)	(105,886)
7.22	Other - repayment of employee share plan loans	16,737	35,504
7.23	Net financing cash flows	(232,379)	485,908
7.24	Net (decrease)/increase in cash held	(54,378)	(19,491)
7.25	Cash at beginning of period	171,937	110,753
7.26	Exchange rate adjustments to item 7.25.	-	-
7.27	Cash at end of period	117,559	91,262

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 - Dividend investment plan	95,279	102,874
- Employee share plan	135,939	155,020
- Acquisition of Howard Smith Limited	-	1,446,303
Dividends – employee share plan repayments	10,567	6,721

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	115,100	72,879
8.2	Deposits at call	2,459	18,383
8.3	Bank overdraft	-	-
8.4	Other	-	-
8.5	Total cash at end of period *(item 7.27)*	117,559	91,262

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*)	8.8%	7.3%
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*)		
	(a) before goodwill amortisation	7.2%	6.6%
	(b) after goodwill amortisation	6.1%	5.4%

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	71.4 cents	63.5 cents
	- after goodwill amortisation	60.0 cents	52.6 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	374,570,347	342,586,667

NTA backing

		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	$5.66	$4.42

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
98.4 cents	91.5 cents

Discontinuing Operations

12.1 Not applicable

Controlled gained over entities having material effect

13.1 Not applicable

Loss of control of entities having material effect

14.1 Not applicable

Dividends

15.1	Date the dividend is payable	28 March 2003
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)	7 March 2003

Amount per security

			Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
15.6	**Interim dividend:**	Current year	42¢	42¢	-
15.7		Previous year	34¢	34¢	-

Interim dividend on all securities

		Current period $A'000	Previous corresponding period - $A'000
15.10	Ordinary securities	159,865	125,878
15.11	Preference securities	-	-
15.12	Other equity instruments	-	-
15.13	**Total**	159,865	125,878

The dividend or distribution plans

The Directors have decided to suspend the company's dividend investment plan for this interim dividend.

Any other disclosures in relation to dividends

No other disclosures

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	20,346	24,522
16.2	Income tax on ordinary activities	4,471	6,019
16.3	**Profit (loss) from ordinary activities after income tax**	15,875	18,503
16.4	Extraordinary items net of tax	-	-
16.5	**Net profit (loss)**	15,875	18,503
16.6	Adjustments	-	-
16.7	**Share of net profit (loss) of associates and joint venture entities**	15,875	18,503

Material interests in entities which are not controlled entities

17.1 No material interest.

Issued and quoted securities at end of current period

Category of securities		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (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	380,630,562	380,630,562		
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	 8,339,552 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 (b) Decreases through securities matured, converted	 NIL NIL			
18.13	Unsecured notes	NIL			
18.14	Changes during current period (a) Increases through issues (b) Decreases though securities matured, converted	 NIL NIL			

Segment Information

19(a)	Segment Earnings	Earnings before goodwill amortisation		Goodwill Amortisation		Earnings after goodwill amortisation	
		2002 $000	2001 $000	2002 $000	2001 $000	2002 $000	2001 $000
	Hardware	196,092	145,749	25,090	22,347	171,002	123,402
	Energy	123,571	106,987	231	190	123,340	106,797
	Industrial and safety	55,507	39,202	12,570	10,111	42,937	29,091
	Rural services and insurance	33,940	34,564	4,689	4,467	29,251	30,097
	Chemicals and fertiliser	15,671	9,934	132	132	15,539	9,802
	Other	16,702	35,098	-	-	16,702	35,098
		441,483	371,534	42,712	37,247	398,771	334,287
	Consolidation adjustments	(4,252)	(3,666)			(4,252)	(3,666)
	Interest paid and corporate overheads	(65,763)	(68,645)			(65,763)	(68,645)
	Operating profit before income tax	371,468	299,223	42,712	37,247	328,756	261,976
	Income tax expense	104,188	81,208	-		104,188	81,208
		267,280	218,015	42,712	37,247	224,568	180,768

19(b)	Segment Revenue	Operating Revenue	
		2002 $000	2001 $000
	Hardware	1,781,587	1,542,465
	Energy	476,338	474,577
	Industrial and safety	578,086	485,026
	Rural services and insurance	693,985	806,263
	Chemicals and fertiliser	158,046	156,102
	Other	44,404	152,040
		3,732,446	3,616,473
	Consolidation adjustments	(4,335)	(3,726)
		3,728,111	3,612,747

Basis of financial report preparation

The half yearly report is a general purpose financial report prepared in accordance with the Australian Stock Exchange Listing Rules and AASB 1029: Interim Financial Reporting. ***It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.*** *The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report*.

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

Refer to the Press Release dated 11 February 2003 accompanying this statement

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).

The company has entered into an agreement to sell its Girrah coal deposit. Settlement is expected to occur before the end of the financial year once the necessary approvals have been obtained. The estimated net profit from the sale is $56 million. A dividend of 42 cents per share resulting in a dividend payment of $159,864,836 has been declared.

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 2003 will be fully franked.

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

Revisions in estimates of amounts reported in previous interim periods.

NIL

Changes in contingent liabilities or assets.

NIL

Compliance statement

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

Identify other standards used	NIL

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.	X	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 The independent audit review is attached.

6 The entity does have a formally constituted audit committee.

Sign here: Company Secretary

Date: 11 February 2003

Print name: L J Kenyon