HALF YEARLY REPORT

Six months to 31 December 2003

Wesfarmers

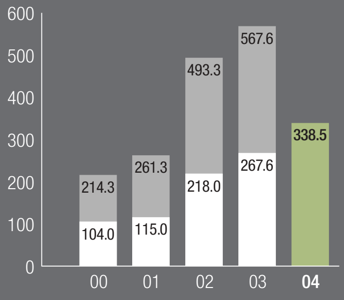
HIGHLIGHTS OF THE HALF YEAR

- NET PROFIT BEFORE GOODWILL AMORTISATION UP 26 PER CENT TO $338.5 MILLION (not including sale of rural services business)
- EARNINGS PER SHARE BEFORE GOODWILL AMORTISATION UP 26 PER CENT TO 90.2 CENTS (not including sale of rural services business)
- INTERIM DIVIDEND UP 14 PER CENT TO 48 CENTS
- CASH FLOW PER SHARE UP FROM 98 CENTS TO $1.97

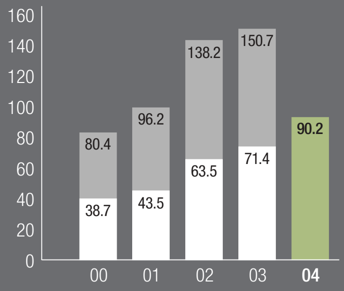
Wesfarmers Limited ABN 28 008 984 049

NET PROFIT*

after tax before goodwill amortisation ($m)

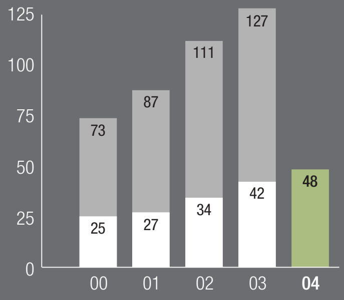


EARNINGS PER SHARE* before goodwill amortisation (cents)



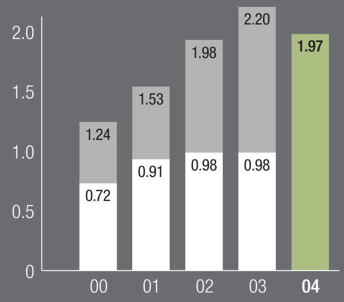
INTERIM DIVIDEND

per share (cents)



CASH FLOW

per share ($)



First Half

Full year to 30 June

*excludes the effect of the sale of the Girrah Coal deposit and the sale of the rural services business

TREVOR EASTWOOD AM
Chairman

MICHAEL CHANEY
Managing Director

REPORT TO SHAREHOLDERS

THE DIRECTORS OF WESFARMERS LIMITED ARE PLEASED TO PRESENT THIS INTERIM REPORT TO SHAREHOLDERS COVERING THE CONSOLIDATED RESULTS OF THE COMPANY AND ITS CONTROLLED ENTITIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2003. THE REPORT ALSO CONTAINS A BRIEF OVERVIEW OF THE GROUP'S BUSINESS ACTIVITIES FOR THE HALF YEAR.

Wesfarmers reported a record profit of $601.0 million for the half year ended 31 December 2003. The result includes an after tax profit of $304.3 million from the sale of the rural services business (Landmark) in late August 2003. Excluding the profit from the sale of Landmark, the net profit (before goodwill amortisation) was $338.5 million, which represents an increase of 26 per cent over the $267.6 million earned in the corresponding six months last year.

Increased earnings were recorded for the hardware, chemicals/fertilisers and insurance businesses with reduced contributions from the energy and industrial/safety businesses.

The result included material contributions from the group's new insurance division and from its investment in the Gresham Private Equity Fund.

Operating revenue (not including revenue from the sale of Landmark) rose from $3.7 billion to $3.8 billion for the half year.

The 31 December 2003 half year result included profit after tax of $4.3 million on the sale of non-current assets (excluding the sale of Landmark), compared with $2.2 million in the same period last year.

Earnings per share (before goodwill amortisation) for the six months, excluding the profit from the sale of Landmark, were 90.2 cents compared with 71.4 cents for the corresponding period last year. Cashflow per share of $1.97 was well above the 98.4 cents reported last year.

FINANCE

The group's net debt to equity ratio as at 31 December 2003 was 44.3 per cent, up from 23.7 per cent at 30 June 2003 due mainly to the capital return of $934 million which was made on 18 December 2003.

The rolling 12 month cash interest cover was 22 times (excluding the Landmark and Girrah sales), well above the group's minimum benchmark of four times.

As at 10 February 2004, the company had repurchased approximately two per cent of its ordinary shares for $177.6 million under the share buy-back announced in February 2003.

The directors have decided to continue the share buy-back for a further 12 month period during which the company may repurchase the balance of up to five per cent of the company's issued capital.

INTERIM DIVIDEND

A fully franked interim dividend of 48 cents per share (last year 42 cents per share) has been declared by the directors, payable on 2 March 2004, three weeks earlier than the payment date last year.

The directors have resolved to continue the suspension of the company's dividend investment plan as a measure of balance sheet management.

OUTLOOK

The first half has been another busy time for the group with significant projects undertaken including the sale of Landmark, acquisition of Lumley and the capital return of $934 million to shareholders.

Overall normal operating profits for the half year are marginally ahead of budget and the directors remain confident of prospects for the full year.

ENVIRONMENT, HEALTH, SAFETY AND COMMUNITY REPORT

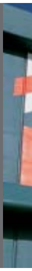
In November 2003 Wesfarmers published its sixth Environment, Health, Safety and the Community Report. The report reviews the performance of the following operating businesses: hardware retailing; coal; gas retailing and production; industrial and safety; chemicals and fertilisers; and forest products.

This report can be downloaded from the company's website at www.wesfarmers.com.au or is available to shareholders on request from the Public Affairs Department on (61 8) 9327 4251.

T R Eastwood AM
Chairman

M A Chaney
Managing Director

REVIEW OF OPERATIONS



HARDWARE

Bunnings is Australia's leading retailer of home and garden improvement products and building materials.

Operating revenue of the Bunnings hardware merchandising business increased by 12 per cent to $2.0 billion in the first half. Earnings before interest and tax (before goodwill amortisation) of $211.9 million were eight per cent higher than the $196.1 million earned in the corresponding period last year. Trading earnings before interest and tax (before goodwill amortisation) increased by 11 per cent.

Store on store cash sales growth was around 13 per cent with strong results achieved in Queensland, Western Australia, New South Wales and New Zealand. Sales of garden and greenlife products in Victoria and New South Wales continued to be adversely affected by water restrictions in those states.

Trade sales were two per cent lower than those of the comparative six months last year with performance affected by the continuation of the competitive trading environment, the restructuring of the store network and closure of low volume accounts.

Store network development continued strongly during the period with the opening of eight new Bunnings warehouses. Significant work has been undertaken in the upgrading of existing stores which will continue. It is expected that another three or four warehouses will be opened in the second half.

The outlook for hardware in the second half is for continued solid retail sales growth whilst trade sales performance is expected to remain subdued following the recent interest rate rises.

ENERGY

Wesfarmers Energy comprises three coal businesses, three gas businesses, a power business and a range of support activities.

Operating revenue of $478.6 million from the group's energy businesses was slightly above the $476.3 million recorded in the corresponding period last year. Earnings before interest and tax (before goodwill amortisation) of $115.1 million were seven per cent below the $123.6 million for the comparative period last year.

Coal

Export sales volumes from the Curragh mine in Queensland for the period were 40 per cent above the comparative six month period last year. Earnings were affected by production rates which were lower than sales reducing the level of coal inventory, higher Australian dollar exchange rates and lower US dollar export prices. Demurrage costs incurred as a result of shipping delays at the port of Gladstone also impacted the result.

Sales volumes and earnings from the Premier mine in Western Australia were below those recorded in the comparative period last year due to lower offtake requirements from Western Power.

The Bengalla mine in New South Wales, in which Wesfarmers has a 40 per cent interest, produced sales volumes in line with the corresponding period last year. Earnings were below last year's result due to the higher Australian dollar and higher production and sales costs. Continued congestion at the port of Newcastle contributed to reduced earnings due to additional demurrage costs.

Highlights during the six month period included satisfactory progress on both the Curragh North project and the development of new coal products at Premier.

Despite recent positive market outcomes regarding coking coal prices, which will benefit the last quarter, the outlook for coal for 2003/04 is for lower earnings than last year due mainly to inventory effects, dragline maintenance expenses and shipping congestion which is expected to continue in the short term.

Gas and power

Kleenheat gas sales volumes for the half year were above the comparative period last year, despite continued weakness in the autogas sector. Earnings were below those recorded in the first half last year due to lower margins, particularly in autogas.

Wesfarmers LPG's export volumes were marginally below the corresponding period last year, while international prices were broadly in line with those recorded last year. Earnings were above last year's result which was negatively impacted by an unplanned shutdown of the plant and associated expenses.

Earnings from StateWest Power were higher than last year's while earnings from the 40 per cent-owned Air Liquide W.A. were lower than those recorded in the comparative period.

Highlights for the half year included the resolution of LPG excise arrangements and satisfactory commissioning of four new power stations by StateWest Power as part of the Mid-West power project.

The outlook for the group's gas activities for 2003/04 remains dependent on international LPG price movements and the extent to which LPG demand improves following the removal of the excise uncertainty.

INDUSTRIAL AND SAFETY

Wesfarmers' industrial and safety businesses are Australasia's leader in the supply of maintenance, repair and operating products and safety products.

Operating revenue of the industrial and safety businesses for the first half was $574.9 million, 0.6 per cent below the $578.1 million recorded in the comparative period last year. Earnings before interest and tax (before goodwill amortisation) of $53.0 million were 4.5 per cent lower than the $55.5 million recorded in the first half of last year.

The second quarter showed signs of improvement with operating revenue 2.6 per cent ahead of the comparative period. Earnings before interest and tax (before goodwill amortisation) were 5.1 per cent ahead of those recorded in the second quarter last year.

Performance from the Protector Alsafe business has stabilised but revenue and profits from this business continue to be below budget. Initiatives have been implemented and are expected to result in improvements during the second half.

Rationalisation and integration of the recently acquired Paykels business in New Zealand is expected to continue to deliver earnings growth for the remainder of the financial year.

It is expected that the easing of the drought in some regions and new mining and transport infrastructure projects will underpin improved revenue and earnings for the remainder of the 2003/04 year.

INSURANCE

The insurance division consists of Wesfarmers Federation Insurance, Lumley's Australian and New Zealand businesses and Lumley Technology. The division was formed following the acquisition of Edward Lumley Holdings on 14 October 2003.

The division reported a better than projected result with operating revenue of $300.7 million and earnings before interest and tax (before goodwill amortisation) of $35.8 million. The result includes a two and a half month contribution from Lumley's Australian and New Zealand businesses but excludes any contribution from Lumley Life, which was sold on 30 December 2003. The result was above expectations due mainly to lower than budgeted claims levels in the Lumley businesses.

Integration is proceeding as planned. The divisional structure has been determined and appropriate appointments completed. A number of initiatives are underway which will standardise procedures and practices and enable modest synergy benefits to be realised. Lumley Technology is being restructured to ensure that its business focus is aligned with current and future objectives of the insurance operations.

Wesfarmers Federation Insurance experienced higher than anticipated crop insurance claims in the six months due to widespread hailstorms. The impact has been partly offset by additional revenue generated by increased plantings.

The outlook for the insurance division for 2003/04 is positive provided claims remain within expectations.

CHEMICALS AND FERTILISERS

CSBP is one of Australia's major suppliers of chemicals, fertilisers and related services to the mining, minerals processing, industrial and agricultural sectors.

Operating revenue of $171.5 million from CSBP's chemicals and fertilisers businesses for the six month period was eight per cent higher than for the comparative period last year. Above budget earnings before interest and tax (before goodwill amortisation) of $20.6 million were recorded, an increase of 31 per cent compared with last year's $15.7 million. The low absolute level of the first half earnings relative to a full year stems from seasonality in fertiliser sales, with historically over 70 per cent of these sales occurring in the second half of the financial year.

Sales volumes from CSBP's chemicals activities were 14 per cent higher than in the corresponding period last year, with volumes higher in the three core product groups – ammonia, ammonium nitrate and sodium cyanide. Margin pressures were experienced in sodium cyanide operations. Overall production performance from the chemicals operations was steady.

In December 2003, CSBP increased its investment in the Queensland Nitrates joint venture by $13.7 million in a transaction which simplified the ownership structure. The joint venture is owned equally by CSBP and Dyno Nobel Asia Pacific Ltd. As a result of this transaction and the aforementioned higher volumes, earnings from CSBP's chemicals activities exceeded those of the comparative period last year.

Fertiliser sales tonnages and revenues were higher than in the corresponding period last year as a result of a stronger market focus within the business and improved seasonal conditions.

The earnings contribution from the fertiliser business was above the comparative period last year.

Growth in demand for liquid fertilisers continued as did benefits from supply chain and cost base efficiency projects. The record Western Australian harvest in the 2003 season created some logistical pressures that had a slightly adverse impact on second quarter fertiliser despatches. Assuming normal weather patterns, the record harvest should provide a positive stimulus for fertiliser sales in the 2004 cropping season.

As previously announced, a major shutdown of the Kwinana ammonia plant to complete capacity expansion works and statutory maintenance has been scheduled for May 2004. This shutdown will impact earnings in the second half but the outlook for CSBP for the 2003/04 year is for an improved performance over last year's result.

OTHER ACTIVITIES

Revenues from the 50 per cent-owned Australian Railroad Group were above budget as a result of higher than forecast grain and iron ore volumes. Earnings during the period were below budget, predominantly as a result of the write off of capitalised borrowing costs associated with the refinancing of external borrowings and an adjustment to income tax expense. The outlook for the Australian Railroad Group remains positive with improved grain volumes and new contracts expected to boost revenues.

Steady progress continues to be made in the orderly rationalisation of the forest products business with the sale in October 2003 of the pine log treatment business and the cessation of operations from, and the sale of, the Welshpool production facility. As a result, earnings were above budget and the result recorded in the corresponding period last year. Wespine Industries, in which Wesfarmers has a 50 per cent interest, continued to perform strongly.

Earnings from the company's associate investment house, Gresham Partners, were above the previous year's due mainly to increased corporate advisory activity.

The Gresham Private Equity Fund contributed some $45.1 million in post-tax earnings, almost entirely from the successful listing in November 2003 of Repco. Further profits are expected to be generated from this activity over the next few years.

Wesfarmers recently announced a commitment of up to $150 million to the second Gresham Private Equity Fund.

CONDENSED STATEMENT OF FINANCIAL PERFORMANCE

For the half year ended 31 December 2003 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED	
	DEC 2003 $000	DEC 2002 $000
Revenues from ordinary activities	**4,487,853**	3,728,111
Expenses from ordinary activities	**(3,711,259)**	(3,372,286)
Borrowing expenses	**(28,991)**	(42,944)
Share of net profits of associates	**83,014**	15,875
Profit from ordinary activities before income tax expense	**830,617**	328,756
Income tax expense relating to ordinary activities	**(231,406)**	(104,188)
Profit from ordinary activities after income tax expense	**599,211**	224,568
Net loss attributable to outside equity interests	**1,835**	332
Net profit attributable to members of the parent entity	**601,046**	224,900
Net increase in asset revaluation reserve	**756**	2,020
Net exchange difference on translation of financial report of foreign controlled entities	**(290)**	(566)
Total changes in equity other than those resulting from transactions with owners as owners	**601,512**	226,354
Net profit attributable to members of the parent entity consists of:		
Net profit before goodwill amortisation	**642,741**	267,612
Goodwill amortisation	**(41,695)**	(42,712)
Net profit after goodwill amortisation	**601,046**	224,900
Net profit attributable to members of the parent entity includes a significant item - net profit on sale of the rural services business	**304,278**	-
Basic and diluted earnings per share (cents)		
- after goodwill amortisation	**160.2**	60.0
- before goodwill amortisation	**171.3**	71.4
- before goodwill amortisation and net profit on the sale of the rural services business	**90.2**	71.4
Weighted average number of ordinary shares outstanding during the period used in the calculation of the basic and diluted earnings per share	**375,107,000**	374,570,000

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2003 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED		
	DEC 2003 $000	JUN 2003 $000	DEC 2002 $000
Current assets			
Cash assets	**124,739**	170,247	117,559
Receivables	**1,180,118**	915,166	802,962
Inventories	**1,344,941**	1,345,626	1,440,326
Investments	**406,361**	-	-
Total current assets	**3,056,159**	2,431,039	2,360,847
Non-current assets			
Receivables	**414,313**	313,512	358,698
Investments accounted for using the equity method	**395,895**	375,220	369,406
Other financial assets	**4,771**	6,373	28,446
Property, plant and equipment	**1,644,180**	1,688,641	1,788,714
Deferred tax assets	**61,001**	82,183	102,598
Intangible assets	**1,484,917**	1,519,898	1,558,902
Other	**233**	1,236	5
Total non-current assets	**4,005,310**	3,987,063	4,206,769
Total assets	**7,061,469**	6,418,102	6,567,616
Current liabilities			
Interest bearing liabilities	**617,197**	384,288	451,361
Payables	**885,563**	852,968	731,845
Current tax liabilities	**86,133**	117,568	6,224
Provisions	**180,209**	175,681	218,777
Insurance liabilities	**805,912**	181,020	176,000
Total current liabilities	**2,575,014**	1,711,525	1,584,207
Non-current liabilities			
Interest bearing liabilities	**932,663**	671,826	969,545
Payables	**6,627**	6,795	3,865
Deferred tax liabilities	**107,940**	107,570	108,662
Provisions	**124,403**	111,806	140,141
Insurance liabilities	**85,508**	43,503	37,150
Total non-current liabilities	**1,257,141**	941,500	1,259,363
Total liabilities	**3,832,155**	2,653,025	2,843,570
Net assets	**3,229,314**	3,765,077	3,724,046
Shareholders' equity			
Contributed equity	**2,345,633**	3,159,466	3,258,226
Reserves	**40,075**	39,644	39,970
Retained profits	**840,360**	559,370	415,731
Shareholders' equity attributable to members of Wesfarmers Limited	**3,226,068**	3,758,480	3,713,927
Outside equity interests in controlled entities	**3,246**	6,597	10,119
Total shareholders' equity	**3,229,314**	3,765,077	3,724,046

CONDENSED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2003 - Wesfarmers Limited and its controlled entities

	CONSOLIDATED	
	DEC 2003 $000	DEC 2002 $000
Cash flows from operating activities:		
Receipts from customers	**3,966,051**	3,935,517
Payments to suppliers and employees	**(3,580,458)**	(3,516,597)
Dividends and distributions received from associates	**71,364**	18,336
Dividends received from others	**679**	1,131
Interest received	**4,198**	5,617
Borrowing costs	**(31,037)**	(43,877)
Income tax paid	**(152,936)**	(113,710)
Net cash provided by operating activities	**277,861**	286,417
Cash flows from investing activities:		
Acquisition of property, plant and equipment	**(134,613)**	(120,190)
Disposal of controlled entities	**720,214**	-
Acquisition of controlled entities	**(303,695)**	-
Acquisition of associated entities	**(13,688)**	(25,037)
Proceeds from sale of non-current assets	**20,434**	36,604
Other items	**-**	207
Net cash provided by/(used in) investing activities	**288,652**	(108,416)
Cash flows from financing activities:		
Payment for share buy-back	**(78,891)**	-
Proceeds from borrowings	**672,109**	-
Repayment of borrowings	**(99,213)**	(68,291)
Repayment of employee share plan loans	**21,620**	16,737
Payment of return of capital	**(821,168)**	-
Dividends paid to ordinary shareholders	**(306,478)**	(180,825)
Net cash used in financing activities	**(612,021)**	(232,379)
Net decrease in cash held	**(45,508)**	(54,378)
Cash at the beginning of the half year	**170,247**	171,937
Cash at the end of the half year	**124,739**	117,559

Registered Office

11th Floor, Wesfarmers House
40 The Esplanade
Perth, Western Australia 6000

Telephone: (61 8) 9327 4211
Facsimile: (61 8) 9327 4216

Share Registry

Computershare Investor
Services Pty Limited
Level 2, 45 St George's Terrace
Perth, Western Australia 6000

Telephone: (61 8) 9323 2077
Facsimile: (61 8) 9323 2033

Wesfarmers website

Information about Wesfarmers is available on our website, www.wesfarmers.com.au

SHAREHOLDER CALENDAR (dates subject to change)

Quarterly announcement of results	May 2004
Full year results and final dividend announcement	August 2004
Final dividend payment	September 2004
Annual report mailed to shareholders	October 2004
Annual general meeting and quarterly announcement of results	November 2004

Wesfarmers

mindfield - creative business partners

WESF-7377