



19 October 2001

Dividend Investment Plan

Wesfarmers announced today an agreement with JBWere Limited to underwrite a share placement related to the Wesfarmers Dividend Investment Plan.

Wesfarmers currently pays out 100 per cent of its profits as dividends, in order to maximise the distribution of franking credits to its shareholders, and traditionally has received around 50 per cent of the distributed funds back through its Dividend Investment Plan. These funds are used to finance the company's ongoing growth.

The restructure of Wesfarmers' ownership earlier this year, particularly the absorption into Wesfarmers of The Franked Income Fund which automatically reinvested, together with a substantial increase in the company's shareholder base due to the Howard Smith acquisition in August, makes the current year's reinvestment rate more difficult to estimate.

The agreement with JBWere covers the potential shortfall in the number of new fully paid shares required to achieve the desired 50 per cent reinvestment rate, at an issue price not less than five cents above the price at which shares will be issued to Wesfarmers shareholders under the Dividend Investment Plan.

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