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**TO:** AUSTRALIAN STOCK EXCHANGE LIMITED  
COMPANY ANNOUNCEMENTS OFFICE

**FROM:** MR J C GILLAM  
COMPANY SECRETARY

**SUBJECT:** PROSPECTUS FOR EMPLOYEE SHARE PLAN SHARE ISSUE

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Following is a copy of the prospectus which has been lodged with the Australian Securities and Investments Commission in respect of invitations for employees to apply for shares under the Company's employee share plan.

We have also delivered two copies of the prospectus and a covering letter (copy provided herewith) to the office of the Australian Stock Exchange in Perth.



J C GILLAM



Walmart

2001 PROSPECTUS

employee share plan



Wesfarmers Limited  
ABN 28 008 984 049

## CONTENTS

- 1 letter from the managing director
- 2 highlights of the plan
- 3 how the plan works
  - eligible employees
  - invitation and application form
  - the price of the shares
  - loans
  - if you leave the company
  - if you die
  - ownership
  - dividends
  - rights issues
  - bonus issues
  - sale of shares
  - voting
  - listing
  - invitations to executives
- 6 taxation
  - dividend imputation
  - capital gains tax
- 9 share trading and ownership
- 10 other information
- 13 invitation
- 14 application form

12 November 2001

## dear group employee

*On behalf of the board of directors I am pleased to invite you to participate in the Wesfarmers Limited Employee Share Plan ("Plan"). I am particularly pleased to be inviting the employees who are new to the group as a result of the IAMA and Howard Smith acquisitions to participate in their first invitation under the Plan.*

*Last year the invitation was accepted by 95.5% of eligible employees. While this is an excellent result it is my sincere desire that all eligible employees obtain shares under the Plan.*

*I am confident that those employees who are already shareholders in Wesfarmers Limited and are enjoying the benefits of sharing in the wealth they help to create, will continue to support the Plan.*

*If you have not taken up shares before or if this is your first invitation to take up shares under the Plan, I urge you to seriously consider the valuable opportunity that is being made available to you.*

*As you are probably aware, the price of Wesfarmers shares has increased significantly from the price at which the shares were allotted under the previous invitation and some of you may feel that today's higher price makes the opportunity to buy shares under the Plan less attractive. This is not the case. When you consider that the loans are interest free, are repaid over time by the dividends you receive and that even if the share price falls and stays low there are special provisions in the loan agreement to protect you (see pages 4 & 5), there is really little reason not to take advantage of this invitation.*

*The loan which was provided to enable employees to take up 500 shares under the previous invitation amounted to \$8,960. After taking account of the increased number of employees in the group, the higher share price and the limit on the number of shares which can be issued under the Plan, the board has determined that the general invitation will be for 300 shares this year.*

*I encourage you to apply for these shares, either to add to your existing holding or to become a shareholder for the first time.*

*To accept the invitation all you need to do is complete the application form contained in this prospectus and return it to your human resources department by 13 December 2001.*



Michael Chaney, Managing Director

A handwritten signature in dark ink, appearing to read 'M Chaney', written in a cursive style.

**M A CHANEY**  
Managing Director

## highlights of this investment opportunity for our employees

**easy** It is an easy and convenient way to become a Wesfarmers shareholder.

**no ancillary costs** You do not pay any of the normal ancillary costs (such as brokerage) normally involved in buying shares.

**no deposit** You are not required to pay any initial deposit on the shares (see page 3).

**interest free loan** You have the benefit of an interest free loan provided under the Plan to assist you in buying your shares (see page 3).

**entire cost covered** Your loan will cover the entire cost of your shares (see page 3).

**paid off by dividends** Your loan is repaid by the dividends on the shares. You don't have to make any payments from your pay (see pages 3 & 4).

**no tax liability on allotment** The price is determined in a way which should eliminate any liability for you to pay tax on the allotment of the shares (for the manner in which the price payable in relation to this issue will be calculated, see page 3).

**shareholder bonuses** As a shareholder, you receive the benefit of any future bonus share or rights issues (see pages 4 & 5).

**shares can be sold** You can sell your shares at any time, though the aim of the Plan is for employees to be participants in the ownership and growth of Wesfarmers (see page 4). There is no recourse to you for any amount still owing after the shares are sold (see pages 4 & 5).

**share price increases** You benefit from any increase in the market price of your shares (see pages 7 & 8).

# how the plan works



## eligible employees

The Plan provides an opportunity for persons who have been in the continuous employment of Wesfarmers or its subsidiaries for a minimum period of one year and who are 18 years or older to become shareholders in Wesfarmers.

Eligible employees are invited to apply for shares at the discretion of the Directors who determine if and when shares are to be issued under the Plan.

## invitation and application form

This prospectus includes an Invitation, which shows:

- the number of shares for which you are invited to apply;
- how the issue price of the shares will be calculated; and
- the last date to apply for the shares.

The Application Form is on the back of the Invitation and you will only need to:

- complete your personal details (including your tax file number);
- circle the number of shares for which you wish to apply; and
- sign the form.

If you apply for the total number of shares for which you are being invited to apply, you will be taking full advantage of the opportunity being made available to you under the Plan.

You can apply for a smaller number of shares and still participate in the Plan. Any smaller number of shares accepted must however, be a multiple of 100.

The application to participate in the Plan may only be made by the employee to whom the invitation is addressed.

## the price of the shares

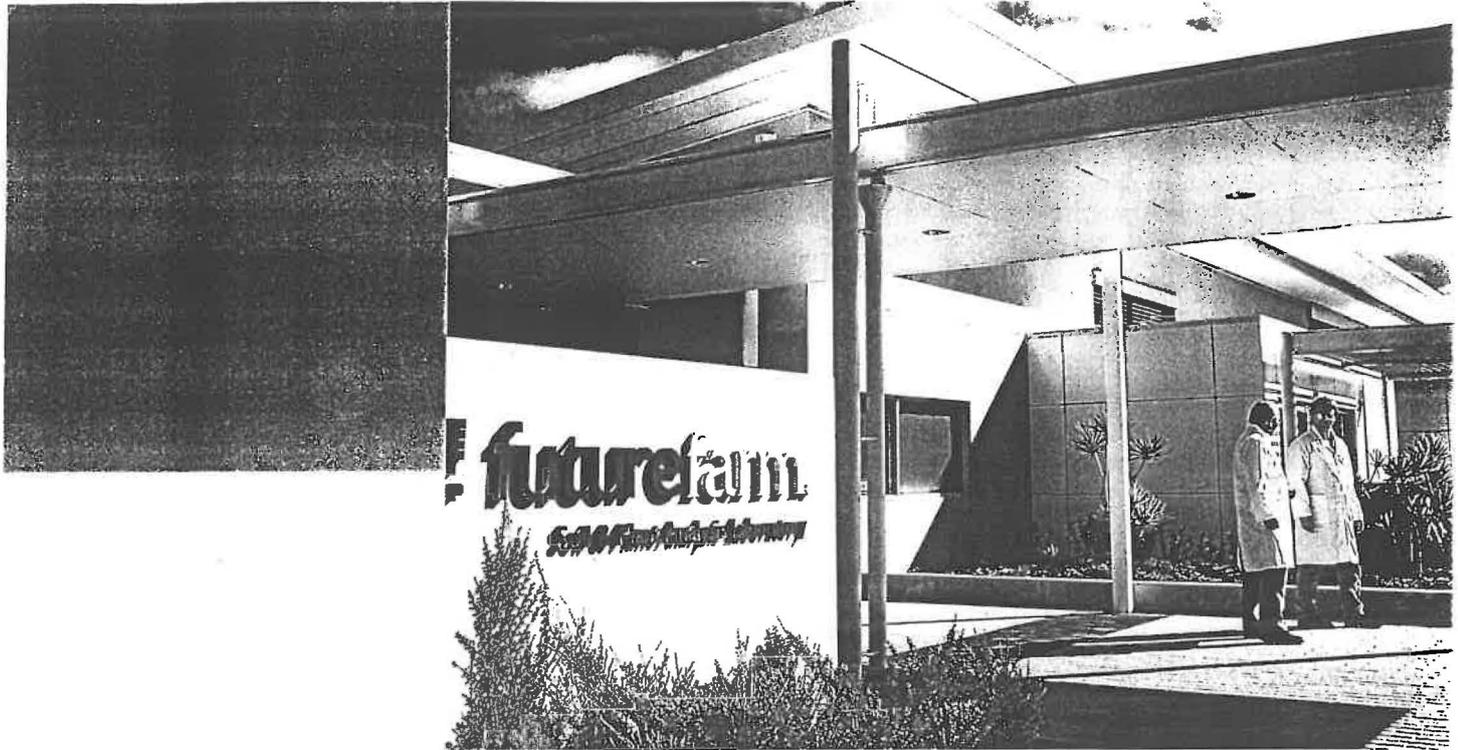
The Trust Deed governing the Plan provides that the price of shares issued under the Plan must be such price as the Board of Directors may determine in its absolute discretion being not less than 90% of the weighted average market price for the Wesfarmers shares during the one week period up to and including the day of allotment, or if there are no transactions in the shares during that period, the last price at which an offer was made to purchase the shares on the Australian Stock Exchange.

In this case, the Board of Directors has resolved that the price for the purpose of this issue will be equal to the weighted average price for Wesfarmers shares posted on the Australian Stock Exchange over the one week period up to and including the day of allotment. It is intended that the date of allotment will be 13 December 2001.

The subscription price must be paid in full prior to allotment and the required amount will be lent to you by the Trustee of the Plan on the terms mentioned under the following heading.

The shares for which you are invited to apply will be paid for by a loan from the Trustee of the Plan. The loan arrangements work as follows:

- Wesfarmers will make a loan to the Trustee under the Plan. The Trustee then makes a matching loan to you.
- the interest rate on the loan can be set by the Wesfarmers Board from time to time. In 1995 the Board determined that loans under the Plan would be interest free.
- dividends on the shares will be applied to repay the loan.



- the loan can continue until it is repaid by the dividends on the shares or you cease to be employed by Wesfarmers or one of its subsidiaries.
- you may repay the loan or any part of the loan by forwarding a cheque payable to Share Nominees Limited. Employees who do so however, will not be taking full advantage of the benefits being made available to them under the Plan.
- interest (if any) owing and not paid by you will be added to the total amount of the loan outstanding (see Dividends, on page 5).
- following the end of the financial year you will receive a statement for each of your loans detailing:
  1. the original amount of the loan;
  2. the opening balance of the loan at the beginning of the financial year;
  3. the amounts and particulars of transactions since the last statement (such as the amount of the dividends credited to the loan); and
  4. the outstanding balance of your loan.

In previous years some employees have wanted to pay cash for all or part of the shares for which they have applied. As the issue price for the shares which are the subject of this invitation will not be known until the date of allotment it will not be practical for employees to pay cash for the shares before they are allotted. Accordingly all applications for these shares will be upon the basis that you are also applying for a loan. If you still wish to pay for all or part of the shares in cash you can do so (as mentioned earlier) after the shares have been allotted. As no interest is being charged on the loans you will not have to

pay any more than if you had forwarded your payment with your application and you will have the benefit of any interest which may have accumulated on your funds in the meantime.

#### if you leave the company

If you leave the Wesfarmers group (e.g. through dismissal, resignation, retirement or retrenchment) and any loan outstanding is not repaid to the Trustee, the Trustee may sell your shares in order to recover the loan. Any surplus after repaying the loan balance (including interest if any) and meeting the costs of the sale (brokerage) will then be paid to you. If the Trustee does not receive sufficient money from the sale of the shares to pay off the outstanding loan balance, the remaining balance will be written off and you will have no further obligation to repay the loan.

#### if you die

Should you die before your loan is repaid the executors or administrators of your estate will have a reasonable period (up to 12 months) from the date of death to repay the loan or sell the shares. If the shares are sold any balance (after repayment of the loan balance) will be paid to your estate. If the loan is repaid the shares can be transferred or otherwise dealt with as directed by your executor or administrator.

#### OWNERSHIP

The shares will be registered in your name and subject to the dividend arrangements described under the next heading, all the rights and benefits attaching to the shares belong to you.

Wesfarmers maintains its share register at Computershare Investor Services Pty Limited, Level 2, 45 St George's Terrace, Perth. Shares allotted under the Plan will be entered on that register.

A holding lock will be placed on the shares in favour of the Trustee to prevent the sale of the shares until the loan has been repaid (see page 9). Once the loan has been repaid the holding lock will be removed and a holding statement (see page 9) will be forwarded to you. You will then be free to deal in the shares without reference to the Trustee.

Once you own your shares outright, you will receive all the dividends payable on the shares.

While any part of a loan is still owing to the Trustee, however, the Trustee will receive all dividend payments together with any returns of capital and will use them to pay the amounts outstanding under the loan (including interest if any).

If Wesfarmers makes a rights issue while you are participating in the Plan, you will receive the same offer as any other shareholder and thus be entitled to buy the new shares or to sell the rights. If you accept the offer to buy the new shares, you may apply to the Trustee for a loan under the same conditions as apply to other loans under the Plan. If on the other hand you choose to sell the rights, the proceeds will be applied towards paying off your loan.

You have the benefit of an interest free loan provided under the Plan to assist you in buying your shares



#### bonus issues

If a bonus issue is made while you have a Plan loan, the shares will be issued in your name and a holding statement will be issued in respect of those shares. A holding lock will be placed on the shares to prevent the sale of the shares until the loan is paid off.

#### sale of shares

While there is any amount outstanding under a loan, the shares which are the subject of that loan, can only be sold through the Trustee. Employees wishing to sell all or part of their Plan shareholding through the stockmarket may request the Trustee to do so. The shares will be sold by the Trustee as quickly as possible after the request for sale is received. The Trustee does not accept instructions to sell at a specific price. Proceeds from such a sale will be applied towards repayment of the loan balance (including interest if any) and any surplus remaining will be paid to the employee. If the proceeds are less than the loan balance the position is the same as when the Trustee sells shares after an employee has left the group i.e. the remaining balance will be written off and the employee will have no further obligation to repay the loan.

#### voting

Employees holding shares under the Plan will be able to exercise their voting rights in the normal way even if there is a loan balance outstanding on the shares.

#### listing

Wesfarmers has been admitted to the Official List of Australian Stock Exchange Limited (the "Exchange"). An application will be made within seven days after the date of this prospectus for the shares to be issued under the Plan to be granted Official Quotation by the Exchange. The Exchange takes no responsibility for the contents of this prospectus. The fact that the Exchange has admitted the company to its Official Lists is not to be taken in any way as an indication of the merits of Wesfarmers or the shares under the Plan.

Executives of Wesfarmers may be invited by the Board of Directors to apply for further shares in addition to the 300 shares for which they are invited to apply as employees of the Wesfarmers group.

The terms and conditions applying to these additional shares are the same as those applying to the 300 shares for which all employees are invited to apply.

It is an easy and convenient way to become a Wesfarmers shareholder.

## taxation

The information below is based on advice obtained by Wesfarmers from Ernst & Young. There are a number of important facts employees should understand about taxation on shares bought through the Plan. It differs from taxation on employees' pay, in that Wesfarmers will NOT normally deduct income tax in respect of dealings by employees in company shares. However, where an employee does not provide Wesfarmers with his or her tax file number Wesfarmers will be required to deduct tax at the top marginal rate plus Medicare levy (currently a total of 48.5%) from any unfranked dividends due to the employee. If tax has to be deducted from the dividends paid to an employee the amount credited to the employee's loan account will be reduced by the amount of the tax and the employee's loan balance will not be repaid at the same rate as other employees. If you do not provide your tax file number you will be deemed by your application to have authorised the deduction from your pay of an amount equivalent to the tax deducted from the dividend and for the amount to be applied in reduction of your loan balance. A space has been provided on the Application Form for employees to provide their tax file number.

In all other cases, employees are responsible for declaring the appropriate income on their tax returns, and paying any tax necessary. It should be noted that Wesfarmers may be required to give details of all Plan share issues to the Australian Taxation Office.

There is a liability to pay tax on Plan shares in the following areas:

1. dividends paid to you by Wesfarmers will be income and taxed accordingly. Wesfarmers has a policy of paying franked dividends which means in effect that you may receive a rebate on tax payable by you for tax which has been paid by Wesfarmers. For example if Wesfarmers pays dividends which are fully franked at the company rate of 30% they would be effectively tax free to employees with a marginal tax rate of 30% or less.
2. if you sell the shares purchased pursuant to this prospectus and receive consideration in excess of the original cost a taxable capital gain will arise.

These areas are more fully explained below:

### (a) dividend imputation

Under the Commonwealth laws on dividend imputation, dividends paid by companies may carry "franking" credits depending on the level of Australian income tax paid by the company.

As an Australian based company, Wesfarmers pays the full corporate tax rate which is currently 30%.

All dividends paid by Wesfarmers since dividend imputation was introduced in 1987 have been fully franked with the exception of the final dividend paid in 1990 which was partly franked to 65%.

The amount by which shareholders will benefit from the dividend imputation system will differ according to the level to which dividends are franked and the shareholder's marginal tax rate. In the case of fully franked dividends it will mean:

- shareholders whose average rate of tax is less than 30% would have a credit to be offset against tax on other income.



- shareholders may be entitled to a cash refund of the imputation credits in excess of their income tax liability for dividends paid.
- dividends for shareholders whose average rate of tax is 30% would be effectively tax free (except for the Medicare levy).
- shareholders on the highest marginal rate (47% plus Medicare levy of 1.5% for the 2000/2001 year) would have to pay net tax equivalent to approximately 26.43% of the actual dividend received.

Under the current legislation, to benefit from the imputation system the shares must be held for a minimum of 45 days. The holding period will commence on the date the shares are acquired and finish on the date the shares are sold. In the Treasurer's Press Release dated 11 November 1999 it was proposed to reduce the 45 days holding rule to 15 days effective from 1 July 2000.

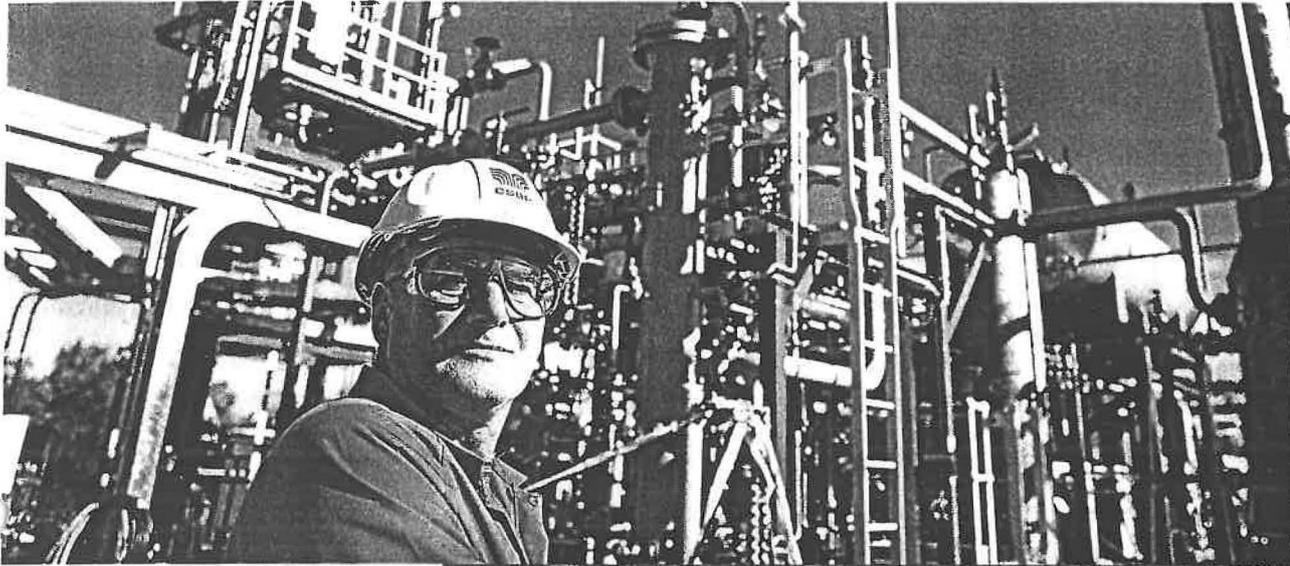
However, in a recent overview document issued by Treasury (titled "Simplified Dividend Imputation") it was stated that the Government has deferred (from the originally intended commencement

date of 1 July 2000) any reduction of the current 45 day holding period. Where you are considering selling your shares within 45 days of being issued those shares you should seek advice from your tax adviser.

Where Wesfarmers pays dividends to its shareholders that are not fully franked, further tax may be payable on the dividends received. Under current tax laws the annual cost of interest paid (if any) on a loan taken out to finance the purchase of the shares may be claimed as an allowable deduction for tax purposes thus reducing tax payable.

**(b) capital gains tax**

The capital gains tax provisions generally apply to all gains and to all losses incurred when shares are sold. The taxation position on the sale of shares may be different when shares are purchased through the Plan for the purpose of share trading or profit making by sale and not for long term investment purposes.



**shares acquired from 21 September 1999**

For shares acquired pursuant to this prospectus (being after 21 September 1999) any future capital gain will be calculated with reference to the issue price of the shares. If the shares are held for less than one year then the full difference between the disposal price and the issue price will be subject to tax at your marginal tax rate. However, where you hold the shares for at least one year, only half of the difference between the disposal price and the issue price will be subject to capital gains tax.

This means that you will pay no more than half of the highest marginal tax rate plus the Medicare levy (eg. 24.25% for 2001/2002) on any capital gains realised on the disposal of shares issued pursuant to this prospectus, provided you hold the shares for more than one year.

**shares acquired before 21 September 1999**

For shares you may already own the indexed cost base has been frozen at 30 September 1999. Thus when you sell shares acquired prior to

21 September 1999 you will have the choice of including in your assessable income:

- the whole of the difference between the disposal price and the frozen indexed cost base as at 30 September 1999; or
- half of the gain calculated with reference to the difference between the disposal price and the issue price.

**capital losses**

A capital loss will arise when the shares are sold and the net price received on the sale is less than the issue price of the shares. Capital losses can be offset against otherwise taxable capital gains to determine the net capital gain that is to be included in your assessable income for a particular year. Accordingly, it is the net capital gains that will be taxed at your marginal rate of tax. If the capital gains and capital losses realised during an income year produce a net capital loss, that amount is not deductible against other assessable income for that year but can be carried forward for deduction against capital gains of future years.

*Note: the capital return made by Wesfarmers Limited in August 1998 will need to be taken into account in determining the cost base, indexed cost base and issue price for any shares in respect of which the return (50 cents) was paid.*

**important note**

*This is only a brief outline of the position on taxation. The law on taxation (particularly taxation of capital gains) is complicated and technical and may change from time to time. Employees who are uncertain about their personal situation should seek the advice of a qualified tax adviser or the Taxation Office.*

As a shareholder, you receive the benefit of any future bonus share or rights issues



## share trading and ownership

The shares to be issued under the Plan are ordinary shares in the capital of Wesfarmers Limited. Wesfarmers is a public company and is listed on the Exchange.

Shares are like any other asset and can be bought and sold. Most public companies in Australia are listed on the Exchange and buying and selling of shares is usually done through the Exchange. The daily papers contain a list of the prices at which shares have been sold on any particular day. The price at which the shares are sold is known as the market price and will depend upon what price a buyer is prepared to pay for the shares and at what price a seller is prepared to sell. Wesfarmers shares are regularly traded on the Exchange and an up-to-date price can be determined by checking the details of sales on the internet at [www.asx.com.au](http://www.asx.com.au) or the previous days sales in the daily papers.

The purchase or sale of shares is normally arranged through a stockbroker. Stockbrokers trade on the Exchange and charge a small commission (brokerage) for arranging a sale or purchase. Stamp duty is no longer payable when shares in a listed company are bought and sold.

Shareholders are provided with a holding statement in respect of their shares. Further holding statements are issued at the end of each month in which shareholders have transactions in relation to their shares. You will not be provided with a holding statement for shares issued under the Plan until the loan in respect of the shares is repaid. You will however, be sent a letter confirming the allotment of your shares.

It should also be noted that in the case of shares issued under the Plan, a holding lock, which prevents the shares being sold, is put on the shares until the loan in respect of the shares has been repaid. Once you have repaid your loan the holding lock is removed and you will be able to sell your shares without reference to the Trustee.

Dividends are a distribution of a part of the profits of a company to its owners, i.e. its shareholders. Dividends are usually expressed as a number of cents per share and are paid by a direct credit to a bank account or by a cheque mailed to the shareholder. However, as noted earlier, dividends paid on any shares issued to you under the Plan will first be applied by the Trustee in repaying your loan (and interest, if any). Naturally no guarantee can be given

as to the level or payment of future dividends; this will depend upon the level of profits made by the company.

Owning shares, like any other investment, has its risks. In the case of shares issued under the Plan, those risks include:

- if the profit made by the company is insufficient to maintain dividends at a previously high rate, or, if the company makes a loss, the dividends could be decreased or stopped.
- the market value of the shares could fall, either as a result of a poor performance by the company or because of outside influences on the economy.



You benefit from any increase in the market price of your Wesfarmers shares

## other information

### effect of employee share plan on Wesfarmers

The issued share capital of Wesfarmers is presently 365,122,957 ordinary shares. If all employees apply for the maximum number of shares under this prospectus and if all applications are accepted by Wesfarmers, this will result in the issue of a further 5,714,033 ordinary shares in the capital of Wesfarmers (this figure is based on a share price of \$30.00 - as the actual price of the shares to be issued under this prospectus will not be known until the date of allotment and because the number of shares for which executives may be invited to apply varies according to the share price i.e. the higher the share price the lower the number of shares, the potential number of shares may differ from this figure).

As previously stated, shares applied for by employees under this prospectus will be paid for by a loan from the Trustee of the Plan. Wesfarmers will make a loan to the Trustee of all moneys required to be lent by the Trustee to employees to subscribe for shares. If all employees apply for the maximum number of shares and borrow the full purchase price from the Trustee, this will result in Wesfarmers making a loan to the

Trustee of approximately \$171,420,990 (as in the preceding paragraph this figure is based on a share price of \$30.00 and depending on the actual price for the shares the potential loan amount may differ from this figure).

Correspondingly, shareholders' funds will increase by an equal amount because all loans will be used to subscribe for shares under the Plan.

### provision of further information about Wesfarmers

As a listed company, Wesfarmers is subject to regular reporting and disclosure obligations under the Listing Rules of the Exchange. The Exchange maintains files containing publicly disclosed information about all listed companies. Information on Wesfarmers' file can be accessed through the internet at [www.asx.com.au](http://www.asx.com.au). The Exchange code for Wesfarmers is "WES". In addition, copies of documents lodged by, or in relation to, Wesfarmers with the Australian Securities and Investments Commission may be obtained from, or inspected at, any regional office of the Australian Securities and Investments Commission. Wesfarmers will provide a

copy of each of the following documents, free of charge, to any employee who so requests during the application period under this prospectus:

- 1) the 2001 Annual Report of Wesfarmers which contains the financial statements of Wesfarmers for the 2000/2001 financial year; and
- 2) any other financial statements lodged in relation to Wesfarmers and any documents notifying the Exchange of information relating to Wesfarmers during the period after lodgement of the financial statements contained in the 2001 Annual Report and before the issue of this prospectus. As at the commencement of printing of this prospectus these financial statements and documents comprised:
  - (a) notification of the allotment of 1,528,204 shares, being the final allotment in respect of the takeover of Howard Smith Limited;
  - (b) announcement of underwriting agreement with JB Were Limited for a share placement to be made in conjunction with the Wesfarmers Dividend Investment Plan;

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- (c) new issue announcement and application for quotation of additional securities lodged with the Exchange in respect of 3,483,716 shares issued at a price of \$29.53 per share under the Wesfarmers dividend investment plan and 860,000 shares issued at a price of \$29.58 under a placement of shares made in conjunction with the allotment for the dividend investment plan;
- (d) announcement of the sale of the Western Australian freight services and logistics operations of Wesfarmers Transport Limited;
- (e) announcement of the first quarter results and the proforma quarterly report of Wesfarmers which contains the financial statements of Wesfarmers for the period from 1 July 2001 to 30 September 2001;
- (f) Chairman's address to the Annual General Meeting of members of Wesfarmers on 5 November 2001;
- (g) a letter advising of resolutions passed at the Annual General Meeting of Wesfarmers together with a disclosure of proxy votes; and
- (h) lodgement of an open briefing containing an interview with the Wesfarmers CEO, Mr M A Chaney, on the September quarter results.

#### Prospectus

The prospectus comprises this document and the Trust Deed dated 24 May 1985 (as amended by amending deeds dated 21 November 1986, 9 December 1987, 9 November 1994, 11 October 1996, 30 September 1997, 1 October 1997, 12 October 1998, 5 November 1999 and

5 November 2001) between Wesfarmers Limited and Ormand Limited (now, Share Nominees Limited) which governs the Plan (the "Trust Deed"). The Trust Deed is incorporated into this prospectus by reference.

Material matter in the Trust Deed is summarised in the section "How the Plan Works" on pages 3, 4 and 5 of this prospectus.

Copies of the Trust Deed are available for inspection by employees at the Company Secretary's office, 12th Floor, Wesfarmers House, 40 The Esplanade, Perth, Western Australia and will be mailed free of charge to any employee upon request within five days.

#### Interests of directors

No directors of Wesfarmers will participate in the Plan or be invited to apply for shares in Wesfarmers under this prospectus.

#### Interests of experts

Ernst & Young has been paid \$1,980.00 in connection with the taxation advice set out on pages 6, 7 and 8. Other than this, no person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this prospectus has any interest in the promotion of the Plan or the offer of the shares under the Plan.

#### Consent of Ernst & Young

Ernst & Young, have given and not withdrawn their consent to being named in this prospectus as providing the tax advice which formed the basis of the information concerning taxation on pages 6, 7 and 8 and to the inclusion of that

tax advice in the prospectus in the form and context in which it is included.

Apart from the taxation advice set out on pages 6, 7 and 8 Ernst & Young have not made any other statement in the prospectus and take no responsibility for any other matter referred to in the prospectus other than the taxation advice referred to above.

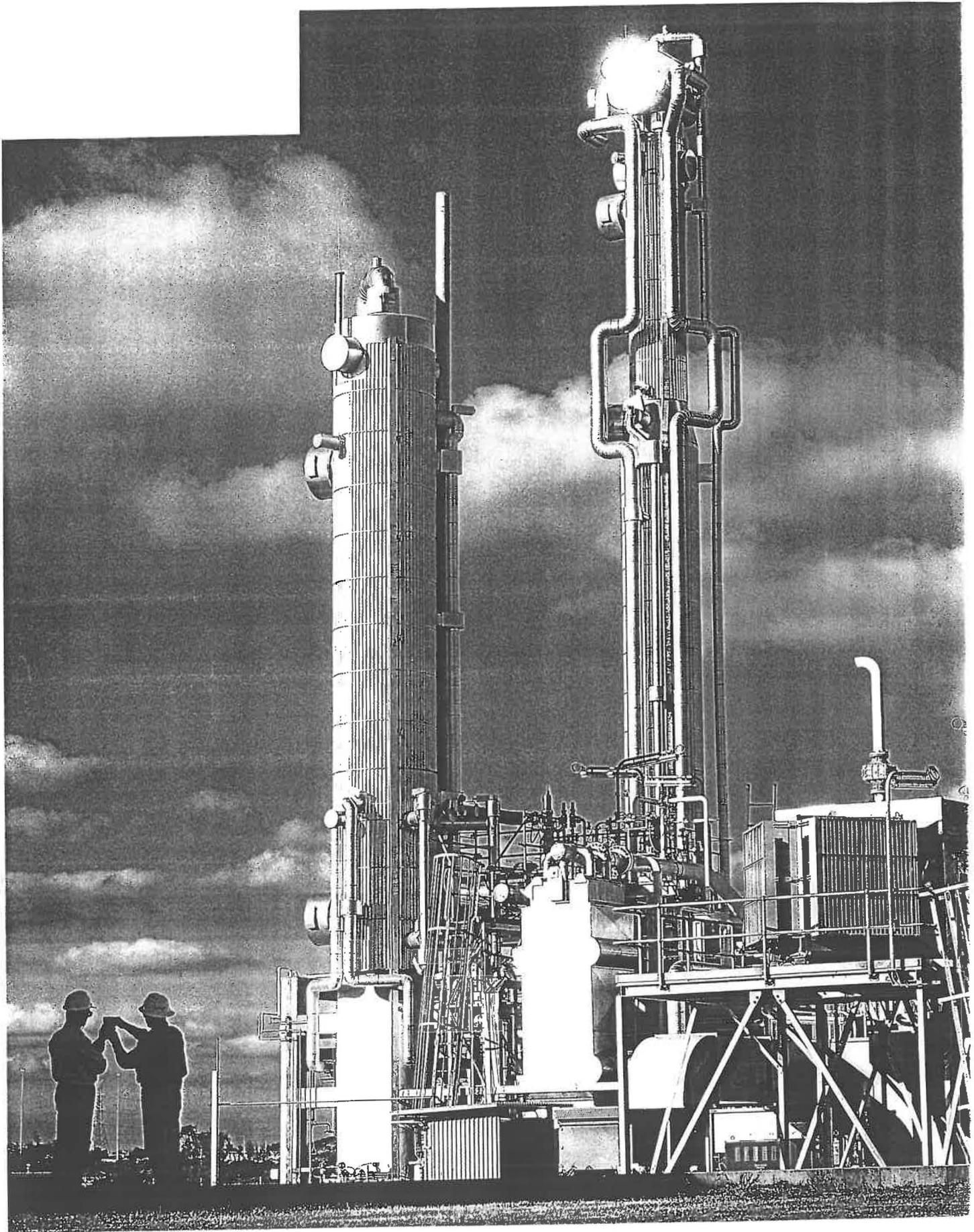
#### Additional information

This prospectus is dated 12 November 2001 and a copy of this prospectus was lodged with the Australian Securities and Investments Commission on that date. The Australian Securities and Investments Commission takes no responsibility as to the contents of the prospectus. No shares will be allotted or issued to employees on the basis of the prospectus after the expiry date which is the date 13 months after the date of issue of this prospectus.

If you wish to discuss any of the matters raised in this prospectus, please contact your human resources department or the registrars for the Plan, Computershare Investor Services Pty Limited, telephone (08) 9323 2000.

This prospectus has been signed by or on behalf of Wesfarmers Limited in accordance with section 351 of the Corporations Act 2001. Each director of Wesfarmers Limited has consented in writing to the lodgement and issue of this prospectus.

C H PERKINS  
Chairman





# Wesfarmers Limited

ABN 28 008 984 049

Ref:esp01-061

14 November 2001

Ms J Hewitt  
Australian Stock Exchange Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Ms Hewitt

## EMPLOYEE SHARE PLAN

Enclosed are two copies of a prospectus which has been lodged with the Australian Securities and Investments Commission in respect of invitations to apply for shares under the above. A copy of the prospectus has also been forwarded by facsimile to the Company Announcements Office in Sydney.

The maximum number of shares that may be allotted under the Plan, if all employees apply for the maximum number of shares, will be approximately 5,714,033 fully paid ordinary shares ranking in all respects equally with all other issued ordinary shares in the company. The number of shares is based on a share price of \$30.00 – as the actual price of the shares to be issued under the prospectus will not be known until the date of the allotment (13 December 2001) and because the number of shares for which executives may be invited to apply varies according to the share price ie. the higher the share price the lower the number of shares, the maximum number of shares may differ from this figure.

An application in the form of Appendix 3B incorporating the 5,714,033 figure is enclosed.

We will advise you of the exact number of shares to be allotted following the close of the invitation.

In the meantime however, we would be obliged to receive your confirmation that the shares issued under the Plan will be granted Official Quotation.

Yours sincerely

P S GARDINER  
ASSISTANT COMPANY SECRETARY

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

WESFARMERS LIMITED

ACN, ARBN or ARSN

008 984 049

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                                 |
|---|--|---------------------------------|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares      |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Up to 5,714,033 (approximately) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares      |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>The weighted average price of the securities traded on the exchange during the week up to and including the day of allotment.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The shares will be issued pursuant to the terms of the the company's employee investment plan.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>13 December 2001</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="670 1422 973 1467">Number</th> <th data-bbox="973 1422 1284 1467">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="670 1467 973 1668">Up to 370,836,990 (approximately)</td> <td data-bbox="973 1467 1284 1668">Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	Up to 370,836,990 (approximately)	Ordinary shares
Number	+Class				
Up to 370,836,990 (approximately)	Ordinary shares				
<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="670 1691 973 1736">Number</th> <th data-bbox="973 1691 1284 1736">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="670 1736 973 1870"></td> <td data-bbox="973 1736 1284 1870"></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class				
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>The shares will be entitled to all distributions on fully paid ordinary shares after the date of allotment.</p>				

+ See chapter 19 for defined terms.

## Part 2 - Bonus issue or pro rata issue

- |    |   |  |
|----|---|--|
| 11 | Is security holder approval required?   |  |
| 12 | Is the issue renounceable or non-renounceable?  |  |
| 13 | Ratio in which the +securities will be offered  |  |
| 14 | +Class of +securities to which the offer relates  |  |
| 15 | +Record date to determine entitlements  |  |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  |  |
| 17 | Policy for deciding entitlements in relation to fractions   |  |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> |  |
| 19 | Closing date for receipt of acceptances or renunciations  |  |
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of \*security holders
- 25 If the issue is contingent on \*security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do \*security holders sell their entitlements *in full* through a broker?
- 31 How do \*security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do \*security holders dispose of their entitlements (except by sale through a broker)?
- 33 \*Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of

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+ See chapter 19 for defined terms.

convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

- 35  The names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  A distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

(now go to 43)

### Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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- 41 Reason for request for quotation now  
Example: In the case of restricted securities,  
end of restriction period  
  
(if issued upon conversion of another  
security, clearly identify that other  
security)

--

- 42 Number and +class of all +securities  
quoted on ASX (including the securities  
in clause 38)

Number	+Class

(now go to 43)

## All entities

### Fees

- 43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Invoice to issue

### Quotation agreement

- +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- We warrant to ASX that the issue of the +securities to be quoted complies with the law and is not for an illegal purpose, and that there is no reason why those +securities should not be granted +quotation. We warrant to ASX that an offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Law.
- We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

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+ See chapter 19 for defined terms.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  ..... Date: 14/11/01  
(Company/Secretary)

Print name: JOHN CHARLES GILLAM

== == == == ==

WESFARMERS 12TH FLOOR

	DATE	TIME	TO/FROM	MODE	MIN/SEC	PGS	JOB#	STATUS
16	11/14	09:36	FAX200	EC--S	08'40"	023	149	OK

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**FACSIMILE**

**FAX NO: (08) 9327 4216**

**TEL NO: (08) 9327 4226**

**DATE:** 14/11/2001 **NO OF PAGES:** 23

**TO:** AUSTRALIAN STOCK EXCHANGE LIMITED  
COMPANY ANNOUNCEMENTS OFFICE

**FROM:** MR J C GILLAM  
COMPANY SECRETARY

**SUBJECT:** PROSPECTUS FOR EMPLOYEE SHARE PLAN SHARE ISSUE

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Following is a copy of the prospectus which has been lodged with the Australian Securities and Investments Commission in respect of invitations for employees to apply for shares under the Company's employee share plan.

We have also delivered two copies of the prospectus and a covering letter (copy provided herewith) to the office of the Australian Stock Exchange in Perth.

J C GILLAM



**ASX**

AUSTRALIAN STOCK EXCHANGE

Australian Stock Exchange Limited  
ABN 98 008 624 691  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney NSW 2000

PO Box H224  
Australia Square  
NSW 1215

Telephone 61 2 9227 0334  
Facsimile 61 2 9227 0339  
Internet <http://www.asx.com.au>  
DX 10427 Stock Exchange Sydney

**FACSIMILE**

**Department: COMPANY ANNOUNCEMENTS OFFICE**

DATE: 14/11/2001  
TIME: 12:32:56  
TO: WESFARMERS LIMITED  
FAX NO: 08-9327-4216  
FROM: AUSTRALIAN STOCK EXCHANGE LIMITED  
COMPANY ANNOUNCEMENTS OFFICE  
PAGES: 1  
SUBJECT: CONFIRMATION OF RECEIPT AND RELEASE OF ANNOUNCEMENT

**MESSAGE:**

We confirm the receipt and release to the market of an announcement regarding:

Disclosure Document-Employee Share Plan Share Issue