

31 March 2009

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

WESFARMERS LIMITED – LETTER TO SHAREHOLDERS

Please find attached a letter that is today being posted or emailed to Wesfarmers' shareholders, together with 2009 interim dividend statements.

Yours faithfully,



L J KENYON
COMPANY SECRETARY

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Letter to shareholders

from the Chairman Bob Every
31 March 2009

Dear Shareholder,

I am writing to you on behalf of the Board to provide you with detail on our results for the half-year; an update on progress with the Coles business and the steps we are taking to ensure that Wesfarmers remains financially strong during these challenging economic times.

Our results for the half-year ended 31 December 2008

Overall Wesfarmers' net profit after tax of \$879 million was up 46.3 per cent. This includes the contribution from the Coles business for a full six months compared to slightly over a month in 2007.

Other key points to note regarding the half-year results include the following:

- Group earnings before interest and tax were up 68.2 per cent to \$1.8 billion;
- Coles' turnaround is gathering momentum with the second quarter comparative store sales growth of 3.8 per cent;
- Bunnings' earnings before interest and tax were up 13.8 per cent;
- Resources' earnings before interest and tax of \$686 million, were up from \$112 million;
- Industrial and Safety's earnings before interest and tax were up 11.5 per cent; and
- Insurance earnings before interest and tax were up 4.7 per cent.

What is clear from these results is that our businesses are generally performing well despite the difficult economic conditions. In particular, there are very good milestones pointing to the turnaround taking place at Coles.

Coles achieved record sales in the Christmas period. We've also seen the upward trend in sales continue since 31 December 2008. Under the leadership of Coles' new Managing Director, Ian McLeod, there is a strong new senior management team in place; a new customer focused culture and a more efficient head office.



During times like these, a key focus for the Board is to ensure your company is in the strongest possible financial shape.

Bunnings again delivered an impressive result for the half-year as it continues to focus on strengthening its customer offer and delivering ongoing operational efficiencies.

Our Resources division achieved record production, sales and profits.

Capital management

During times like these when the global economy is undergoing a sharp slowdown, we believe a key focus for the Board is to ensure your company is in the strongest possible financial shape.

We've taken a number of steps to boost our balance sheet, including our recent capital raising.

I, and all of us on the Board are very appreciative that shareholders so strongly supported the capital raising.

Overall, we have raised more than \$4.6 billion, significantly reducing debt and giving the company flexibility in a constrained environment.

Dividend

As part of our capital management programme, the Board took the decision to reduce the half-year fully-franked dividend from 65 cents to 50 cents.

This decision was not taken lightly. I understand the impact of any reduction and how important dividends are to our shareholders, but I believe we are working in unprecedented times and we have a responsibility to shareholders to use all measures available to us to keep your company strong.

Outlook

I'm confident that as a company we have done – and are continuing to do - a lot of the necessary work to make sure we are prepared for what will be difficult economic times ahead.

In so doing, I'm confident that the turnaround you have begun to see at Coles will continue and that we are well positioned for the future.

As your relatively new Chairman of the Board, I welcome the opportunity to hear from our shareholders, being our key stakeholders. Please feel free to write to me at the address below or email me on info@wesfarmers.com.au.

To obtain further details on the half-year performance of the company, I encourage you to visit the Investor Briefings section of our website at www.wesfarmers.com.au.

Yours sincerely,



BOB EVERY
Chairman