

Wesfarmers' Recommended Offer for Coles

Retail Broker Briefing

6 July 2007



The Transaction

- For every Coles share:
 - 0.2843 Wesfarmers shares
 - + \$4.00 cash
- Plus Coles' final, fully franked \$0.25 dividend (October/November 2007)
- Unanimously recommended by Coles Board subject to
 - Independent Experts Report
 - No superior proposal
- CGT roll-over relief for the scrip consideration
- Shareholder meeting expected in October



Benefits to Wesfarmers Shareholders

- NPV of Coles is value accretive to our shareholders
- Opportunity to acquire iconic Australian company with quality assets
- Performance improvement initiatives in Supermarkets and Kmart to provide value uplift in the medium term
- Target and Officeworks are well performing assets with potential to benefit from a more focused approach and ongoing investment
- Increased diversity of operations



Benefits to Coles Shareholders

Case Study: Shareholder owning 2,000 Coles Shares

- \$350 additional fully franked dividend¹
- \$8,000 cash
- 569 Wesfarmers shares

	Current Situation ⁽¹⁾	If the transaction succeeds ⁽¹⁾	Difference
Dividend/year	\$785	\$1,138	↑ \$353
Cash		\$8,000	↑ \$8,000
No. of Wesfarmers shares		569	569

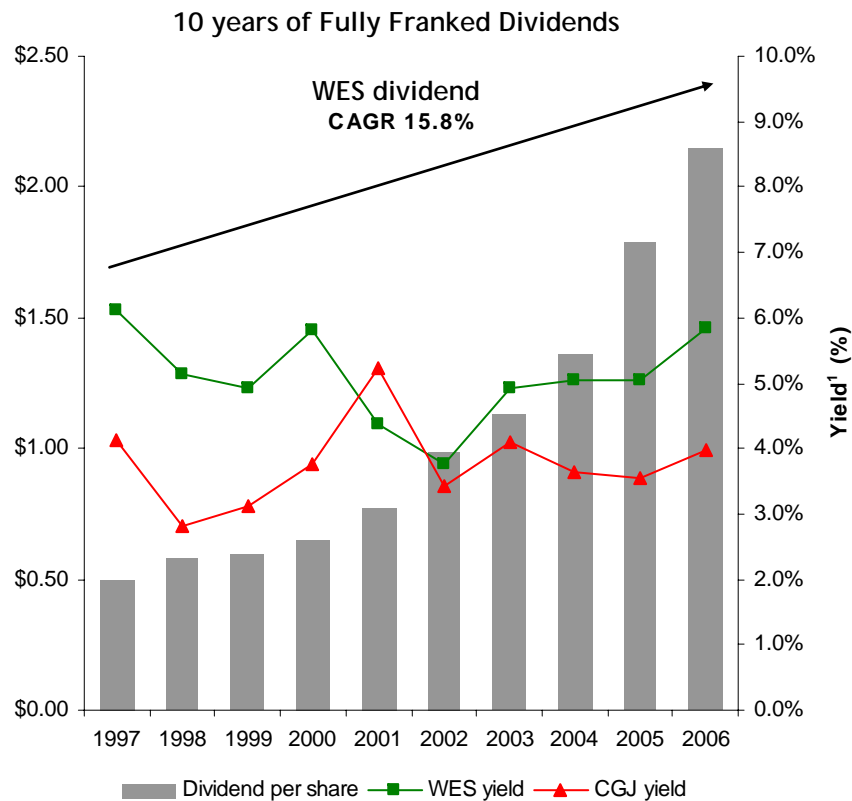
(1) Based on CGJ 39.25c/share and WES 200.0c/share



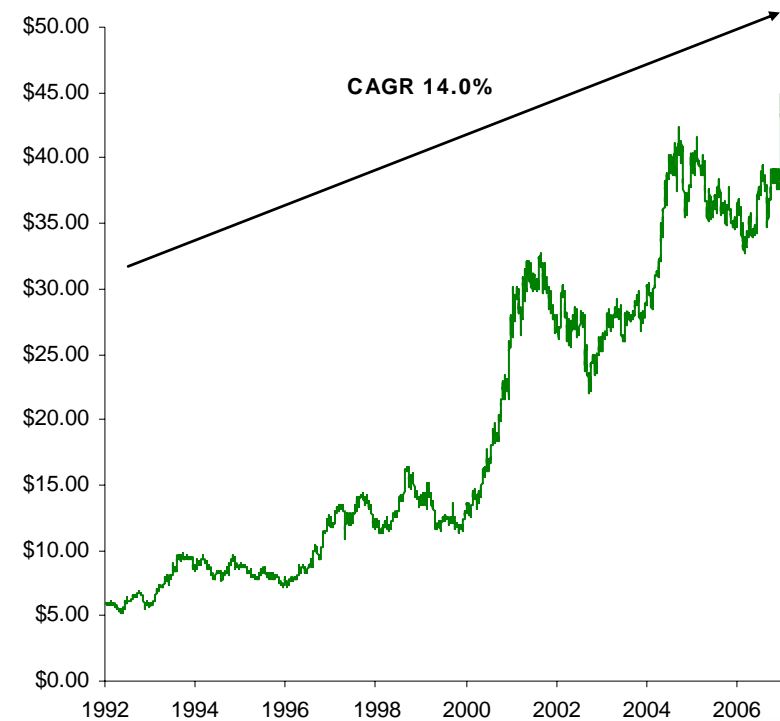
Wesfarmers Track Record

- Strong record of fully franked dividend and share price growth

10 year dividend per share growth



15 year share price appreciation



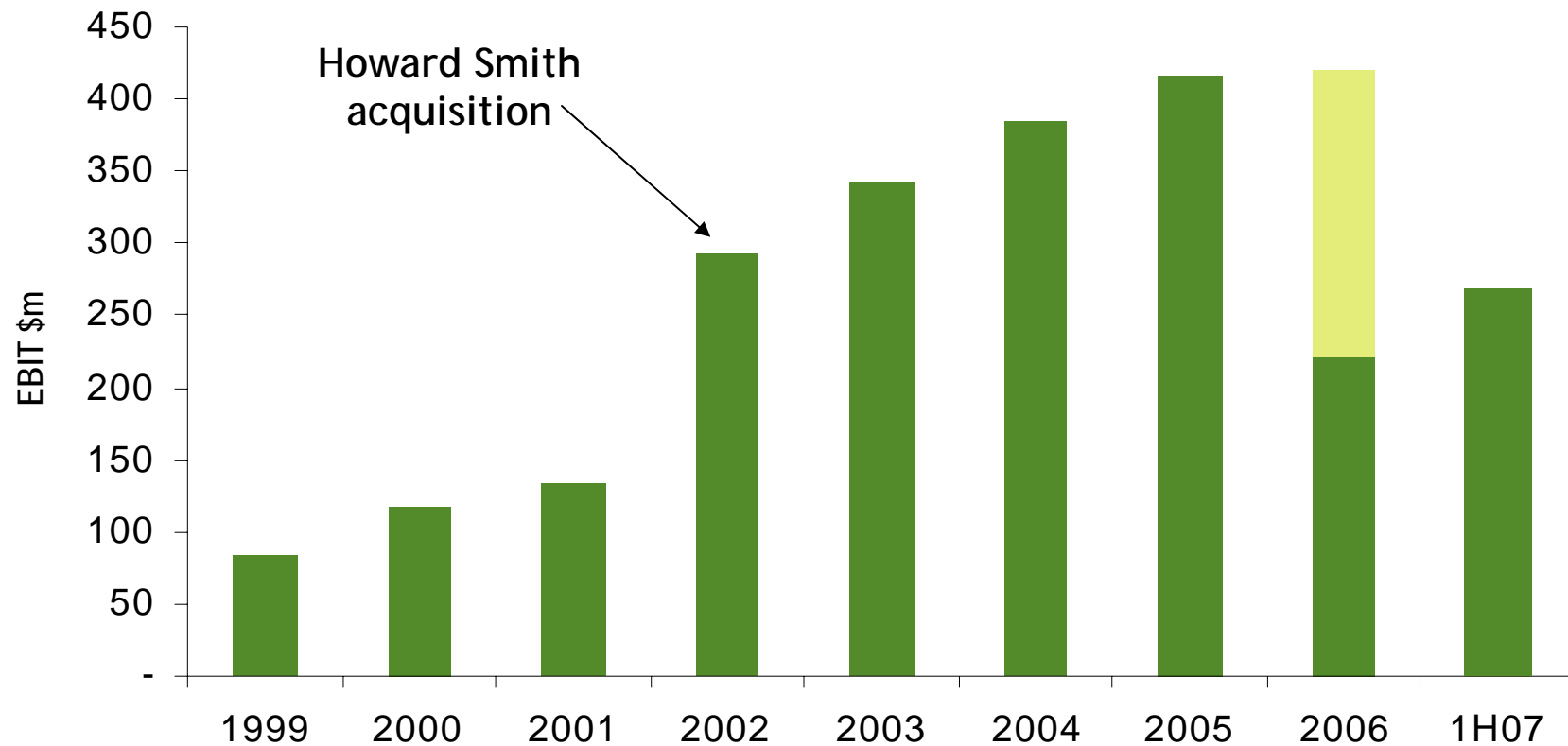
(1) Based on the financial year VWAPs and dividends per share adjusted for capital returns



Bunnings

- Wesfarmers retail credentials are well demonstrated by the earnings growth of Bunnings over time

Bunnings EBIT(\$m) growth



Brings together Australia's Great Retail Brands

- Wesfarmers will be the largest retailer in Australia
- Largest private sector employer in Australia

Supermarkets, Liquor and Convenience

coles

CHOICE^{1ST}
LIQUOR SUPERSTORE

VINTAGE CELLARS
AUSTRALIA'S FINE WINE SPECIALIST

coles
express

Big Box Retail

BUNNINGS
warehouse

Officeworks
The works

Discount Department Store

Target.

Kmart

