



12 July 2001

WESFARMERS ANNOUNCES RECOMMENDED INCREASED OFFER

Following discussions with Howard Smith, Wesfarmers Limited (“Wesfarmers”), through its wholly-owned subsidiary, Wesfarmers Retail Pty Ltd, announces that it intends to increase its takeover offer for all the issued shares in Howard Smith Limited (“Howard Smith”).

The new offer will be \$13.25 plus two Wesfarmers’ shares for every five Howard Smith shares. This increased offer will apply to all Howard Smith shareholders, including those who have already accepted the offer.

The increased offer represents an extra 25 cents per Howard Smith share. Based on Wesfarmers’ closing share price on Wednesday, 11 July 2001 of \$26.85, the increased offer values each Howard Smith share at \$13.39. This represents a premium of 50 per cent over the average market price of Howard Smith’s shares in the three months prior to the announcement of Wesfarmers’ offer.

Wesfarmers notes that the directors of Howard Smith have welcomed the increased offer and intend to recommend that Howard Smith shareholders accept it, in the absence of a higher offer. In this regard, Howard Smith directors have stated they are not aware of any such higher offer. The directors of Howard Smith have also confirmed that they intend to accept the increased Wesfarmers offer in respect of their own shareholdings in Howard Smith (other than shares resulting from or subject to an employee share plan).

Following confirmation of a number of matters from the Howard Smith board, Wesfarmers is now prepared to declare its offer to be free of all conditions other than there being no material adverse change, no regulatory intervention in relation to the offer and the 90 per cent minimum acceptance condition being met.

Wesfarmers will waive the material adverse change condition once it has satisfied itself that there is no material adverse change apparent from the Howard Smith Target Statement.

Wesfarmers advises that its discussions with the Australian Competition and Consumer Commission have progressed constructively and it anticipates final clearance in the very near future. The offer will be declared free of the regulatory intervention condition as soon as that clearance is provided.

Howard Smith has confirmed that it will provide reasonable general administrative assistance and necessary information to Wesfarmers to assist it in completing its bid expeditiously.

Wesfarmers has also announced that it intends to extend the offer by a period of seven days to 7 August 2001 and in addition that accepting Howard Smith shareholders will be paid within seven days of the offer becoming unconditional.

Provided that the 90 per cent minimum acceptance condition is satisfied by 7 August 2001 and the offer has been declared unconditional, Howard Smith shareholders who have accepted the offer will be sent payment and be issued their Wesfarmers shares by 14 August 2001 and as such be eligible to receive the Wesfarmers final dividend, anticipated to be 60 cents per share, payable in early October.

Formal notification of the recommended increased offer will be dispatched to shareholders as soon as possible.

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