

29 January 2009

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir,

**WESFARMERS LIMITED EQUITY RAISING - RETAIL ENTITLEMENT OFFER**

Please find attached the following documents relating to the Retail Entitlement Offer component of Wesfarmers Limited's equity raising, which will be mailed to Eligible Retail Shareholders by Tuesday, 3 February 2009.

1. Retail Entitlement Offer Booklet containing:
  - Letter from the Chairman;
  - Key Dates;
  - Copies of relevant ASX announcements;
  - How to Apply; and
  - Important Information.
  
2. Sample Entitlement and Acceptance Form.

Also attached is a notification to Ineligible Retail Shareholders.

Yours faithfully,



L J KENYON  
COMPANY SECRETARY

Enc



**Wesfarmers**

## Retail Entitlement Offer

**Details of a three for seven non-renounceable retail entitlement offer of Wesfarmers ordinary shares (“New Shares”) at an offer price of A\$13.50 per New Share.**

**This offer closes at 5:00pm (AEDT) on Monday, 23 February 2009.**

This is an important document which is accompanied by an Entitlement and Acceptance Form for you to subscribe for new ordinary shares in Wesfarmers Limited. Please read this document carefully and call your professional adviser or the Wesfarmers Limited Shareholder Information Line if you have any queries.



**GRESHAM**  
INVESTMENT HOUSE

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# Corporate Directory

## **Wesfarmers Limited Shareholder Information Line**

Australia: 1300 558 062 (local call cost)

International: +61 3 9415 4631

Open from 8:30am to 7:30pm (AEDT) Monday to Friday  
until the Retail Entitlement Offer closes

## **Wesfarmers Limited**

ABN 28 008 984 049

## **Registered office**

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Perth WA 6000

Telephone: +61 8 9327 4211

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Website: [www.wesfarmers.com.au](http://www.wesfarmers.com.au)

Email: [info@wesfarmers.com.au](mailto:info@wesfarmers.com.au)

## **Executive directors**

Richard Goyder

*Managing Director and Chief Executive Officer*

Gene Tilbrook

*Finance Director*

## **Non-executive directors**

Bob Every *Chairman*

Colin Carter OAM

Patricia Cross

James Graham AM

Tony Howarth AO

Charles Macek

David White

## **Company Secretary**

Linda Kenyon

## **Website**

To view annual reports, shareholder and company information, news announcements, background information on Wesfarmers' businesses and historical information, visit Wesfarmers' website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au)



# Chairman's Letter

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

29 January 2009

Dear Shareholder,

## Capital Raising – Retail Entitlement Offer

You may have read or heard about the ASX announcement our company made on Thursday, 22 January 2009 outlining action being taken with respect to debt reduction and dividend guidance. A copy of the announcement is included in this booklet.

The announcement refers to a significant capital raising, including an entitlement offer ("Entitlement Offer") which provides an opportunity for shareholders to acquire Wesfarmers ordinary shares at a discount to the market price prior to the announcement of the Entitlement Offer.

On behalf of the Board, I am writing to you with some important information concerning our plans to position the company to support future growth and to give you details about how you can participate in the offer.

As you will know, the past year has been a challenging one for Wesfarmers, and for many other companies here and elsewhere in the world, with a range of global factors affecting the Group. Our intention in adopting the plans set out in this letter, which were announced to the market on Thursday, 22 January 2009, is to give your company the balance sheet strength and financial flexibility it needs to navigate through these uncertain times and place the Group in a strong position to move forward with its primary task of growing our quality businesses.

### Capital management strategy and initiatives

As part of our capital management strategy, the company has launched a three for seven non-renounceable Entitlement Offer to holders of Wesfarmers ordinary shares and Wesfarmers Partially Protected Shares ("Shares") at an offer price of A\$13.50<sup>1</sup> per new Wesfarmers ordinary share ("New Share").

The offer price of A\$13.50 per New Share represents a 17.3 per cent discount to the closing price of Wesfarmers ordinary shares on Wednesday, 21 January 2009 (after adjusting for the expected FY2009 interim dividend). New Shares issued under the Entitlement Offer will not be entitled to the interim dividend for FY2009.

The Entitlement Offer comprises an institutional component ("Institutional Entitlement Offer") and an offer to retail shareholders ("Retail Entitlement Offer"). The Institutional Entitlement Offer, which was fully underwritten, will raise A\$2.0 billion for the company as referred to in the ASX announcement made on Friday, 23 January 2009 which is included in this booklet.<sup>2</sup> The Retail Entitlement Offer, which is not underwritten, is open until 5:00pm (AEDT) on Monday, 23 February 2009.

We also announced on Thursday, 22 January 2009 placements to mutual funds managed by Capital Research Global Investors ("CRGI") and Colonial First State ("Colonial"), which will raise a further A\$0.9 billion, at an issue price of A\$14.25 per share.<sup>2</sup>

As a result of the combination of the Institutional Entitlement Offer and placements to CRGI and Colonial, your company will raise approximately A\$2.9 billion in new capital<sup>2</sup> before receipt of any proceeds from the Retail Entitlement Offer.

#### Notes

- 1 All references in this letter to A\$ are to Australian dollars.
- 2 Settlement under the Institutional Entitlement Offer, the Institutional Bookbuild and placements referred to above is on Thursday, 5 February 2009. Until this date the underwriting agreement in respect of the Institutional Entitlement Offer and Institutional Bookbuild remains subject to termination events which are customary for an offer of this kind. Further, the placements to CRGI and Colonial referred to above are also due to settle on Thursday, 5 February 2009 and until this date, remain subject to settlement occurring under the Institutional Entitlement Offer and associated Bookbuild and other customary termination events for a placement of this kind.

## Chairman's Letter continued

### Offer to retail shareholders

The Board feels very strongly that our retail shareholders should have the opportunity to participate in a capital raising process at the same price as was offered to our larger institutional shareholders and on similar terms.

As you will see in the "How to Apply" section of this booklet, if you were a shareholder on the Record Date (7:00pm (AEDT) on Wednesday, 28 January 2009) and are an eligible shareholder,<sup>3</sup> you have the opportunity to participate in this process, allowing you to invest in New Shares on the same ratio (three for seven) and offer price (A\$13.50) as institutional shareholders under the Institutional Entitlement Offer.

I encourage you to read this booklet before deciding whether or not to participate. It is important to note that the Retail Entitlement Offer **closes at 5:00pm (AEDT) on Monday, 23 February 2009**. If you decide to take this opportunity to increase your investment in Wesfarmers please ensure that, before this time, your completed Entitlement and Acceptance Form and your application monies are received by our share registry, Computershare Investor Services Pty Ltd, or you have paid your application monies via BPAY<sup>®4</sup> pursuant to the instructions that are set out in the enclosed Entitlement and Acceptance Form. Please refer to the "How to Apply" section of this booklet for further information.

You may wish to obtain professional advice to assist you with your decision.

### Reasons for these initiatives

As I said at the start of this letter, the past year has been challenging for Wesfarmers as it has been for many other companies both in Australia and around the world. The global financial crisis and economic uncertainty have affected businesses in both retail and non-retail sectors. Another result of this turmoil has been a tightening of credit and a substantially reduced ability and willingness by financiers to lend across the globe. Given this backdrop, your company has carefully considered a wide range of options as part of its refinancing strategy.

The Board believes that the equity raising described in this booklet achieves the fairest outcome for all shareholders in the current market circumstances and is in their best interests. It should provide an appropriate capital structure to meet the challenges of the current economic and financial climate and allow us to focus on our overriding objective of providing a satisfactory return to our shareholders, by managing our portfolio of quality businesses in the most effective and productive way.

The funds raised from the measures I have mentioned will be used to repay bank debt. The equity raising will enable Wesfarmers to reduce its refinancing requirements over the next two calendar years from A\$6.4 billion to A\$1.6 billion<sup>5</sup> and has increased its undrawn debt capacity, compared to the position as at Wednesday, 31 December 2008, from approximately A\$1.2 billion to approximately A\$2.5 billion.

This decisive action will strengthen the company's balance sheet and provide it with increased flexibility with respect to the repayment, refinancing or roll over of all remaining debt facilities.

### Notes

- 3 Eligible shareholders are shareholders with a registered address in Australia or New Zealand or a trustee who holds Shares on behalf of employees under Wesfarmers' UK employee share schemes and are not in the United States or a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person") or acting for the account or benefit of a U.S. Person.
- 4 © Registered to BPAY Pty Ltd ABN 69 079 137 518.
- 5 Additional working capital and renewable bill facilities of A\$2.4 billion held with senior relationship banks due for refinance in 2009 and 2010 are expected to be either repaid or rolled over at maturity and are not included in the refinancing requirements.

### Dividend guidance

The Board has given very careful consideration to appropriate dividend payment levels for FY2009, taking into account all of the factors referred to above, but also having regard to the company's previous statements of expectation that the dividend for FY2009 would be at least A\$2.00 per share (subject to availability of retained earnings and franking credits).

As set out in our ASX announcement made on Thursday, 22 January 2009, the Board's expectation now is that the FY2009 interim dividend will be A\$0.50 per share (fully-franked)<sup>6</sup> and the FY2009 final dividend will not be greater than A\$0.50 per share (fully-franked). As a result, the full year dividend is not expected to be greater than A\$1.00 per share (fully-franked). The amount of the final FY2009 dividend remains subject to audited full year results, including the results of impairment testing, and Board consideration of the company's circumstances at that time.

It is disappointing for me as Chairman, and for the rest of the Board, to have to report to you this reduction in our dividend expectations. Wesfarmers recognises the desire of shareholders to receive stable and growing dividends. The key factors influencing the Board's decision to revise its expectations for the full year dividend are:

- ◆ the Board's strong view is that it is in the best interests of Wesfarmers' shareholders to build balance sheet strength as a measure of financial prudence in very uncertain conditions;
- ◆ input from existing and potential investors about the appropriate dividend policy in the current environment;
- ◆ current equity market conditions making underwriting of the dividend investment plan difficult; and
- ◆ the fact that New Shares to be issued pursuant to the equity raising will be participating in the FY2009 final dividend.

Given the current economic conditions, it is not prudent to give dividend guidance post FY2009. Going forward, the Board has decided to alter its dividend policy. Dividends will be paid based on the company's current and projected cash position, having regard to capital expenditure requirements, retained earnings, franking credits, debt levels and business and economic conditions generally. This change in policy, which will be regularly reviewed, is to ensure that the company is able to vigorously pursue growth opportunities in each of its businesses, including the turnaround of Coles, Kmart and Officeworks. Within these parameters, your company will strive to deliver stable and growing dividends.

As previously mentioned, the New Shares issued under the Entitlement Offer and shares issued under the placements to CRGI and Colonial will not be entitled to the interim dividend for FY2009.

### Outlook

Although the current climate of fragmented financial markets and economic uncertainty on a global level is likely to continue for the remainder of 2009, I remain confident about the medium to long-term outlook for our businesses. These are businesses that the Board believes are high-quality, well-managed businesses, many of which have established, enduring brands.

Obviously a key focus is the significant value-creation opportunity in relation to Coles. We have a world-class team of retail executives in place and a significant amount of work has already been undertaken. The Board is pleased with the preliminary results outlined in the ASX announcement made on Wednesday, 14 January 2009, only a year into this five-year process. A copy of the announcement is included in this booklet.

#### Note

- 6 This is subject to finalisation of the half year review by the company's auditors, including the impairment testing process for the half year which is still underway.

## Chairman's Letter continued

### Documents for your consideration

Included in this booklet are the following, which I encourage you to read:

- ◆ Key Dates;
- ◆ Copies of ASX announcements made on Wednesday, 14 January 2009, Thursday, 22 January 2009 and Friday, 23 January 2009;
- ◆ How to Apply; and
- ◆ Important Information.

Your personalised Entitlement and Acceptance Form is enclosed with this booklet.

If you require further assistance, please do not hesitate to contact the Wesfarmers Limited Shareholder Information Line from 8:30am to 7:30pm (AEDT) Monday to Friday, until the Retail Entitlement Offer closes, on 1300 558 062 (local call cost within Australia) or +61 3 9415 4631 (outside Australia) or visit the company's website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

On behalf of the Board of Wesfarmers, I invite you to consider this investment. I take this opportunity to thank you for your ongoing support of our company.

Yours sincerely,



**Bob Every**  
Chairman

### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

Forward looking statements, opinions and estimates provided in this letter are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any U.S. Person. Securities referred to in this document may not be offered or sold in the United States absent registration or an exemption from registration. This document has been prepared for publication only in Australia and New Zealand and for trustees who hold Shares on behalf of employees under Wesfarmers' UK employee share schemes, and may not be released elsewhere.

# Key Dates<sup>1</sup>

Event	Date
Institutional Entitlement Offer opened	9:30am (AEDT) on Thursday, 22 January 2009
Institutional Entitlement Offer closed	9:00am (AEDT) on Friday, 23 January 2009
Institutional Entitlement Bookbuild	Friday, 23 January 2009
Record Date for the Retail Entitlement Offer	7:00pm (AEDT) on Wednesday, 28 January 2009
Retail Entitlement Offer opens	Thursday, 29 January 2009
Mailing of Entitlement and Acceptance Form to retail shareholders	Completed by Tuesday, 3 February 2009
Settlement of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild	Thursday, 5 February 2009
Issue of New Shares under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, and normal trading of those shares expected to commence on ASX. These New Shares will trade under the separate ASX code of WESNA until after the FY2009 Interim Dividend Record Date	Friday, 6 February 2009
Retail Entitlement Offer closes	5:00pm (AEDT) on Monday, 23 February 2009
FY2009 Interim Dividend Record Date	Monday, 2 March 2009
Settlement of the Retail Entitlement Offer	Monday, 2 March 2009
Issue of New Shares under the Retail Entitlement Offer	Tuesday, 3 March 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Wednesday, 4 March 2009
Dispatch of holding statements	Thursday, 5 March 2009

Applicants are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens. Wesfarmers reserves the right, subject to the *Corporations Act 2001* (Cth) ("Corporations Act"), ASX Listing Rules and other applicable laws to vary the dates of the Retail Entitlement Offer, including extending the Retail Entitlement Offer or accepting late applications, either generally or in particular cases, without notice. No cooling off rights apply to the Retail Entitlement Offer.

## Enquiries

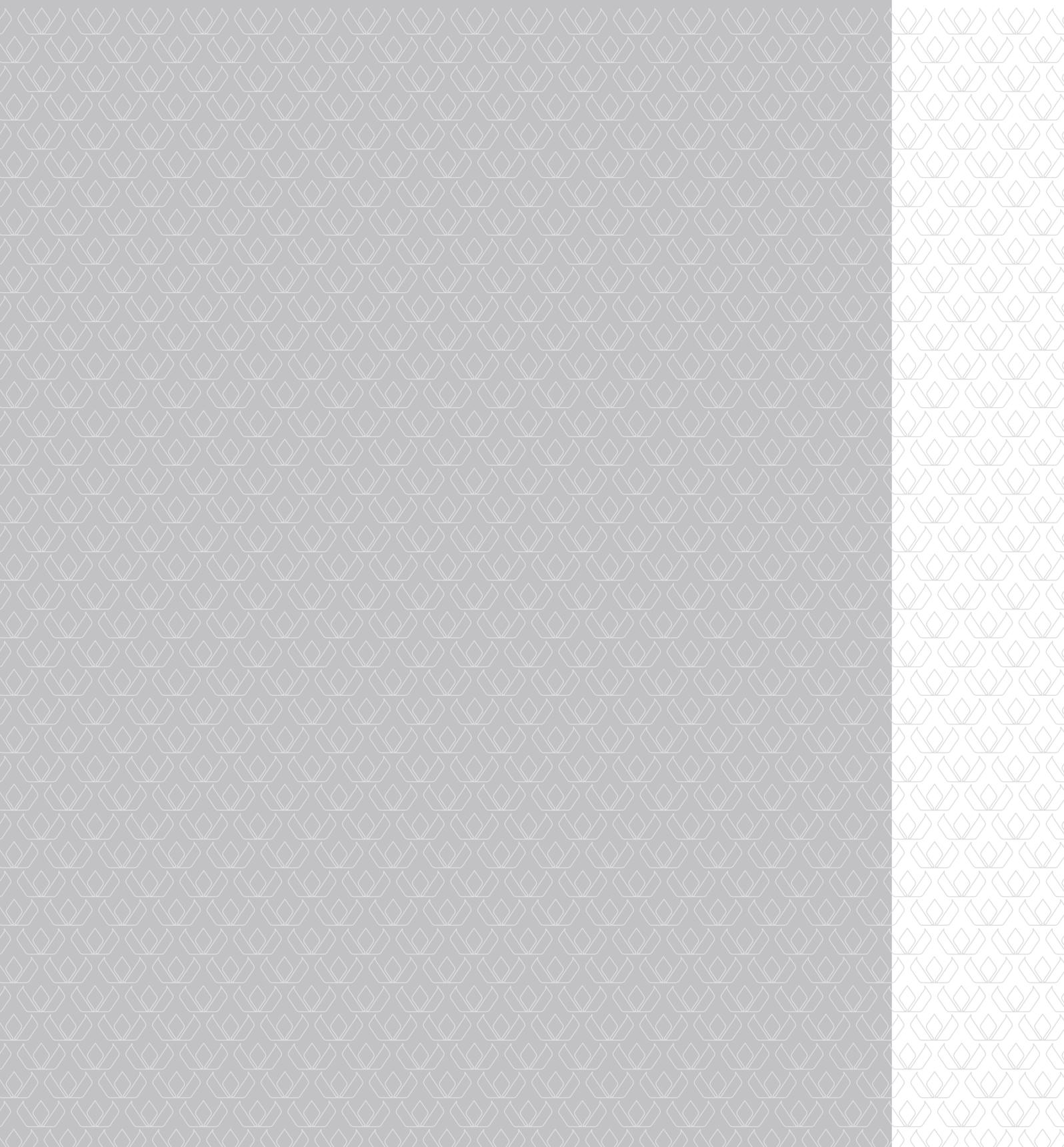
If you have any questions, please call the Wesfarmers Limited Shareholder Information Line on 1300 558 062 (local call cost within Australia) or +61 3 9415 4631 (outside Australia) from 8:30am to 7:30pm (AEDT) Monday to Friday during the Retail Entitlement Offer period, or consult your stockbroker, accountant or other independent professional adviser.

Website: [www.wesfarmers.com.au](http://www.wesfarmers.com.au)

## Note

- <sup>1</sup> The above timetable is indicative only and subject to change. Wesfarmers, in conjunction with the joint lead managers and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

# ASX Announcements



# 14 January 2009

## Wesfarmers update

Wesfarmers announced today that it expects Net Profit After Tax for the six months to 31 December 2008 to be in the range of \$850 million to \$880 million, after approximately \$150 million (pre-tax) in provisions and write-downs in the values of some investments.

Given recent share price and interest rate movements and broader market conditions and the impact of those factors on the carrying values of provisions, property and other investments, Wesfarmers believes it is appropriate to provide an early indication of half year results for the Group.

The guidance contained in this update is preliminary in nature, subject to finalisation within Wesfarmers as well as to review by the company's external auditors. As such, the actual results for the six months to 31 December 2008 may differ from the guidance given in this update. In addition, in accordance with AIFRS requirements, Wesfarmers will be conducting impairment testing in respect of the carrying value of certain of its businesses as at 31 December 2008.

Managing Director Richard Goyder said the preliminary divisional results highlighted that the underlying performance of the majority of the Group's retail business units, particularly Coles, Bunnings and Target, has been strong, notwithstanding the current economic climate.

Preliminary results from the Group's divisions for the six months to 31 December 2008 are:

- ◆ **Coles:** Operating revenue for the Coles division for the six months ended 31 December was \$14.6 billion and EBIT is estimated to have been in the range of \$420 million to \$430 million.

Operating revenue in Food and Liquor for the six months was \$11.2 billion. Comparative store-on-store sales growth was 2.6 per cent for the period, having increased to 3.8 per cent for the second quarter. EBIT for Food and Liquor in the six months is estimated to have been in the range of \$372 million to \$381 million.

Operating revenue in Convenience for the six months was \$3.4 billion. Convenience store comparative store-on-store sales growth was 5.3 per cent. EBIT for Convenience is estimated to have been in the range of \$35 million to \$36 million.

Property earnings (excluding non-trading items) are estimated to have been \$13 million in the period.

- ◆ **Home Improvement and Office Supplies:**
  - ◆ **Bunnings:** Earnings for Bunnings continued to show strong growth throughout the six months. Operating revenue of the home improvement business increased by 7.6 per cent to \$3.01 billion in the first half. EBIT of \$370 million was over 13 per cent higher than in the corresponding period last year. Growth

in trading earnings (net of property sale contributions) were approximately 14 per cent. Cash sales growth in Bunnings of 10.3 per cent was achieved, with underlying store-on-store cash sales growth of 7.7 per cent. Trade sales were 1.6 per cent higher than in the comparative period. Continued retail sales growth is expected in the second half, albeit at a likely lower growth rate, given the continued volatility in the Australian and New Zealand economies. Trade sales are expected to be impacted by any further slowing in housing construction.

- ◆ **Officeworks:** While operating revenue for the six months was \$602 million, with EBIT for the same period of \$25 million, adverse sales trends were experienced in both Officeworks Business and Harris Technology. The pressure on sales and margin is expected to continue throughout the second half of the year, particularly with regards the small-to-medium size business sector. Moderate sales growth is expected as the business continues to gain traction from revised strategies.

- ◆ **Target:** Target recorded solid sales in the first half. Operating revenue for the six months was \$2.09 billion. Comparative store-on-store sales growth for the period was 4.0 per cent. EBIT for the six months was \$215 million.
- ◆ **Kmart:** Kmart continued to focus on improving its long-term performance in what has been a challenging environment. Operating revenue for the six months was \$2.25 billion, with comparative store-on-store sales growth of 0.4 per cent. EBIT for the six months was \$75 million.
- ◆ **Insurance:** Increases in revenues and earnings resulted from higher premium rates and improved performance in New Zealand operations, notwithstanding losses from crop insurance following severe weather events in rural areas. Operating revenue for the period was \$887 million, compared to \$799 million for the corresponding period last year, an increase of 11.0 per cent. Earnings before interest, tax and amortization (EBITA) for the six months was \$75 million, compared to an EBITA of \$71 million for the same period last year, an increase of 5.6 per cent.
- ◆ **Industrial and Safety:** Improved business platforms delivered sales growth and margin improvement across most businesses, particularly in Australia. Operating revenue for the period was \$687 million, compared to \$642 million for the corresponding period last year, an increase of 7.0 per cent. EBIT for the period was \$68 million, compared to \$61 million for the same period last year, an increase of 11.5 per cent.

## ASX Announcement – 14 January 2009 continued

- ◆ **Resources:** Operating revenue for the six months was \$1.427 billion, compared to \$530 million in the corresponding period last year, an increase of 169.2 per cent. Revenue was impacted by some carry-over tonnage on contracts from the prior year (at lower prices than the current year benchmarks), foreign exchange hedge losses, and cancellation of some hedging contracts in light of exchange rate movements. EBIT for the six months was \$686 million, compared to \$112 million for the same period last year. EBIT was impacted by increased operating costs and royalty payments, and higher Stanwell rebate payment due to the higher rolling 12 month weighted average coal price.
- ◆ **Energy:** Revenue was adversely impacted by approximately \$40 million as a result of the Varanus Island gas incident, and international LPG prices declined sharply towards the end of the half impacting inventory carrying values and selling prices. Total operating revenue for the division was \$322 million compared to \$281 million in the prior year, an increase of 14.6 per cent but significantly lower than expected. EBIT for the six months was \$30 million, compared to \$48 million for the same period last year, a decrease of 37 per cent.
- ◆ **Chemicals & Fertilisers:** The division was also adversely affected by the Varanus Island gas incident, as well as movements in exchange rates and global commodity prices for fertilisers, which will lower first half earnings by approximately \$40 million compared to the corresponding period last year. Total operating revenue for the period was \$458 million, compared to \$391 million for the same period the previous year, an increase of 17.1 per cent. EBIT for the six months was \$4 million, compared to \$48 million for the same period last year. A recovery in earnings is expected for the full year, with fertiliser sales expected to be strong in the second half.

The Group's working capital requirements, which are typically high through the October–December period, peaked around the end of November and retail sales pre- and post-Christmas resulted in significant reductions in inventory.

The approximately \$150 million (expected to be approximately \$130 million to \$140 million on a post tax basis) in non-cash provisions and write-downs referred to above, which are in addition to the preliminary divisional EBIT results, are as follows:

- ◆ Property write downs in the Coles division, given reduced yield expectations;
- ◆ Reductions as a result of mark-to-market of the value of investments in Gresham Partners Private Equity Funds, Bunning Warehouse Property Trust and other portfolio investments;
- ◆ Provision for the closure of one of Kmart's distribution centres, as part of the restructuring of the division; and
- ◆ The Group's workers' compensation provisions for future claims has increased following an actuarial review, primarily due to reductions in interest rates.

The Group's full year outlook is particularly dependent on retail trading conditions, coal price negotiations and sale volumes, and general economic conditions.

Wesfarmers continues to consider a range of options on refinancing.

The FY2009 interim and final dividend will depend on a number of factors. The company's ability to pay dividends for FY2009 at the previous guidance level of \$2 a share will be impacted by, particularly, the finalisation of the half year accounts, full year results (which will be impacted by the factors noted above), the outcomes of the impairment testing process, and the structure, conditions and timing of the company's refinancing programme, all of which will potentially impact on the companies retained earnings, franking credit position and dividend capacity.

In the event of a negative impact from these factors, the company may not be in a position to pay dividends for FY2009 at the previous guidance level.

Wesfarmers expects to announce its interim dividend and results for the half year, following review by the company's external auditors, on 19 February 2009.

Mr Goyder said these preliminary results reflect the benefits of the Group's broad range of diversified businesses, with strong performances from the majority of its retail divisions and the Resources Division, balancing results in some of the Group's other divisions which have been impacted by external conditions.

"I remain very confident that the turnaround of the Coles group over the five-year timeframe we have set will continue to gain momentum and provide our shareholders with satisfactory returns over the longer-term" he said.

**For further information: Richard Goyder,  
Managing Director, (08) 9327 4402**

# 22 January 2009

## Wesfarmers announces equity raising, debt reductions and extensions, and dividend guidance

### Key points

- ◆ Wesfarmers launches an equity raising to raise a minimum of \$2.8 billion, comprising:
  - ◆ A 3 for 7 accelerated pro-rata non-renounceable entitlement offer, at an offer price of \$13.50 per share.
  - ◆ The institutional component of this entitlement offer is fully underwritten to raise approximately \$1.9 billion.<sup>1</sup>
  - ◆ Additional proceeds of \$900 million will be raised via placements to mutual funds managed by Capital Research Global Investors (\$500 million) and Colonial First State (\$400 million), each at \$14.25 per share.
- ◆ Wesfarmers intends to use the proceeds of the equity raising to repay bank debt and has commitments to extend a substantial proportion of facilities maturing in 2009 and 2010.
- ◆ In relation to the \$5 billion Facility B which matures in October 2010, Wesfarmers will repay \$1 billion and has secured extensions for \$3.4 billion of the remaining \$4 billion, through to December 2011 and to December 2012 in equal instalments.
- ◆ As a result, Wesfarmers has reduced its term refinancing requirements over the next two calendar years from \$6.4 billion to \$1.6 billion<sup>2</sup> and as at 31 December 2008 has increased its undrawn debt capacity from approximately \$1.2 billion to approximately \$2.5 billion.
- ◆ These measures provide Wesfarmers with increased flexibility to repay, refinance or roll-over all remaining debt facilities.
- ◆ The Wesfarmers interim FY2009 dividend is expected to be \$0.50 per share (fully franked), based on preliminary results for the half year ended 31 December 2008. This remains subject to finalisation of the review process currently underway by the company's auditors, including impairment testing.
- ◆ The total dividend for FY2009 is not expected to be greater than \$1.00 per share (fully franked).

## Entitlement Offer

Wesfarmers has commenced an accelerated pro-rata non-renounceable entitlement offer ("Entitlement Offer") at an offer price of \$13.50 per share. The Entitlement Offer will be conducted on the basis of three new Wesfarmers ordinary shares ("New Shares") for every seven existing Wesfarmers ordinary shares ("Shares") or Wesfarmers Partially Protected Shares ("WPPS") held ("Entitlement") at 7.00pm AEDT on Wednesday, 28 January 2009 ("Record Date").<sup>3</sup>

The offer price of \$13.50 per New Share represents a 17.3 per cent discount to the closing price of Shares on 21 January 2009 (after adjusting for the expected FY2009 interim dividend). **New Shares issued under the Entitlement Offer will not be entitled to the interim dividend for FY2009.**

The Entitlement Offer is comprised of an institutional component of approximately \$1.9 billion ("Institutional Entitlement Offer") and an offer to retail shareholders to participate on the same terms ("Retail Entitlement Offer"). The Institutional Entitlement Offer is fully-underwritten. The Retail Entitlement Offer is not underwritten. By way of example, based on the assumption of a 15 per cent take-up from retail shareholders, the Retail Entitlement Offer would raise approximately \$0.4 billion.

For the Institutional Entitlement Offer, New Shares equal in number to those not taken up by Wesfarmers' eligible institutional shareholders and those which would otherwise have been offered to ineligible institutional shareholders will be sold to eligible institutional investors through an institutional bookbuild with a floor price of \$13.50 per New Share. Wesfarmers will be entitled to the excess proceeds of the bookbuild over the floor price.

Wesfarmers expects to announce the outcome of the Institutional Entitlement Offer to the market prior to the start of trading on 27 January 2009, with trading expected to recommence at commencement of trading on ASX on 27 January 2009.

ABN AMRO, Deutsche Bank, Goldman Sachs JBWere, J.P. Morgan, Macquarie Capital Advisers and UBS have been appointed joint lead managers and have fully underwritten the Institutional Entitlement Offer. Wesfarmers is being advised by Gresham Advisory Partners and Allens Arthur Robinson.

Further details of the Entitlement Offer and the timetable are included in Annexure A to this announcement.

### Notes

- 1 The underwriting agreement includes a number of termination events, including material disruptions in financial conditions or markets.
- 2 Additional working capital and renewable bill facilities of \$2.4 billion held with senior relationship banks due for refinance in 2009 and 2010 are expected to be either repaid or rolled over at maturity and are not included in the refinancing requirements.
- 3 For the purposes of determining entitlements under the Entitlement Offer, Wesfarmers will disregard transactions in Shares or Wesfarmers Partially Protected Shares occurring after implementation of the trading halt in Wesfarmers shares on 22 January 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

## ASX Announcement – 22 January 2009 continued

### Investment by funds managed by Capital Research Global Investors and Colonial First State

In conjunction with the Entitlement Offer, Wesfarmers is pleased to announce the following investments by way of placement:

- ◆ a \$500 million investment from mutual funds managed by Capital Research Global Investors ("CRGI"); and
- ◆ a \$400 million investment by Colonial First State ("Colonial").

The price at which CRGI and Colonial will subscribe for Wesfarmers ordinary shares is \$14.25 per share. Shares issued to CRGI and Colonial are also not entitled to the interim dividend for FY2009.

The subscription agreements with both CRGI and Colonial are due to settle on 5 February 2009, conditional on the settlement of the Institutional Entitlement Offer.

### Debt reduction

The proceeds of the equity raising will be used to retire debt. On the basis that \$2.8 billion is raised, this would reduce Wesfarmers' total debt on a pro forma basis at 31 December 2008 from \$9.7 billion to \$6.9 billion. This excludes cash on deposit at 31 December 2008 of approximately \$0.4 billion.

This equity raising, and the associated debt reductions and extensions, will achieve what the Board believes to be a conservative gearing level and debt maturity profile appropriate for the current uncertain economic times.

### Debt extensions and maturity profile

As previously foreshadowed, Wesfarmers has been reviewing alternatives to refinance or extend the bilateral facilities maturing in December 2009, and the syndicated facility maturing in October 2010. The following extensions and repayments have now been agreed:

- ◆ \$0.3 billion of the \$1.1 billion drawn bilateral facilities currently maturing in December 2009 is to be permanently retired from proceeds of the equity raising by 30 June 2009. A further \$0.4 billion of the bilateral facilities will be extended to December 2011. It is expected that the remaining bilateral facilities of \$0.4 billion will either be refinanced in the normal course, or repaid out of existing facilities or operating cash flows;

- ◆ \$0.5 billion of the \$1.0 billion syndicated Facility C revolver currently maturing in October 2009 is to be permanently retired from proceeds of the equity raising. This facility was only drawn to \$0.5 billion as at 31 December 2008. Following the equity raising, Wesfarmers intends to keep the undrawn facility amount for working capital purposes;
- ◆ \$1.0 billion of other working capital and bill facilities maturing over 2009 and 2010 will be repaid from proceeds of the equity raising. Wesfarmers intends to keep the undrawn facility amounts for working capital purposes; and
- ◆ \$1.0 billion of the \$5.0 billion syndicated Facility B currently maturing in October 2010 is to be permanently retired from proceeds of the equity raising. In relation to the remaining \$4.0 billion:
  - ◆ \$1.7 billion will mature in December 2011;
  - ◆ \$1.7 billion will mature in December 2012; and
  - ◆ \$0.6 billion will mature in October 2010.

Syndicate lenders that have not yet been approached to extend debt currently maturing in October 2010 will be offered extension terms on the same basis as those lenders that have already agreed extensions. All syndicate banks that have been approached to-date have agreed to participate in the extension of maturities of this facility.

Wesfarmers may incur up to approximately \$200 million in costs for the close out of interest rate hedges and fees relating to the debt repayments and the cost of the Entitlement Offer. Interest rate hedges may be closed out through up front cash payments or the implementation of offset hedges. The actual timing of cash and profit impact will ultimately depend on the close out method adopted.

As a consequence of the equity raising, permanent debt reductions and extensions, Wesfarmers will have increased flexibility to repay, refinance or roll-over all remaining debt facilities.

Wesfarmers' debt position at 31 December 2008 and pro forma debt position at 31 December 2008 after the equity raising, debt repayments and extensions is set out below.

Facility	Position 31 December 2008			Pro Forma 31 December 2008		
	Due	Drawn (A\$bn)	Undrawn (A\$bn)	Due	Drawn (A\$bn)	Undrawn (A\$bn)
Working Capital and Bill Facilities <sup>1</sup>	2009–2010	1.8	0.6	2009–2010	0.5	1.9
Facility C (Revolver)	Oct–09	0.5	0.5	Oct–09	0.0	0.5
Bilateral Facilities <sup>1</sup>				Dec–09	0.7	0.1
	Dec–09	1.1	0.1	Dec–11	0.4	0.0
Facility B				Oct–10	0.6	0.0
				Dec–11	1.7	0.0
	Oct–10	5.0	0.0	Dec–12	1.7	0.0
Bonds:						
Coles Fixed Rate Notes	Jul–12	0.4	0.0	Jul–12	0.4	0.0
WES Fixed Rate Notes	Mar–09	0.2	0.0	Mar–09	0.2	0.0
WES US 5 Year Fixed Bonds	Apr–13	0.7	0.0	Apr–13	0.7	0.0
<b>Total</b>		<b>9.7</b>	<b>1.2</b>		<b>6.9</b>	<b>2.5</b>

<sup>1</sup> \$0.3 billion from proceeds of the equity raising will initially be used to repay working capital and bill facilities but will be redrawn by 30 June 2009 to permanently retire \$0.3 billion of the \$1.1 billion drawn bilateral facilities currently maturing in December 2009.

## Cost of debt

As a result of the above extensions and repayments and Wesfarmers' hedging profile, the weighted average cash cost of all debt over the next three years is in the range of 8.0 to 8.5 per cent, including interest and fees, based on current short and medium term market rates.

## Dividend guidance

Based on preliminary results for the half year to 31 December 2008, it is expected that the interim dividend will be \$0.50 per share (fully franked). This is subject to finalisation of the half year review by the company's auditors, including the impairment testing process for the half year which is still underway.

The Wesfarmers market update on 14 January 2009 referred to the possibility that previous dividend guidance of \$2.00 per share for the FY2009 full year dividend would not be met. The FY2009 final dividend is not expected to be greater than \$0.50 per share (fully franked), meaning that the full year dividend is not expected to be greater than \$1.00 per share (fully franked). The amount of the final FY2009 dividend remains subject to audited full year results, including the results of impairment testing, and Board consideration of the company's circumstances at that time.

Wesfarmers recognises the desire of shareholders to receive stable and growing dividends. The key factors influencing the Board's decision to revise its expectations for the full year dividend are:

- ◆ the Board's determination that it is in the best interests of Wesfarmers' shareholders to build balance sheet strength as a measure of financial prudence in very uncertain conditions;
- ◆ input from existing and potential investors about the appropriate dividend policy in the current environment;
- ◆ current equity market conditions making underwriting of the dividend investment plan difficult; and
- ◆ the fact that New Shares to be issued pursuant to the equity raising will be participating in the FY2009 final dividend.

Wesfarmers will keep its dividend investment plan in place for the FY2009 interim and final dividends. However, Wesfarmers does not expect to seek any underwriting in respect of the FY2009 dividends.

Given the current economic conditions, it is not prudent to give dividend guidance post FY2009. The Board has decided to alter its dividend policy. Dividends will be paid based on the company's current and projected cash position, having regard to capital expenditure requirements, retained earnings, franking credits, debt levels and business and economic conditions generally. This change in policy, which will be regularly reviewed, is to ensure that the company is able to vigorously pursue growth opportunities in each of its businesses, including the turnarounds of Coles, Kmart and Officeworks. Within these parameters, Wesfarmers will strive to deliver stable and growing dividends.

## ASX Announcement – 22 January 2009 continued

### Outlook and business performance

Wesfarmers reconfirms the preliminary results outlined in the market update on 14 January 2009. The guidance is preliminary in nature, subject to finalisation within Wesfarmers as well as to review by the company's external auditors. As such, the actual results for the six months to 31 December 2008 may differ from the guidance given in this update. As noted in the market update, Wesfarmers is conducting impairment testing in respect of the carrying value of certain of its businesses as at 31 December 2008. At this stage, nothing has come to the company's attention that would cause it to believe an impairment charge will result from that process.

In the current climate of fragmented financial markets and economic uncertainty on a global level, market conditions are likely to continue to be volatile for the remainder of 2009. However, Wesfarmers remains confident in the medium to long term outlook for its businesses.

Managing Director Richard Goyder said that the equity raising announced today, together with the debt reduction and debt extensions mentioned above, places the group in a strong position.

"Following a review of the range of options available to complete the refinancing programme, the Board believes that this equity raising achieves the most equitable outcome for all shareholders in the current market circumstances, and is in their best interests. All eligible shareholders will be able to participate in the offer to subscribe for New Shares, at a discount to yesterday's market price."

"The offer, combined with the debt repayments and extensions will provide the balance sheet strength and financial flexibility going forward which will allow us to focus on the growth opportunities available in our diversified portfolio of high quality businesses."

### Wesfarmers Partially Protected Shares

Under the terms of the WPPS, the Wesfarmers Board may exercise its discretion to determine whether the WPPS terms, including the cap and floor price, should be adjusted to maintain the relative values of the WPPS and Wesfarmers ordinary shares.

In exercising its discretion, the Wesfarmers Board will have regard to the interests of all shareholders, the benefit to WPPS holders through their participation in the Entitlement Offer and the effect of the equity raising on the relative values of the WPPS and Wesfarmers ordinary shares.

The amount of this adjustment will depend on the number of New Shares issued under the Entitlement Offer. Wesfarmers will not know this adjustment until the completion of the Retail Entitlement Offer. However, the following revisions are likely to be made in certain retail participation scenarios:

Retail Participation	New Cap (\$)	New Floor Price (\$)
15 per cent	43.27	34.62
20 per cent	43.24	34.60
25 per cent	43.22	34.58

The outcomes above compare to the current cap of \$43.92 and floor price of \$35.14.

Grant Samuel has advised Wesfarmers that, in its view, under the retail acceptance scenarios shown, the proposed revisions would be fair, reasonable and appropriate in the context of the Entitlements being offered to holders of WPPS.

An announcement on the revised WPPS cap and floor price will be made on completion of the Retail Entitlement Offer.

## Shareholder enquiries

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Wesfarmers Limited Shareholder Information Line on 1300 558 062 (local call cost within Australia) or +61 3 9415 4631 (from outside Australia) at any time from 8.30am to 7.30pm (AEDT) Monday to Friday or go to our website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

Institutional shareholders and nominee companies should contact their account manager at one of the Joint Lead Managers.

For further information:

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This press release does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The shares have not been registered under the Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This press release includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Wesfarmers Limited, and its officers, employees, agents or associates, including risks associated with the ability of Wesfarmers Limited to raise equity in the Retail Entitlement Offer and the ability of Wesfarmers Limited to pay the expected dividend. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Wesfarmers Limited assumes no obligation to update such information.

## ASX Announcement – 22 January 2009 continued

### Annexure A – Entitlement Offer details

#### Offer summary and timetable

Wesfarmers has requested that its shares not trade on ASX pending the outcome of the Institutional Entitlement Offer. Wesfarmers shares are expected to re-commence trading on Tuesday, 27 January 2009.

<b>Entitlement ratio</b>	3 New Shares for every 7 existing Wesfarmers ordinary shares or WPPS
Offer Price	\$13.50 per New Share
Record Date	Wednesday, 28 January 2009 (7.00pm, AEDT) <sup>4</sup>
Joint Lead Managers and Underwriters for the Institutional Entitlement Offer	<ul style="list-style-type: none"> <li>◆ ABN AMRO Equity Capital Markets Australia Ltd</li> <li>◆ Deutsche Bank AG – Sydney Branch</li> <li>◆ Goldman Sachs JBWere Pty Ltd</li> <li>◆ J.P. Morgan Australia Limited</li> <li>◆ Macquarie Capital Advisers Ltd</li> <li>◆ UBS AG, Australia Branch</li> </ul>

#### Offer timetable

Event	Date
Institutional Entitlement Offer opened	9.30am (AEDT) on 22 January 2009
Institutional Entitlement Offer closed	9.00am (AEDT) on 23 January 2009
Institutional Entitlement Bookbuild	23 January 2009
Record Date for the Entitlement Offer	7.00pm (AEDT) on 28 January 2009
Retail Entitlement Offer opens	29 January 2009
Mailing of Entitlement and Acceptance Form to Retail Shareholders	Completed by 3 February 2009
Settlement of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild	5 February 2009
Issue of New Shares under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, and normal trading of those shares expected to commence on ASX. These New Shares will trade under a separate ASX code until after the Interim Dividend Record Date	6 February 2009
Retail Entitlement Offer closes	5.00pm (AEDT) on 23 February 2009
FY2009 Interim Dividend Record Date	2 March 2009
Settlement of the Retail Entitlement Offer	2 March 2009
Issue of New Shares under the Retail Entitlement Offer	3 March 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	4 March 2009
Dispatch of holding statements	5 March 2009

Dates and times are indicative only and subject to change. All times and dates refer to AEDT.

#### Note

<sup>4</sup> Notwithstanding that Record Date, Wesfarmers has been granted a waiver by ASX so that in determining shareholder entitlements it may ignore any changes in security holdings that occur after the trading halt announcement made on Thursday, 22 January 2009 (other than registrations of transactions that were effected through ITS before the trading halt announcement on Thursday, 22 January 2009).

## Offer structure

The Entitlement Offer is structured as an accelerated pro-rata non-renounceable entitlement offer consisting of an Institutional Entitlement Offer and a Retail Entitlement Offer. Entitlements cannot be traded on the ASX nor otherwise transferred.

### Institutional Entitlement Offer

Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer on 22 January 2009 and 23 January 2009.

Eligible Institutional Shareholders can choose to take up or not take up all or part of their Entitlements. Elections in regard to Entitlements need to be advised prior to 9.00am (AEDT) on 23 January 2009. New Shares equal in number to those not taken up by Eligible Institutional Shareholders and those which would otherwise have been offered to Ineligible Institutional Shareholders will be offered for subscription to selected Institutional Investors through the Institutional Entitlement Bookbuild process. If the bookbuild process price clears above the floor price of \$13.50 per New Share, Wesfarmers will be entitled to the excess proceeds. It is anticipated that the bookbuild will occur between 11.00am (AEDT) and 12.30pm (AEDT) on 23 January 2009.

### Retail Entitlement Offer

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9.00am (AEDT) on 29 January 2009 and close at 5.00pm (AEDT) on 23 February 2009.

The Entitlement Offer is non-renounceable. This means that Wesfarmers shareholders who do not take up their entitlement to participate in the offer will not receive any value for those entitlements, and their equity interest in Wesfarmers will be diluted. This feature is different to the Accelerated Renounceable Entitlement Offer that Wesfarmers completed in May 2008.

## Eligible Retail Shareholders

Eligible Retail Shareholders are those holders of Shares or WPPS who:

- ◆ are registered as a holder of Shares or WPPS as at 7.00pm AEDT on Wednesday 28 January 2009 (the "Record Date");
- ◆ have a registered address in Australia or New Zealand;
- ◆ are not in the United States and is not, and is not acting for the account or benefit of, any U.S Person;
- ◆ are not an Institutional Shareholder or Ineligible Retail Shareholder; and
- ◆ are eligible under all applicable securities laws to receive an offer under the Retail Offer.

The Retail Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand, other than to trustees who hold Shares on behalf of employees under Wesfarmers' UK employee share schemes.

## Stock lending

Eligible shareholders (including holders of WPPS) will be entitled to apply for 3 New Shares for every 7 Shares or WPPS held as at 7.00pm (AEDT) on the Record Date, 28 January 2009. In the event a Wesfarmers shareholder has Wesfarmers ordinary shares or WPPS out on loan, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed shares have not been on-sold).

## ASX Announcement – 22 January 2009 continued

### Annexure B – Risk disclosure

#### 1.1 Introduction

A number of risks and uncertainties, which are both specific to Wesfarmers and of a more general nature, may affect the future operating and financial performance of Wesfarmers and the value of Wesfarmers shares. You should carefully consider the following risk factors, as well as the other information provided to you by Wesfarmers in connection with the Entitlement Offer, and consult your financial and legal advisers before deciding whether to invest in the New Shares. The risks and uncertainties described below are not the only ones facing Wesfarmers. Additional risks and uncertainties that Wesfarmers is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Wesfarmers' operating and financial performance.

#### 1.2 Operational risks

##### (a) Turnaround of the Coles division

Wesfarmers is seeking to achieve meaningful and sustainable improvements in the performance of the Coles division. The success of these improvements depends on the ability of Wesfarmers to continue implementation of a new operating model for the businesses, and Coles Supermarkets in particular.

Coles Supermarkets need to successfully complete implementation of strategies to improve customer service, value, fresh food offers, in-store communication and environment, and the supply chain. This will require substantial cultural change within the Coles division, as well as capital expenditure, and will in some cases take several years. There is a risk that these strategies may not be executed according to plan and a risk of unanticipated additional costs being incurred in implementing these strategies.

##### (b) Risks related to Wesfarmers' other retail businesses and the Industrial and Safety division

Retail businesses comprise a significant portion of Wesfarmers's assets and earnings. Possible factors that may adversely affect the performance or growth of these retail businesses include:

- ◆ general economic conditions affecting retail markets in which Wesfarmers operates, including the consequences of a prolonged downturn in economic conditions and credit and financial markets;
- ◆ various actions by competitors;
- ◆ adverse movements in exchange rates which affect the price at which inventory is imported;
- ◆ inability to: locate appropriate store sites; improve existing stores; address underperforming stores; effectively manage inventory; or successfully gauge and satisfy consumer preferences;

- ◆ the loss of key personnel;
- ◆ interruptions in an IT network or system;
- ◆ disruption to the supply chain or any damage to its integrity; and
- ◆ other events or factors such as product liability claims, public liability claims and adverse publicity causing damage to or dilution of the reputation of Wesfarmers' retail brands.

##### (c) Resources operations

Wesfarmers' Resources division is subject to the risks associated with the mining sector in Australia including:

- ◆ significant fluctuations in prices realised for product and quantities of product sold due to supply and demand factors, including reductions in demand and commodity prices as a result of recent adverse global economic conditions;
- ◆ contract price negotiations with customers;
- ◆ breakdowns and damage to major plant;
- ◆ bottlenecks caused by infrastructure limitations (such as constraints of rail and port capacity);
- ◆ any residual effects of the strong commodity cycle over recent years that persist; this period was characterised by increased demand and competition for, and increases to the costs of obtaining, skilled personnel, contractors, materials and supplies;
- ◆ compliance with environmental, health and safety laws and regulations, including the proposed Carbon Pollution Reduction Scheme, the extended Mandatory Renewable Energy Target and any other measures adopted to address climate change, which could require material expenditures, changes in operations or additional site remediation;
- ◆ the quality of its mineral reserve and resource estimates, and its minerals may be of lower quantity or quality than indicated by testing and drilling;
- ◆ production disruptions due to weather conditions; and
- ◆ unavailability of critical inputs such as utilities due to events outside Wesfarmers' control.

##### (d) Insurance operations

Wesfarmers currently operates insurance underwriting and insurance broking businesses in Australia and New Zealand and an insurance broking business in the United Kingdom and is exposed to risks generally associated with the insurance industry.

**(e) Chemical and fertiliser manufacturing operations and Energy operations**

Wesfarmers' Chemicals & Fertilisers and Energy divisions manufacture, store and transport materials. Some of these processes and materials are potentially dangerous or involve risks such as personal injury or loss of life, damage to property, contamination of the environment or malicious attack, which may result in suspension of operations and the imposition of civil or criminal penalties and claims brought by governmental entities or third parties. In addition, there is a risk of mechanical failure or the unavailability of critical inputs such as natural gas due to events outside Wesfarmers' control. Not all of these risks are covered by insurance policies maintained by Wesfarmers.

**(f) Industrial disputes, work stoppages and accidents**

Interruptions arising from industrial disputes, work stoppages and accidents may result in production losses and delays. Renegotiation of collective agreements may increase costs and may involve disputes.

**(g) Acquisition and divestment activities**

From time to time Wesfarmers evaluates acquisition and divestment opportunities. Any acquisitions and disposals would lead to a change in the sources of Wesfarmers' earnings and result in variability in earnings over time, and may give rise to liabilities. Integration of new businesses into the group may be costly and may occupy a large amount of management's time

**(h) Growth strategy execution**

Wesfarmers may not be able to execute effectively the strategies for its current and future acquired businesses. Planned growth through expansion of existing businesses could expose Wesfarmers to additional and unforeseen costs, including regulatory and other costs associated with operation in industries in which it previously has not operated, and may strain financial and management resources.

**1.3 Credit and market risks****(a) Risk associated with Wesfarmers' debt**

Market conditions and the operating performance of Wesfarmers will affect Wesfarmers' borrowing costs and capacity to repay its debt, to refinance its debt facilities or raise further debt. A downgrade of Wesfarmers' credit rating will increase Wesfarmers' borrowing costs.

**(b) Counterparty/credit risk**

Wesfarmers is exposed to credit-related losses in the event of non-performance by counterparties to contracts, including by counterparties to derivative instruments which Wesfarmers uses to manage financial and commodity price risks.

**(c) Exchange rate risk**

Wesfarmers is subject to some exchange rate risk, which may affect the costs of imports or the proceeds from exports and negatively affect its financial performance.

**(d) Commodity price risk**

Wesfarmers' profitability depends, in part, on commodity prices in a variety of industries including coal, gas, chemicals and fertilisers, all of which produce or utilise commodities which are traded on international markets or are affected by international commodity pricing, including the price of metallurgical and thermal coal, diesel fuel, oil, natural gas and LPG. These prices may fluctuate significantly.

**(e) Hedging risk**

Hedging arrangements expose Wesfarmers to the risk of financial loss in situations where the other party to the hedging contract defaults on its contract or, in the case of exchange-traded or over-the-counter futures or options contracts, where there is a change in the expected differential between the underlying price in the hedging agreement and the actual prices paid or received by Wesfarmers. Hedging activities can themselves result in losses when a position is purchased in a declining market or a position is sold in a rising market. Certain events, such as significant debt reductions or large movements in foreign currency rates, may result in a situation where Wesfarmers is over hedged on a particular risk. This over hedged position could be closed out or offset through an equal and opposite position, which could crystallise a loss on the hedging instrument.

**(f) Other general market risks**

Wesfarmers' operations are conducted almost entirely in Australia and New Zealand and are affected by general economic conditions affecting these markets, including changes in: levels of economic activity; the rates of inflation, interest rates and foreign currency exchange rates; fiscal or monetary policy by central banks; commodity prices; climatic conditions (such as major floods and droughts); general consumer sentiment; the availability and cost of credit; employment levels and labour costs; aggregate investment and economic output; asset values; and changes resulting from movements in local and international equity markets.

**1.4 Regulatory risk**

Wesfarmers operates in various highly regulated industries and is subject to a range of industry specific and general legal and other regulatory controls (including licensing requirements and operating permits) which may change over time. Wesfarmers' businesses may also be subject to regulatory investigations from time to time (such as investigation of market pricing by the Australian Competition and Consumer Commission).

## ASX Announcement – 22 January 2009 continued

### 1.5 Environmental risk

Wesfarmers is subject to extensive environmental, health and safety laws and regulations relating to maintenance of certain emissions and effluent standards and site remediation. Wesfarmers is exposed to the risk of liability and reputational damage. Wesfarmers may incur substantial costs or experience operational interruptions for breaches of these regulatory requirements. These extend to new legislation such as the proposed Carbon Pollution Reduction Scheme.

### 1.6 Taxation implications

Future changes in taxation law in Australia, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Wesfarmers securities, or the holding or disposal of those securities. Further, changes in taxation law, or to the way taxation law is interpreted in the various jurisdictions in which Wesfarmers operates, may impact Wesfarmers' future tax liabilities.

### 1.7 Risks relating to equity investments and markets

Investors should be aware that there are risks associated with any investment listed on ASX. The value of Wesfarmers shares may rise above or fall below the Offer Price, depending on the financial condition and operating performance of Wesfarmers. Further, the price at which Wesfarmers shares trade on ASX may be affected by a number of factors unrelated to the financial and operating performance of Wesfarmers and over which Wesfarmers and its directors have no control. These external factors include:

- ◆ economic conditions in Australia and overseas;
- ◆ investor sentiment in the local and international stock markets;
- ◆ changes in fiscal, monetary, regulatory and other government policies; and
- ◆ geo-political conditions such as acts or threats of terrorism or military conflicts.

Wesfarmers' future dividend levels will be determined by the Board having regard to the operating results and financial position of Wesfarmers and there is no guarantee that any dividend will be paid or, if paid that they will be paid at previous levels.

Investors should note that the historic share price performance of Wesfarmers shares provides no guidance as to its future share price performance.

## Annexure C – Important Information

This press release and the accompanying information ("Information") have been prepared by Wesfarmers.

### Foreign jurisdictions

#### United States

This Information does not constitute an offer to sell, or the solicitation of an offer to buy New Shares, in the United States ("US") or to a US Person (or to any person acting for the account or benefit of a US Person), or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

Neither the Entitlements nor the New Shares (as applicable) have been or will be registered under the Securities Act or the securities laws of any state of the US and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons, except in transactions exempt from the registration requirements of the Securities Act and applicable state securities laws.

#### New Zealand

This Information has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (New Zealand).

#### United Kingdom

This Information is issued by the Wesfarmers on a confidential basis to qualified investors (within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom). This Information should not be distributed, published or reproduced, in whole or in part, nor should its contents be disclosed by recipients to any other person.

This Information is being distributed only to, and is directed at: (a) persons outside the United Kingdom; or (b) persons who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or (c) persons to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Information relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Information or any of its contents.

#### Hong Kong

This Information has not been, and will not be, registered as a prospectus in Hong Kong under the Companies Ordinance (Cap 32)("CO") nor has it been authorized by the Securities and Futures Commission ("SFC") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Information must not be issued, circulated or distributed in Hong Kong other than:

- (a) to “professional investors” within the meaning of SFO and any rules made under that ordinance (“Professional Investors”); or
- (b) in other circumstances which do not result in this Information being a “prospectus” as defined in the CO nor constitute an offer to the public which requires authorisation by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors. No person allotted New Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such Shares.

#### Japan

The New Shares and Entitlements offered have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended (the “FIEL”) pursuant to the exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors as set forth in Article 2, paragraph 3, item 2(a) of the FIEL. The term Qualified Institutional Investors is defined in Article 2, paragraph 3, item 1 of the FIEL and the regulations promulgated thereunder. Any Qualified Institutional Investor who acquired the New Shares or the Entitlements may not resell them to any person that is not a Qualified Institutional Investor.

#### Singapore

This Information and any other materials in connection with the Entitlement Offer relating to Singapore have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of New Shares may not be circulated or distributed, nor may New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than as described below and/or otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”).

This Information has been given to you on the basis that you fall within one of the categories of investors described below. In the event that you are not an investor falling within one of the categories set out below, please return this Information to Wesfarmers immediately. Please do not forward or circulate this Information to any other person.

#### Norway

This Information has not been approved by, or registered with, any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, neither this Information nor any other offering material relating to the New Shares constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The New Shares may not be offered or sold, directly or indirectly, in Norway except;

- (a) to “professional investors” as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876, being;
  - ◆ legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
  - ◆ any legal entity which is registered as a professional investor with the Oslo Stock Exchange (in Norwegian: Oslo Børs) and which has two or more of
    - an average of at least 250 employees during the last financial year;
    - a total balance sheet of more than €43,000,000; and
    - an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (b) any natural person which is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Børs) and which has two or more of
  - ◆ an average execution of at least ten – 10 – transactions in securities of significant volume per quarter for the last four quarters;
  - ◆ a portfolio of securities with a market value of at least €500,000 and
  - ◆ worked or works, for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;
- (c) to fewer than 100 natural or legal persons (other than “professional investors” as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876) subject to obtaining the prior consent of the Joint Lead Managers for any such offer;

in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by Wesfarmers, the Joint Lead Managers or Underwriters, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

# 23 January 2009

## Wesfarmers receives strong institutional support for equity raising

Wesfarmers has successfully closed the institutional component of its accelerated pro-rata non-renounceable entitlement offer ("Entitlement Offer"), raising approximately \$2.0 billion.<sup>1</sup> This means the total amount raised from the institutional component of the equity raising announced on 22 January 2009 will be approximately \$2.9 billion, which includes \$900<sup>1</sup> million from the placements to mutual funds managed by Capital Research Global Investors and Colonial First State. The proceeds raised through the retail component of the Entitlement Offer will not be known until next month.

The Entitlement Offer provides an opportunity for eligible shareholders to subscribe for 3 new Wesfarmers ordinary shares ("New Shares") for every 7 existing Wesfarmers ordinary shares ("Shares") or Wesfarmers Partially Protected Shares ("WPPS") held at 7:00 pm AEDT on Wednesday, 28 January 2009 ("Record Date"),<sup>2</sup> at the offer price of \$13.50 per New Share.

The net proceeds of the equity raising will be used to repay bank debt.

## Close of Institutional Entitlement Offer

The Institutional Entitlement Offer has received very strong support from Wesfarmers' existing institutional shareholders, with most eligible holders taking up their full entitlement under the offer.

As a result of the strong institutional support, only approximately 30 million shares were available for the Institutional Bookbuild, which was conducted this afternoon. The Institutional Bookbuild, mainly comprising New Shares that would otherwise have been offered to ineligible institutional shareholders, was also very well supported, attracting bids from both new and existing Australian and international institutional investors. The Bookbuild clearing price for these shares was \$15.00 per share, \$1.50 above the offer price.

The Institutional Entitlement Offer and associated Institutional Bookbuild, will therefore raise approximately \$2.0 billion for Wesfarmers.<sup>1</sup>

"We are very pleased with the high level of support the offer has received from our existing institutional shareholders and new investors," said Managing Director, Richard Goyder.

The New Shares from the Institutional Entitlement Offer and associated Bookbuild are expected to be issued on 6 February 2009 and commence trading on ASX on the same day.<sup>1</sup> As New Shares issued under Institutional Entitlement Offer and associated Bookbuild will not be entitled to the interim dividend for FY2009, they will trade under the ASX code WESNA until after the record date for the FY2009 Interim Dividend, currently expected to be 2 March 2009.

## Commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer ("Retail Entitlement Offer") opens on 29 January 2009 and is expected to close at 5:00 pm AEDT on 23 February 2009. Eligible Retail shareholders will have the opportunity to participate at the same offer price and offer ratio as the Institutional Entitlement Offer.

Eligible Retail shareholders wishing to acquire New Shares under the Retail Entitlement Offer will need to complete the Entitlement and Acceptance Form which is expected to be mailed to Eligible Retail shareholders by Tuesday, 3 February 2009.

## Shareholder enquiries

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Wesfarmers Limited Shareholder Information Line on 1300 558 062 (local call cost within Australia) or +61 3 9415 4631 (from outside Australia) at any time from 8:30 am to 7:30 pm (AEDT) Monday to Friday or go to our website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

### Notes

- 1 Settlement under the Institutional Entitlement Offer, the Institutional Bookbuild and the placements referred to above is on 5 February 2009. Until this date the underwriting agreement in respect of the Institutional Entitlement Offer and Institutional Bookbuild remains subject to termination events which are customary for an offer of this kind. Further, the placements to Capital Global Research Investors and Colonial First State referred to above are also due to settle on 5 February 2009 and until this date, remain subject to settlement occurring under the Institutional Entitlement Offer and associated Bookbuild and other customary termination events for a placement of this kind.
- 2 For the purposes of determining entitlements under the Entitlement Offer, Wesfarmers will disregard transactions in Shares or Wesfarmers Partially Protected Shares occurring after implementation of the trading halt in Wesfarmers shares on 22 January 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

## Key dates for Retail Entitlement Offer

Event	Date
Record Date for the Entitlement Offer	7:00 pm (AEDT) on Wednesday, 28 January 2009
Retail Entitlement Offer opens	Thursday, 29 January 2009
Mailing of Entitlement and Acceptance Form to Eligible Retail Shareholders	Completed by Tuesday, 3 February 2009
Retail Entitlement Offer closes	5:00pm (AEDT) on Monday, 23 February 2009
FY2009 Interim Dividend Record Date	Monday, 2 March 2009
Settlement of the Retail Entitlement Offer	Monday, 2 March 2009
Issue of New Shares under the Retail Entitlement Offer	Tuesday, 3 March 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	Wednesday, 4 March 2009
Dispatch of holding statements	Thursday, 5 March 2009

Dates and times are indicative only and subject to change. All times and dates refer to AEDT.

For further information:

### Media

Anna McPhee, General Manager, Corporate Affairs  
(+61 8) 9327 4478

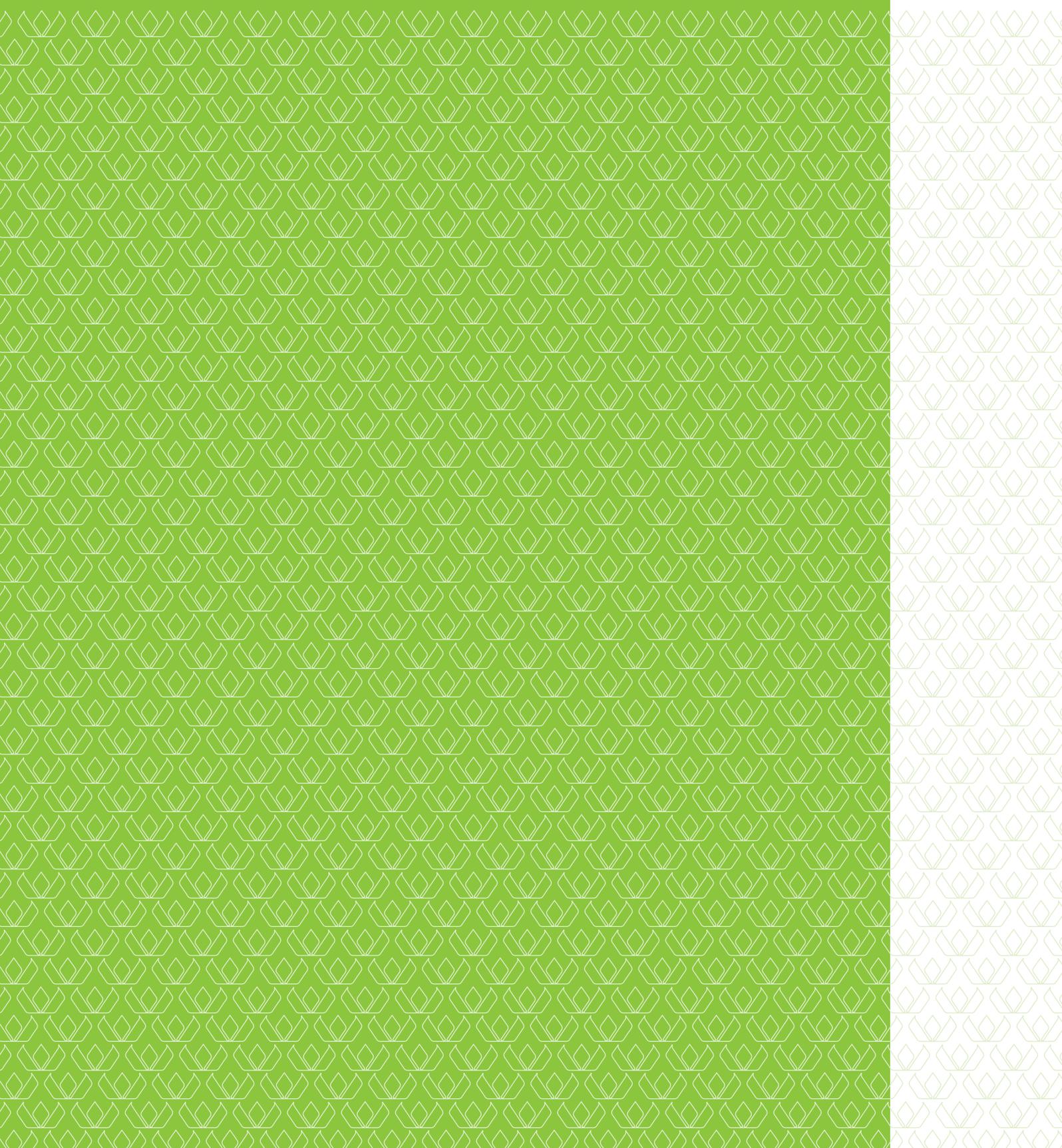
### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This press release does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The shares have not been registered under the Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This press release includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Wesfarmers Limited, and its officers, employees, agents or associates, including risks associated with the ability of Wesfarmers Limited to pay the expected dividend. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Wesfarmers Limited assumes no obligation to update such information.

# How to Apply and Important Information

PLEASE READ CAREFULLY THE CHAIRMAN'S LETTER, ASX ANNOUNCEMENTS, ENTITLEMENT AND ACCEPTANCE FORM AND OTHER INFORMATION MADE PUBLICLY AVAILABLE BY WESFARMERS.



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

# How to Apply

# 1

## The Retail Entitlement Offer

Under the accelerated non-renounceable entitlement offer (the "Retail Entitlement Offer"), Eligible Retail Shareholders are being offered the opportunity to subscribe for three new Wesfarmers ordinary shares ("New Shares") for every seven Wesfarmers ordinary shares or Wesfarmers Partially Protected Shares ("Shares") held at 7:00pm Australian Eastern Daylight Savings Time ("AEDT") on Wednesday, 28 January 2009 ("Entitlement"), at the offer price of A\$13.50<sup>1</sup> per New Share ("Offer Price").

Eligible Retail Shareholders may also apply for New Shares in excess of their Entitlement ("Additional New Shares"). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to ineligible retail shareholders if they had been entitled to participate in the Retail Entitlement Offer, subject to any scale-back that the company may apply (in its absolute discretion).

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Retail Shareholders to read and understand the information on Wesfarmers and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this booklet, Wesfarmers' annual reports and other announcements made available at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated as three New Shares for every seven Shares you held as at the record date of 7:00pm (AEDT) on Wednesday, 28 January 2009 rounded down to the nearest whole New Share. If you have more than one holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Wesfarmers ordinary shares on issue, other than in respect of any interim dividend payable for FY2009.

Note: the Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a U.S. Person (as defined on page 2).

# 2

## Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to "Annexure B – Risk disclosure" of the ASX announcement made on Thursday, 22 January 2009 included in this booklet.

Note

<sup>1</sup> All references in this document to A\$ are to Australian dollars.

## How to Apply continued

# 3

### Complete and return the accompanying Entitlement and Acceptance Form with your Application Monies or make a payment by BPAY

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY by following the instructions set out on the Entitlement and Acceptance Form.

Wesfarmers will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in respect of Additional New Shares. Amounts received by Wesfarmers in excess of your Entitlement ("Excess Amount") may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full. If you are paying by BPAY, please make sure to use the specific Biller Code and unique Customer Reference Number ("CRN") on your personalised Entitlement and Acceptance Form. If you receive more than one Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for Additional New Shares on the Entitlement to which that CRN applies.

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlement before the Retail Entitlement Offer close date of 5:00pm (AEDT) on Monday, 23 February 2009, subject to variation, ("Close Date"), you will be allotted your New Shares on Tuesday, 3 March 2009. If you apply for Additional New Shares then, subject to Wesfarmers' absolute discretion to scale-back your allocation of Additional New Shares (in whole or part), you will be issued these on Tuesday, 3 March 2009. Wesfarmers' decision on the number of New Shares to be allocated to you will be final.

Wesfarmers also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims.

# 4

### Acceptance of the Retail Entitlement Offer

The method of acceptance of the Retail Entitlement Offer will depend on your method of payment being:

- ◆ by BPAY; or
- ◆ by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will be deemed to have represented that you are an Eligible Retail Shareholder.

#### Payment by BPAY

For payment by BPAY please follow the instructions on the Entitlement and Acceptance Form (which includes the Biller Code and your unique CRN). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

- ◆ you do not need to submit the personalised Form but are taken to make the declarations on that Form; and
- ◆ if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY payment is received by the share registry by no later than 5:00pm (AEDT) on Monday, 23 February 2009 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded on or around Tuesday, 10 March 2009. No interest will be paid on any Application Monies received or refunded.

#### Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions set out on that Form and return the Form accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Wesfarmers Limited Retail Entitlement Offer" and crossed "Not Negotiable".

# 5

Your cheque, bank draft or money order must be:

- ◆ for an amount equal to A\$13.50 multiplied by the number of New Shares and Additional New Shares that you are applying for; and
- ◆ in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded on or around Tuesday, 10 March 2009. No interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

## Mail

It is important to note that the Retail Entitlement Offer closes at 5:00pm (AEDT) on Monday, 23 February 2009. To participate in the Retail Entitlement Offer, your payment must be received no later than this date. Shareholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this booklet, or mail to:

Computershare Investor Services Pty Ltd  
Wesfarmers Limited Retail Entitlement Offer  
GPO Box 505  
Melbourne VIC 3001  
AUSTRALIA

# Important Information

This booklet and enclosed Entitlement and Acceptance Form ("Information") have been prepared by Wesfarmers Limited (ABN 28 008 984 049) ("Wesfarmers"). This Information is dated Thursday, 29 January 2009.

No party other than Wesfarmers has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

## This Information is important and requires your immediate attention.

You should read this Information carefully and in its entirety before deciding whether to invest in New Shares or Additional New Shares. In particular, you should consider the risk factors outlined in the ASX announcement made on Thursday, 22 January 2009 that could affect the performance of Wesfarmers or the value of an investment in Wesfarmers.

Wesfarmers has applied for the grant by ASX of official quotation of the New Shares.

## 1. Eligible Retail Shareholders

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and to trustees that hold Shares on behalf of employees under Wesfarmers' UK employee share schemes, and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by Australian Securities and Investments Commission ("ASIC") Class Order 08/35.

Eligible Retail Shareholders are those holders of Shares who:

- ◆ are registered as a holder of Shares as at 7:00pm (AEDT) on Wednesday, 28 January 2009 (the "Record Date");
- ◆ have a registered address in Australia or New Zealand or are a trustee who holds Shares on behalf of employees under Wesfarmers' UK employee share schemes;
- ◆ are not in the United States or a U.S. Person or acting for the account or benefit of a U.S. Person;
- ◆ are not an institutional shareholder or ineligible retail shareholder; and
- ◆ are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

## 2. Treatment of Wesfarmers Partially Protected Shares

Under the terms of the Wesfarmers Partially Protected Shares ("WPPS"), the Board may exercise its discretion to determine whether the terms of those shares, including the cap and floor price, should be adjusted to maintain the relative values of the WPPS to Wesfarmers ordinary shares. In exercising its discretion, the Wesfarmers Board will have regard to the interests of all shareholders, the benefit to WPPS holders through their participation in the Entitlement Offer and the effect of the equity raising on the relative values of the WPPS and Wesfarmers ordinary shares.

The amount of this adjustment will depend on the number of New Shares issued under the Entitlement Offer. Wesfarmers will not know this adjustment until the completion of the Retail Entitlement Offer. However, the following revisions are likely to be made in certain retail participation scenarios:

Retail Participation	New Cap (A\$)	New Floor Price (A\$)
15 per cent	43.27	34.62
20 per cent	43.24	34.60
25 per cent	43.22	34.58

The outcomes above compare to the current cap of A\$43.92 and floor price of A\$35.14.

Grant Samuel Corporate Finance Pty Ltd has advised Wesfarmers that, in its view, under the retail acceptance scenarios shown, the proposed revisions would be fair, reasonable and appropriate in the context of the Entitlements being offered to holders of WPPS.

An announcement on the revised WPPS cap and floor price will be made following completion of the Retail Entitlement Offer.

## 3. Additional New Shares

Wesfarmers reserves the right to allot any Additional New Shares or scale-back your application for Additional New Shares in its absolute discretion. Therefore, your application for Additional New Shares may not be successful (wholly or partially). The decision of Wesfarmers on the number of Additional New Shares to be allocated to you will be final.

### Note

- 1 Pursuant to a waiver from the ASX, Wesfarmers is entitled to disregard transactions occurring after implementation of the trading halt in Wesfarmers shares on Thursday, 22 January 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

#### 4. FY2009 Interim Dividend

The New Shares and Additional New Shares will be allotted after the FY2009 Interim Dividend Record Date and will not be eligible to receive the interim dividend the Board may determine to pay for FY2009.

#### 5. No cooling off rights

Cooling off rights do not apply to an investment in New Shares or Additional New Shares. You cannot withdraw the application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

#### 6. Not investment advice

The Information is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Wesfarmers is not licensed to provide financial product advice in respect of the New Shares or Additional New Shares. The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares.

Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

#### 7. Taxation

Set out below is a summary of the Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets. The summary below does not necessarily apply to Eligible Retail Shareholders who hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment.

The summary below does not necessarily apply to Eligible Retail Shareholders whose Shares are held through an employee share plan or whose Shares are held as revenue assets or trading stock.

The summary below also does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Information.

##### Issue of Entitlements

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

##### Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements and subscribe for New Shares and Additional New Shares will acquire those shares with a cost base for capital gains tax ("CGT") purposes equal to the Offer Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring those shares, but will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares or Additional New Shares.

##### New Shares

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares and Additional New Shares (as applicable). Any future dividends or other distributions made in respect of those New Shares and Additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

On any future disposal of New Shares and Additional New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares and Additional New Shares. The cost base of those shares is described above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. Additional New Shares will be treated for the purposes of the CGT discount as having been acquired when Wesfarmers accepts their application for those Additional New Shares. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those shares, they must have been held for at least 12 months after those dates before the disposal occurs.

##### Other Australian taxes

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares and Additional New Shares.

## Important Information continued

### 8. Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Shares. Where an Eligible Retail Shareholder holds both Wesfarmers ordinary shares and WPPS on the Record Date, that shareholder's Entitlement (as shown on the Entitlement and Acceptance Form) has been calculated as follows:

- ◆ the shareholder's prima facie Entitlement with respect to its holding of Wesfarmers ordinary shares on the Record Date is calculated and any fractional entitlement is rounded down;
- ◆ the shareholder's prima facie Entitlement with respect to its holding of WPPS on the Record Date is calculated and any fractional entitlement is rounded down; and
- ◆ the two Entitlement figures are then aggregated to produce an aggregate Entitlement figure.

### 9. Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Information during the period of the Retail Entitlement Offer on the Wesfarmers website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au) or by calling the Wesfarmers Limited Shareholder Information Line on the numbers listed in the Corporate Directory in this booklet. Persons who access the electronic version of this Information should ensure that they download and read the entire Information. The electronic version of this Information on the Wesfarmers website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Wesfarmers Limited Shareholder Information Line, or can be accessed at [www.wesfarmers.com.au](http://www.wesfarmers.com.au) by following the "Wesfarmers 2009 Entitlement Offer" link.

*Neither this Information nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States or that are, or are acting on behalf of or for the account or benefit of, a U.S. Person, or otherwise distributed in the United States.*

### 10. Future performance and forward looking statements

Neither Wesfarmers nor any other person warrants or guarantees the future performance of the New Shares, Additional New Shares or any return on any investment made pursuant to this Information. Forward looking statements, opinions and estimates provided in the Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Wesfarmers and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Information.

### 11. Past performance

Investors should note that the past share price performance of Wesfarmers provides no guidance as to its future share price performance.

### 12. Governing law

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

### 13. Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The New Shares being offered under this Information are also being offered to Eligible Retail Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand). This Information is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand, and to employees under Wesfarmers' UK employee share schemes is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The following international selling restrictions relate to the issue of New Shares and Additional New Shares under the Retail Entitlement Offer:

#### United States

This Information does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. Person, or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

Neither the Entitlements nor the New Shares and Additional New Shares (as applicable) have been or will be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons.

#### New Zealand

This Information has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the *Securities Act 1978* (New Zealand).

In accordance with relevant New Zealand securities law, a person who, on the Record Date, being 7:00pm (AEDT) on Wednesday, 28 January 2009, was registered as a holder of Shares with a New Zealand address but who, at the time of this Retail Entitlement Offer (Thursday, 29 January 2009) no longer holds Shares, is not eligible to participate in this Retail Entitlement Offer.

#### United Kingdom

This Information is issued by Wesfarmers on a confidential basis to qualified investors (within the meaning of the *Financial Services and Markets Act 2000* of the United Kingdom). This Information should not be distributed, published or reproduced, in whole or in part, nor should its contents be disclosed by recipients to any other person.

This Information is being distributed only to, and is directed at: (a) persons outside the United Kingdom; or (b) persons who have professional experience in matters relating to investments falling within Article 19(5) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005* or (c) persons, being fewer than 100 in number, to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Information relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Information or any of its contents.

## 14. Underwriting

Wesfarmers has entered into an underwriting agreement with joint lead managers who have agreed to fully underwrite the institutional component of the Entitlement Offer. Customary with these types of arrangements:

- ◆ Wesfarmers has agreed to indemnify the joint lead managers and their directors, officers, employees, agents and advisers against losses they may suffer in connection with the Entitlement Offer;
- ◆ the joint lead managers may, at any time up to settlement of the institutional component (expected to occur at 10:00am (AEDT) on Thursday, 5 February 2009), terminate the underwriting agreement and be released from their obligations under it on the occurrence of certain events, including if:
  - ◆ Shares are suspended from trading on ASX for a period or Wesfarmers is delisted;
  - ◆ there is a delay in the timetable for the institutional component of the Entitlement Offer of more than one business day (other than a delay that results from an act or omission of a joint lead manager);
  - ◆ there is a change in Chairman, Managing Director or Finance Director of Wesfarmers, which has a materially adverse impact on the institutional component of the Entitlement Offer; or
  - ◆ there are adverse changes in financial markets or political or economic conditions which have a materially adverse impact on the institutional component of the Entitlement Offer; and
- ◆ the joint lead managers will be remunerated by Wesfarmers at market rates.

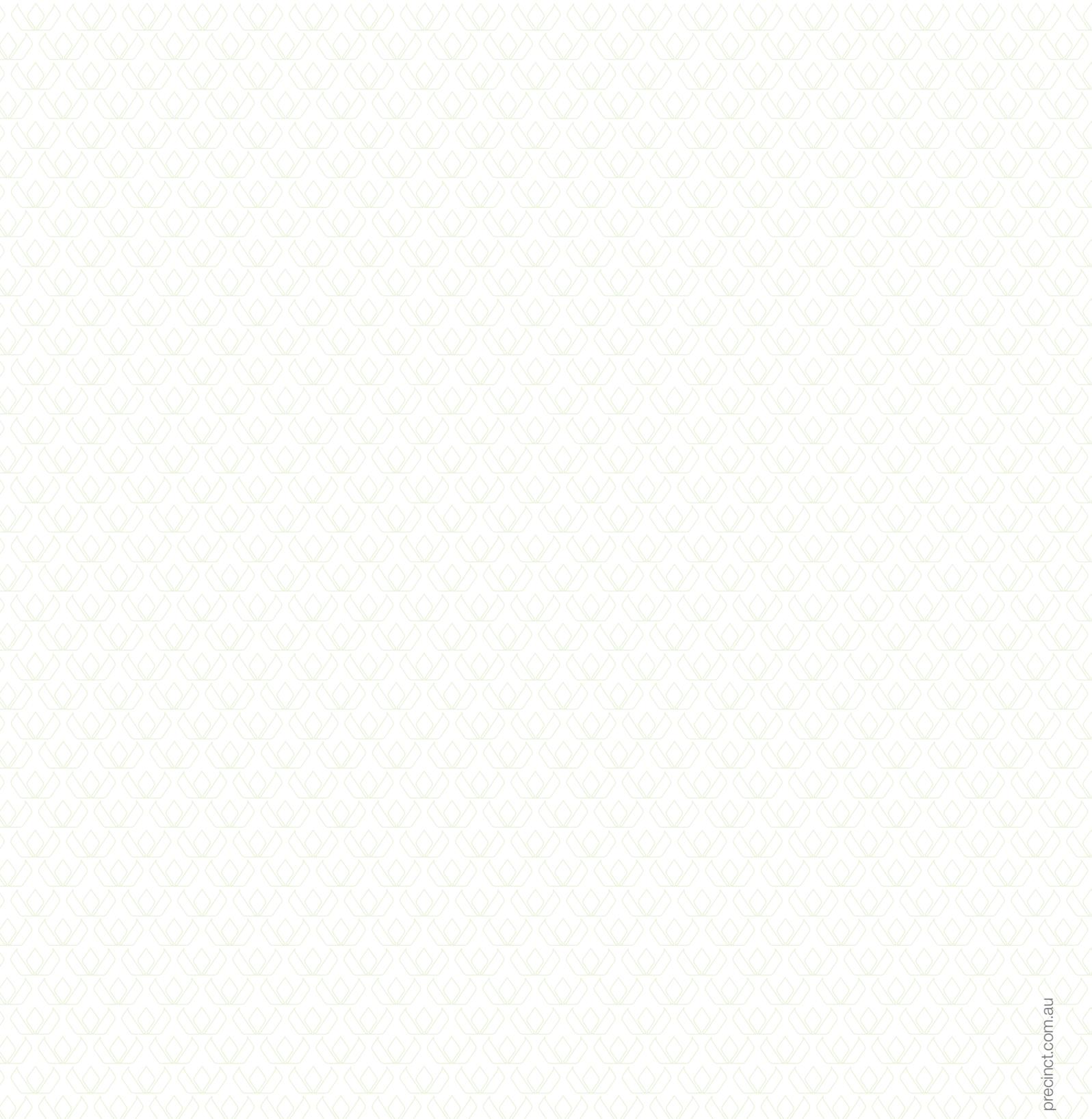
## 15. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Wesfarmers, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Wesfarmers, or any other person, warrants or guarantees the future performance of Wesfarmers or any return on any investment made pursuant to this Information.



**Wesfarmers**



**Please return completed form to:**  
Computershare Investor Services Pty Limited  
Wesfarmers Limited Retail Entitlement Offer  
GPO Box 505 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 558 062  
(outside Australia) 61 3 9415 4631  
Facsimile 61 3 9473 2500  
web.queries@computershare.com.au  
www.wesfarmers.com.au

## Entitlement and Acceptance Form

Use a **black pen**.  
Print in **CAPITAL** letters  
inside the grey areas.

A	B	C	1	2	3
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### Entitlement to invest in new Wesfarmers ordinary shares at A\$13.50 per share

**RETAIL ENTITLEMENT OFFER CLOSES ON 23 FEBRUARY 2009 AT 5:00PM (AEDT)**

#### IMPORTANT:

- This is an important document which requires your **immediate attention**. If you are in any doubt as to how to deal with this Entitlement and Acceptance Form ("Form"), please consult your professional adviser.
- Terms used in this Form have the meanings given in the Form and the Retail Entitlement Offer booklet (collectively, the "Offer Documents") dated 29 January 2009 (unless otherwise stated). You should read the Offer Documents carefully before completing this Form.
- This Form relates to the **non-renounceable Retail Entitlement Offer of three New Shares** for every seven Shares held by Eligible Retail Shareholders on the Record Date at the offer price of A\$13.50 per New Share.
- You may apply for **Additional New Shares in excess of your Entitlement**.
- You can pay by BPAY®. If you choose to pay by BPAY, you do not need to return this Form. Please refer overleaf for details.
- Receipt of your payment by 5:00pm (AEDT) on 23 February 2009 (together with this Form if you are paying by cheque(s), bank draft(s) or money order(s)) will constitute acceptance of the terms of the Offer Documents.
- If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your application will be rejected.
- If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for Additional New Shares.
- The Directors reserve the right to make amendments to this Form where appropriate.

I/We enclose my/our payment for the amount shown below being payment of A\$13.50 per New Share and Additional New Share (if any).

#### Shareholder Entitlement Details

Subregister	<input type="text"/>
Entitlement Number	<input type="text"/>
<b>(1) Entitlement based on holdings of Wesfarmers ordinary shares</b>	
Wesfarmers ordinary shares held at 7:00pm (AEDT) on 28 January 2009	<input type="text"/>
Entitlement to New Shares on a 3 for 7 basis	<input type="text"/>
<b>(2) Entitlement based on holdings of Wesfarmers Partially Protected Shares</b>	
Wesfarmers Partially Protected Shares held at 7:00pm (AEDT) on 28 January 2009	<input type="text"/>
Entitlement to New Shares on a 3 for 7 basis	<input type="text"/>
<b>(3) Aggregate Entitlement to New Shares</b>	
Aggregate Entitlement is the sum of Entitlements provided in A(1) and A(2) above	<input type="text"/>
<b>Amount payable on full acceptance at A\$13.50 per New Share</b>	<input type="text"/>

W E S

N R R B

Applications can only be made in the name(s) printed on this Form

024802-ORD\_V14



ABN 28 008 984 049

Please see overleaf for guidelines to complete this Form and Payment Options. If you are paying by cheque(s), bank draft(s) or money order(s) please detach this section of the Form and return it with your cheque(s), bank draft(s) or money order(s).

**B** Number of New Shares applied for (being not more than your Aggregate Entitlement shown in box A(3))

<input type="text"/>									
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**C** Number of Additional New Shares applied for in excess of your Aggregate Entitlement shown in box A(3)

<input type="text"/>									
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**D** Total number of New Shares and Additional New Shares applied for (add boxes B and C)

<input type="text"/>									
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#### E Cheque Details

Make your cheque(s), bank draft(s) or money order(s) payable to "Wesfarmers Limited Retail Entitlement Offer" and crossed "Not Negotiable"

Cheque Amount (total in box D multiplied by A\$13.50)

Drawer	Cheque Number	BSB Number	Account Number	A\$ <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

#### F Contact Details

Please provide your contact details in case we need to speak to you about this Form

Name of contact person

Contact person's daytime telephone number (  )

Paperclip cheque(s) here. Do not staple.

## How to complete the Entitlement and Acceptance Form

Please complete all relevant sections of this Form using BLOCK LETTERS in black ink. Note that photocopies will not be accepted. These instructions are cross-referenced to each section of this Form. This Form should only be used by/for the shareholder(s) whose details appear on the front of this Form.

<b>A Shareholder Entitlement Details</b> Details of your total Entitlement based on your holding of Wesfarmers ordinary shares and Wesfarmers Partially Protected Shares ("PPS") (collectively "Aggregate Entitlement") at 7:00pm (AEDT) on 28 January 2009 are shown in box A(3) on the front of this Form.	<b>E Payment Details</b> You can apply for New Shares and Additional New Shares utilising the payment options detailed below. For all payment options, payment must be received by no later than 5:00pm (AEDT) on 23 February 2009. <b>(1) Payment by BPAY</b> You can pay by BPAY using the details set out at the bottom left of this page (under "Payment Options"). If your payment is being made by BPAY you are not required to return this Form, and you will be deemed to have applied for such whole number of New Shares and Additional New Shares (if any) for which you have paid. <b>(2) Payment by cheque(s), bank draft(s) or money order(s)</b> If you choose this payment method, your cheque(s), bank draft(s) or money order(s) must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to "Wesfarmers Limited Retail Entitlement Offer" and crossed "Not Negotiable". Payments that are not properly drawn may be rejected. Complete the details in the boxes provided in section E. To calculate the amount payable, multiply the total number of New Shares and Additional New Shares applied for in box D by the offer price of A\$13.50. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Form being rejected. Paperclip (do not staple) your cheque(s), bank draft(s) or money order(s) to the Form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.
<b>B New Shares Applied For</b> You can apply to accept either all or part of your Aggregate Entitlement. Enter in box B the number of New Shares you wish to accept from your Aggregate Entitlement. <ul style="list-style-type: none"><li>To apply for your Aggregate Entitlement in full, write in box B the number of New Shares shown in box A(3) as your Aggregate Entitlement.</li><li>To apply for part of your Aggregate Entitlement only, write in box B the number of New Shares for which you wish to apply.</li></ul> <b>You may apply for more New Shares than your Aggregate Entitlement using box C.</b>	<b>F Contact Details</b> Enter the name of a contact person and telephone number. These details will only be used in the event that Computershare Investor Services Pty Limited ("Share Registry") has a query regarding this Form.
<b>C Additional New Shares Applied For</b> You may apply for Additional New Shares in excess of your Aggregate Entitlement. No Eligible Retail Shareholder is assured of receiving any Additional New Shares applied for in excess of their Entitlement. The Additional New Shares are subject to scale-back at Wesfarmers' absolute discretion. To apply for Additional New Shares, write in box C the number of Additional New Shares for which you wish to apply. <b>Please ensure you complete box B and box C (if you are applying for Additional New Shares).</b>	
<b>D Total Wesfarmers Ordinary Shares Applied For</b> To calculate the total number of New Shares and Additional New Shares applied for, add box B and box C together and enter this amount in box D.	

### Declaration

By submitting this Form along with your application monies or making a payment by BPAY, you:

- agree to be bound by the terms of the Offer Documents and the provisions of the Wesfarmers constitution;
- agree to be bound by the terms and conditions of issue of the New Shares and Additional New Shares in accordance with the Offer Documents;
- authorise us to register you as the holder(s) of the New Shares and Additional New Shares (if any) allotted to you;
- declare that all details and statements in this Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under this Form;
- acknowledge that once Wesfarmers receives your Form or payment by BPAY, you may not withdraw it;
- agree to apply for, and be issued with, the number of New Shares and Additional New Shares (if any) that you apply for at the offer price of A\$13.50;
- authorise Wesfarmers and its officers or agents to do anything on your behalf necessary for the New Shares and Additional New Shares (if any) to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in this Form;
- declare that you are the current registered holder(s) of the Shares in your name at the Record Date and are an Australian or New Zealand resident at the Record Date;
- acknowledge that the information contained in the Offer Documents is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- represent and warrant that the law of any other place does not prohibit you from being given the Offer Documents or making an application on this Form;
- represent, warrant and agree (for the benefit of Wesfarmers, the joint lead managers and their respective affiliates) that you are not in the United States and you are not acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") ("U.S. Person"));
- represent, warrant and agree that the New Shares and Additional New Shares have not, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand;
- agree not to send this Form, the Offer Documents or any other material relating to the Retail Entitlement Offer to any person in the United States or that is acting for the account or benefit of a U.S. Person; and
- agree that if in the future you decide to sell or otherwise transfer your New Shares or Additional New Shares, you will only do so in transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or a U.S. Person.

If you have any enquiries concerning this Form or your Entitlement, please contact the Share Registry on (within Australia) 1300 558 062 or (outside Australia) 61 3 9415 4631.

### Lodgement of Acceptance

For all payment options, payment must be received by no later than 5:00pm (AEDT) on 23 February 2009. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. If you are paying by cheque(s), bank draft(s) or money order(s) a reply paid envelope is enclosed for Eligible Retail Shareholders in Australia. Eligible Retail Shareholders in New Zealand will need to affix the appropriate postage. Return the bottom section of this Form with the cheque(s), bank draft(s) or money order(s) attached.  
Neither the Share Registry nor Wesfarmers accepts any responsibility if you lodge the Form at any other address or by any other means.

**CHES holders must contact their Controlling Participant to notify a change of address.**

The New Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons.

024802-ORD\_V15

### Payment Options:

#### 1. BPAY

	<b>Billers Code:</b> _____
	<b>Ref No:</b> _____
	_____

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: [www.bpay.com.au](http://www.bpay.com.au)

#### 2. Cheque(s), bank draft(s) or money order(s)

 Made Payable to:  
"Wesfarmers Limited Retail Entitlement Offer" and crossed "Not Negotiable"

Mail to:  
Computershare Investor Services Pty Limited  
Wesfarmers Limited Retail Entitlement Offer  
GPO Box 505  
Melbourne VIC 3001  
AUSTRALIA



# Wesfarmers Limited

ABN 28 008 984 049

29 January 2009

Dear Shareholder,

## Wesfarmers Entitlement Offer – Notification to Ineligible Retail Shareholders

On 22 January 2009, Wesfarmers Limited (“Wesfarmers”) announced that it was conducting an institutional placement of A\$900 million and an accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for three new Wesfarmers ordinary shares (“New Shares”) for every seven existing Wesfarmers shares held (the “Entitlement Offer”).

The Entitlement Offer comprises an institutional component (“Institutional Entitlement Offer”) and an offer to retail shareholders (“Retail Entitlement Offer”). The Institutional Entitlement Offer together with the institutional placement will raise A\$2.9 billion<sup>1</sup>, before receipt of the proceeds from the Retail Entitlement Offer.

### Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders, as outlined below, on the basis of three New Shares for every seven existing Wesfarmers ordinary shares or Wesfarmers Partially Protected Shares held at 7:00pm Australian Eastern Daylight Savings Time (AEDT) on Wednesday 28 January 2009 (“Record Date”).

Documents relating to the Retail Entitlement Offer were lodged with the ASX on 29 January 2009 and are being mailed to eligible shareholders.

### Eligibility criteria

Shareholders who are eligible to participate in the Retail Entitlement Offer (“Eligible Retail Shareholders”) are shareholders who:

- (a) were registered as a holder of Wesfarmers ordinary shares or Wesfarmers Partially Protected Shares as at 7:00pm (AEDT) on the Record Date;
- (b) have a registered address in Australia or New Zealand (other than to trustees who hold Wesfarmers shares on behalf of employees under Wesfarmers’ UK employee share schemes, provided such employees are not U.S. persons as defined below);
- (c) are not in the United States and are not “U.S. Persons” (as defined under Regulation S under the United States *Securities Act* of 1933, as amended) (“U.S. Persons”) or acting for the account or benefit of U.S. Persons;
- (d) were not an institutional shareholder eligible to participate under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

<sup>1</sup> All references in this letter to \$A are to Australian dollars. Settlement under the Institutional Entitlement Offer is on 5 February 2009. Until this date, the Institutional Entitlement Offer remains subject to termination events which are customary for an offer of this kind. The placements referred to above are also due to settle on 5 February 2009 and, until this date, remain subject to settlement occurring under the Institutional Entitlement Offer and other customary termination events for a placement of this kind.

Unfortunately as you do not satisfy the criteria for an Eligible Retail Shareholder, Wesfarmers is unable to extend to you the opportunity to participate in the Retail Entitlement Offer. Therefore, you will not be sent a copy of the documents relating to the Retail Entitlement Offer.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

You are not required to do anything in response to this letter.

If you have any questions in relation to any of the above matters, please contact the Wesfarmers Shareholder Information Line on 1300 558 062 (local call from within Australia) or +61 3 9415 4631 (from outside Australia) from 8:30am to 7:30pm (AEDT) Monday to Friday.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'LJ Kenyon', with a long horizontal stroke extending to the right.

**LJ KENYON**  
**Company Secretary**

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person. The New Shares have not been or will not be registered under the United States *Securities Act* of 1933 as amended (the "*Securities Act*"), and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, absent registration or an exemption from registration under the *Securities Act*.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.