

21 April 2008

**WESFARMERS TO RAISE \$2.5 BILLION IN EQUITY  
VIA AN ACCELERATED PRO-RATA ENTITLEMENT OFFER TO COMPLETE  
REFINANCING PROGRAMME**

Wesfarmers today announced that it has funding commitments in place to refinance all of the outstanding Coles acquisition bridge facility.

The \$4.0 billion refinancing will be completed through a combination of:

- A \$2.5 billion equity issue to be conducted as a 1 for 8 accelerated pro-rata entitlement offer to shareholders at an Offer Price of \$29.00 (“Entitlement Offer”). The Entitlement Offer has been fully underwritten;
- New commitments on customary terms to refinance the remaining \$0.8 billion of the Coles acquisition bridge loan until December 2009, which has been secured at average margins of approximately 100 bps including fees; and
- The US\$650 million (A\$0.7 billion) 5-year bond issue announced on 4 April 2008.

In addition, Wesfarmers has taken the opportunity to secure commitments to renew its \$1.0 billion working capital facility. The average margin on all one to three year debt financing is less than 100bps including fees.

Wesfarmers Managing Director Richard Goyder said the company had taken an important step in finalising its refinancing programme, providing assurance regarding the repayment of the acquisition bridge facilities.

“Following a review of the range of options available to complete the refinancing programme and the funding cost of those options, the Wesfarmers Board believes that an equity issue is in the best interests of shareholders given a backdrop of ongoing volatility in global debt capital markets,” he said.

“The equity raising will strengthen the Wesfarmers balance sheet and provide us with financial flexibility going forward.

“One of the principal advantages of the Entitlement Offer is that all eligible Wesfarmers shareholders will have an equal opportunity to participate in, and benefit from, the future growth of the Wesfarmers businesses.”

Mr Goyder said Wesfarmers has a high quality portfolio of businesses with a broad range of growth opportunities.

“The integration of Coles is largely complete. We continue to have a high level of confidence regarding the opportunity to generate shareholder value by substantially enhancing Coles’ earnings. Earnings from the Resources division are expected to increase substantially in FY09 due to the increase in market prices for export coal currently being negotiated and the remainder of our businesses are performing in line with our expectations.”

Further information on Wesfarmers’ businesses and performance is available in Wesfarmers’ detailed Investor Briefing presentation lodged with the ASX today ahead of Wesfarmers’ Investor Briefing Day on Tuesday, 22 April 2008. A webcast of the Investor Briefing presentation will be available to eligible shareholders at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

### **Entitlement Offer**

The gross proceeds of approximately \$2.57 billion will be raised through a 1 for 8 accelerated pro-rata entitlement offer.

Under the Entitlement Offer, eligible shareholders (including eligible holders of Wesfarmers Partially Protected Shares (“WPPS”)) will be invited to subscribe for New Wesfarmers Ordinary Shares at an Offer Price of \$29.00 per share representing a 21.6 per cent discount to the closing price of Wesfarmers Ordinary Shares on 16 April 2008 and a 19.6 per cent discount to the theoretical ex-entitlements price.

New Wesfarmers Ordinary Shares equal in number to those not taken up by Eligible Shareholders and those which would otherwise have been offered to Ineligible Shareholders will be placed into an underwritten institutional or retail bookbuild as applicable. Any premium above the Offer Price achieved in these bookbuilds will be remitted to those relevant shareholders on a pro-rata basis. The Entitlements will not be tradeable on the ASX nor otherwise transferable.

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

Further details of the Entitlement Offer are included as an Appendix to this announcement.

### **Dividend Guidance**

Wesfarmers confirms its previous guidance that it expects to be able to pay fully franked dividends of at least \$2.00 per Wesfarmers share for the 2008 and 2009 financial years, subject to the availability of retained earnings and franking credits.

“The Wesfarmers Board’s decision to maintain its current dividend guidance reaffirms our confidence in the operating and financial strength of the company” said Mr Goyder.

New shares issued under the Entitlement Offer will be entitled to receive Wesfarmers’ FY08 final dividend, expected to be at least \$1.35 per share and payable in September 2008. All Wesfarmers shareholders may participate in the Dividend Investment Plan (“DIP”). The DIP in respect of the FY08 final dividend will not be underwritten.

## **Wesfarmers Partially Protected Shares**

Eligible holders of WPPS will be entitled to participate in the Entitlement Offer on the same terms as eligible Wesfarmers ordinary shareholders. Consequently, eligible WPPS holders will be entitled to subscribe for 1 New Wesfarmers Ordinary Share for every 8 WPPS held.

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 that discretion, the Board has had regard to the interests of all Shareholders and determined that:

- The WPPS cap price of \$45.00 per share should be reduced to \$43.92; and
- The WPPS floor price of \$36.00 per share should be reduced to \$35.14.

The changes to the cap and floor prices are equivalent to the percentage difference between the theoretical ex-entitlements price and the closing price of Wesfarmers Ordinary Shares on 16 April 2008.

In exercising its discretion, the Wesfarmers Board has had regard to the benefit to WPPS holders through their participation in the Entitlement Offer and the effect of the Entitlement Offer on the relative values of the WPPS and Wesfarmers Ordinary Shares.

Grant Samuel has advised Wesfarmers that, in its view, the adjustment is fair, reasonable and appropriate in the context of the entitlements being offered to holders of WPPS.

## **Trading Halt/Voluntary Suspension**

Wesfarmers' securities will be in a trading halt on Monday 21 and Tuesday 22 April 2008, in addition to the halt granted by the Australian Securities Exchange ("ASX") for 17 and 18 April. At its request, Wesfarmers' securities will be suspended from the ASX on Wednesday 23 and Thursday 24 April 2008. This will enable the company to complete the Institutional Entitlement Offer as detailed below. The voluntary suspension mechanism has been used because ASX policy is not to grant more than four days trading halt. Wesfarmers expects trading in its securities to re-commence on Monday 28 April 2008.

## Key Entitlement Offer Dates\*

<b>Institutional Entitlement Offer</b>	<b>Date/Time (AEST)</b>
Institutional Entitlement Offer opens	Monday, 21 April 2008 (10:00 am)
Institutional Entitlement Offer closes	Tuesday, 22 April 2008 (6:00 pm)
Institutional Entitlement Bookbuild opens	Wednesday, 23 April 2008 (11:00 am)
Institutional Entitlement Bookbuild closes	Thursday, 24 April 2008 (12:00 pm)
Record Date	Thursday, 24 April 2008 (7:00 pm)
Settlement of Institutional Entitlement Offer and Institutional Entitlement Bookbuild	Monday, 5 May 2008
Issue of shares under Institutional Entitlement Offer and Institutional Entitlement Bookbuild	Tuesday, 6 May 2008
New shares which were issued under Institutional Entitlement Offer and Institutional Entitlement Bookbuild expected to commence trading on a normal settlement basis	Tuesday, 6 May 2008
Dispatch of payments (if any) from Institutional Entitlement Bookbuild	Thursday, 8 May 2008
<b>Retail Entitlement Offer</b>	
Prospectus lodged with ASIC	Monday, 21 April 2008
Replacement Prospectus (incorporating results of Institutional Entitlement Offer and Institutional Entitlement Bookbuild) lodged with ASIC	Thursday, 24 April 2008
Record Date	Thursday, 24 April 2008 (7:00 pm)
Retail Entitlement Offer opens	Monday, 28 April 2008
Replacement Prospectus dispatched to Eligible Retail Shareholders	Early May 2008
Retail Entitlement Offer closes	Tuesday, 20 May 2008 (5:00 pm)
Retail Entitlement Bookbuild opens	Monday, 26 May 2008
Retail Entitlement Bookbuild closes	Tuesday, 27 May 2008
Settlement of Retail Entitlement Offer and Retail Entitlement Bookbuild	Friday, 30 May 2008
Issue of shares under Retail Entitlement Offer and Retail Entitlement Bookbuild	Monday, 2 June 2008
New shares which were issued under Retail Entitlement Offer and Retail Entitlement Bookbuild expected to commence trading on a normal settlement basis	Tuesday, 3 June 2008
Dispatch of payments (if any) from Retail Entitlement Bookbuild	Wednesday, 4 June 2008
Dispatch of holding statements	Thursday, 5 June 2008

\* Dates and times are indicative only and are subject to change. All times and dates refer to AEST.

The Prospectus has been lodged with the Australian Securities and Investments Commission. A copy of the Prospectus will be sent to Eligible Retail Shareholders in early May. Copies of the Prospectus are also available for download at Wesfarmers' website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au) or can be obtained (free of charge) by calling the Wesfarmers Limited Shareholder Information Line (1300 558 062 (local call cost within Australia) or +61 3 9415 4631 (from outside Australia) at any time between 8:30 am and 7:30 pm (AEST), Monday to Friday). Offers of the shares under the Entitlement Offer to Eligible Retail Shareholders will be made in, or accompanied by, a copy of the Prospectus. In deciding whether to take up the offer of shares, Eligible Retail Shareholders should consider the Prospectus. Eligible Retail Shareholders who wish to subscribe for shares under the Entitlement Offer will need to complete the Entitlement and Acceptance Form that will accompany the Prospectus that is sent to them.

### **Shareholder Enquiries**

Retail shareholders who have questions regarding the 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 (AEST) Monday to Friday or go to our website at [www.wesfarmers.com.au](http://www.wesfarmers.com.au).

Institutional shareholders and nominee companies should call the WES Bookbuild Room on +61 2 9324 2740.

For further information:

Media: Keith Kessell  
Executive General Manager, Corporate Affairs  
(+61 8) 9327 4281 or 0419 949 082

Investors: Tanya Rybarczyk  
Manager, Investor Relations  
(+61 8) 9327 4323 or 0439 932 925

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

This market announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction. Neither the entitlements nor the New Wesfarmers Ordinary Shares have been or will be registered under the U.S. Securities Act of 1933, as amended, 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 applicable exemption from registration. This announcement contains "forward-looking" statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Wesfarmers' control. These risks, uncertainties and factors may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements and from past results, performance or achievements. Wesfarmers cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that Wesfarmers' business and operations will not be affected by other factors not currently foreseeable by management or beyond its control.

## APPENDIX: ENTITLEMENT OFFER DETAILS

### Offer Summary

Wesfarmers has requested that its shares not trade on ASX pending the outcome of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild. Wesfarmers shares are expected to re-commence trading on Monday 28 April 2008.

Offer size	<ul style="list-style-type: none"><li>• Approximately \$2.5 billion</li></ul>
Entitlement ratio	<ul style="list-style-type: none"><li>• 1 New Wesfarmers Ordinary Share for every 8 existing Wesfarmers Ordinary Share or WPPS</li></ul>
Offer Price	<ul style="list-style-type: none"><li>• \$29.00 per New Wesfarmers Ordinary Share</li><li>• 21.6 per cent discount to \$36.97, the closing price on 16 April 2008, the last day of trading before Wesfarmers announced the Entitlement Offer</li><li>• 19.6 per cent discount to the theoretical ex-entitlements price<sup>1</sup> of \$36.08</li></ul>
Record date	<ul style="list-style-type: none"><li>• Thursday, 24 April 2008 (7:00 pm)<sup>2</sup></li></ul>
Joint Lead Managers and Underwriters	<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>

<sup>1</sup> The theoretical ex-entitlement price is the theoretical price at which Wesfarmers Ordinary Shares should trade immediately after the ex-date for the Entitlement Offer. This is a theoretical calculation and the actual price at which Wesfarmers Ordinary Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors.

<sup>2</sup> Notwithstanding the 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, 17 April 2008 (other than registrations of transactions that were effected through ITS before the trading halt announcement on Thursday 17 April 2008).

## Offer Structure

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

### *1. Institutional Entitlement Offer*

Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer between 10:00 am (AEST) on 21 April 2008 and 6:00 pm (AEST) on 22 April 2008.

Eligible Institutional Shareholders can choose to take up or not take up all or part of their Entitlements. New Wesfarmers Ordinary 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 price achieved in the Institutional Entitlement Bookbuild (“Institutional Clearing Price”) is higher than the Offer Price of \$29.00, Eligible Institutional Shareholders who do not take up all of their Entitlements and Ineligible Institutional Shareholders will be paid an amount equal to the difference between the Institutional Clearing Price and the Offer Price.

### *2. 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 under a replacement prospectus which is expected to be lodged with ASIC on 24 April 2008. The Retail Entitlement Offer will open at 10:00 am (AEST) on 28 April 2008 and close at 5:00 pm (AEST) on 20 May 2008.

Eligible Retail Shareholders can choose to take up or not take up all or part of their Entitlements. New Wesfarmers Ordinary Shares equal in number to those Entitlements not taken up by Eligible Retail Shareholders and those which would otherwise have been offered to Ineligible Retail Shareholders will be offered for subscription to selected Institutional Investors through the Retail Entitlement Bookbuild process.

If the price achieved in the Retail Entitlement Bookbuild (“Retail Clearing Price”) is higher than the Offer Price of \$29.00, Eligible Retail Shareholders who do not take up all of their Entitlements and Ineligible Retail Shareholders will be paid an amount equal to the difference between the Retail Clearing Price and the Offer Price.

## Eligible Shareholders

An Eligible Retail Shareholder is a person who is registered as the holder of Wesfarmers Ordinary Shares or WPPS at the Record Date who has a registered address in Australia and New Zealand. A full definition of Eligible Retail Shareholder can be found in the Prospectus.

## Stock Lending

Eligible shareholders (including holders of WPPS) will be entitled to apply for 1 New Wesfarmers Ordinary Share for every 8 Wesfarmers Ordinary Shares or WPPS held as at 7:00 pm (AEST) on the Record Date, 24 April 2008. 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).