



Prospectus

for the 1 for 8 Entitlement Offer of approximately 89 million New Wesfarmers Ordinary Shares at an Offer Price of \$29.00 per New Wesfarmers Ordinary Share to raise approximately \$2.57 billion

This is an important document and requires your immediate attention.

If you are an Eligible Retail Shareholder you should read this Prospectus in its entirety before deciding whether to accept the offer of New Wesfarmers Ordinary Shares. Your Entitlement may have value and you should therefore consider whether to take up your Entitlement rather than allow it to lapse.

If you do not understand any part of this Prospectus, or are in any doubt as to how to deal with it or your Entitlement, you should consult your stockbroker, accountant or other professional adviser.

Joint Lead Managers and Underwriters

Financial Adviser



Important Information

This replacement prospectus is dated 24 April 2008 (**Prospectus**) and was lodged with ASIC on that date. It replaces a prospectus dated 21 April 2008 which was lodged with ASIC on that date. ASIC takes no responsibility for the contents of this Prospectus.

This Prospectus expires on 20 May 2009. No New Wesfarmers Ordinary Shares will be issued on the basis of this Prospectus after that expiry date.

This Prospectus is important and requires your immediate attention.

You should read this Prospectus carefully and in its entirety before deciding whether to invest in New Wesfarmers Ordinary Shares. In particular, you should consider the risk factors that could affect the performance of the Wesfarmers Group or the value of an investment in Wesfarmers, some of which are outlined in Section 6 of this Prospectus. Note, however, that the information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation, tax position or particular needs of individual investors.

Before deciding whether to apply for New Wesfarmers Ordinary 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 this Prospectus, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

The potential tax effects of the Retail Entitlement Offer will vary between investors. A summary of potential Australian tax implications is contained in Section 7 of this Prospectus. However, all investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

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

Wesfarmers has applied for the grant by ASX of official quotation of the New Wesfarmers Ordinary Shares. ASX takes no responsibility for the contents of this Prospectus.

Wesfarmers has prepared an institutional offering memorandum dated 21 April 2008 for distribution to Eligible Institutional Shareholders and certain Institutional Shareholders

in connection with the Institutional Entitlement Offer, Institutional Entitlement Bookbuild and Retail Entitlement Bookbuild. The institutional offering memorandum was released to the ASX on 21 April 2008 and can be downloaded from the website: www.asx.com.au.

Prospectus availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Prospectus during the period of the Retail Entitlement Offer on the Wesfarmers website at www.wesfarmers.com.au or by calling the Wesfarmers Limited Shareholder Information Line on the numbers listed below under the heading "Enquiries". Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The electronic version of this Prospectus on the Wesfarmers website will not include an Entitlement and Acceptance Form.

Neither this Prospectus nor the accompanying Entitlement and Acceptance Form may be sent to investors in the US or that are, or are acting on behalf of or for the account or benefit of, a US Person, or otherwise distributed in the US.

Future performance and forward looking statements

Neither Wesfarmers nor any other person warrants or guarantees the future performance of the New Wesfarmers Ordinary Shares or any return on any investment made pursuant to this Prospectus.

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of Wesfarmers' view on its future financial condition and/or performance.

The forward looking statements in this Prospectus are based on Wesfarmers' current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Wesfarmers and its Directors, that 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 Prospectus.

Australia and New Zealand

This Prospect contains an offer to Eligible Retail Shareholders in Australia or New Zealand of continuously quoted securities (as defined in the

Corporations Act) of Wesfarmers, and has been prepared in accordance with section 713 of the Corporations Act.

The New Wesfarmers Ordinary Shares being offered under this Prospectus 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 Prospectus 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.

Foreign jurisdictions

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. No action has been taken to register or qualify the Entitlement Offer (including the Retail Entitlement Offer), the Entitlements or the New Wesfarmers Ordinary Shares, or otherwise permit the public offering of the New Wesfarmers Ordinary Shares, in any jurisdiction other than Australia and New Zealand. The Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand, other than to Eligible Institutional Shareholders as part of the Institutional Entitlement Offer and to Institutional Investors as part of the Institutional Entitlement Bookbuild and the Retail Entitlement Bookbuild, or other than to trustees who hold Wesfarmers Ordinary Shares on behalf of employees under Wesfarmers' UK employee share schemes. This Prospectus does not constitute an offer in the 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.

The distribution of this Prospectus (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Prospectus, 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.

Neither the Entitlements nor the New Wesfarmers Ordinary Shares 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 US 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.

Disclaimer of representations

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

Any information or representation that is not in this Prospectus may not be relied on as having been authorised by Wesfarmers, the Joint Lead Managers or their respective related bodies corporate in connection with the 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 Prospectus.

Defined words and expressions

Some words and expressions used in this Prospectus have defined meanings, which are explained in the glossary in Section 9, as are certain rules of interpretation that apply to this Prospectus.

A reference to time in this Prospectus is to Australian Eastern Standard Time (AEST), unless otherwise stated. All financial amounts in this Prospectus are expressed in Australian currency, unless otherwise stated.

Enquiries

If you have any questions in relation to the Entitlement Offer, please contact your stockbroker, accountant or other professional adviser. If you have questions in relation to the Wesfarmers Ordinary Shares and Wesfarmers PPS upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up your Entitlement, please call the Wesfarmers Limited Shareholder Information Line as set out below:

Within Australia **1300 558 062**
(local call cost)
Outside Australia **+61 3 9415 4631**

The Wesfarmers Limited Shareholder Information Line is open from 8.30am to 7.30pm (AEST) Monday to Friday during the Offer Period.

Privacy

Please read the privacy statement located in Section 8.12. It is important you understand that by submitting an Entitlement and Acceptance Form in or accompanying this Prospectus, you consent to the matters outlined in that statement.

Chairman's Letter

24 April 2008



Dear Shareholder,

On behalf of the Board, I am pleased to invite you to participate in the Entitlement Offer we announced on Monday, 21 April 2008. This provides you with the opportunity to increase your investment in Wesfarmers Limited and to further participate in the continued success of our company.

Purpose of the Entitlement Offer

Wesfarmers is seeking to raise approximately \$2.57 billion through the Entitlement Offer. It has been fully underwritten by ABN AMRO, Deutsche Bank, Goldman Sachs JBWere, JPMorgan, Macquarie Capital Advisers and UBS.

The acquisition in November 2007 of the Coles Group greatly expanded our retail operations. We are very pleased with progress on the integration of the Coles Group and look forward to the acquisition, along with our other very diverse business assets, creating significant shareholder value in coming years.

In conjunction with our recent US\$650 million (\$711 million) bond issue and replacement debt facilities totalling more than \$800 million for which Wesfarmers has arranged commitments from banks, the Entitlement Offer will enable Wesfarmers to refinance all of the \$4 billion short-term bridge facility and the \$1 billion revolving loan facility associated with the Coles Group acquisition.

These refinancing arrangements also give Wesfarmers a strong and stable financial platform, with the flexibility to continue to pursue opportunities within our business divisions while maintaining prudent financial ratios in the current credit environment.

Details of the Entitlement Offer

The Entitlement Offer comprises an institutional component and retail component. This Prospectus relates to the retail component.

Under this Prospectus, existing Eligible Retail Shareholders are being offered the opportunity to subscribe for 1 New Wesfarmers Ordinary Share for every 8 Wesfarmers Ordinary Shares or Wesfarmers partially protected shares held at 7.00pm on Thursday, 24 April 2008, at the offer price of \$29.00 per New Wesfarmers Ordinary Share. This represents a discount of 21.6% to the closing price of Wesfarmers Ordinary Shares on ASX on Wednesday, 16 April 2008 and 19.6% discount to the theoretical ex-rights price on that date.

Shares issued under the Entitlement Offer will qualify for the Wesfarmers 2008 final dividend. Wesfarmers continues to expect to pay total fully franked dividends of at least \$2.00 per share for the 2008 and 2009 financial years, subject to the availability of retained earnings and franking credits. Wesfarmers has declared and paid a 2008 interim dividend of 65 cents per share to shareholders.

Adjustments to Wesfarmers partially protected shares

Under the terms of the Wesfarmers partially protected shares, 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 Wesfarmers partially protected shares and Wesfarmers Ordinary Shares. In exercising that discretion, the Board has had regard to the interests of all Shareholders and determined that:

- ◆ the Wesfarmers partially protected cap price of \$45.00 per Wesfarmers Ordinary Share should be reduced to \$43.92; and
- ◆ the Wesfarmers partially protected floor price of \$36.00 per Wesfarmers Ordinary Share should be reduced to \$35.14.

Grant Samuel Corporate Finance Pty Ltd 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 Wesfarmers partially protected shares.

Other Information

Your entitlement is set out in the personalised Entitlement and Acceptance Form that accompanies this Prospectus. If you do not take up part or all of your entitlement or you are ineligible to participate, the New Wesfarmers Ordinary Shares to which you are entitled but do not take up will be placed in a bookbuild and sold to other investors. For each New Wesfarmers Ordinary Share you do not subscribe for under your Entitlement Offer, you will be paid the excess (if any) of the clearing price achieved through that bookbuild above the offer price of \$29.00 per New Wesfarmers Ordinary Share. For information on how to take up your entitlement under the Entitlement Offer you should refer to Section 3. Please note the closing date for the receipt of Entitlement and Acceptance Forms and Application Monies is 5.00pm (AEST) on Tuesday, 20 May 2008.

The Directors advise you to carefully read this Prospectus in its entirety before making your investment decision. A description of risk factors that you may wish to consider is set out in Section 6.

If you have any questions in respect of the Entitlement Offer please call the Wesfarmers Limited Shareholder Information Line on 1300 558 062 (local call cost within Australia) or on +61 3 9415 4631 (from outside Australia) at any time from 8.30am to 7.30pm (AEST) Monday to Friday during the Offer Period or alternatively consult your stockbroker, accountant or other professional adviser.

On behalf of the Board, I thank you for your continued support as a Wesfarmers Shareholder and I commend the Entitlement Offer to you.

Trevor Eastwood, AM
Chairman

Contents

Important Information	IFC
Chairman's Letter	1
Key Entitlement Offer Statistics	3
Key Dates and Statistics	3
What Should You Do?	3
Investment Highlights	4
Summary of Key Risks	10
1 Questions and Answers	11
2 Details of the Entitlement Offer	17
3 Actions Required of Eligible Retail Shareholders	25
4 Information on Wesfarmers and its Business	29
5 Financial Effect of the Entitlement Offer on Wesfarmers	35
6 Key Risk Factors	39
7 Tax Implications	45
8 Additional Information	49
9 Glossary	59
Corporate Directory	IBC

Key Entitlement Offer Statistics

Offer Price	\$29.00 per New Wesfarmers Ordinary Share
Entitlement – holders of Wesfarmers Ordinary Shares	1 New Wesfarmers Ordinary Share for every 8 Wesfarmers Ordinary Shares held at 7.00pm (AEST) on the Record Date
Entitlement – holders of Wesfarmers PPS	1 New Wesfarmers Ordinary Share for every 8 Wesfarmers PPS held at 7.00pm (AEST) on the Record Date
Number of New Wesfarmers Ordinary Shares to be issued under the Entitlement Offer ¹	Approximately 88.7 million (comprising approximately 32.4 million under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, and approximately 56.3 million under the Retail Entitlement Offer and Retail Entitlement Bookbuild)
Gross Entitlement Offer proceeds ²	Approximately \$2.57 billion (comprising approximately \$940 million under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, and approximately \$1.63 billion under the Retail Entitlement Offer and Retail Entitlement Bookbuild)

Key Dates³

Event	Date
Institutional Entitlement Offer opened	Monday, 21 April 2008
Institutional Entitlement Offer closed	Tuesday, 22 April 2008
Institutional Entitlement Bookbuild closed	Thursday, 24 April 2008
Lodgement of this Prospectus with ASIC	Thursday, 24 April 2008
Record Date for the Entitlement Offer	7.00pm (AEST) on Thursday 24 April 2008
Retail Entitlement Offer opens	Monday, 28 April 2008
Settlement of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild	Monday, 5 May 2008
Issue of New Wesfarmers Ordinary Shares under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, and normal trading of those shares expected to commence on ASX	Tuesday, 6 May 2008
Retail Entitlement Offer closes	5.00pm (AEST) on Tuesday, 20 May 2008
Retail Entitlement Bookbuild opens	Monday, 26 May 2008
Retail Entitlement Bookbuild closes	Tuesday, 27 May 2008
Settlement of the Retail Entitlement Offer and Retail Entitlement Bookbuild	Friday, 30 May 2008
Issue of New Wesfarmers Ordinary Shares under the Retail Entitlement Offer and Retail Entitlement Bookbuild	Monday, 2 June 2008
Normal trading of New Wesfarmers Ordinary Shares issued under the Retail Entitlement Offer and Retail Entitlement Bookbuild expected to commence on ASX	Tuesday, 3 June 2008
Dispatch of payments (if any) in respect of renounced and ineligible Entitlements under Retail Entitlement Offer	Wednesday, 4 June 2008
Dispatch of holding statements	Thursday, 5 June 2008

What Should You Do?

This Prospectus contains important information in relation to the Entitlement Offer. You should read it carefully and in its entirety, including Section 6 which identifies the major risks associated with an investment in Wesfarmers. If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision. If you are an Eligible Retail Shareholder, you may either take up all or some of your Entitlement or decline to take up your Entitlement (see Section 3 for further details).

Notes

- ¹ Due to rounding of Entitlements and reconciliation of Entitlements under the Institutional Entitlement Offer to shareholdings on the Record Date, the exact number of New Wesfarmers Ordinary Shares to be issued, and the number of New Wesfarmers Ordinary Shares to be issued under each part of the Entitlement Offer, will not be known until completion of the Entitlement Offer.
- ² The Entitlement Offer is underwritten by the Joint Lead Managers. See Section 8.4 for a summary of the Underwriting Agreement. If the Underwriting Agreement is terminated, the full amount of the Entitlement Offer may not be received, or the Entitlement Offer may not proceed.
- ³ 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 Wesfarmers Ordinary Shares is subject to confirmation from ASX.

Investment Highlights

1

Opportunity to increase your investment in Wesfarmers on attractive terms

- ◆ Offer Price is a 21.6% discount to the closing price of Wesfarmers Ordinary Shares on ASX on 16 April 2008¹ and a 19.6% discount to the theoretical ex-rights price²
- ◆ No brokerage or commission is payable on taking up your Entitlements

2

Access to Wesfarmers' dividends

- ◆ New Wesfarmers Ordinary Shares issued under the Entitlement Offer will qualify for the FY 2008 final dividend
- ◆ The Directors of Wesfarmers expect to declare fully franked dividends of at least \$2.00 per Wesfarmers Ordinary Share and Wesfarmers PPS in both FY 2008³ and FY 2009, subject to the availability of retained earnings and franking credits. This implies at least \$1.35 for the FY 2008 final dividend payable in September 2008



Notes

- ¹ This is the last day of trading on ASX in Wesfarmers Shares before the announcement of the Entitlement Offer.
- ² The theoretical ex-rights 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 and may differ from the theoretical ex-rights price.
- ³ A \$0.65 interim dividend has already been declared and paid in FY2008.

3

Strong and stable financial platform and flexibility to pursue new opportunities

- ◆ Proceeds from the Entitlement Offer, combined with the recent US\$650 million (\$711 million) bond issue and new debt facilities for which Wesfarmers has received commitments on customary terms will fully repay the \$4 billion short-term bridge facility used in funding the acquisition of the Coles Group
- ◆ Wesfarmers has also received an additional \$1 billion in commitments on customary terms to extend the \$1 billion revolving loan working capital facility put in place at the time of the Coles Group acquisition
- ◆ Average margin on all debt facilities maturing within three years is less than 100 basis points including fees
- ◆ Refinancing these facilities will give Wesfarmers the flexibility to take advantage of both organic and acquisition opportunities within its existing portfolio of businesses
- ◆ Dividend Investment Plan for the FY 2008 final dividend will not be underwritten



Investment Highlights

4

A diverse portfolio of high quality businesses with recognised brands, strong market position and short and long-term growth opportunities

Retail Operations

high quality businesses ...

... with recognised brands

... in strong market positions

... with short and long-term growth objectives

Coles



- ◆ Strong market position in an attractive industry structure
- ◆ Retail platform with an extensive store network

- ◆ Substantial opportunity to create value through improved execution and organisational restructuring activities

Home Improvement and Office Supplies



- ◆ Bunnings – Australia's and New Zealand's leading retailer of home and garden improvement products and a major supplier of building materials
- ◆ Officeworks – Australia's largest retailer of office products

- ◆ Set to benefit from:
 - ◆ A strong focus on "driving the basics"
 - ◆ An active investment programme upgrading and refurbishing existing stores and expanding the network through new store openings
 - ◆ Reinvigorating the Officeworks warehouse offer, continued network expansion, and product range enhancements

Target



- ◆ A leading Australian department store retailer offering customers quality, on-trend, fashionable apparel and soft homewares

- ◆ Strengthen position in key categories through product expansion
- ◆ Growing network through store roll-out and consistent store refurbishments underway

Kmart



- ◆ A prominent discount department store retailer in Australia and New Zealand offering a wide range of affordable merchandise ranging from apparel to hardware and leisure goods

- ◆ Investment programme underway following strategic review
- ◆ Evolution of the product offer with focus on improving the in-store customer experience
- ◆ Accelerating new store openings (5–10 per year) and comprehensive store refurbishment programme

Industrial Operations

high quality
businesses ...

... with recognised
brands

... in strong market
positions

... with short and long-term
growth objectives

Resources



- ◆ Operates coal mines in Queensland (Curragh) and Western Australia (Premier Coal) and a 40% interest in a New South Wales coal mine (Bengalla)
- ◆ Key supplier of metallurgical coal to export market and steaming coal to both domestic and export market

- ◆ Exposed to strong export market fundamentals and customer demand
- ◆ Set to benefit from record metallurgical and steaming coal prices in 2008/09 price negotiations
- ◆ Continued export production and potential sales growth from Curragh
- ◆ Feasibility studies to expand Curragh and Bengalla continue

Insurance



- ◆ A leading insurance broking business in Australasia focusing on insurance and financial services for small and medium-sized enterprises
- ◆ General insurance underwriting provides a range of insurance and risk management solutions

- ◆ Expand financial services offering and leverage distribution network
- ◆ Develop alternative distribution channels, including retail
- ◆ Continue to selectively evaluate broking and underwriting opportunities

Chemicals & Fertilisers



- ◆ One of Australia's leading suppliers of chemicals, fertilisers and other services to the mining, industrial and agricultural sectors

- ◆ Positioned to capitalise on strong chemical demand from the resources sector
- ◆ Second Kwinana ammonium nitrate plant currently being commissioned

Industrial & Safety



- ◆ A leading supplier of industrial consumables and safety products in Australia and New Zealand and a market leader in the supply of materials handling and lifting products and services in Australia

- ◆ Targeted sales to existing customers and new customer segments and sectors
- ◆ Focused on margin and expense control and improving supply chain

Energy



- ◆ The Energy division is made up of five businesses operating in four industry segments: industrial and medical gases, LPG production and export, LPG and LNG distribution, and power generation

- ◆ Performance improvement in existing businesses
- ◆ Expansion of the division's geographical presence in key competency sectors
- ◆ Development of investments and capabilities in new segments

Investment Highlights

5

Coles integration largely complete, with divisions being led by experienced retail management teams

- ◆ Separation of the previous Coles Group businesses is well advanced, with organisational structures currently being finalised
- ◆ New operating models have been designed to lower the cost of doing business and improve execution capability
- ◆ Divisional management teams are focused on driving improved operating results, with strategies being developed to reinvigorate performance
- ◆ Mr Ian McLeod will commence as Managing Director of Coles in May 2008, with Sir Archie Norman appointed as a key adviser

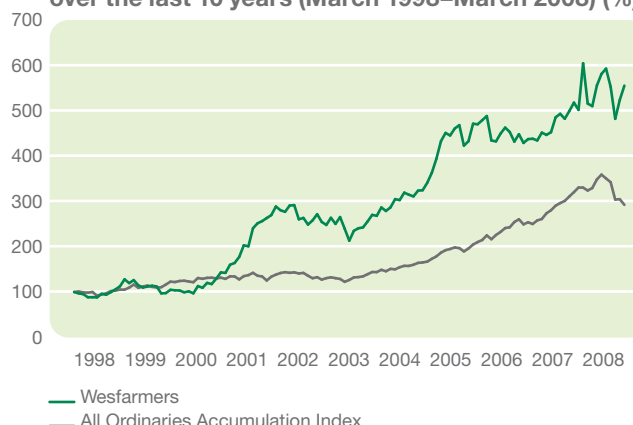


6

A track record of strong financial and operational performance

- ◆ Compound total shareholder return of 18.8% per annum over the last 10 years, compared to the All Ordinaries Accumulation Index over the equivalent period of 11.4% per annum

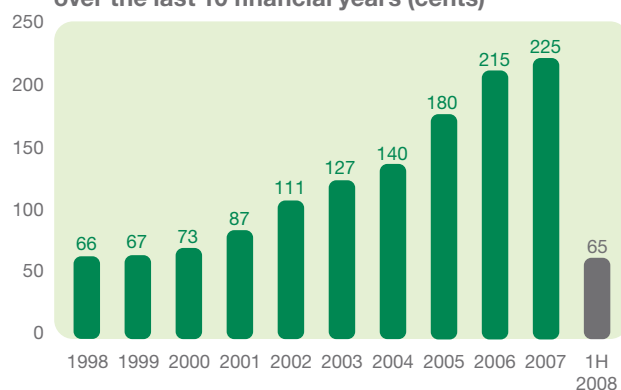
Wesfarmers total shareholder return index over the last 10 years (March 1998–March 2008) (%)*



- ◆ Dividend per share compound annual growth rate of 14.6% over the last 10 financial years

- ◆ Average return on equity across its combined divisions of 19.9% over the last 10 financial years

Dividends per Wesfarmers ordinary share over the last 10 financial years (cents)*



Wesfarmers' return on equity over the last 10 financial years (%)**



* Past performance and results are not indicative of future performance and results, and should not be relied upon in making an investment decision.

Excludes earnings from the sale of Girrah (FY2003), Landmark (FY2004) and Australian Railroad Group (FY2006). For FY1998 to FY2001 average equity is calculated using the prior year and current year closing balances. For FY2002 to FY2007 average equity is calculated using the twelve month-end balances over the financial year.

Summary of Key Risks

In addition to normal risks affecting any listed equity investment, an investment in New Wesfarmers Ordinary Shares is subject to risks associated with Wesfarmers' businesses, which include those set out in Section 6.

Key risks include the following.

Operational Risk

- ◆ The Coles Group acquisition is large relative to Wesfarmers. Integration may not produce expected cost savings or increased sales results, and may occupy significant management time and is expected to result in further restructuring costs. Strategies to change the culture and management of the businesses acquired as part of the Coles Group and turn around the Coles and Kmart businesses may not be successful.
- ◆ Wesfarmers' retail businesses face strong competition from existing and new competitors which may adversely affect their market share and results of operation.
- ◆ If Wesfarmers is unable to locate appropriate store sites for its retail businesses, improve existing stores or address underperforming stores, it may not be able to deliver future sales growth.
- ◆ The coal mining business is subject to the risks common in the Australian mining industry, including infrastructure and supply bottlenecks, physical hazards and tightening competition for employees and equipment, and may be subject to industrial stoppage, particularly in the current collective agreement negotiations.
- ◆ The insurance business is highly regulated and faces risks of price competition, availability and cost of reinsurance and catastrophic loss.
- ◆ Wesfarmers is a conglomerate which from time to time buys and sells businesses. Acquisitions and disposals may lead to a change in the source of Wesfarmers' earnings and result in variability in earnings over time, and may give rise to liabilities. Integration of new businesses into the Wesfarmers Group may be costly and may occupy a large amount of Wesfarmers' management's time.

Credit and Market Risk

- ◆ Wesfarmers has an investment grade credit rating. However, its ability to refinance existing debt and raise further finance on satisfactory terms in the future, and its cost of funds, depend on market conditions and its own performance, and cannot be assured, particularly if the current global debt market deteriorates further.
- ◆ Wesfarmers' businesses, particularly some of its retail businesses, may be adversely affected by a downturn in economic conditions affecting the Australian and New Zealand markets.
- ◆ The coal mining, energy and chemical and fertiliser businesses are affected by fluctuations in commodity prices and exchange rates in respect of inputs and outputs.

Regulatory Risk

- ◆ Wesfarmers' businesses face industry specific and general regulation (including environmental, health and safety laws and gaming and insurance regulation), and may be subject to changes, restrictions, liabilities and compliance and other costs, and the risks of licence removal.

Questions and Answers

1. Questions and Answers

1.1 The Entitlement Offer

Question	Answer	Refer to
What is the Entitlement Offer?	<p>The Entitlement Offer is a pro rata entitlement offer made to Eligible Institutional Shareholders and Eligible Retail Shareholders. The Entitlement Offer comprises four steps:</p> <ul style="list-style-type: none"> ◆ the Institutional Entitlement Offer (already completed); ◆ the Institutional Entitlement Bookbuild (already completed); ◆ the Retail Entitlement Offer; and ◆ the Retail Entitlement Bookbuild. 	Section 2.1
What is my Entitlement?	Each Eligible Retail Shareholder is entitled to subscribe for 1 New Wesfarmers Ordinary Share for every 8 Existing Shares (being Wesfarmers Ordinary Shares or Wesfarmers PPS) held on the Record Date, subject to the terms of this Prospectus.	Entitlement and Acceptance Form
Do I participate if I am a holder of Wesfarmers PPS?	Yes. The Entitlement Offer extends to holders of Wesfarmers PPS on the same terms as it applies to holders of Wesfarmers Ordinary Shares. That is, if you are an Eligible Retail Shareholder, for every 8 Wesfarmers PPS you held on the Record Date you are entitled to subscribe for 1 New Wesfarmers Ordinary Share.	Section 2.14
What is the Offer Price?	<p>The Offer Price is \$29.00 per New Wesfarmers Ordinary Share. This represents a discount of:</p> <ul style="list-style-type: none"> ◆ 21.6% to \$36.97, the closing price on the last day of ASX trading in Wesfarmers Shares before Wesfarmers announced the Entitlement Offer; and ◆ 19.6% to the theoretical ex-rights price¹ of \$36.08, calculated using \$36.97 as the pre-issue price of Wesfarmers Ordinary Shares. 	N/A
How much will be raised from the Entitlement Offer?	<p>Under the Entitlement Offer, Wesfarmers is seeking to raise approximately \$2.57 billion before expenses.</p> <p>The Institutional Entitlement Offer and the Institutional Entitlement Bookbuild (both already conducted) raised approximately \$940 million in total. Wesfarmers is seeking to raise approximately \$1.63 billion from the Retail Entitlement Offer and Retail Entitlement Bookbuild.</p>	Section 2.3
What is the purpose of the Entitlement Offer?	The net proceeds of the Entitlement Offer will be used to repay a portion of certain Wesfarmers debt which is due for repayment on 1 October 2008.	Section 2.3
What are the key risks associated with an investment in New Wesfarmers Ordinary Shares?	<p>The key risks associated with an investment in New Wesfarmers Ordinary Shares are described in Section 6.</p> <p>Before making an investment decision you should read the entire Prospectus and carefully consider these risk factors.</p>	Section 6

Note

- ¹ The theoretical ex-rights 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 and may differ from the theoretical ex-rights price.

Question	Answer	Refer to
Is the Entitlement Offer underwritten?	Yes. The Entitlement Offer is fully underwritten by the Joint Lead Managers (being ABN AMRO Equity Capital Markets Australia Limited, Deutsche Bank AG, Sydney Branch, Goldman Sachs JBWere Pty Limited, J.P. Morgan Australia Limited, Macquarie Capital Advisers Limited and UBS AG, Australia Branch) pursuant to an Underwriting Agreement. The fees payable to the Joint Lead Managers and a summary of the terms of the Underwriting Agreement are set out in Section 8.4.	Section 8.4
Will the terms of the Wesfarmers PPS be adjusted as a result of the Entitlement Offer?	<p>Yes. Under the terms of the Wesfarmers PPS, the Wesfarmers Board may exercise its discretion to determine whether the Wesfarmers PPS terms, including the cap and floor price, should be adjusted to maintain the relative values of the Wesfarmers PPS and Wesfarmers Ordinary Shares. In exercising that discretion, the Board has had regard to the interests of all Shareholders and determined that:</p> <ul style="list-style-type: none"> ◆ the Wesfarmers PPS cap price of \$45.00 per Wesfarmers Ordinary Share should be reduced to \$43.92; and ◆ the Wesfarmers PPS floor price of \$36.00 per Wesfarmers Ordinary Share should be reduced to \$35.14. 	Section 2.14

1.2 Participation in the Retail Entitlement Offer

Question	Answer	Refer to
Who is an Eligible Retail Shareholder?	<p>An Eligible Retail Shareholder is a person who is registered as the holder of Wesfarmers Ordinary Shares or Wesfarmers PPS at 7.00pm (AEST) on 24 April 2008 (the Record Date):</p> <ul style="list-style-type: none"> ◆ has a registered address in Australia or New Zealand (or is a trustee who holds Wesfarmers Ordinary Shares on behalf of employees under Wesfarmers' UK employee share schemes); ◆ is not a US Person or acting for the account or benefit of a US Person; ◆ is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; ◆ does not hold Wesfarmers Ordinary Shares or Wesfarmers PPS as a result of post ex-date transactions which are disregarded as described in Section 8.8; and ◆ is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer. 	N/A
How do Eligible Retail Shareholders find out what their Entitlement is?	<p>If you are an Eligible Retail Shareholder, for every 8 Existing Shares you held in that capacity on the Record Date, you are entitled to subscribe for 1 New Wesfarmers Ordinary Share, subject to the terms of this Prospectus.</p> <p>Your Entitlement is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus.</p> <p>If you did not receive your personalised Entitlement and Acceptance Form, you should call the Wesfarmers Limited Shareholder Information Line on 1300 558 062 (local call cost within Australia) or on +61 3 9415 4631 (from outside Australia) at any time from 8.30am to 7.30pm (AEST) Monday to Friday during the Offer Period.</p>	Entitlement and Acceptance Form

1. Questions and Answers

Question	Answer	Refer to
What can I do with my Entitlement?	<p>You can do one of the following:</p> <ul style="list-style-type: none"> ◆ take up your Entitlement in full; ◆ take up part of your Entitlement; or ◆ do nothing. <p>If you do not take up all or part of your Entitlement, depending on the outcome of the Retail Entitlement Bookbuild, you may be paid some cash in respect of your Entitlement or you may receive nothing.</p> <p>If you do not take up all of your Entitlement, your percentage shareholding in Wesfarmers will be diluted (i.e. it will fall).</p>	Section 3
Can I trade my Entitlement?	No. Entitlements cannot be traded on ASX or any other exchange, nor can they be privately transferred.	Section 2.8
What happens if I do not accept my Entitlement, or accept only part of my Entitlement?	<p>If you do not take up all or part of your Entitlement by the Closing Date, a number of New Wesfarmers Ordinary Shares equal to the number of New Wesfarmers Ordinary Shares not taken up under your Entitlement will be offered for subscription to certain Institutional Investors in the Retail Entitlement Bookbuild.</p> <p>If the amount paid per New Wesfarmers Ordinary Share under the Retail Entitlement Bookbuild (i.e. the Clearing Price) is greater than the Offer Price, you will be paid a cash amount equal to the difference. If the Clearing Price under the Retail Entitlement Bookbuild is equal to the Offer Price, you will be paid nothing.</p> <p>The amount paid per New Wesfarmers Ordinary Share under the Institutional Entitlement Bookbuild was \$37.25 per New Wesfarmers Ordinary Share, which represents a \$8.25 premium to the Offer Price of \$29.00.</p> <p>There can be no guarantee that the price at which the New Wesfarmers Ordinary Shares are acquired by participants in the Retail Entitlement Bookbuild will be higher than the Offer Price or that the price at which New Wesfarmers Ordinary Shares were acquired under the Institutional Entitlement Bookbuild will be matched in the Retail Entitlement Bookbuild (or vice versa).</p> <p>If you do not apply for your full Entitlement, your percentage shareholding in Wesfarmers will be diluted (i.e. it will fall).</p>	Section 2.6
What happens if I do nothing?	<p>If you are an Eligible Retail Shareholder and you do nothing, then a number of New Wesfarmers Ordinary Shares equal to the number of New Wesfarmers Ordinary Shares not taken up under your Entitlement will be offered for subscription to Institutional Investors in the Retail Entitlement Bookbuild.</p> <p>If the amount paid per New Wesfarmers Ordinary Share under the Retail Entitlement Bookbuild (i.e. the Clearing Price) is greater than the Offer Price, you will be paid a cash amount equal to the difference. If the Clearing Price under the Retail Entitlement Bookbuild is equal to the Offer Price, you will be paid nothing.</p>	Section 3.4

Question	Answer	Refer to
	<p>The amount paid per New Wesfarmers Ordinary Share under the Institutional Entitlement Bookbuild was \$37.25 per New Wesfarmers Ordinary Share, which represents a \$8.25 premium to the Offer Price of \$29.00.</p> <p>There can be no guarantee that the price at which the New Wesfarmers Ordinary Shares are acquired by participants in the Retail Entitlement Bookbuild will be higher than the Offer Price or that the price at which New Wesfarmers Ordinary Shares were acquired under the Institutional Entitlement Bookbuild will be matched in the Retail Entitlement Bookbuild (or vice versa).</p> <p>You should note that, if you do not take up your Entitlement, then your percentage shareholding in Wesfarmers will be diluted (i.e. it will fall).</p>	Section 3.4
Can I apply for additional New Wesfarmers Ordinary Shares above my Entitlement?	No	N/A
How do I accept the Retail Entitlement Offer?	<p>If you wish to take up all or part of your Entitlement under the Retail Entitlement Offer you must either:</p> <ul style="list-style-type: none"> ◆ complete and return the personalised Entitlement and Acceptance Form in accordance with the instructions on that form, and then return that form to the Share Registry together with a cheque, bank or money order for the Application Monies in respect of the New Wesfarmers Ordinary Shares you wish to subscribe for (which cannot be more than your Entitlement); or ◆ pay the full Application Monies via BPAY® payment in respect of the New Wesfarmers Ordinary Shares you wish to subscribe for (which cannot be more than your Entitlement), in which case you do not need to complete and return your Entitlement and Acceptance Form. <p>The Share Registry must receive:</p> <ul style="list-style-type: none"> ◆ your completed Entitlement and Acceptance Form and Application Monies; or ◆ your BPAY® payment, <p>by no later than 5.00pm (AEST) on Tuesday, 20 May 2008.</p>	Section 3
What happens if I am a Shareholder on the Record Date but not an Eligible Retail Shareholder?	<p>You will not be entitled to acquire New Wesfarmers Ordinary Shares under the Entitlement Offer. However, the New Wesfarmers Ordinary Shares equal in number to the New Wesfarmers Ordinary Shares that would have been offered to you if you had been entitled to participate in the Entitlement Offer will be offered for subscription to certain Institutional Investors under a bookbuild process. If the Clearing Price under the Retail Entitlement Bookbuild is greater than the Offer Price, you will receive a cash amount equal to the difference.</p>	Section 2.6.2

Note

BPAY® Registered to BPAY Pty Ltd (ABN 69 079 137 518)

1. Questions and Answers

1.3 Tax implications

Question	Answer	Refer to
What are the tax implications of the Entitlement Offer?	A summary of the general tax implications for Australian resident Eligible Retail Shareholders is set out in Section 7. The discussion is in general terms and is not intended to provide specific advice in relation to circumstances of any particular Shareholder. Eligible Retail Shareholders should seek their own tax advice before deciding how to deal with their Entitlements.	Section 7

1.4 Fees and costs of Entitlement Offer

Question	Answer	Refer to
What are the fees and costs of the Entitlement Offer?	Fees and costs associated with the Entitlement Offer total approximately \$60 million and will be paid out of the proceeds of the Entitlement Offer.	Section 8.7

1.5 Information about Wesfarmers and the financial effect of the Entitlement Offer on Wesfarmers

Question	Answer	Refer to
What is Wesfarmers' business?	<p>Wesfarmers is one of Australia's leading diversified companies, with extensive business interests that can be divided into two broad groups:</p> <ul style="list-style-type: none"> ◆ retail operations, which include the Coles Group businesses (including Coles supermarkets, Target, Kmart and Officeworks) and Bunnings hardware stores; and ◆ industrial and other operations, which include: coal mining, gas processing and distribution, power generation, chemicals and fertilisers manufacturing and distribution, industrial and safety product distribution, and general insurance underwriting and broking. 	Section 4
What is the financial effect of the Entitlement Offer on Wesfarmers?	<p>The net proceeds of the Entitlement Offer will be used to repay debt used to fund the acquisition of the Coles Group.</p> <p>The financial effect of the Entitlement Offer on Wesfarmers is shown in the consolidated historical pro-forma balance sheet in Section 5.</p>	<p>Section 2.3</p> <p>Section 5</p>

1.6 Further information

Question	Answer	Refer to
How can further information be obtained?	<p>If you would like further information you can:</p> <ul style="list-style-type: none"> ◆ contact your stockbroker, accountant or other professional adviser; or ◆ call the Wesfarmers Limited Shareholder Information Line on 1300 558 062 (local call cost within Australia) or on +61 3 9415 4631 (from outside Australia) at any time from 8.30am to 7.30pm (AEST) Monday to Friday during the Offer Period. 	N/A



Details of the Entitlement Offer

2. Details of the Entitlement Offer

2.1 Overview

Wesfarmers is seeking to raise approximately \$2.57 billion through an offer to Eligible Shareholders. Wesfarmers is offering Eligible Shareholders the opportunity to subscribe for:

- ◆ 1 New Wesfarmers Ordinary Share for every 8 Wesfarmers Ordinary Shares held at the Record Date; and
- ◆ 1 New Wesfarmers Ordinary Share for every 8 Wesfarmers PPS held at the Record Date.

The Offer Price per New Wesfarmers Ordinary Share is \$29.00. It is expected that approximately 88.7 million New Wesfarmers Ordinary Shares will be issued under the Entitlement Offer.

The Entitlement Offer comprises four parts. Steps 1 and 2 have already been completed.

1. **Institutional Entitlement Offer** – Eligible Institutional Shareholders were invited to take up all or part of their Entitlement.
2. **Institutional Entitlement Bookbuild** – New Wesfarmers Ordinary Shares equivalent to the number not taken up by Eligible Institutional Shareholders, together with any New Wesfarmers Ordinary Shares that would have been offered to Ineligible Institutional Shareholders if they had been entitled to participate in the Institutional Entitlement Offer, were offered under a bookbuild to certain Institutional Investors.
3. **Retail Entitlement Offer** – Eligible Retail Shareholders are sent this Prospectus together with a personalised Entitlement and Acceptance Form and are required to decide whether or not they will take up all or part of their Entitlement.
4. **Retail Entitlement Bookbuild** – New Wesfarmers Ordinary Shares equivalent to the number not taken up by Eligible Retail Shareholders, together with any New Wesfarmers Ordinary Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer, are offered under a bookbuild to certain Institutional Investors.

2.2 Underwriting of the Entitlement Offer

The Entitlement Offer has been fully underwritten by the Joint Lead Managers pursuant to the Underwriting Agreement. This means that the Joint Lead Managers will subscribe at the Offer Price for any New Wesfarmers Ordinary Shares that are not subscribed for by Eligible Shareholders or new Institutional Investors under the Institutional Entitlement Offer, the Institutional Entitlement Bookbuild, the Retail Entitlement Offer and the Retail Entitlement Bookbuild. A summary of the Underwriting Agreement is set out in Section 8.4.

2.3 Use of proceeds

Under the Entitlement Offer, Wesfarmers expects to raise approximately \$2.57 billion before expenses. The Institutional Entitlement Offer and the Institutional Entitlement Bookbuild were conducted between (and including) Monday, 21 April 2008 and Thursday, 24 April 2008 and raised approximately \$940 million in total. Wesfarmers is seeking to raise approximately \$1.63 billion from the Retail Entitlement Offer and Retail Entitlement Bookbuild, which will be conducted between (and including) Monday, 28 April 2008 and Tuesday, 27 May 2008. Fees and costs related to the Entitlement Offer are expected to be approximately \$60 million.

The net proceeds of the Entitlement Offer will be used to repay a portion of Wesfarmers' existing \$4 billion senior bridge facility. The bridge facility (and a \$1 billion working capital facility) forms part of a \$10 billion syndicated credit facility arranged and underwritten by Australia and New Zealand Banking Group Limited, BNP Paribas and National Australia Bank Limited, and which was entered into by Wesfarmers on 2 October 2007. The purpose of the bridge component of the syndicated credit facility was to fund the cash component of Wesfarmers' acquisition of the Coles Group, to repay certain existing Coles Group debt and other existing debt of Wesfarmers, and to fund the ongoing working capital requirements of the Wesfarmers Group.

See section 5.2 for further details.

2.4 Capital structure

The effect of the Entitlement Offer on the capital structure of Wesfarmers is set out in the table below.¹

	Number of Shares ²
Before the Entitlement Offer (as at Friday, 18 April 2008)	709.8 million Wesfarmers Shares in aggregate, comprising 557.5 million Wesfarmers Ordinary Shares and 152.3 million Wesfarmers PPS
Institutional Entitlement Offer and Institutional Entitlement Bookbuild	32.4 million Wesfarmers Ordinary Shares
Retail Entitlement Offer and Retail Entitlement Bookbuild	56.3 million Wesfarmers Ordinary Shares
Total	798.5 million Wesfarmers Shares in aggregate, comprising 646.2 million Wesfarmers Ordinary Shares and 152.3 million Wesfarmers PPS (assuming none of the Wesfarmers PPS on issue as at Friday, 18 April 2008 are reclassified as Wesfarmers Ordinary Shares in accordance with the terms of issue of the Wesfarmers PPS)

2.5 Reasons for using the Entitlement Offer to raise capital

The structure is seen to provide a number of benefits to Wesfarmers and Shareholders as a whole, including:

- ◆ as explained below, Shareholders have the potential opportunity to receive some cash for Entitlements not taken up. Ineligible Retail Shareholders and Ineligible Institutional Shareholders also have the opportunity to receive some cash for Entitlements they would have received had they been eligible to participate in the Entitlement Offer;
- ◆ any cash realised in the Retail Entitlement Bookbuild that is in excess of the Offer Price per New Wesfarmers Ordinary Share will be distributed pro rata to each Eligible Retail Shareholder (to the extent they did not take up their full Entitlement) and each Ineligible Retail Shareholder. This cash amount per New Wesfarmers Ordinary Share (the **Retail Premium**) may be zero or, if it is greater than zero, may be more or less than the Institutional Premium (see Section 2.7.2 below);
- ◆ Shareholders do not have to pay any brokerage or other transaction costs to receive any Retail Premium or to subscribe for New Wesfarmers Ordinary Shares;
- ◆ Eligible Retail Shareholders have the benefit of knowing the outcome of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild before deciding whether or not to take up their Entitlement; and
- ◆ as the Institutional Entitlement Offer and Institutional Entitlement Bookbuild were conducted at the beginning of the Entitlement Offer, Wesfarmers will receive \$940 million from the Institutional Entitlement Offer and Institutional Entitlement Bookbuild a few weeks before the Retail Entitlement Offer is finalised (see Section 2.7 below).

2.6 Retail Entitlement Offer and Retail Entitlement Bookbuild

2.6.1 Retail Entitlement Offer

Overview

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to take up their Entitlement at a price of \$29.00 per New Wesfarmers Ordinary Share.

Who can participate in the Retail Entitlement Offer

The Retail Entitlement Offer is only open to Eligible Retail Shareholders.

Wesfarmers reserves the right to reject any Application that it believes comes from a person who is not an Eligible Retail Shareholder.

What Eligible Retail Shareholders can apply for under the Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to apply for:

- ◆ 1 New Wesfarmers Ordinary Share for every 8 Wesfarmers Ordinary Shares held at the Record Date; and
- ◆ 1 New Wesfarmers Ordinary Share for every 8 Wesfarmers PPS held at the Record Date.

This is called your Entitlement.

Notes

¹ Figures have been rounded to one decimal place.

² Due to rounding of Entitlements and reconciliation of Entitlements under the Institutional Entitlement Offer to shareholdings on the Record Date, the exact number of New Wesfarmers Ordinary Shares to be issued, and the number of New Wesfarmers Ordinary Shares to be issued under each part of the Entitlement Offer, will not be known until completion of the Entitlement Offer.

2. Details of the Entitlement Offer

These ratios are equal to the ratio for the issue of New Wesfarmers Ordinary Shares under the Institutional Entitlement Offer. The Record Date is also the record date that applies to Eligible Institutional Shareholders for the Institutional Entitlement Offer.

The number of New Wesfarmers Ordinary Shares for which an Eligible Retail Shareholder is prima facie entitled to apply is shown on the personalised Entitlement and Acceptance Form that accompanies the copy of this Prospectus sent to each Eligible Retail Shareholder. Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Wesfarmers Ordinary Shares. Where an Eligible Retail Shareholder holds both Wesfarmers Ordinary Shares and Wesfarmers PPS 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 up;
- ◆ the shareholder's prima facie Entitlement with respect to its holding of Wesfarmers PPS on the Record Date is calculated and any fractional entitlement is rounded up; and
- ◆ the two Entitlement figures are then aggregated to produce an aggregate Entitlement figure.

Offer Price

The Offer Price is \$29.00 per New Wesfarmers Ordinary Share. This is payable on taking up your Entitlement and is the same price to be paid for New Wesfarmers Ordinary Shares by Eligible Institutional Shareholders under the Institutional Entitlement Offer.

Taking up Entitlements

Eligible Retail Shareholders can take up their Entitlement in full or in part by returning their Entitlement and Acceptance Form to the Share Registry, or by BPAY® payment instruction, by no later than 5.00pm (AEST) on Tuesday, 20 May 2008 (the **Closing Date**). Payment may be made via cheque, bank draft, money order or BPAY® payment by following the instructions as set out on the Entitlement and Acceptance Form.

Returning a completed Entitlement and Acceptance Form or paying the Offer Price for New Wesfarmers Ordinary Shares by BPAY® will be taken to constitute a representation by the Eligible Retail Shareholder that they:

- ◆ have received a printed or electronic copy of this Prospectus accompanying the form and have read them all in full;
- ◆ declare that all details and statements in the form are complete and accurate;
- ◆ acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given, the Application may not be varied or withdrawn except as required by law;

- ◆ agree to being issued the number of New Wesfarmers Ordinary Shares they applied or paid for; and
- ◆ authorise Wesfarmers and the Joint Lead Managers and their officers or agents to do anything on their behalf necessary for New Wesfarmers Ordinary Shares to be issued to them, including to act on instructions received by the Share Registry using the contact details in the form.

Eligible Retail Shareholders may elect to apply for all, some or none of the New Wesfarmers Ordinary Shares offered to them under the Retail Entitlement Offer.

The Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with.

Entitlements not taken up

New Wesfarmers Ordinary Shares of an equivalent number to New Wesfarmers Ordinary Shares not taken up under the Retail Entitlement Offer will be offered for subscription under the Retail Entitlement Bookbuild (see Section 2.6.2). These New Wesfarmers Ordinary Shares will be offered for subscription together with New Wesfarmers Ordinary Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer.

2.6.2 Retail Entitlement Bookbuild

Overview

The Retail Entitlement Bookbuild will be conducted by the Joint Lead Managers pursuant to a bookbuild sale process on or about Monday, 26 May 2008. Certain Institutional Investors will be invited by the Joint Lead Managers to participate in the Retail Entitlement Bookbuild. They will be invited to bid for the number of New Wesfarmers Ordinary Shares equal to the sum of:

- ◆ New Wesfarmers Ordinary Shares not taken up by Eligible Retail Shareholders; and
- ◆ New Wesfarmers Ordinary Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer.

Bookbuild price

The Clearing Price under the Retail Entitlement Bookbuild may be equal to or above the Offer Price.

If the Clearing Price is equal to the Offer Price:

- ◆ Wesfarmers will receive the Offer Price in respect of all New Wesfarmers Ordinary Shares issued under the Retail Entitlement Bookbuild; and
- ◆ no cash will be payable to any Eligible Retail Shareholder or Ineligible Retail Shareholder.

If the Clearing Price is above the Offer Price:

- ◆ Wesfarmers will receive the Offer Price in respect of all the New Wesfarmers Ordinary Shares issued under the Retail Entitlement Bookbuild; and

- ◆ the excess, being the Retail Premium, will be paid to:
 - ◆ each Eligible Retail Shareholder who did not take up their Entitlement in full (according to the number of New Wesfarmers Ordinary Shares they were entitled to take up but did not); and
 - ◆ each Ineligible Retail Shareholder (according to the number of New Wesfarmers Ordinary Shares they would have been entitled to take up if they were an Eligible Retail Shareholder).

The Clearing Price will not be below the Offer Price because the Offer is fully underwritten by the Joint Lead Managers. If there is insufficient demand to clear the Retail Entitlement Bookbuild at the Offer Price, the Joint Lead Managers will take up any shortfall at the Offer Price.

The ability to procure subscribers for New Wesfarmers Ordinary Shares under the Retail Entitlement Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. It is possible that the Clearing Price under the Retail Entitlement Bookbuild may be equal to the Offer Price, in which case no Retail Premium would be payable. The fact that the Institutional Premium was \$8.25 per New Wesfarmers Ordinary Share (see Section 2.7.2) is not an indication of whether there will be a Retail Premium or of what the Retail Premium may be. To the maximum extent permitted by law, neither Wesfarmers nor the Joint Lead Managers, nor their respective related bodies corporate, nor the directors, officers, employees, agents or advisers of any of them, will be liable, including for negligence, for any failure to procure subscribers under the Retail Entitlement Bookbuild at a price equal to or in excess of the Offer Price.

Payment of any Retail Premium to any existing or former Shareholder will be made either by:

- ◆ cheque mailed to that person's address as last recorded in Wesfarmers' register of members; or
- ◆ direct credit, but only where that person has previously nominated to receive payment of dividends by direct credit and has not withdrawn that nomination.

In all cases, the payment method used will be at Wesfarmers' election.

2.7 Institutional Entitlement Offer and Institutional Entitlement Bookbuild

The Institutional Entitlement Offer and the Institutional Entitlement Bookbuild were conducted between (and including) Monday, 21 April 2008 and Thursday, 24 April 2008.

The Institutional Entitlement Offer and the Institutional Entitlement Bookbuild raised approximately \$940 million.

Settlement of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild is expected to occur on Monday, 5 May 2008. Those New Wesfarmers Ordinary Shares are then expected to be issued and commence trading on ASX on Tuesday, 6 May 2008.

2.7.1 Institutional Entitlement Offer

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders were invited to subscribe for:

- ◆ 1 New Wesfarmers Ordinary Share at the Offer Price for every 8 Wesfarmers Shares held at the Record Date; and
- ◆ 1 New Wesfarmers Ordinary Share at the Offer Price for every 8 Wesfarmers PPS held at the Record Date.

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders subscribed for approximately 31.0 million New Wesfarmers Ordinary Shares. As a result, approximately 1.4 million New Wesfarmers Ordinary Shares were offered for subscription under the Institutional Entitlement Bookbuild.

2.7.2 Institutional Entitlement Bookbuild

Under the Institutional Entitlement Bookbuild, certain Institutional Investors were invited to bid by the Joint Lead Managers for approximately 1.4 million New Wesfarmers Ordinary Shares, being that number of New Wesfarmers Ordinary Shares equal to the sum of:

- ◆ New Wesfarmers Ordinary Shares not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer; and
- ◆ New Wesfarmers Ordinary Shares that would have been offered to Ineligible Institutional Shareholders if they had been entitled to participate in the Institutional Entitlement Offer.

The Clearing Price under the Institutional Entitlement Bookbuild was \$37.25 per New Wesfarmers Ordinary Share. As the Clearing Price under the Institutional Entitlement Bookbuild was higher than the Offer Price, the excess (the **Institutional Premium**) will be paid to:

- ◆ each Eligible Institutional Shareholder who did not take up their Entitlement in full (according to the number of New Wesfarmers Ordinary Shares they were entitled to take up but did not); and
- ◆ each Ineligible Institutional Shareholder (according to the number of New Wesfarmers Ordinary Shares they would have been entitled to take up if they had been eligible to participate in the Institutional Entitlement Offer).

The Offer Price per New Wesfarmers Ordinary Share will be received by Wesfarmers.

The fact that the Institutional Premium was \$8.25 per New Wesfarmers Ordinary Share is not an indication that there will be a Retail Premium or of what the Retail Premium may be.

2. Details of the Entitlement Offer

2.7.3 No offer under the Retail Entitlement Offer to Eligible Institutional Shareholders or Ineligible Institutional Shareholders

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder including:

- ◆ any Eligible Institutional Shareholder (whether or not it accepted the Institutional Entitlement Offer);
- ◆ any Ineligible Institutional Shareholder; or
- ◆ a nominee for such a person, in respect of Existing Shares held for such a Shareholder.

2.7.4 No offer under the Retail Entitlement Offer to holders of New Wesfarmers Ordinary Shares

Any person allocated New Wesfarmers Ordinary Shares under the Institutional Entitlement Offer or Institutional Entitlement Bookbuild does not have any entitlement to participate in the Retail Entitlement Offer in respect of those New Wesfarmers Ordinary Shares.

2.8 No trading of Entitlements

Entitlements cannot be traded on ASX or any other exchange or privately transferred.

However, New Wesfarmers Ordinary Shares equivalent to the number of New Wesfarmers Ordinary Shares not taken up under the Retail Entitlement Offer will be offered for subscription under the Retail Entitlement Bookbuild (described in Section 2.6.2). If you do not take up all of your Entitlement, you may be paid some cash for that part of your Entitlement not taken up (refer to Sections 2.6.2 and 3) or you may be paid nothing.

2.9 Reconciliation

The Entitlement Offer is a complex structure and in some instances investors may believe that they will own more Wesfarmers Shares than they ultimately did on the Record Date. In addition, where trustees of Wesfarmers' employee share plans hold shares on behalf of participants in those plans, the number of New Wesfarmers Ordinary Shares that are offered may need to increase to take account of the rounding up referred to in Section 2.6.1. These matters result in a need for reconciliation. If reconciliation is required, it is possible that Wesfarmers may need to issue a small quantity of additional New Wesfarmers Ordinary Shares (**Top-Up Shares**) to ensure all Eligible Institutional Shareholders and Eligible Retail Shareholders receive their full Entitlement. The price at which these Top-Up Shares would be issued is not known but would be no lower than the Offer Price.

Wesfarmers also reserves the right to reduce the number of New Wesfarmers Ordinary Shares or the amount of the Institutional Premium or Retail Premium allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information

requested to substantiate their claims. Any Top-Up Shares (and New Wesfarmers Ordinary Shares issued under the Retail Entitlement Bookbuild) will be issued under this Prospectus and accordingly (without limiting other provisions of this Prospectus permitting variation of dates or acceptance of late applications), the offers in this Prospectus remain open for acceptance in respect of such shares until the date of issue of New Wesfarmers Ordinary Shares following the Retail Entitlement Bookbuild.

2.10 Ranking of New Wesfarmers Ordinary Shares

New Wesfarmers Ordinary Shares will be issued on a fully paid basis and will rank equally in all respects with Wesfarmers Ordinary Shares on issue as at the Record Date.

A summary of the rights and liabilities attaching to the New Wesfarmers Ordinary Shares is set out in Section 8.5.

2.11 ASX quotation and trading of New Wesfarmers Ordinary Shares

Wesfarmers has applied for the official quotation of the New Wesfarmers Ordinary Shares. Subject to approval being granted, it is expected that normal trading of New Wesfarmers Ordinary Shares issued under the Institutional Entitlement Offer and the Institutional Entitlement Bookbuild will commence on Tuesday, 6 May 2008. It is expected that normal trading will commence in relation to New Wesfarmers Ordinary Shares issued under the Retail Entitlement Offer and the Retail Entitlement Bookbuild on Tuesday, 3 June 2008.

Holding statements are expected to be dispatched to Eligible Retail Shareholders on Wednesday, 5 June 2008. It is the responsibility of each applicant to confirm their holding before trading in New Wesfarmers Ordinary Shares. Any applicant who sells New Wesfarmers Ordinary Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. Wesfarmers and the Joint Lead Managers disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Wesfarmers Ordinary Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Wesfarmers, the Share Registry or the Joint Lead Managers.

2.12 Application Monies

All Application Monies will be held by Wesfarmers in a bank account on trust for applicants until the New Wesfarmers Ordinary Shares are issued or, if the New Wesfarmers Ordinary Shares are not issued, until the Application Monies are returned to the applicants. The bank account will be established and maintained by Wesfarmers solely for the purpose of depositing Application Monies and retaining those funds for as long as required under the Corporations Act.

Interest earned on the Application Monies will be for the benefit of, and will remain the property of, Wesfarmers and will be retained by Wesfarmers whether or not the allotment and issue of New Wesfarmers Ordinary Shares takes place.

If the New Wesfarmers Ordinary Shares are not issued, all Application Monies will be refunded by Wesfarmers as soon as practicable, without interest, and Entitlements will cease to have any value.

2.13 Market prices of Existing Shares on ASX

The closing price on ASX on Wednesday, 16 April 2008 (the last day of trading on ASX in Wesfarmers Shares before announcement of the Entitlement Offer) of:

- ◆ Wesfarmers Ordinary Shares was \$36.97 (the Offer Price of \$29.00 represents a discount of 21.6% to that price); and
- ◆ Wesfarmers PPS was \$37.22.

The volume weighted average price of Wesfarmers Shares on ASX during the relevant periods up to and including, Wednesday, 16 April 2008, that date being the last day of trading on ASX in Wesfarmers prior to lodgement of this Prospectus with ASIC, are set out below.

	Volume weighted average price of Wesfarmers Ordinary Shares (\$)	Volume weighted average price of Wesfarmers PPS (\$)
1 month	37.89	38.30
3 months	37.47	37.92
6 months	39.06	Not applicable – Wesfarmers PPS were issued in November 2007

2.14 Effect of Entitlement Offer on holders of Wesfarmers PPS

The Entitlement Offer extends to holders of Wesfarmers PPS on the same terms as it applies to holders of Wesfarmers Ordinary Shares. For instance, an Eligible Retail Shareholder who is registered as the holder of Wesfarmers PPS on the Record Date will be entitled to subscribe for 1 New Wesfarmers Ordinary Share for every 8 Wesfarmers PPS held on the Record Date.

Under the terms of the Wesfarmers PPS, the Wesfarmers Board may exercise its discretion to determine whether the Wesfarmers PPS terms, including the cap and floor price, should be adjusted to maintain the relative values of the Wesfarmers PPS and Wesfarmers Ordinary Shares. In exercising that discretion, the Board has had regard to the interests of all Shareholders and determined that:

- ◆ The Wesfarmers PPS cap price of \$45.00 per share should be reduced to \$43.92; and
- ◆ The Wesfarmers PPS 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-rights price¹ and the closing price of Wesfarmers Ordinary Shares on Wednesday, 16 April 2008.

In exercising its discretion, the Wesfarmers Board has had regard to the benefit to Wesfarmers PPS holders through their participation in the Entitlement Offer and the effect

of the Entitlement Offer on the relative values of the Wesfarmers PPS 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 Wesfarmers PPS.

2.15 Treatment of foreign Shareholders

2.15.1 General

Neither this Prospectus nor the Entitlement and Acceptance Form constitutes an offer in the United States (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

Eligible Retail Shareholders resident outside Australia and New Zealand should consult their professional advisers as to whether, in order to enable them to take up their Entitlement, any governmental or other consents are required or other formalities need to be observed.

Eligible Retail Shareholders holding Wesfarmers Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that taking up their Entitlement does not breach the laws and regulations in the relevant overseas jurisdiction. The making of an Application (whether by the return of a duly completed Entitlement and Acceptance Form or by the making of a BPA[®] payment) will constitute a representation that there has been no breach of such laws or regulations.

Note

- ¹ The theoretical ex-rights 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 and may differ from the theoretical ex-rights price.

2. Details of the Entitlement Offer

Shareholders who are nominees are therefore advised to seek independent advice as to how they should proceed.

The Retail Entitlement Offer is not being made in the US or to, or for the account or benefit of, US Persons. Accordingly, Eligible Retail Shareholders who hold Wesfarmers Shares on behalf of persons in the US or that are US Persons may not take up their Entitlements or subscribe for New Wesfarmers Ordinary Shares on behalf of such persons, and may not send to such persons this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer.

Each purchaser of New Wesfarmers Ordinary Shares under the Retail Entitlement Offer will be deemed to have represented, warranted and agreed that:

- ◆ neither the Entitlements nor the New Wesfarmers Ordinary Shares have been, or will be, registered under the Securities Act or any US state or other securities laws, and may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- ◆ it is not in the US, and is not a US Person or acting for the account or benefit of a US Person;
- ◆ it will not send this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the US or that is a US Person; and
- ◆ if in the future it decides to sell or otherwise transfer its New Wesfarmers Ordinary Shares, it will only do so in regular way transactions on ASX where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the US.

2.15.2 New Zealand

The New Wesfarmers Ordinary Shares offered under this Prospectus are offered to Eligible Retail Shareholders in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Prospectus 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.

2.15.3 Ineligible Retail Shareholders

Wesfarmers is of the view that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders, having regard to:

- ◆ the number of Ineligible Retail Shareholders;
- ◆ the number and value of the New Wesfarmers Ordinary Shares which would be offered to Ineligible Retail Shareholders if they were Eligible Retail Shareholders; and

- ◆ the cost of complying with the legal requirements, and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Retail Entitlement Offer is not being extended to any Shareholders outside Australia and New Zealand (other than to the trustees who hold Wesfarmers Ordinary Shares on behalf of employees under Wesfarmers' UK employee share schemes). Wesfarmers will notify all Ineligible Retail Shareholders of the Retail Entitlement Offer and advise that Wesfarmers is not extending the Retail Entitlement Offer to Ineligible Retail Shareholders.

Wesfarmers has appointed the Joint Lead Managers to offer for subscription, through the Retail Entitlement Bookbuild, New Wesfarmers Ordinary Shares equal to the number of New Wesfarmers Ordinary Shares that Ineligible Retail Shareholders would have been able to subscribe for had they been entitled to participate in the Retail Entitlement Offer, as described in Section 2.6.2.

2.16 Taxation implications

The taxation implications of the Retail Entitlement Offer, including the implications of acquiring, holding and disposing of New Wesfarmers Ordinary Shares and receiving, taking up and renouncing Entitlements, will vary depending upon the particular circumstances of each Shareholder. Accordingly, all investors should obtain their own professional advice before concluding on the particular taxation treatment that will apply to them, whether or not those investors participate in the Retail Entitlement Offer and acquire New Wesfarmers Ordinary Shares.

General tax implications in Australia for Eligible Retail Shareholders are discussed in further detail in Section 7.

2.17 Broker stamping fees

A stamping fee of 0.5% of Application Monies (exclusive of GST) on New Wesfarmers Ordinary Shares allotted will be paid to stockbrokers (being those entities named as full service (advisory) brokers or non-advisory brokers on the ASX website) who submit a valid claim for a broker stamping fee on successful Applications, subject to a fee limit of \$100 (exclusive of GST) for each such Application. The aggregate fee payable on all successful Applications will be limited to \$1.5 million (inclusive of GST). In the event that the total stamping fees payable exceed \$1.5 million (inclusive of GST), the stamping fee payable per successful Application will be scaled back on a pro rata basis. This fee is to be met by Wesfarmers. Details of the claims process are to be separately communicated.



Actions Required of Eligible Retail Shareholders

3. Actions Required of Eligible Retail Shareholders

3.1 What you may do – choices available

Eligible Retail Shareholders may do any of the following:

- ◆ take up their Entitlement in full (refer to Section 3.2); or
- ◆ take up part of their Entitlement (refer to Section 3.3); or
- ◆ do nothing (refer to Section 3.4).

The Retail Entitlement Offer is a pro rata offer to Eligible Retail Shareholders. Eligible Retail Shareholders who take up their Entitlements in full will not have their percentage shareholding in Wesfarmers diluted by the Entitlement Offer. The percentage shareholding of Eligible Retail Shareholders who do not take up all of their Entitlements will be diluted.

3.2 If you wish to take up ALL of your Entitlement

If you are an Eligible Retail Shareholder and you wish to take up all of your Entitlement, you have two options.

Option 1 Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order

To follow this **Option 1**, you should:

- ◆ complete the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form; and
- ◆ return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:
 - ◆ in respect of the full Application Monies (being \$29.00 multiplied by the number of New Wesfarmers Ordinary Shares comprising your Entitlement); and
 - ◆ in Australian currency drawn on an Australian branch of a financial institution; and
 - ◆ made payable to “Wesfarmers Limited – Entitlement Offer Account” and crossed “Not Negotiable”.

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 for the number of New Wesfarmers Ordinary Shares you have applied for in your Entitlement and Acceptance Form in full, you will be taken to have applied for such lower number of whole New Wesfarmers Ordinary Shares as your cleared Application Monies will pay for (and to have specified that number of New Wesfarmers Ordinary Shares on your Entitlement and Acceptance Form). Alternatively your Application will be rejected.

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

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order reaches the Share Registry at the following address by no later than 5.00pm (AEST) on Tuesday, 20 May 2008 (subject to variation):

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 8060

For the convenience of Eligible Retail Shareholders, a reply paid envelope addressed to the Share Registry has been enclosed with this Prospectus. If mailed in Australia, no postage stamp is required.

Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted if received after the offer close date or at Wesfarmers' registered or corporate offices.

You may **not** apply for more than the Entitlement shown on your Entitlement and Acceptance Form. The Entitlement stated on your Entitlement and Acceptance Form may be in excess of your actual Entitlement where, for example, you are acting on behalf of a US Person. If Wesfarmers determines that you have applied for more than your actual Entitlement, any Application Monies received for more than your total Entitlement will be refunded on or around Wednesday, 4 June 2008.

Option 2 Pay via BPAY® payment

To follow this **Option 2**, you should pay the full Application Monies (being \$29.00 multiplied by the number of New Wesfarmers Ordinary Shares comprising your Entitlement) via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution.

Please note that should you choose to pay by BPAY® payment:

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

You need to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEST) on Tuesday, 20 May 2008 (subject to variation).

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by 5.00pm (AEST) on Tuesday, 20 May 2008 (subject to variation).

You may **not** apply for more than the Entitlement shown on your Entitlement and Acceptance Form. The Entitlement stated on your Entitlement and Acceptance Form may be in excess of your actual Entitlement where, for example, you are acting on behalf of a US Person. Any Application Monies received for more than your total Entitlement will be refunded on or around Wednesday, 4 June 2008.

3.3 If you take up PART of your Entitlement

If you are an Eligible Retail Shareholder and you wish to take up PART of your Entitlement, you have two options.

Option 1 Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order

To follow this **Option 1**, you should:

- ◆ complete the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form, and indicate the number of New Wesfarmers Ordinary Shares you wish to subscribe for; and
- ◆ return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:
 - ◆ in respect of the full Application Monies (being \$29.00 multiplied by the number of New Wesfarmers Ordinary Shares you wish to subscribe for);
 - ◆ in Australian currency drawn on an Australian branch of a financial institution; and
 - ◆ made payable to "Wesfarmers Limited – Entitlement Offer Account" and crossed "Not Negotiable".

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 whole New Wesfarmers Ordinary Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Wesfarmers Ordinary Shares as your cleared Application Monies will pay for (and to have specified that number of New Wesfarmers Ordinary Shares on your Entitlement and Acceptance Form). Alternatively your Application will be rejected.

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

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order reaches the Share Registry at the following address by no later than 5.00pm (AEST) on Tuesday, 20 May 2008 (subject to variation):

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 8060

For the convenience of Eligible Retail Shareholders, a reply paid envelope addressed to the Share Registry has been enclosed with this Prospectus. If mailed in Australia, no postage stamp is required.

Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted if received after the offer close date or at Wesfarmers' registered or corporate offices.

You may **not** apply for more than the Entitlement shown on your Entitlement and Acceptance Form. The Entitlement stated on your Entitlement and Acceptance Form may be in excess of your actual Entitlement where, for example, you are acting on behalf of a US Person. If Wesfarmers determines that you have applied for more than your actual Entitlement, any Application Monies received for more than your total Entitlement will be refunded on or around Wednesday, 4 June 2008.

You should **note** that the New Wesfarmers Ordinary Shares representing the part of your Entitlement that you do not take up will be sold through the Retail Entitlement Bookbuild and you will be paid cash if there is a Retail Premium (see Section 2.6.2). You should also note that, if you do not take up all of your Entitlement, then – although you will continue to own the same number of Wesfarmers Ordinary Shares and Wesfarmers PPS and may acquire some New Wesfarmers Ordinary Shares – your percentage shareholding in Wesfarmers will be diluted (i.e. it will fall).

Option 2 Pay via BPAY® payment

To follow this **Option 2**, you should pay the full Application Monies (being \$29.00 multiplied by the number of New Wesfarmers Ordinary Shares you wish to subscribe for) via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution.

3. Actions Required of Eligible Retail Shareholders

Please note that should you choose to pay by BPAY® payment:

- ◆ you do **not** need to submit the personalised Entitlement and Acceptance form but are taken to make the statements on that form; and
- ◆ you are taken to have taken up your Entitlement in respect of such whole number of New Wesfarmers Ordinary Shares which is covered by your Application Monies.

You need to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEST) on Tuesday, 20 May 2008 (subject to variation).

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by 5.00pm (AEST) on Tuesday, 20 May 2008.

You may **not** apply for more than the Entitlement shown on your Entitlement and Acceptance Form. The Entitlement stated on your Entitlement and Acceptance Form may be in excess of your actual Entitlement where, for example, you are acting on behalf of a US Person. Any Application Monies received for more than your total Entitlement will be refunded on or around Wednesday, 4 June 2008.

You should **note** that the New Wesfarmers Ordinary Shares representing the part of your Entitlement that you do not take up will be sold through the Retail Entitlement Bookbuild and you will be paid cash if there is a Retail Premium (see Section 2.6.2). You should also note that, if you do not take up all of your Entitlement, then – although you will continue to own the same number of Wesfarmers Ordinary Shares and Wesfarmers PPS and may acquire some New Wesfarmers Ordinary Shares – your percentage shareholding in Wesfarmers will be diluted (i.e. it will fall).

3.4 Do nothing

If you are an Eligible Retail Shareholder and you do nothing, then New Wesfarmers Ordinary Shares representing your Entitlement will be sold through the Retail Entitlement Bookbuild and you will be paid cash if there is a Retail Premium (see Section 2.6.2).

You should also note that, if you do not take up your Entitlement, then – although you will continue to own the same number of Wesfarmers Ordinary Shares and Wesfarmers PPS – your percentage shareholding in Wesfarmers will be diluted (i.e. it will fall).

3.5 Enquiries

This Prospectus is important and requires your immediate attention. You should read it in its entirety. If you are in doubt as to the course you should follow you should consult your stockbroker, accountant, solicitor or other professional adviser. If you:

- ◆ have questions in relation to the Wesfarmers Ordinary Shares or Wesfarmers PPS upon which your Entitlement has been calculated; or
- ◆ have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- ◆ you have lost your Entitlement and Acceptance Form and would like a replacement form;

please call the Wesfarmers Limited Shareholder Information Line on **1300 558 062** (local call cost within Australia) or on **+61 3 9415 4631** (from outside Australia) at any time from 8.30am to 7.30pm (AEST) Monday to Friday during the Offer Period.

Information on Wesfarmers and its Business

4. Information on Wesfarmers and its Business

4.1 Overview

From its origin in 1914 as a Western Australian Farmers' Co-operative, Wesfarmers has grown into one of Australia's leading diversified companies, with extensive retail and industrial businesses and strong market positions and brands in its respective markets.

Throughout its history as a listed company (since 1984), Wesfarmers has undertaken a number of significant investments, acquisitions and divestments in a variety of industries. Wesfarmers expects to continue to acquire and divest businesses from time to time in pursuing its conglomerate business strategy.

Wesfarmers' business interests can be divided into two broad groups: Retail operations, and Industrial and other operations. As at 31 December 2007, Wesfarmers employed more than 200,000 people across Australia and New Zealand.

4.2 Business divisions

(a) Retail operations

Wesfarmers' retail operations consist of the Coles Group businesses (acquired on 23 November 2007) and the Bunnings home improvement business, as described below. The Coles Group businesses include the Coles supermarkets, liquor stores and fuel and convenience outlets, as well as the Target, Kmart, and Officeworks and Harris Technology businesses. The Coles supermarkets, liquor stores and fuel and convenience outlets now comprise Wesfarmers' Coles division, and Officeworks is included with Bunnings in Wesfarmers' Home Improvements & Office Supplies division, as described below.

Coles

The Coles division operates Coles and Bi-Lo branded supermarkets, Coles Express and liquor stores under multiple brands and, as at 31 March 2008, operated 2,217 retail locations throughout Australia.

Coles is one of two national leaders in supermarkets with an estimated 23% market share in food and liquor (on the basis of industry-wide sales data available for FY 2006, the most recent year for such data is available). As at 31 March 2008, the supermarkets business was the second largest food and grocery retailer in Australia in terms of sales. As at 31 March 2008, the supermarkets business had 678 Coles branded stores across Australia and 67 Bi-Lo branded stores, which are typically smaller in size than Coles stores and focus on local neighbourhoods and regional areas.

Under an exclusive alliance agreement with Shell Group, the Coles division operates a further approximately 600 Coles Express fuel and convenience stores across Australia. The Coles Express business is a key part of Coles' customer loyalty strategy, whereby Coles Group supermarkets, Liquorland and Kmart customers who make purchases over a certain dollar amount receive a fuel discount. For FY 2007, Coles Express had an estimated market share of 20%, which represented the second largest share of the automotive fuel retailing market in Australia.

Coles Liquor is a major liquor retailer, operating a range of liquor retailing formats encompassing three major brands: the 1st Choice liquor superstore, the Liquorland convenience offer and the specialist chain, Vintage Cellars. As at 31 March 2008, the Coles division operated 45 1st Choice stores, 630 Liquorland stores and 85 Vintage Cellars stores. Coles Liquor also operates a network of 95 hotels (or pubs), predominantly located in Queensland. Operating hotels in Queensland gives Coles broader access to the retail liquor market and enables wider deployment of retail liquor outlets because new retail liquor permits in Queensland are only granted to owners of hotels.

Coles' newly appointed Managing Director, Mr Ian McLeod, will commence in May 2008. Mr McLeod has extensive experience in retail and was a member of the senior executive team that oversaw the turnaround of the Asda supermarket group in the United Kingdom.

Wesfarmers has identified a number of key objectives with respect to the Coles division, including:

- ◆ Creation of the independent Coles division, which is now largely complete, with work well progressed in implementing new business operating models that lower the cost of doing business and improve execution capability.
- ◆ Coles Supermarkets has commenced work on a number of customer focused strategies aimed at improving service levels and value, ensuring an optimal product range, and improving the fresh offer.
- ◆ Coles Express is expanding its convenience offer and working to increase process efficiencies in-store. Refurbishment activity will continue, along with selective network expansion.
- ◆ Coles Liquor will continue to target profitable growth in 1st Choice, while reinvigorating Liquorland's convenience and Vintage Cellars speciality offerings. Work is also underway to increase efficiencies across the supply chain, and better capture synergies across the hotel network.

- ◆ Coles will have a strong focus on upgrading and improving the store formats in each of its businesses, while continuing to expand into areas of low representation. Refurbishment activity is planned to increase significantly from 2009.
- ◆ Aligned to its overall business strategies, Coles is continuing to progress upgrades and obtain efficiencies in its distribution centre network and information technology platforms.

Home Improvement & Office Supplies

The Home Improvement and Office Supplies division operates the Bunnings and Officeworks businesses, with the latter business being acquired as part of the Coles Group acquisition.

Bunnings is Australia's and New Zealand's leading retailer of home improvement and gardening products and a major supplier of building materials. As at 31 March 2008, Bunnings operated 224 stores trading in all states and territories in Australia and in New Zealand, of which 161 were warehouse format stores. In Australia, Bunnings also operates 13 trade centres and eight frame and truss manufacturing plants supplying building material products.

Officeworks is Australia's largest retailer of office products, particularly focusing on home offices, students and small to medium size businesses. Officeworks also operates Officeworks BusinessDirect, which sells office products to customers via phone, fax and online, and Harris Technology, a specialist technology provider for small to medium size businesses. As at 31 March 2008, Officeworks operated a national network of 123 stores, including 11 stores trading under the Harris Technology brand.

Wesfarmers has identified a number of key objectives with respect to the Home Improvement & Office Supplies division, including:

- ◆ The Bunnings business is pursuing profitable sales growth through a strong focus on "driving the basics" to enhance the Bunnings offer across range, price and service attributes. Profitable sales growth is also being pursued by an active investment programme upgrading and refurbishing existing stores and expanding the network through new store openings. A total of 10 to 14 new Bunnings store openings are anticipated each financial year for the foreseeable future.

- ◆ The integration of the Officeworks business post the Coles Group acquisition is well advanced. A priority of this work has been reinvigorating the Officeworks offer to re-establish the key success traits of "category killer", warehouse format operators. The Officeworks store network is expected to expand annually for the foreseeable future, with eight stores presently under development. Growth is also anticipated through product range enhancements.

Target

Target is a leading department store offering on-trend, fashionable apparel and soft homewares with an estimated 19% of the department store market in Australia (on the basis of industry-wide data available for FY 2006, the most recent year for which such data is available). Apparel is a key focus of the product range, with Target aiming to position itself as a value based alternative to specialty fashion stores.

As at 31 March 2008, Target operated 275 stores in Australia, comprised of 157 Target stores and 118 Target Country stores, which cater to a wide range of customers in metropolitan and regional areas.

Target continues to develop its store network. In the second half of FY 2008, three new stores are scheduled to be opened and the new ambiance programme, which features improved layout, design and new fixtures, will be introduced in up to another 20 stores.

Kmart

Kmart is a prominent discount department store retailer offering a wide range of affordable merchandise ranging from apparel to hardware and leisure goods with an estimated 22% share of the department store market in Australia (on the basis of industry-wide data available for FY 2006, the most recent year for which such data is available). As at 31 March 2008, Kmart operated 166 stores in Australia and 15 stores in New Zealand. Kmart also operates Kmart Tyre & Auto Service, a major automotive service, repair and tyre dealer in Australia with 264 outlets as at 31 March 2008.

Wesfarmers recently conducted a detailed strategic review of the Kmart business. As a result of this strategic review, Wesfarmers determined to retain the Kmart business and invest in its continuing improvement. This decision was based in part on the improved performance of the Kmart business in the latter months of the first half of the FY 2008 and the Wesfarmers board's view on the prospects of growth.

4. Information on Wesfarmers and its Business

Wesfarmers has identified a number of key objectives to enhance the performance of Kmart, including:

- ◆ With the decision taken to retain the business, Kmart will start to develop extensions of its existing successful turnaround strategies, particularly in relation to category development and improving the in-store experience.
- ◆ 20 refits are planned for the second half of FY 2008. One new store is scheduled for opening in the second half of FY 2008, with additional store openings planned in FY 2009.
- ◆ Kmart will be relocating from the Coles head office early in the new financial year.

(b) Industrial and others

Resources

The Resources division is involved in the mining, grading and sale of coal to a variety of international and domestic customers. The geographically diverse operations consist of:

- ◆ the Curragh mine in Queensland's Bowen Basin (metallurgical and steaming coal for export and domestic markets);
- ◆ the Premier mine at Collie in Western Australia's southwest (steaming coal for domestic markets); and
- ◆ a 40% interest in the Bengalla mine in the Hunter Valley of New South Wales (steaming coal for both export and domestic markets).

The Resources division sold approximately 6.4 million tonnes of metallurgical coal and 7.4 million tonnes of steaming coal in FY 2007 to domestic power producers and international industrial and utility customers.

The Resources division was previously known as the "Coal division."

Wesfarmers has identified a number of key objectives with respect to the Resources division, including:

- ◆ The export coal businesses will benefit from strengthening metallurgical and steaming coal prices and volume growth, however achievement of targeted sales volumes will, as always, require satisfactory mine and rail and port infrastructure performance.
- ◆ Curragh North expansion was completed in 2007 with completion of the overland coal conveyer linking the Curragh north mining pits to the existing coal preparation plant at the Curragh mine.

- ◆ A feasibility study is underway with respect to further expansion of metallurgical export production at Curragh. Potential also exists for an expansion of the Bengalla mine. Both mine expansion proposals will require satisfactory access to infrastructure, investment in which is under concurrent evaluation by various State Government instrumentalities and private sector providers.

Industrial & Safety

The Industrial & Safety division is comprised of nine distribution businesses that supply industrial consumables, engineering products and safety, materials handling and lifting products and services to industry and government across Australia and New Zealand.

The businesses within the Industrial & Safety division, including in Australia Blackwoods (a major single source supplier of engineering, industrial consumables and safety products), Protector Alsafe (a specialist safety product and services supplier), Bullivants (a major supplier of lifting, rigging and materials handling products and services), Total Fasteners (a specialist fasteners supplier) and Motion Industries (a specialist power transmission and bearings distributor) as well as the New Zealand businesses (Blackwoods Paykels, NZ Safety, Protector Safety and Packaging House), supply approximately 190,000 product lines of specialty industrial and safety merchandise to over 100,000 customers.

The Industrial & Safety division has a strong emphasis on customer service underpinning the expectation of sales growth with existing and new customers, and a focus on continued business improvement in areas such as global sourcing, strengthening relationships with key suppliers and operational improvements.

Chemicals & Fertilisers

The Chemicals & Fertilisers division, principally through CSBP Limited, is a major supplier of ammonia, ammonium nitrate, sodium cyanide, PVC and other chemicals related to the mining and industrial sectors as well as fertilisers to agricultural industries.

Wesfarmers has identified a number of key objectives with respect to the Chemicals & Fertilisers division, including:

- ◆ CSBP's new Prill plant is due for commissioning in May 2008 which will complete the Ammonium Nitrate duplication project and result in an additional 235,000 tonnes per year production going forward.
- ◆ An investment to increase production capacity by approximately 10% is being implemented to enable Australian Gold Reagents (75% owned by Wesfarmers) to supply sodium cyanide to a new, long life (15 years) gold mine located in Western Australia.

Energy

The Energy division is made up of five businesses operating in four industry segments:

1. Industrial and medical gases: Coregas and Air Liquide WA (a 40% owned joint venture with Air Liquide Australia Ltd);
2. Liquefied petroleum gas (LPG) production and export: Wesfarmers LPG;
3. LPG and LNG distribution: Kleenheat Gas; and
4. Power generation: Energy Generation (enGen).

Wesfarmers has identified a number of key objectives with respect to the Energy division, including:

- ◆ Performance improvement in existing businesses.
- ◆ Expansion of the division's geographical presence in key competency sectors.
- ◆ Development of investments and capabilities in new segments.

Insurance

The Insurance division operates general insurance underwriters Lumley General Insurance and Wesfarmers Federation Insurance plus insurance broking businesses OAMPS and Crombie Lockwood. It also operates businesses engaged in premium funding, superannuation and financial planning. These businesses operate principally in Australia and New Zealand. The division also operates an insurance broking and environmental consulting business in the United Kingdom.

Wesfarmers has identified a number of key objectives with respect to the Insurance division, including:

- ◆ Leverage the insurance distribution platform by expanding the product range offered across the underwriting and broking businesses.
- ◆ Consolidation of general insurance underwriting licences in Australia to provide efficiencies in systems, back office processes and capital.
- ◆ Increased use of electronic interfaces with broker intermediaries to enhance underwriting sales capabilities.
- ◆ Continued participation in the consolidation of the insurance broking sector in Australia, New Zealand and the United Kingdom through further bolt-on acquisitions.
- ◆ Alignment of systems and processes within the broking businesses to improve operational performance.

(c) Other businesses

Other businesses include a 50% interest in Gresham Partners Group Limited, investment in two funds of Gresham Private Equity, a 50% interest in Wespine Industries and a 23% interest in Bunnings Warehouse Property Trust.

4.3 Dividend guidance

Wesfarmers' current dividend policy is to pay out all available franking credits to Shareholders in the form of fully franked dividends. Wesfarmers expects 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. On 31 March 2008, Wesfarmers paid a fully franked interim dividend of \$0.65 per Wesfarmers Share for the six months ending 31 December 2007.

4.4 Recent developments

4.4.1 US notes issue and new debt commitments

On 10 April 2008, Wesfarmers completed the issue of US\$650 million (\$711 million) of five year notes with a coupon of 6.998%. These notes mature in 2013. The proceeds of this issue will be used to repay some of Wesfarmers' existing debt (as noted in Section 2.3).

Wesfarmers has received commitments subject to customary terms and conditions from banks to provide term facilities (maturing December 2009) and \$1 billion revolving facilities (maturing October 2009). The facilities will be used for general corporate purposes and to refinance any outstanding balance of the debt facilities, which currently mature in October 2008.

4. Information on Wesfarmers and its Business

4.4.2 Coles Group businesses integration update

The integration of the Coles Group's businesses is largely complete, with specific steps including:

- ◆ corporate structures and management – separation of the previous Coles Group businesses is well advanced, with organisational structures currently being finalised. Corporate office locations have been determined, with the remaining divisional management appointments in Kmart being finalised. Mr Ian McLeod will commence as Managing Director of Coles in May 2008, with Sir Archie Norman having been appointed as a key adviser since October 2007;
- ◆ retail support functions – the majority of functions have been transferred, closed or realigned in accordance with Wesfarmers' divisional operating model;
- ◆ strategic reviews – following the strategic review, Wesfarmers has announced that it will retain Kmart and invest in the business to continue improving performance; and
- ◆ business improvements – divisional management teams are focused on driving improved operational performance through selective strategies. In addition, new operating models have been designed to lower the cost of doing business and improve execution capability.

Wesfarmers is pleased with the progress of the Coles Group's integration, and is focused on making meaningful sustainable improvements to these businesses which reinvigorate performance.

Financial Effect of the Entitlement Offer on Wesfarmers

5. Financial Effect of the Entitlement Offer on Wesfarmers

This Section contains pro-forma financial information in relation to Wesfarmers. The selected consolidated financial information has been extracted from the unaudited half year accounts for the six month period ended 31 December 2007.

5.1 Basis of preparation and presentation of the pro-forma balance sheet

Wesfarmers prepares its financial statements in accordance with AIFRS. The accounting policies upon which the pro-forma information has been prepared are set out in Wesfarmers' financial statements for the year ended 30 June 2007. A copy of the Wesfarmers annual report and financial statements for 2007 can be found at www.wesfarmers.com.au.

The pro-forma balance sheet is presented in abbreviated form and does not contain all the disclosures that are usually found in an annual report prepared in accordance with the Corporations Act.

The pro-forma balance sheet has been prepared for illustrative purposes to show the impact on the historical balance sheet of the US Senior Notes issue, proceeds of the Entitlement Offer and Wesfarmers' proposed use of the net proceeds to reduce indebtedness (but is not represented as being indicative of Wesfarmers' views on its future financial condition and/or performance).

Wesfarmers Consolidated Balance Sheet

A\$ millions	31 Dec 2007 AIFRS Reported Unaudited	Proceeds from US Bond issue (a) Unaudited	Net Proceeds of Entitlement Offer (b) Unaudited	Debt Repayment (b) Unaudited	31 Dec 2007 AIFRS Pro-forma Unaudited
Current assets					
Cash and cash equivalents	1,096		2,513	(2,513)	1,096
Trade and other receivables	2,046				2,046
Inventories	4,810				4,810
Insurance and other assets	1,111				1,111
Total Current assets	9,063	–	2,513	(2,513)	9,063
Non-current assets					
Receivables	165				165
Investments in associates	460				460
Property, plant and equipment	6,579				6,579
Intangible assets and goodwill	20,463				20,463
Other assets	380				380
Total non-current assets	28,047	–	–	–	28,047
Total assets	37,110	–	2,513	(2,513)	37,110
Current liabilities					
Trade and other payables	4,801				4,801
Interest bearing loans and borrowings	6,470	(711)		(2,513)	3,246
Other current liabilities	2,339				2,339
Total current liabilities	13,610	(711)	–	(2,513)	10,386
Non-current liabilities					
Interest bearing loans and borrowings	5,584	711			6,295
Other non-current liabilities (c)	1,364		(18)		1,346
Total non-current liabilities	6,948	711	(18)	–	7,641
Total liabilities	20,558	–	(18)	(2,513)	18,027
Net assets	16,552	–	2,531	–	19,083
Contributed equity	15,157		2,531		17,688
Employee reserved shares	(92)				(92)
Retained earnings	1,189				1,189
Reserves	298				298
Total equity	16,552	–	2,531	–	19,083

The pro-forma balance sheet above is presented on the assumption that the following transactions took place on 31 December 2007.

(a) Receipt of proceeds from the US Senior Notes issue which completed on 10 April 2008.

(b) Receipt of net proceeds of the Entitlement Offer as outlined in the following table, and repayment of a portion of Wesfarmers' existing \$4 billion senior bridge facility.

(c) The recognition of a deferred tax benefit arising from the expenses incurred on the Entitlement Offer.

Note: Post 31 December 2007, a fully franked interim dividend of \$0.65 per Wesfarmers Share payable to shareholders by 31 March 2008 was declared by the Directors. The interim dividend was settled by the issue of Wesfarmers Ordinary Shares under the company's Dividend Reinvestment Plan which was fully underwritten. The effect of the interim dividend was to increase contributed equity by \$451.2 million and reduce retained earnings by the same amount. The effect of the dividend is not reflected in the pro-forma balance sheet.

Estimated Net Proceeds of the Entitlement Offer

	A\$ millions
Entitlement Offer (Issue of approximately 88.7 million New Shares at the Offer Price of \$29.00)	2,573
Expenses of the Entitlement Offer	(60)
Net Cash Proceeds	2,513

5.2 Wesfarmers refinancing program

As part of the financing of the acquisition of the Coles Group, Wesfarmers entered into a syndicated credit facility agreement for a total of \$10 billion. The credit facility comprised three separate tranches, being a \$4 billion senior bridge facility, a \$1 billion revolving loan facility for working capital purposes and a \$5 billion term loan facility.

Wesfarmers intends to fully repay the \$4 billion senior bridge facility which falls due on 1 October 2008, by the following means:

- ◆ the issue of US \$650 million (\$711 million) of five year notes with a coupon of 6.998% via Regulation 144A placement in the US bond market, which was completed on 10 April 2008;
- ◆ the raising of approximately \$2.57 billion before expenses under the Entitlement Offer. Fees and costs related to the Entitlement Offer are expected to be approximately \$60 million; and
- ◆ Commitments that have already been received from a number of relationship banks that are sufficient to repay the balance of the \$4 billion senior bridge facility. These committed facilities have been secured at average margins of approximately 100 basis points including fees and will expire in December 2009. The commitments are subject to customary terms and conditions.

Wesfarmers has received commitments to extend the maturity of the \$1 billion revolving loan facility from the current due date of 1 October 2008, such that it falls due on 1 October 2009.

The net proceeds of the refinancing programme are summarised in the following table:

Capital Source	Status	Net proceeds (A\$ millions)
US bond issue	Completed	711
Entitlement Offer	Completed as a part of this Prospectus	2,513
Committed replacement debt facilities	To be drawn	776
	Total to be repaid	4,000
Revolving loan facility	Commitments received for extension	1,000
	Total to be refinanced or repaid	5,000

5. Financial Effect of the Entitlement Offer on Wesfarmers

5.3 Wesfarmers' resultant available debt facilities maturity profile

Following the refinancing programme outlined above, Wesfarmers' resulting available debt facilities as at 31 March 2008 would have been as follows:

Existing Bank Facilities	A\$ millions
less than 6 months	135
6 months to 1 year	796
1 year to 2 years	630
2 years to 3 years	5,050
New Committed Bank Facilities	
October 2009 (revolving loan facility)	1,000
December 2009	>800
	>1,800
Debt Capital Markets	
Commercial Paper (supported by bilateral standby facilities)	300
Bonds (A\$ & US\$)	
June 2008	250
March 2009	210
July 2012	400
April 2013	711
	1,571

The average margin on all debt facilities maturing within three years is less than 1% including fees. The margin is applied to the BBSW or BBSY interest rate (Bank bill rates) which is adjusted by the hedged interest rate, as applicable.



Key Risk Factors

6. Key Risk Factors

6.1 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, the value of Wesfarmers Shares and its future funding requirements. You should carefully consider the following risk factors, as well as the other information in this Prospectus, and consult your financial and legal advisers before deciding whether to invest in the New Wesfarmers Ordinary 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.

6.2 Operational risk

(a) Integration of Coles Group

- ◆ *Wesfarmers may not be able to institute management and cultural changes in the Coles Group businesses and turn around performance of Coles and Kmart:*

Before Wesfarmers' acquisition of the Coles Group, Coles and Kmart had been performing below expectations. The successful integration of the Coles Group depends on the ability of Wesfarmers to improve the performance of the Coles Group businesses and implement cultural change within those businesses.

A top priority in the Coles division turnaround strategy is changing management capability at the most senior levels by moving from largely a centralised management structure to one based on accountability at the store and division levels. While certain progress has been made, including the appointment of a new Managing Director for the Coles division and the ongoing transfer of several Wesfarmers executives to positions within each of the acquired Coles Group businesses, additional changes to senior management within the Coles Group businesses are likely to be made as the integration and operational review process continues. Wesfarmers is currently seeking a permanent replacement for Larry Davis, the Managing Director of Kmart, who will retire at the end of April 2008.

- ◆ *Integration of such a large acquisition will occupy management time, may not produce timely cost savings, may result in additional costs and is expected to result in further restructuring costs:*

Wesfarmers has never made an acquisition of the size of Coles Group. The realisation of cost savings and extraction of efficiencies may not occur within the time frames anticipated, or at all, or may result in additional costs. In particular, Wesfarmers expects restructuring costs relating to the integration to impact results of the Coles division in FY2008.

A dedicated integration team has been working within Coles since acquisition. Given that the retail support functions of the former Coles Group will be dismantled and reporting into the divisions by 30 June 2008, this dedicated integration team will disband at that time.

Post 30 June 2008, the alignment of the divisions to Wesfarmers' operating model and systems is expected to occupy a significant amount of divisional management time, and will require careful attention over the next 12 to 18 months.

- ◆ *Wesfarmers may not realise the cost savings it expects from the ongoing supermarket supply chain transformation in the time frame it expects.*
- ◆ *Wesfarmers may not fully realise expected savings from the Coles Group overhead program.*

(b) Risks related to Wesfarmers' retail businesses.

- ◆ *Damage or dilution to Wesfarmers' retail brands may adversely affect performance.*
- ◆ *Wesfarmers faces strong competition from existing and new competitors which may adversely affect their market share and results of operations.*
- ◆ *If Wesfarmers is unable to locate appropriate store sites for its retail businesses, improve existing stores or address underperforming stores, it may not be able to deliver future sales growth.*
- ◆ *Wesfarmers' retail businesses may be adversely affected if its retail offer does not cater to customer demands:*

The ability of Wesfarmers' retail businesses to successfully gauge and satisfy consumer preferences is critical to maintaining their competitive position. Wesfarmers' retail businesses must regularly evaluate their marketing strategy for each of their brands in a dynamic and competitive marketplace. For example, Coles is in the process of adapting its retail product offerings to increase appeal to customers, such as in areas of fresh and organic foods. Two of the key parts of Coles' current strategy are to improve store formats and enhance product merchandising.

- ◆ *Wesfarmers' retail businesses may be adversely affected by unforeseen system and computer network interruptions:*

Wesfarmers is continuing the components of the initiative to transform the Coles supermarket supply chain commenced under prior ownership. Any disruptions in supply or in an IT network or unexpected system or computer network interruptions, in particular in the high-volume, low-margin Coles division retail businesses, could reduce overall profitability of the affected business. The ongoing performance of Wesfarmers' retail operations is also dependent on the reliability and availability of their extensive infrastructure and payment systems networks. Wesfarmers expects to upgrade, or is in the process of upgrading, numerous areas of its IT systems, especially in the Coles division. Upgrading increases the risk of an unexpected system or computer network interruption.

- ◆ *Wesfarmers faces the risk of exposure to product liability claims, public liability claims and adverse publicity.*
- ◆ *Wesfarmers relies on major suppliers and manufacturers to provide materials and to produce products and it may not be able to obtain quality products on a timely basis or in sufficient quantity:*

Wesfarmers retail businesses are substantially dependent upon their access to products that meet their specifications. Any disruption to the Wesfarmers supply chain (as a result of an issue with a supplier, an unexpected system or computer network interruption or otherwise), or any damage to its integrity, could cost Wesfarmers significant time and expense and affect its reputation.

Many of Wesfarmers' suppliers are located in developing countries, particularly in Asia, in which there may be political or financial instability, trade restrictions, tariffs, transport capacity and other factors relating to foreign trade.

Wesfarmers' retail businesses have occasionally received, and in the future may continue to receive shipments of product that fail to conform to Wesfarmers' quality control standards. As a result, Wesfarmers may unknowingly sell products that fail to meet its standards, which could adversely affect its reputation.

- ◆ *Inability to effectively manage inventory in Wesfarmers' retail businesses may impair Wesfarmers' competitive position.*
- ◆ *The loss of any key personnel in Wesfarmers' retail businesses may adversely affect operating performance.*

(c) Resources operations

- ◆ *Wesfarmers' coal mining business is subject to the risks associated with the mining sector in Australia*

Wesfarmers operates two coal mines in Australia and owns a 40% interest in a third Australian mine. The exploration for, and the operation and development of, mineral deposits in Australia involves significant risks including:

- ◆ *Bottlenecks* — Wesfarmers' coal operations may be affected by infrastructure limitations or major plant breakdowns. In particular, constraints of rail and port capacity can adversely affect the export capacity of the Curragh and Bengalla coal operations due to infrastructure bottlenecks in Queensland and New South Wales, respectively.
- ◆ *Inaccessibility or insufficiency of labour and supplies* — The strong commodity cycle and large number of resource projects being developed in the resources industry in Australia has led to increased demand and competition for skilled personnel, contractors, materials and supplies. Some of Wesfarmers' competitors are larger and may have greater resources to invest in attracting and retaining employees or gaining access to long-term supplies of critical resources.
- ◆ *Mining is an inherently dangerous activity and subject to climatic and other force majeure conditions.*
- ◆ *Compliance with environmental, health and safety laws and regulations could require material expenditures, changes in Wesfarmers' operations or site remediation.*

- ◆ *The mineral reserve and resource estimates of Wesfarmers' coal business are estimates only and its minerals may be of lower quantity or quality than indicated by testing and drilling.*

(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, including:

- ◆ insurance rate market price variation;
- ◆ reinsurance availability, adequacy and cost, and the importance of maintaining an A-rating by Standard & Poor's Ratings Group;
- ◆ risk of catastrophic loss; and
- ◆ regulatory change.

6. Key Risk Factors

(e) Chemical and fertiliser manufacturing operations and Energy operations

There are hazards associated with Wesfarmers' chemical and fertiliser manufacturing and energy businesses and the related storage and transportation of raw materials, products and wastes. These hazards include:

- ◆ pipeline and storage tank leaks and ruptures;
- ◆ explosions and fires;
- ◆ inclement weather and natural disasters;
- ◆ terrorist attacks;
- ◆ mechanical failure;
- ◆ chemical spill and other discharges or releases of toxic or hazardous substances or gases; and
- ◆ weather events, such as floods and drought.

These hazards may cause personal injury and loss of life, damage to property and contamination of the environment, which may result in suspension of operations and the imposition of civil or criminal penalties, including fines, expenses for remediation and claims brought by governmental entities or third parties. Although Wesfarmers maintains property, business interruption and casualty insurance of types and in the amounts that it believes is customary for the chemicals industry, Wesfarmers is not fully insured against all potential hazards incident to its chemicals business.

Wesfarmers' chemicals business manufactures a number of hazardous materials, including ammonium nitrate which is used to produce explosives and is subject to the risk of explosion and may be the target of a malicious attack.

(f) Industrial disputes, work stoppages and accidents

Interruptions at Wesfarmers' workplaces 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.

Wesfarmers is currently renegotiating a collective bargaining agreement with the employees of the Curragh mine in Queensland and will be renegotiating a collective bargaining agreement with the employees of Premier Coal in Western Australia in 2008. During Wesfarmers' previous renegotiation with the employees of Premier Coal, there was an industrial dispute over a period of nine weeks before the collective bargaining agreement was finalised, which led to intermittent work stoppages at the mine.

(g) Acquisition and divestment activities

Wesfarmers from time to time examines new acquisition opportunities, which may relate to existing businesses or to new areas of operation for Wesfarmers. Wesfarmers also pursues disposal strategies from time to time.

Acquisitions and disposals may lead to a change in the source of Wesfarmers' earnings and result in variability in earnings over time, and may give rise to liabilities. Integration of new businesses into the Wesfarmers Group may be costly and may occupy a large amount of Wesfarmers' management's time.

(h) Growth strategy execution

Wesfarmers may not be able to execute effectively the strategies for its current and future acquired businesses.

In addition to acquisitions of businesses, Wesfarmers also plans to grow through planned expansions of its existing businesses. Expansions 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.

6.3 Credit and market risk

(a) Refinancing risk

Wesfarmers has significant debt and its ability to refinance that debt on favourable terms and to repay the debt; its ability to raise further finance on favourable terms for its business and to pursue opportunities; and its borrowing costs, will depend upon market conditions and its operating performance.

In relation to the new commitments described in Section 5.2, which are Subject to customary terms and conditions, where a condition is not satisfied the relevant committing banks may not be obligated to provide funds.

A negative change in Wesfarmers' credit ratings would have an adverse effect on its ability to borrow and its cost of funds.

Refinancing over the next several years is likely to be at a higher interest margin than existing arrangements.

Wesfarmers aims to limit the group's ongoing exposure to adverse fluctuations in interest rates by transacting interest rate hedges (derivatives) and by utilising natural hedges within Wesfarmers.

(b) Exchange rate risk

Wesfarmers is subject to exchange rate risk, which may affect the costs of imports and negatively impact its financial performance.

Wesfarmers' policy is that all of its operating divisions are required to hedge foreign exchange exposures for firm commitments relating to sales or purchases or when highly probable forecast transactions have been identified. Wesfarmers, in its coal export business, aims to hedge approximately 45% to 55% (over five years) of its foreign currency sales for which firm commitments or highly probable forecast transactions exist from time to time. 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.

(c) Commodity price risk

Wesfarmers is exposed to commodity price fluctuations.

Wesfarmers has operations in gas, coal and chemicals and fertilisers, all of which produce or utilise commodities which are traded on international markets or are affected, by international commodity pricing and exchange rates, including the price of diesel fuel, coal, oil, natural gas and LPG. Wesfarmers' profitability depends, in part on commodity prices in a variety of industries. Prices can fluctuate significantly. For example, prices for export coal strengthened significantly in FY 2005 then fell in the two subsequent years. Market commentators are forecasting significant increases in annual export coal prices effective 1 April 2008 which will have a positive impact on FY 2009 earnings.

(d) Other general market risks

Wesfarmers' operations are conducted almost entirely in Australia and New Zealand and, as such, are affected by general economic conditions affecting these markets, including the following:

- ◆ changes in levels of economic activity;
- ◆ changes in the rate of inflation, interest rates and foreign currency exchange rates;
- ◆ changes in fiscal or monetary policy by the Australian or New Zealand central banks;
- ◆ climatic conditions such as major floods and droughts;
- ◆ changes in relation to general consumer sentiment;
- ◆ changes in employment levels and labour costs;
- ◆ changes in aggregate investment and economic output; and
- ◆ changes in relation to movements in the general level of share prices on local and international equity markets.

In particular, the Retail divisions may be affected by general economic activity, including interest rates, unemployment rates, rental increases, housing values and turnover rates, housing starts and other drivers of consumer sentiment such as fuel prices. Adverse developments in economic conditions particularly around the Christmas trading period when the sale and profitability of its retail businesses are typically strongest, may have a negative impact on Wesfarmers' operating results and profitability.

The Insurance division may be affected by variations in interest rates, particularly in respect of the division's investment earnings. The Resources division is dependent on global supply and demand for coal products. The Chemicals and Fertilisers division is dependent on the activity of the global mining industry and the demand for agriculture inputs in Western Australia.

6.4 Regulatory risk

Legal and regulatory obligations, requirements and restrictions may affect Wesfarmers' operational and financial performance, through penalties, liabilities, restrictions on activities, and compliance and other costs:

Wesfarmers operates in a number of 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 (in particular its retail businesses) are from time to time the subject of investigations of market pricing by the Australian Competition and Consumer Commission, such as the recently completed investigation into petrol prices in Australia and the current investigation into the competitiveness of grocery pricing.

Wesfarmers' insurance subsidiaries are regulated, and some require licences and are subject to prudential standards. Many of the Insurance division's customers and independent sales intermediaries also operate in regulated environments. Changes may affect the Insurance division's business and financial condition.

6. Key Risk Factors

6.5 Environmental risk

Wesfarmers is subject to extensive environmental, health and safety laws and regulations at all government levels relating to maintenance of certain emissions and effluent standards and site remediation. The nature of the resources, chemical and energy industries exposes Wesfarmers to risk of liability due to the use, production, management, storage, transportation and sale of materials that are heavily regulated and can cause contamination or personal injury if released into the environment. Wesfarmers may incur substantial costs or experience operational interruptions for breaches of these regulatory requirements.

In addition, any environmental contamination, loss of life or damage to persons or property caused by any of Wesfarmers' businesses may adversely affect its reputation and public perception, which could have a material adverse effect on the operations of Wesfarmers.

6.6 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.

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

Tax Implications

7. Tax Implications

7.1 Australian taxation implications for Eligible Retail Shareholders

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 Wesfarmers Shares as capital assets. The summary below does not necessarily apply to Eligible Retail Shareholders who hold their Wesfarmers 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 Wesfarmers Shares are held through an employee share plan. 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 Prospectus, but also describes the likely effect of future amendments which were announced by the Commonwealth Treasurer in Media Release No. 19 on 8 April 2008 (the **Media Release**). That law is subject to change, including with retrospective effect, in addition to the change announced in the Media Release.

7.2 Granting of Entitlements

The Commissioner of Taxation is understood to have adopted the position, on the basis of the decision of the High Court in *Commissioner of Taxation v McNeil* (2007) 229 CLR 656, that where a company issues to its shareholders rights to subscribe for new shares at a discount, and where those rights are renounceable and tradeable by the shareholders, the value of the rights is included in the assessable income of the shareholders when the rights are granted, whether or not the rights are exercised. Despite this, that value of those rights would not be included in the cost base of new shares acquired by the shareholders who exercise the rights, due to specific statutory provisions dealing with the capital gains tax treatment of rights.

Under the Wesfarmers Retail Entitlement Offer, the entitlement of Eligible Retail Shareholders to subscribe for New Wesfarmers Ordinary Shares is not tradeable and may not be assigned. However, to the extent that Eligible Retail Shareholders do not exercise that entitlement, they may receive a payment, if the Clearing Price under the Retail Entitlement Bookbuild exceeds the Offer Price. It is therefore arguable, under current law, that the value of the Entitlements is not included in the assessable income of Eligible Retail Shareholders when the Entitlement is granted, but it is not clear whether the Commissioner of Taxation would agree.

The Media Release confirmed that the Government intends to amend the law to restore the tax treatment of “call options ... used by companies to raise capital from their shareholders” to that which existed before the decision in *Commissioner of Taxation v McNeil*, and to do so with effect from the 2001–02 year of income. If the Government amends the taxation law in the manner described in the Media Release, those amendments would be likely to clarify that the value of the rights granted under the Retail Entitlement Offer is not included in the assessable income of Eligible Retail Shareholders (and neither is any other amount so included, merely as a result of the grant of those rights). Wesfarmers cannot provide any assurance that those amendments will in fact be made, or that they will have that effect.

7.3 Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements and subscribe for New Wesfarmers Ordinary Shares will acquire those shares with a cost base for capital gains tax purposes equal to the Offer Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring those shares. Even if the value of the Entitlements were included in assessable income as discussed above, that amount would not be included in the cost base of the New Wesfarmers Ordinary Shares acquired upon the exercise of the Entitlements.

7.4 Lapsing of Entitlements

If the Clearing Price under the Retail Entitlement Bookbuild exceeds the Offer Price, an amount equal to that excess will be paid to Eligible Retail Shareholders in respect of each Entitlement which they did not exercise. Under current law, the amount of any such payment received by an Eligible Retail Shareholder would be included in assessable income and subject to income tax.

If the amendments referred to in Section 7.2 above are enacted, they would be likely to have the effect of treating this amount as a capital gain instead of as ordinary income. If the amount were a capital gain, Eligible Retail Shareholders who have capital losses could offset them against the capital gain (capital losses may not be offset against ordinary income). In addition, in those circumstances, Eligible Retail Shareholders who are individuals, complying superannuation entities or trusts may qualify for discount capital gain treatment if they acquired their Wesfarmers Shares at least 12 months before the Closing Date of the Retail Entitlement Offer.

If discount capital gain treatment applies, the amount of the capital gain remaining after the application of any capital losses is discounted by 50% in the case of an individual or a trust other than a trust that is a complying superannuation entity or by one-third if the gain is made by a complying superannuation entity.

Eligible Retail Shareholders who are the trustees of trusts should seek advice applicable to their own particular circumstances in relation to the effect of this treatment on beneficiaries who may be entitled to amounts comprising this gain.

Wesfarmers cannot provide any assurance that those amendments will in fact be made, or that they will have that effect.

7.5 New Wesfarmers Ordinary Shares

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

On any future disposal of New Wesfarmers Ordinary 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 Wesfarmers Ordinary Shares. The cost base of those shares is described in Section 7.3 above.

New Wesfarmers Ordinary Shares will be treated for the purposes of the capital gains tax (**CGT**) discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. 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 the date of exercise before the disposal occurs.

7.6 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 Wesfarmers Ordinary Shares, nor is any Australian stamp duty payable in respect of the receipt of any payment as a result of not exercising Entitlements. Whether any Australian GST is payable in respect of the receipt of any payment as a result of not exercising Entitlements may depend upon the Australian GST registration status and residency status of the Eligible Retail Shareholder.

This page has been left blank intentionally.

Additional Information

The page features a decorative background. A large, solid green semi-circle is positioned on the right side. The rest of the page is filled with a repeating pattern of small, stylized green leaves on a light green background. A grey horizontal bar is at the top. The text 'Additional Information' is written in a white serif font on the left side of the green semi-circle.

8. Additional Information

8.1 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to offers of securities in a class which has been continuously quoted by ASX for the three months prior to the date of the prospectus.

8.2 Reporting and disclosure obligations

Wesfarmers is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require ASX to be continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by ASX.

In particular, Wesfarmers has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning Wesfarmers, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the company's securities. Wesfarmers is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

8.3 Availability of other documents

ASIC maintains records in respect of documents lodged with it by Wesfarmers, and these may be obtained from or inspected at any office of ASIC.

Wesfarmers will provide a copy of any of the following documents, free of charge, to any person who requests a copy during the application period in relation to this Prospectus:

- ◆ the annual financial report lodged with ASIC by Wesfarmers for the year ended 30 June 2007;
- ◆ the half year financial report lodged with ASIC by Wesfarmers for the half year to 31 December 2007;
- ◆ the Institutional Offering Memorandum (see Section 8.10); and
- ◆ any other document used to notify ASX of information relating to Wesfarmers under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act after the date of lodgement with ASIC of the annual financial report referred to above and before lodgement with ASIC of this Prospectus.

8.4 Underwriting Agreement

This section contains a summary of the fee, indemnity and termination provisions of the Underwriting Agreement.

Wesfarmers and the Underwriters (also referred to in this Prospectus as the Joint Lead Managers) have entered into the Underwriting Agreement where the Underwriters have agreed to manage and underwrite the Entitlement Offer in the following proportions:

- ◆ each of ABN AMRO Equity Capital Markets Australia Limited, Goldman Sachs JBWere Pty Limited, Macquarie Capital Advisers Limited and UBS AG, Australia Branch, 20% of the gross proceeds of the Entitlement Offer; and
- ◆ each of Deutsche Bank AG, Sydney Branch and J.P. Morgan Australia Limited, 10% of the gross proceeds of the Entitlement Offer.

The Underwriters may at their cost appoint sub-underwriters to sub-underwrite the Entitlement Offer at their absolute discretion.

8.4.1 Fees and expenses

The Underwriters will receive the following fees under the Underwriting Agreement:

- ◆ an underwriting fee in proportion to their underwriting commitment of 1.0% of the gross proceeds of the Entitlement Offer; and
- ◆ a management and arranging fee in proportion to their underwriting commitment of 0.875% of the gross proceeds of the Entitlement Offer.

Wesfarmers must also pay or procure payment to the Underwriters of reasonable expenses incurred including legal costs and out of pocket expenses incurred in relation to the Entitlement Offer.

8.4.2 Indemnity

Wesfarmers agrees to indemnify and keep indemnified each Underwriter, their affiliates and related bodies corporate, and each of their directors, officers, employees, partners, agents and advisers (**Indemnified Parties**) from and against all losses directly or indirectly suffered by, or claims made against, an Indemnified Party arising out of or in connection with the Entitlement Offer (as it relates to persons resident in Australia or New Zealand), the Prospectus (and associated documents) and appointment of the Underwriters pursuant to the Underwriting Agreement.

The indemnity does not extend to and shall not be deemed to be an indemnity against losses suffered by, or claims made against, an Indemnified Party to the extent that those losses or claims result from:

- ◆ any penalty or fine which that Indemnified Party is required to pay for any contravention by it of the Corporations Act;
- ◆ any amount in respect of which this indemnity would be illegal, void or unenforceable under any applicable law;
- ◆ the negligence (except to the extent contributed to by Wesfarmers or its officers or employees), fraud or wilful misconduct of that Indemnified Party or any director, officer, employee or partner of that Indemnified Party;
- ◆ a breach of the obligations on its part under the Underwriting Agreement, if that Indemnified Party is the Underwriter or any director, officer, employee or partner of that Underwriter; or
- ◆ an intentional or reckless breach of the obligations on its part under the Underwriting Agreement, if that Indemnified Party is the Underwriter or any director, officer, employee or partner of that Underwriter.

Wesfarmers separately agrees to indemnify each Underwriter, its affiliates, directors and officers and each person who controls such Underwriter, from and against any and all losses, claims, damages and liabilities that arise out of any untrue statement of a material fact in, or omission of a material fact from the Institutional Offering Memorandum or any amendment or supplement thereto, to the extent that those documents relate to the Entitlement Offer made to persons who are not resident in Australia or New Zealand.

8.4.3 Termination Events

Each Underwriter may terminate any of its obligations under the Underwriting Agreement (which have not been performed) if any of the specified events occur on or before 10am on the date of settlement of the Retail Entitlement Offer and Retail Entitlement Bookbuild. These specified events include:

- (a) **(ASIC action)** ASIC makes or applies for certain orders, commences certain proceedings or investigates certain matters in relation to the Entitlement Offer or certain other documents which relate to the Entitlement Offer.
- (b) **(ASX approval)** Unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Offer) by the ASX for official quotation of the New Wesfarmers Ordinary Shares is refused, or is not granted; or ASX makes an official statement to any person or indicates to Wesfarmers or the Underwriters that official quotation of the New Wesfarmers Ordinary Shares will not be granted.

(c) **(Lodgement)** Wesfarmers fails to lodge the Prospectus with ASIC on or before 21 April 2008 (or such later date approved in writing by the Underwriters).

(d) **(debt facility)** An event of default, or any event which would entitle a party (other than Wesfarmers or its guarantors) to terminate, occurs under the Syndicated Facility Agreement dated 2 October 2007 between Wesfarmers and BNP Paribas as agent.

(e) **(consent)** If any accounting or legal adviser to Wesfarmers, or any other person (other than an Underwriter) whose consent is required by section 716 of the Corporations Act, refuses to give its consent or having previously consented to the issue of the Prospectus withdraws such consent;

(f) **(Certificate)** A certificate which is required to be furnished by Wesfarmers under the Underwriting Agreement is not furnished when required or a statement in that certificate is untrue, incorrect or misleading or deceptive.

(g) **(Timetable)** Any event specified in the timetable for the Entitlement Offer is delayed for more than 2 business days without the prior written approval of the Underwriters.

(h) **(Prospectus)** The Prospectus omits any material required by the Corporations Act, contains a statement which is misleading or deceptive or otherwise fails to comply with the Corporations Act or any other applicable law.

(i) **(Institutional Offering Memorandum)** The Institutional Offering Memorandum contains any untrue statement of material fact, or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) **(section 730 notice)** Any person gives a notice under section 730 of the Corporations Act in respect of a matter in the Prospectus which is materially adverse from the point of view of an investor and Wesfarmers does not lodge a supplementary prospectus within 3 business days of receipt of the notice.

(k) **(Listing)** Wesfarmers ceases to be admitted to the official list of ASX or the Wesfarmers Ordinary Shares or Wesfarmers PPS are suspended from trading on, or cease to be quoted on, ASX (which, for the avoidance of doubt, does not include the trading halt and suspension requested by Wesfarmers for the purposes of conducting the Institutional Entitlement Offer or a trading halt requested by Wesfarmers for the purposes of conducting the Retail Entitlement Bookbuild).

8. Additional Information

- (l) **(Director)** A director of Wesfarmers:
- (i) is charged with an indictable offence relating to any financial or corporate matter or any regulatory body commences any public action against the director in his or her capacity as a director of Wesfarmers or announces that it intends to take any such action; or
 - (ii) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act.
- (m) **(withdrawal)** Wesfarmers withdraws the Prospectus or the Entitlement Offer.
- (n) **(ASX Waiver)** ASX withdraws, revokes or amends the ASX Listing Rule waivers obtained by Wesfarmers to enable the making of the Entitlement Offer.
- (o) **(Insolvency)** Wesfarmers or a material subsidiary is insolvent or there is an act or omission which may result in Wesfarmers or a material subsidiary becoming insolvent.
- (p) **(disruption in financial markets)** Any of the following occurs:
- (i) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect; or
 - (iii) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, a member of the European Union, the United States of America or the United Kingdom or elsewhere or any change or development involving a prospective adverse change in any of those conditions or markets.
- (q) **(Supplementary Offer Document)** Wesfarmers is required to lodge a supplementary prospectus where, in the reasonable opinion of an Underwriter, a supplementary prospectus must be lodged with ASIC under section 719 of the Corporations Act.
- (r) **(adverse change)** There is an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of Wesfarmers or the Wesfarmers Group (in so far as the position in relation to any entity in the Wesfarmers Group affects the overall position of Wesfarmers).
- (s) **(misrepresentation)** A representation or warranty made or given, or deemed to have been made or given, by Wesfarmers under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect.
- (t) **(change in law)** There is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a Government Agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Government Agency that such a law or regulation will be introduced or policy adopted (as the case may be).
- (u) **(breach)** Wesfarmers fails to perform or observe any of its obligations under the Underwriting Agreement.
- (v) **(hostilities)** Hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, the United Kingdom, Japan, Russia, France, Germany or the People's Republic of China, or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world.
- (w) **(change in management)** There is a change (other than a change which has been disclosed in the Institutional Offering Memorandum) in the Chairman, Chief Executive Officer or Finance Director of Wesfarmers.

No event from (p) to (w) entitles an Underwriter to exercise its rights to terminate its obligations under the Underwriting Agreement unless, in the actual and reasonable opinion of that Underwriter, the event has, or is likely to have a material adverse effect on the success of the Entitlement Offer; or leads, or is likely to lead to a contravention by that Underwriter, or to liability for that Underwriter under, any applicable law.

8.5 Rights and liabilities attaching to shares

The New Wesfarmers Ordinary Shares will be issued fully paid and will rank equally with existing Wesfarmers Ordinary Shares.

The rights and restrictions attaching to the New Wesfarmers Ordinary Shares are set out in Wesfarmers' Constitution and in the Corporations Act and are subject to statutory, common law and ASX Listing Rules requirements. A summary of the main rights and liabilities attaching to ownership of New Wesfarmers Ordinary Shares is set out below.

Share capital: Subject to the Wesfarmers Constitution, the ASX Listing Rules and the Corporations Act, the Directors may issue, allot, grant options over or otherwise deal with or dispose of shares in Wesfarmers to such persons, on such terms and conditions and at such times and with such preferred, deferred or other special rights or privileges or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the Directors think fit.

- ◆ **General meetings:** All Shareholders are entitled to receive notification of the general meetings of Wesfarmers. Each Shareholder entitled to vote at a general meeting may appoint an attorney, representative or proxy to attend and vote for the shareholder. No business may be transacted at any general meeting unless a quorum of shareholders is present at the time when the meeting proceeds to business. A quorum is at least three shareholders being present in person, or by attorney, representative or proxy.
- ◆ **Voting:** Subject to the restrictions attaching to shares issued or acquired under Wesfarmers share plans, at a general meeting of Wesfarmers, each Shareholder (as at the record time) has one vote on a show of hands irrespective of the number of Wesfarmers Ordinary Shares held and, on a poll, one vote for each Wesfarmers Ordinary Share held at the record time. If the Wesfarmers Shareholder attends the meeting in person and in the capacity as a proxy, attorney or representative, the Wesfarmers Shareholder is only entitled to one vote on a show of hands even though he/she represents more than one shareholder.
- ◆ **Dividends:** The Wesfarmers Board may, subject to the terms of Wesfarmers PPS, pay any interim and final dividends that, in the judgement of the Wesfarmers Directors, the financial position of Wesfarmers justifies and in accordance with the terms of issue of Wesfarmers Ordinary Shares. Paying a dividend does not require confirmation at a general meeting of shareholders. Subject to any rights or restrictions attached to any Wesfarmers Ordinary Shares or class of Wesfarmers Ordinary Shares, all dividends must be paid equally on all shares. Interest is not payable by Wesfarmers on any dividend. Wesfarmers currently offers a dividend investment plan.
- ◆ **Transfer of Wesfarmers Ordinary Shares:** Subject to the Corporations Act, the ASX Listing Rules and the Wesfarmers Constitution, a Wesfarmers Shareholder may transfer all or any of their Wesfarmers Ordinary Shares:
 - ◆ by a proper ASTC transfer; or
 - ◆ by an instrument in writing in any usual form or in any other form approved by the Wesfarmers Board.

Wesfarmers' Constitution allows the Wesfarmers Board (subject to the Corporations Act and the ASX Listing Rules) to invoke provisions relating to holdings of less than a marketable parcel of Wesfarmers Ordinary Shares.

- ◆ **Variation of class rights:** Unless otherwise provided by Wesfarmers' Constitution or by the terms of issue of a class of shares, the rights attaching to any class may be varied:
 - ◆ with the consent in writing of the holders of three-quarters of the issued shares of that class; or
 - ◆ with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

The quorum for a separate general meeting is two shareholders who hold at least 10 per cent of the issued shares of the relevant class.

- ◆ **Winding up:** Subject to Wesfarmers' Constitution and the rights and restrictions attached to any Wesfarmers Ordinary Shares or class of shares on a winding up of Wesfarmers, Wesfarmers Shareholders will be entitled to participate in any surplus assets of Wesfarmers in proportion to the number of shares held by them.

Except as set out in the terms of issue of Wesfarmers PPS, each Wesfarmers PPS confers rights on its holder that are the same in all respects to those conferred by a Wesfarmers Ordinary Share on its holder on an equal basis.

8.6 Interests of Directors

8.6.1 Interests

Except as set out in this Prospectus, no Director or proposed director of Wesfarmers holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- ◆ the formation or promotion of Wesfarmers;
- ◆ the Entitlement Offer; or
- ◆ any property acquired or proposed to be acquired by Wesfarmers, respectively, in connection with its formation or promotion or the Entitlement Offer,

other than in their capacity as a Shareholder. Except as set out in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed director of Wesfarmers:

- ◆ to induce that person to become, or qualify as, a Director; or
- ◆ for services provided by that person in connection with the formation or promotion of Wesfarmers or the Entitlement Offer.

8. Additional Information

8.6.2 Holdings of Wesfarmers Shares

As at the date of this Prospectus, the Directors held relevant interests in Wesfarmers Shares and units in Bunnings Warehouse Property Trust¹ as follows.

	Relevant interests in Wesfarmers Ordinary Shares	Relevant interests in Wesfarmers PPS	Relevant interests in Bunnings Warehouse Property Trust units
Trevor Eastwood, AM – <i>Non-executive Chairman</i>	878,694	Nil	Nil
Richard Goyder – <i>Managing Director</i>	269,116	Nil	Nil
Colin Carter, OAM – <i>Non-executive Director</i>	15,592	Nil	Nil
Patricia Cross – <i>Non-executive Director</i>	7,100	192	Nil
Bob Every – <i>Non-executive Director</i>	6,160	142	Nil
James Graham – <i>Non-executive Director</i>	984,894	7,758	9,334
Anthony (Tony) Howarth, AO – <i>Non-executive Director</i>	2,981	513	Nil
Dick Lester – <i>Non-executive Director</i>	48,112	Nil	Nil
Charles Macek – <i>Non-executive Director</i>	11,074	Nil	Nil
Gene Tilbrook – <i>Finance Director</i>	231,452	284	22,779
David White – <i>Non-executive Director</i>	9,967	Nil	Nil

Each Director will be entitled to participate in the Retail Entitlement Offer to the extent that the Director held Wesfarmers Shares on the Record Date. Other than in respect of interests associated with Trevor Eastwood and James Graham, it is the current intention of each Director that he or she, in respect of the Existing Shares in which he or she has a relevant interest, will participate in the Retail Entitlement Offer to the full extent of the relevant Entitlement.

8.6.3 Remuneration

Wesfarmers' Constitution provides that each Director is entitled to such remuneration from Wesfarmers for his or her services as the Directors decide, but the total amount provided to all Directors for their services must not exceed in aggregate in any financial year the amount fixed by Wesfarmers shareholders in general meeting. The amount last fixed by Shareholders in a general meeting was, in respect of the non-executive Directors, \$3 million per financial year.

Note

¹ Wesfarmers has a 23% interest in Bunnings Warehouse Property Trust, which is listed on ASX.

8.6.4 Indemnity, insurance and access

In accordance with the Wesfarmers Constitution, Wesfarmers has entered into Deeds of Indemnity, Insurance and Access with each of the Directors. These Deeds:

- ◆ indemnify a Director to the full extent permitted by law against any liability incurred by the Director:
 - ◆ as an officer of Wesfarmers or of a related body corporate; and
 - ◆ to a person other than Wesfarmers or a related body corporate, unless the liability arises out of conduct on the part of the Director which involves a lack of good faith;
- ◆ provide for insurance against certain liabilities incurred as a Director; and
- ◆ provide a Director with continuing access, while in office and for a specific period after the Director ceases to be a director, to certain company documents which relate to the Director's period in office.

In addition, the Wesfarmers Constitution provides for the indemnity of officers of Wesfarmers or its related bodies corporate from liability incurred by a person in that capacity unless the liability arises out of conduct involving a lack of good faith by the person.

8.7 Interests of experts and advisers

Except as set out in this Prospectus, no:

- ◆ person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- ◆ promoter of Wesfarmers; or
- ◆ broker or underwriter to the Entitlement Offer,

(each a **relevant person**) holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- ◆ the formation or promotion of Wesfarmers;
- ◆ the Entitlement Offer; or
- ◆ any property acquired or proposed to be acquired by Wesfarmers in connection with the formation or promotion of Wesfarmers or the Entitlement Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a relevant person in connection with the formation or promotion of Wesfarmers or the Entitlement Offer. The amounts below are exclusive of GST.

ABN AMRO Equity Capital Markets Australia Limited, Deutsche Bank AG, Sydney Branch, Goldman Sachs JBWere Pty Limited, J.P. Morgan Australia Limited, Macquarie Capital Advisers Limited and UBS AG, Australia Branch are acting as Joint Lead Managers and underwriters to the Entitlement Offer, in respect of which they will receive fees (see Section 8.4). Related bodies corporate of the Joint Lead Managers who hold Wesfarmers Shares may be entitled to participate in the Entitlement Offer by virtue of their shareholdings.

Gresham Advisory Partners Limited, has acted as financial adviser to Wesfarmers in connection with the Entitlement Offer. In aggregate, Wesfarmers has paid or agreed to pay Gresham Advisory Partners Limited approximately \$2 million (excluding disbursements and GST) for these services. Wesfarmers has a 50% interest in Gresham Partners Group Limited, of which Gresham Advisory Partners Limited is a subsidiary. James Graham, a Non-executive Director of Wesfarmers, is also Managing Director of the Gresham Partners Group Limited and holds an indirect non-controlling beneficial interest in the ultimate holding company of the Gresham Partners Group. Each of Richard Goyder, the Managing Director of Wesfarmers, and Gene Tilbrook, the Finance Director of Wesfarmers, is also a Director of Gresham Partners Group Limited.

ANZ Securities Limited, Commonwealth Securities Limited, National OnLine Trading Limited, Southern Cross Equities Limited and Westpac Securities Limited are acting as co-managers to the Entitlement Offer. The Joint Lead Managers will be responsible for fees payable to the co-managers, which will be \$100,000 (inclusive of GST) for each co-manager.

Allens Arthur Robinson has acted as Australian legal and tax adviser to Wesfarmers in connection with the Entitlement Offer. In aggregate, Wesfarmers has paid or agreed to pay Allens Arthur Robinson approximately \$750,000 (excluding disbursements and GST) for these services to the date of this Prospectus. Further amounts may be paid to Allens Arthur Robinson in accordance with its normal time-based charges.

Grant Samuel Corporate Finance Pty Ltd has advised Wesfarmers in relation to the Board's determination to adjust the Wesfarmers PPS cap and floor price (see Section 2.14). In aggregate, Wesfarmers has paid or agreed to pay Grant Samuel Corporate Finance Pty Ltd approximately \$125,000 (excluding disbursements and GST) for these services.

8. Additional Information

8.8 Regulatory matters

In connection with the Entitlement Offer, ASX has granted to Wesfarmers waivers from ASX Listing Rules 7.1 and 10.11 to the extent necessary to:

- ◆ permit Wesfarmers to make the Entitlement Offer in the manner described in this Prospectus without the requirement to obtain Shareholder approval; and
- ◆ permit related parties of Wesfarmers to participate in the Entitlement Offer up to the extent of their Entitlements on the same terms as other Shareholders without the requirement to obtain Shareholder approval.

The ASX Listing Rule 7.1 waiver is subject to conditions. The effect of these conditions is to permit Wesfarmers to:

- ◆ offer New Wesfarmers Ordinary Shares pro rata to Eligible Institutional Shareholders on or before the Record Date under the Institutional Entitlement Offer; and
- ◆ offer the New Wesfarmers Ordinary Shares relating to Entitlements not taken up by those Eligible Institutional Shareholders, and the New Wesfarmers Ordinary Shares relating to the Entitlements that Ineligible Institutional Shareholders would have received had they been Eligible Institutional Shareholders, to Institutional Investors via the Institutional Entitlement Bookbuild,

as long as:

- ◆ Eligible Institutional Shareholders and Ineligible Institutional Shareholders who sell down their holding of Wesfarmers Shares before the Record Date have their pro rata allocations reduced accordingly; and
- ◆ New Wesfarmers Ordinary Shares are issued under the Institutional Entitlement Offer and the Retail Entitlement Offer at the same price and on the same 1 for 8 basis.

The ASX Listing Rule 10.11 waiver permits related parties of Wesfarmers to participate in the Retail Entitlement Offer on the same terms as other Eligible Retail Shareholders without a requirement to obtain Shareholder approval. The waiver is subject to the same conditions imposed in relation to the waiver from ASX Listing Rule 7.1. Additionally, it is a condition of this waiver that the related parties only participate in the Retail Entitlement Offer up to the extent of their pro rata entitlement.

The waivers set out the arrangements for dealing with holdings registered in the names of nominees. In particular, a nominee Shareholder is treated as a separate holder in respect of securities held for each of one or more Eligible Retail Shareholders and Eligible

Institutional Shareholders (and, accordingly, may receive offers under both the Institutional Entitlement Offer and the Retail Entitlement Offer in respect of Wesfarmers Shares held as nominee for other persons). Offers under the Institutional Entitlement Offer will be treated as being made to the nominee, and therefore to an Eligible Institutional Shareholder, even where made directly to the Eligible Institutional Shareholder for whom the nominee holds.

The waivers also allow Wesfarmers to ignore, for the purposes of determining those entitled to receive Entitlements (under both the Institutional Entitlement Offer and the Retail Entitlement Offer) transactions occurring after the announcement of the trading halt in Wesfarmers Shares on Thursday, 17 April 2008 (other than registrations of ITS (Integrated Trading System) transactions which were effected before the announcement) (**post ex-date transactions**). Transactions ignored under this provision are to be ignored in determining holders and registered holders, and holdings and registered holdings, of Wesfarmers Shares as at the Record Date, and references to such holders, registered holders, holdings and registered holdings are to be read accordingly. Therefore, if you have acquired Wesfarmers Shares in a post ex-date transaction you will not be entitled to receive an Entitlement in respect of those Wesfarmers Shares.

ASX has also confirmed that ASX Listing Rule 7.7.1(c) will not apply to the Entitlement Offer. Listing Rule 7.7.1(c) applies in the case of a renounceable pro rata issue of shares, and requires the issuer to appoint a nominee to arrange for the sale of the entitlements that would have been given to shareholders excluded from participation in the entitlement offer. Due to the structure of the Institutional Entitlement Bookbuild and Retail Entitlement Bookbuild, there is no need to appoint a nominee for the purposes of the Entitlement Offer.

ASX has also granted waivers of ASX Listing Rules 3.20 and 7.40 to the extent necessary to permit the Entitlement Offer to proceed on the timetable described in this Prospectus on condition that the Entitlement Offer timetable is acceptable to ASX.

8.9 Withdrawal of Entitlement Offer

The Directors reserve the right to withdraw all or part of the Entitlement Offer and this Prospectus at any time prior to the issue of New Wesfarmers Ordinary Shares, in which case Wesfarmers will refund Application Monies in accordance with the Corporations Act and without payment of interest.

8.10 Institutional Offering Memorandum

Eligible Retail Shareholders should note that Wesfarmers has prepared an offering memorandum dated Monday, 21 April 2008 (**Institutional Offering Memorandum**) for distribution to Eligible Institutional Shareholders and certain Institutional Investors in connection with the Institutional Entitlement Offer, Institutional Entitlement Bookbuild and Retail Entitlement Bookbuild. Hard copies are also available on request free of charge (see Section 8.3). The Institutional Offering Memorandum has been released to ASX and is available for download from the announcements section of the ASX website at www.asx.com.au. It contains additional information concerning Wesfarmers' businesses and summary historical or pro-forma financial information.

Role

Joint Lead Managers and Underwriters

Co-managers

Share Registry

Australian legal and tax adviser

Financial adviser

As named in the Chairman's Letter and Section 2.14

8.11 Consents

Each of the parties referred to as consenting parties who are named below:

- (a) has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based;
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus; and
- (c) has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

Consenting parties

ABN AMRO Equity Capital Markets Australia Limited, Deutsche Bank AG, Sydney Branch, Goldman Sachs JBVere Pty Limited, J.P. Morgan Australia Limited, Macquarie Capital Advisers Limited and UBS AG, Australia Branch

ANZ Securities Limited, Commonwealth Securities Limited, National OnLine Trading Limited, Southern Cross Equities Limited and Westpac Securities Limited

Computershare Investor Services Pty Limited

Allens Arthur Robinson

Gresham Advisory Partners Limited

Grant Samuel Corporate Finance Pty Ltd

Without limiting anything in paragraphs (a), (b) or (c) above, Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to Wesfarmers. Further, Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

National Online Trading Limited ABN 83 089 718 249 (**NOLT**) is a wholly owned subsidiary of National Australia Bank Limited ABN 12 004 044 937 (**nab**), but nab does not guarantee the obligations or performance of NOLT or the services it offers. NOLT is not an authorised deposit-taking institution and NOLT's obligations do not represent deposits or other liabilities of nab.

8.12 Privacy

As a Shareholder, Wesfarmers and the Share Registry have already collected certain personal information from you. If you apply for New Wesfarmers Ordinary Shares, Wesfarmers and the Share Registry may update that personal information or collect additional personal information. Such information will be used to assess your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Company and tax law requires some of the information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, if at all.

8. Additional Information

Wesfarmers and the Share Registry may disclose your personal information for purposes related to your shareholding to their agents and service providers, including those listed below or otherwise authorised under the Privacy Act:

- ◆ the Joint Lead Managers in order to assess your Application;
- ◆ the Share Registry for administration of the Entitlement Offer and ongoing administration of the Wesfarmers share register; and
- ◆ printers and mailing houses for the purposes of preparation and distribution of Shareholder statements and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) Wesfarmers or the Share Registry. You can request access to your personal information by contacting the Share Registry as follows:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 8060
Tel: (within Australia) 1300 85 05 05
Tel: (outside Australia) +61 3 9415 4000

If Wesfarmers' or the Share Registry's record of your personal information is incorrect or out of date, it is important that you contact the Share Registry so that your records can be corrected.

8.13 Consents to lodgement

Each Director of Wesfarmers has given, and has not withdrawn, their consent to the issue of this Prospectus and to its lodgement with ASIC under the Corporations Act.

8.14 Governing law

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



Glossary

9. Glossary

In this Prospectus and the accompanying Entitlement and Acceptance Form, terms and abbreviations have the following meanings unless the context otherwise requires.

Terms & abbreviations	Meaning
\$ or A\$ or dollars	Australian dollars
AIFRS	Australian equivalents to International Financial Reporting Standards
Application	An application to subscribe for New Wesfarmers Ordinary Shares pursuant to the Retail Entitlement Offer
Application Monies	Monies received from the applicants in respect of their Applications
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ASX 008 624 691) or the financial market operated by that entity known as the Australian Securities Exchange
ASX Listing Rules	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any written waiver granted by ASX
Clearing Price	The amount payable per New Wesfarmers Ordinary Share: <ul style="list-style-type: none"> ◆ in respect of the Institutional Entitlement Bookbuild, through the Institutional Entitlement Bookbuild process (being \$37.25 per New Wesfarmers Ordinary Share); or ◆ in respect of the Retail Entitlement Bookbuild, through the Retail Entitlement Bookbuild process, which may be equal to or above the Offer Price
Closing Date	5.00pm (AEST) on Tuesday, 20 May 2008, being the latest time and day by which completed Entitlement and Acceptance Forms and BPAY® payments of Application Monies will be accepted (subject to variation)
Coles Group	Coles Group Limited (ABN 11 004 089 936) and its subsidiaries
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director	A director of Wesfarmers
Eligible Institutional Shareholder	An Institutional Shareholder to whom the Joint Lead Managers make an offer on behalf of Wesfarmers under the Institutional Entitlement Offer, and who the Joint Lead Managers determine has successfully received that offer
Eligible Retail Shareholder	A Shareholder on the Record Date who: <ul style="list-style-type: none"> ◆ has a registered address in Australia or New Zealand (or is a trustee who holds Wesfarmers Ordinary Shares on behalf of employees under Wesfarmers' UK employee share schemes); ◆ is not a US Person or acting for the account or benefit of a US Person; ◆ is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; ◆ does not hold Wesfarmers Shares as a result of post ex-date transactions which are disregarded as described in Section 8.8; and ◆ is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer

Terms & abbreviations	Meaning
Eligible Shareholder	A person who is an Eligible Institutional Shareholder or Eligible Retail Shareholder
Entitlement	<p>The number of New Wesfarmers Ordinary Shares for which an:</p> <ul style="list-style-type: none"> ◆ Eligible Retail Shareholder is entitled to subscribe under the Retail Entitlement Offer; and ◆ Eligible Institutional Shareholder is entitled to subscribe under the Institutional Entitlement Offer, <p>in each case being 1 New Wesfarmers Ordinary Share for every 8 Existing Shares held on the Record Date</p>
Entitlement and Acceptance Form	Each Entitlement and Acceptance Form accompanying this Prospectus upon which an Application may be made
Entitlement Offer or Offer	The offer of approximately 88.7 million New Wesfarmers Ordinary Shares to Eligible Shareholders in the proportion of 1 New Wesfarmers Ordinary Share for every 8 Existing Shares held on the Record Date. The Entitlement Offer comprises four parts: Institutional Entitlement Offer, Institutional Entitlement Bookbuild, Retail Entitlement Offer and Retail Entitlement Bookbuild
Existing Share	A Wesfarmers Share on issue on or before the Record Date
FY 2005, FY 2006, FY 2007, FY 2008 and FY 2009	The financial year ending, respectively, on 30 June 2005, 30 June 2006, 30 June 2007, 30 June 2008 and 30 June 2009
Ineligible Institutional Shareholder	<p>A Shareholder (or a beneficial owner of Wesfarmers Shares) on the Record Date who is not an Eligible Institutional Shareholder and who Wesfarmers and the Joint Lead Managers agree:</p> <ul style="list-style-type: none"> ◆ although an Institutional Investor, should not receive an offer under the Institutional Entitlement Offer in accordance with ASX Listing Rule 7.7.1(a); or ◆ although not an Institutional Investor, is a person to whom offers and issues of New Wesfarmers Ordinary Shares could lawfully be made in Australia without the need for disclosure under Chapter 6D of the Corporations Act if that Shareholder had received the offer in Australia, and who should be treated as an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer
Ineligible Retail Shareholder	A Shareholder on the Record Date who is not an Eligible Institutional Shareholder, an Ineligible Institutional Shareholder or an Eligible Retail Shareholder
Institutional Entitlement Bookbuild	The first bookbuild to be conducted in connection with the Entitlement Offer, being in respect of the Institutional Entitlement Offer, as described in Section 2.7.2
Institutional Entitlement Offer	The offer of New Wesfarmers Ordinary Shares to Eligible Institutional Shareholders under the Entitlement Offer as described in Section 2.7.1

9. Glossary

Terms & abbreviations	Meaning
Institutional Investor	<p>A person:</p> <ul style="list-style-type: none"> ◆ to whom an offer of New Wesfarmers Ordinary Shares may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is exempt from the disclosure requirements of Part 6D.2 in accordance with sections 708(8) or 708(11) and who is not a US Person or acting on account of or for the benefit of a US Person; or ◆ to whom an offer of New Wesfarmers Ordinary Shares may be made outside Australia without registration, lodgement of a formal disclosure document or other filing in accordance with the laws of that foreign jurisdiction (except to the extent to which Wesfarmers is willing to comply with such requirements), provided that if such an investor is in the US or is, or acting for the benefit of, a US Person (and, if applicable, the person on behalf of whom such investor is acting) it must be: a Qualified Institutional Buyer (as defined in Rule 144A of the Securities Act) or a dealer or professional fiduciary organised, incorporated or (if an individual) resident in the US that is acting solely for an account (other than an estate or trust) held for the benefit or account of persons that are not US Persons for which it has sole investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the Securities Act.
Institutional Offering Memorandum	The meaning given in Section 8.10
Institutional Premium	The meaning given in Section 2.7.2
Institutional Shareholder	A Shareholder on the Record Date who is an Institutional Investor
Joint Lead Managers or Underwriters	ABN AMRO Equity Capital Markets Australia Limited, Deutsche Bank AG, Sydney Branch, Goldman Sachs JBWere Pty Limited, J.P. Morgan Australia Limited, Macquarie Capital Advisers Limited and UBS AG, Australia Branch
New Wesfarmers Ordinary Shares	the Wesfarmers Ordinary Shares offered under the Entitlement Offer
Offer Period	The period commencing on the opening date of the Retail Entitlement Offer, as specified in the "Key Dates" section of this Prospectus, and ending on the Closing Date
Offer Price	The price payable for each New Wesfarmers Ordinary Share under the Entitlement Offer, being \$29.00
Prospectus	This replacement prospectus dated 24 April 2008 and lodged with ASIC on that date, which replaces a prospectus dated 21 April 2008 and lodged with ASIC on that date (except that for the purposes of Section 8.4 only, "Prospectus" also refers to the prospectus dated 21 April 2008)
Record Date	The time and date for determining which Shareholders are entitled to the Entitlement, being 7.00pm (AEST) on Thursday, 24 April 2008
Retail Entitlement Bookbuild	The second bookbuild to be conducted in connection with the Entitlement Offer, being in respect of the Retail Entitlement Offer, as described in Section 2.6.2

Terms & abbreviations	Meaning
Retail Entitlement Offer	The offer under this Prospectus of New Wesfarmers Ordinary Shares to Eligible Retail Shareholders under the Entitlement Offer as described in Section 2.6.1
Retail Premium	The meaning given in Section 2.5
Securities Act	The US <i>Securities Act of 1933</i> , as amended
Share Registry	Computershare Investor Services Pty Limited (ACN 078 279 277)
Shareholder	The registered holder of a Wesfarmers Ordinary Share or Wesfarmers PPS
UK	United Kingdom
Underwriting Agreement	The Underwriting Agreement dated 21 April 2008 between Wesfarmers and the Joint Lead Managers, as described in Section 8.4
US	United States of America, its territories and possessions, any state of the United States and the District of Columbia
US Person	The meaning given in Rule 902(k) under Regulation S under the Securities Act
Wesfarmers	Wesfarmers Limited (ABN 28 008 984 049)
Wesfarmers Group	Wesfarmers and each of its subsidiaries
Wesfarmers Ordinary Share	A fully paid ordinary share in the capital of Wesfarmers, other than a Wesfarmers PPS
Wesfarmers PPS	A partially protected ordinary share in the capital of Wesfarmers, having the terms of issue set out in an announcement released by Wesfarmers to the ASX on 1 October 2007 as amended in the manner described in Section 2.14
Wesfarmers Share	A Wesfarmers Ordinary Share or Wesfarmers PPS

9. Glossary

9.2 Interpretation

In this Prospectus, unless the context requires otherwise:

- (a) the singular includes the plural, and vice versa;
- (b) words importing one gender include the other gender;
- (c) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances or by-laws issued under that statute;
- (d) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (e) a reference to a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (f) a reference to a body (including an institute, association or authority), whether statutory or not:
 - (i) that ceases to exist; or
 - (ii) the powers or function of which are transferred to another body,
 is a reference to the body that replaces it or substantially succeeds to its powers or functions;
- (g) other grammatical forms of a word or phrase defined in this Prospectus have a corresponding meaning; and
- (h) a reference to a Section is a reference to a Section of this Prospectus.

Corporate Directory

Non-executive Directors

Trevor Eastwood, AM *Chairman*
Colin Carter, OAM
Patricia Cross
Bob Every
James Graham
Anthony (Tony) Howarth, AO
Dick Lester
Charles Macek
David White

Executive Directors

Richard Goyder
Managing Director and Chief Executive Officer
Gene Tilbrook
Finance Director

Company Secretary

Linda Kenyon
Anthony Niardone

Registered Office

Level 11, "Wesfarmers House"
40 The Esplanade
Perth WA 6000

Website

www.wesfarmers.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 2
45 St Georges Terrace
Perth WA 6000

Financial adviser

Gresham Advisory Partners Limited
Level 3
28 The Esplanade
Perth WA 6000

Australian Legal and Tax Adviser

Allens Arthur Robinson
Level 28
Deutsche Bank Place
Corner of Hunter and Phillip Streets
Sydney NSW 2000

Joint Lead Managers

ABN AMRO Equity Capital Markets Australia Limited
Level 25
ABN AMRO Tower
88 Phillip Street
Sydney NSW 2000

Deutsche Bank AG, Sydney Branch
Level 16
Deutsche Bank Place
Corner of Hunter and Phillip Streets
Sydney NSW 2000

Goldman Sachs JBWere Pty Limited
Level 48
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

J.P. Morgan Australia Limited
Level 32
Grosvenor Place
225 George Street
Sydney NSW 2000

Macquarie Capital Advisers Limited
1 Martin Place
Sydney NSW 2000

UBS AG, Australia Branch
Level 16
2 Chifley Square
Sydney NSW 2000

Co-managers

ANZ Securities Limited
Level 14
530 Collins Street
Melbourne VIC 3000

Commonwealth Securities Limited
Level 18
363 George Street
Sydney NSW 2000

National OnLine Trading Limited
A National Australia Bank Company
C/- Level 26
255 George Street
Sydney NSW 2000

Southern Cross Equities Limited
Level 32
88 Phillip Street
Sydney NSW 2000

Westpac Securities Limited
Trading as Westpac Broking
Level 1
275 Kent Street
Sydney NSW 2000

Wesfarmers Limited Shareholder Line

Within Australia – **1300 558 062** (local call cost)

Outside Australia – **+61 3 9415 4631**

Open from 8.30am to 7.30pm (AEST)
Monday to Friday during the Offer Period.



Wesfarmers

