



Wesfarmers Limited

30 October 1989

Rights Issue

Dear Shareholder

The one for seven rights issue which closed on 30 October 1989 will increase the company's issued capital by \$90.9 million. The funds raised will facilitate the future expansion of the group and allow the company to retire some short term debt.

To assist shareholders who took up new shares or sold rights, a brief commentary on taxation aspects is given below. (Shareholders who did not take up new shares or sell rights are not affected in any way.)

Rights Exercised

If you exercised your rights, i.e. you took up shares, the cost base for capital gains tax purposes of the new shares will depend on the date of acquisition of the original shares:

where the original shares were acquired up to and including 19 September 1985, the cost base for the new shares will be \$4.25 each plus the market value of the rights on the day they were exercised, i.e. the day the application was lodged. (Note: To assist you in this, weighted average market prices for rights from the date of despatch of the offer documents to the last day of rights trading are listed overleaf.)

where the original shares were acquired after 19 September 1985 the cost base for the new shares will be \$4.25.

Where the original shares were acquired both pre and post 19 September 1985, the rights will need to be apportioned accordingly.

In both cases, indexation of the cost base of the new shares commences from the date on which the rights were exercised. Indexation will not apply where the new shares are sold within 12 months of the date on which the rights were exercised.

Rights Sold

If you sold rights, the tax position will again depend on the date of acquisition of the original shares:

where the original shares were acquired up to and including 19 September 1985, the rights will be deemed to have been acquired before the introduction of capital gains tax and no tax is payable on the sale of the rights.

where the original shares were acquired after 19 September 1985, the proceeds from the sale of rights attaching to them are subject to capital gains tax.

The above is a general summary only, and we recommend that you consult your own tax adviser about your particular situation.

Yours faithfully

K A MARTIN
SECRETARY

WEIGHTED AVERAGE MARKET PRICES FOR RIGHTS FROM
DATE OF DESPATCH OF THE ENTITLEMENT AND
ACCEPTANCE FORMS TO THE LAST DAY OF RIGHTS
TRADING

Date	Weighted Average Price
5 October	30 cents
6 October	31 cents
9 October	29 cents
10 October	24 cents
11 October	26 cents
12 October	26 cents
13 October	29 cents
16 October	10 cents
17 October	21 cents
18 October	19 cents
19 October	23 cents