



Wesfarmers Limited

A.C.N. 008 984 049

IMPORTANT - THE INFORMATION CONTAINED IN THE ENCLOSED DOCUMENTATION SHOULD BE KEPT ON FILE FOR REFERENCE WHEN PREPARING YOUR TAX RETURNS. IF YOU USE AN ACCOUNTANT OR TAX AGENT, YOU ARE ADVISED TO PROVIDE THEM WITH A COPY.

7 November 1994

Dear Former Bunnings Shareholder

IMPORTANT ADVICE CONCERNING THE BUNNINGS OFFER

The following information has been provided to assist former Bunnings shareholders to determine the following:

- the value of the consideration received for their Bunnings shares
- the cost base of the Wesfarmers shares and options received as consideration for their Bunnings shares.

The date you accepted the offer, the method of calculation and the values which applied as at the date you accepted the offer are shown on the attached schedule. The value of the consideration on the day will depend on which of the two offers you accepted. Two separate columns of values, one for the cash offer and one for the cash and securities offer, are provided.

VALUING YOUR OPTIONS IN WESFARMERS LIMITED

The share options you received in Wesfarmers Limited (Wesfarmers) as part consideration for the sale of your shares in Bunnings Limited (Bunnings) were listed on the stock exchange on 10 October 1994. While there were no trades on the first day of listing, there were sales of options on 11 October 1994 at 60 cents each. (These options have since been trading in excess of 70 cents.)

You are now able to trade your Wesfarmers options on the stockmarket at any time should you wish to do so.

For option holders not generally familiar with dealing in options, a brief explanatory paper on Wesfarmers options has been enclosed and should clarify some of the more confusing aspects of options.

The "Exercise Periods" in which option holders can convert their options to shares are listed on the back of the option certificates. The options expire on 30 June 1999. You will receive advance notice from the company in 1999 to ensure you are aware of the expiry date.

As some option holders hold their options on FAST and will therefore not have an option certificate from which to obtain this information, details of the exercise periods can be obtained from the enclosed explanatory paper on the Wesfarmers options.

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CAPITAL GAINS TAX

Former Bunnings shareholders who acquired their Bunnings shares on or after 20 September 1985 will need to consider any Capital Gains Tax (CGT) liabilities arising from the sale of their Bunnings shares under the offer when preparing their 1995 tax returns.

To assist you or your tax adviser in this regard, we have obtained tax advice from Ernst & Young, a major accounting firm, on the recommended method for the valuation of the consideration you received for your Bunnings shares.

The values which apply to your Wesfarmers shares and/or options are also shown on the enclosed schedule as this information will also be required for capital gains tax purposes should you subsequently sell your Wesfarmers shares or options.

ERNST & YOUNG'S ADVICE

The consideration received for the disposal of the Bunnings shares will be the sum of the cash and the market value of the Wesfarmers shares and options at the date the offer is accepted.

For acceptances on or before 23 September 1994 (being the closing date of the offer), the Wesfarmers options were not listed on the stock exchange at that time and Ernst & Young has recommended that you adopt the last sale price on the first day of trading as the option's market value at the date the offer was accepted, which as advised earlier, is 60 cents per option.

The market value of the Wesfarmers shares as at the date you accepted the offer can be obtained from the attached schedule of dates and last sale prices throughout the period of the offer. This schedule also lists the consideration that you would then attribute to a Bunnings share disposed of on that date depending on which of the two offers you accepted.

Where acceptances were not received by 23 September 1994, the Bunnings shares were compulsorily acquired on 7 November 1994. On the above basis, the consideration received for the Bunnings shares which were compulsorily acquired under the terms of the cash offer was \$11.39. The options which were listed at this stage had a last sale price on that day of 75 cents.

The consideration received for the Bunnings shares which were compulsorily acquired on 7 November 1994 under the terms of the cash and securities offer was \$10.69. The Wesfarmers shares had a last sale price on that day of \$8.10.

Should you sell the Wesfarmers shares or options at some time in the future, Ernst & Young recommends that you use the same values you determined for the consideration you received on your Bunnings shares as the cost base (subject to indexation) for such shares and options.

This advice applies to shareholders who are assessed under the capital gains tax provisions of the Income Tax Assessment Act. Different treatment may apply to shareholders who are classed as sharetraders or whose share transactions are treated on revenue account.

CALCULATING YOUR CAPITAL GAINS TAX LIABILITY

CGT legislation is extremely complex and it is recommended that you consult your accountant or tax agent about your particular situation. You should give a copy of this letter and the attached schedule to your adviser. It is further recommended that you keep this advice on file with your Wesfarmers shares and options.

Yours sincerely



K A LANGE
COMPANY SECRETARY

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Date Offer Accepted	Wesfarmers Share Price *	Wesfarmers Option Price **	Consideration per Bunnings Share	
			Under the Cash Offer	Under the Cash and Securities Offer
12 August 1994	\$9.02	60¢	\$11.35	\$11.11
15 August 1994	\$9.04	60¢	\$11.35	\$11.12
16 August 1994	\$9.10	60¢	\$11.35	\$11.15
17 August 1994	\$9.24	60¢	\$11.35	\$11.22
18 August 1994	\$9.30	60¢	\$11.35	\$11.25
19 August 1994	\$9.30	60¢	\$11.35	\$11.25
22 August 1994	\$9.30	60¢	\$11.35	\$11.25
23 August 1994	\$9.30	60¢	\$11.35	\$11.25
24 August 1994	\$9.32	60¢	\$11.35	\$11.26
25 August 1994	\$9.49	60¢	\$11.35	\$11.345
26 August 1994	\$9.45	60¢	\$11.35	\$11.325
29 August 1994	\$9.66	60¢	\$11.35	\$11.43
30 August 1994	\$9.70	60¢	\$11.35	\$11.45
31 August 1994	\$9.50	60¢	\$11.35	\$11.35
1 September 1994	\$9.30	60¢	\$11.35	\$11.25
2 September 1994	\$9.40	60¢	\$11.35	\$11.30
5 September 1994	\$9.35	60¢	\$11.35	\$11.275
6 September 1994	\$9.45	60¢	\$11.35	\$11.325
7 September 1994	\$9.46	60¢	\$11.35	\$11.33
8 September 1994	\$9.40	60¢	\$11.35	\$11.30
9 September 1994	\$9.40	60¢	\$11.35	\$11.30
12 September 1994	\$9.20	60¢	\$11.35	\$11.20
13 September 1994	\$9.22	60¢	\$11.35	\$11.21
14 September 1994	\$9.24	60¢	\$11.35	\$11.22
15 September 1994	\$9.20	60¢	\$11.35	\$11.20
16 September 1994	\$9.22	60¢	\$11.35	\$11.21
19 September 1994	\$9.20	60¢	\$11.35	\$11.20
20 September 1994	\$9.15	60¢	\$11.35	\$11.175
21 September 1994	\$9.08	60¢	\$11.35	\$11.14
22 September 1994	\$9.05	60¢	\$11.35	\$11.125
23 September 1994	\$9.10	60¢	\$11.35	\$11.15
7 November 1994	\$8.10	75¢	\$11.3875	\$10.6875