

13 July 2007

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

WESFARMERS LIMITED – LETTER TO SHAREHOLDERS

Please find attached a letter that is today being posted to Wesfarmers' shareholders regarding the proposed acquisition of Coles Group Limited.

Yours faithfully,



L J KENYON
COMPANY SECRETARY

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Wesfarmers Limited

ABN 28 008 984 049

13 July 2007

Dear Shareholder

I am writing to bring you up to date with what is happening regarding the offer we submitted on 30 June 2007 to acquire the Coles Group.

As you may have read or heard, that offer has been unanimously recommended to Coles' shareholders by the company's board.

This is a very important step forward in completing a transaction that will deliver real value to our shareholders. Coles is a significant Australian company with nationally-known and respected brands and occupies leading positions in many of the markets in which it operates.

That being said, there is unquestionably room for considerable improvement at Coles. We have done a lot of work already through the due diligence process in identifying the strengths and weaknesses of Coles' businesses. Through Bunnings, Wesfarmers has a proven track record in retailing. The management expertise we will bring to Coles, combined with its own resources and those we are likely to bring in from outside, will enable us to achieve better performance to benefit shareholders, employees, customers and suppliers.

There is a way to go yet before we are in a position to take ownership of Coles. The next step is to work with Coles to prepare the documents that need to be sent to their shareholders ahead of a meeting to vote on our proposal. At this stage we expect the process to be completed in October.

I will keep you informed of any significant developments that occur as we progress this exciting opportunity. Meanwhile, if you would like more details of our offer to acquire Coles, please go to the special section on our website www.wesfarmers.com.au.

Yours sincerely

TREVOR EASTWOOD
CHAIRMAN