



Wesfarmers Limited

ABN 28 008 984 049

NEWS

9 January 2007

WESFARMERS REINSTATES DIVIDEND INVESTMENT PLAN

The Wesfarmers Limited Dividend Investment Plan ("the Plan"), under which shareholders are able to invest all or a portion of their dividend entitlements in additional Wesfarmers shares, is to be reinstated. The Plan was suspended in February 2003 in response to the company's low level of debt and strong cash flows at that time.

The Board has decided, following several acquisitions, to reinstate the Plan with effect from 27 February 2007, which will also be the record date for the interim dividend payable in respect of the period ended 31 December 2006. The Plan will apply to future dividends unless notice is given of its suspension or termination.

A 2 per cent discount will be applied to the price of the shares allocated under the Plan in relation to the interim dividend for 2006/07.

The Board has also decided to make a number of amendments to the Plan that will become effective when it is reinstated. The three main amendments, which are intended to improve the administration of the Plan and ensure it remains cost effective, are:

- changing the basis on which the price of the shares to be allocated under the Plan will be determined and providing the directors with the discretion to select the period (which will still be not less than five consecutive trading days) over which the price will be calculated. The more flexible pricing calculation period will enable the directors to select a pricing period such that the price of the shares allocated under the Plan should reflect the market price. For the purpose of the interim dividend for 2006/07 the directors intend to select the period of 10 consecutive trading days from and including the second trading day after the record date;
- giving the directors discretion to transfer shares to participants in the Plan in addition to the current power to issue shares. This change will provide the directors with the flexibility to determine the most appropriate source for the shares to be allocated under the Plan having regard to the company's overall equity position and requirements at the relevant time. It may also enable the directors to continue the Plan in periods when it would otherwise be more appropriate to suspend its operation; and

- allowing notification of any future amendments to the Plan to be given by way of an announcement on the Australian Securities Exchange ("ASX"). This will enable the directors to determine the most suitable and cost effective way to notify shareholders of changes to the Plan.

The amendments also include other minor changes to update terminology and clarify the position in relation to partial participation in the Plan. Shareholders electing partial participation will now have the option of specifying a number of shares or a percentage of their shareholding for partial participation in the Plan rather than being required to participate in respect of 50 per cent of their shareholding.

A complete copy of the amended Terms and Conditions of the Plan is attached. The Terms and Conditions can also be obtained from the Shareholders & Investors section of the Wesfarmers website, www.wesfarmers.com.au.

Shareholders who are currently recorded as participants in the Plan will automatically be reinstated as participants and will not have to do anything further in order to continue their participation in the Plan. They will however, be given the opportunity to vary their level of participation or, if they wish, cease their participation in the Plan.

Shareholders who were not participants in the Plan will be provided with an application form to enable them to become participants in the Plan. The application form will also be available on the Computershare Investor Services Pty Limited website, www.computershare.com.au. Applications to participate in the Plan will need to be lodged by 5.00 pm (WST) on 27 February 2007 if they are to apply to the interim dividend for 2006/07. Forms received after that time will be effective for subsequent dividends only.

Letters giving notice of the reinstatement of the of the Plan and the amendments thereto will be dispatched to shareholders by 25 January 2007 together with the appropriate forms to enable them to vary their level of participation, cease their participation or become participants in the Plan.

For further information on the Plan or becoming a participant therein, shareholders should contact Computershare Investor Services Pty Limited on 1300 557 010.

For further information: Keith Kessell
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DIVIDEND INVESTMENT PLAN

Terms and Conditions

The following are the terms and conditions applicable to the Wesfarmers Dividend Investment Plan.

1. Participation in the Plan

Participation is optional.

Participation is open to all holders of Wesfarmers Limited (“Wesfarmers”) shares listed for quotation on the official lists of ASX Limited except such holders whose address (as it appears in the relevant Wesfarmers’ register) is a country whose regulations make it impracticable in the opinion of the directors for the Plan to be offered to them.

(Note: The directors have resolved that it is impracticable for participation in the Plan to be offered to holders whose addresses are in countries other than Australia or New Zealand.)

Participation may, subject to any restrictions in these terms and conditions, be varied or terminated by a Plan participant at any time.

2. Applications to Participate

Applications to participate in the Plan are made on the appropriate form signed by the applicant.

Each application received by Wesfarmers is effective for:

- (i) the first dividend payable after receipt of the application; and
- (ii) all subsequent dividends until the earlier of termination of the participant’s participation in the Plan or termination of the Plan,

PROVIDED THAT any application received by Wesfarmers after the record date for determination of entitlements to payment of a dividend (“record date”) is not effective for that dividend.

3. Degree of Participation

Participation in the Plan in respect of dividends on Wesfarmers shares may be either full or partial.

FULL PARTICIPATION results when Wesfarmers accepts an application by a shareholder for the whole of that shareholder's shareholding from time to time to be subject to the Plan. Under full participation, the provisions of the Plan apply to all cash dividends payable on all the participant's registered shareholding at the relevant record date.

PARTIAL PARTICIPATION results when Wesfarmers accepts an application by a shareholder for less than all of that shareholder's shareholding from time to time to be subject to the Plan.

Under partial participation, the provisions of the Plan apply to all cash dividends payable on the relevant percentage or number of the participant's shares subject to the Plan. However, if the provisions of the Plan apply to the cash dividends payable on a number of a partial participant's shares and on the relevant record date the number of shares held by the partial participant is less than that number, the provisions of the Plan will, in respect of that dividend, apply only to such lesser number of shares.

Applications in respect of a shareholder's shareholding which are duly signed but which do not indicate the degree of participation selected may be deemed by Wesfarmers to be applications for full participation.

4. Operation of the Plan

(i) Dividends and Allocations

Each cash dividend which is payable to a participant in respect of shares which are the subject of the Plan and which is available for payment to the participant will upon payment be used to acquire (by issue or transfer) additional Wesfarmers shares.

In respect of each cash dividend payable to a participant, Wesfarmers will for and on behalf of that participant:

- (a) determine the amount of the cash dividend payable in respect of the shares of that participant which are the subject of the Plan and any withholding tax payable in respect of such dividend;
- (b) credit the amount of the dividend (less withholding tax, if applicable) to the participant's Plan account;
- (c) determine the maximum number of additional shares priced in accordance with the provisions of the Plan which could be acquired under the Plan (rounded down to the nearest whole number) using the amount of the dividend and any cash balance then in the participant's Plan account;

- (d) either (in the absolute discretion of the directors):
 - (i) issue that number of additional shares determined in accordance with (c) above to the participant and debit the participant's Plan account with the allocation price for those additional shares;
 - (ii) cause that number of shares determined in accordance with (c) above to be acquired in the market (in the manner the directors consider appropriate) for transfer to the participant, and for each share allocated, debit the participant's Plan account with the allocation price for those shares; or
 - (iii) any combination of (i) and (ii) above; and
- (e) retain in the participant's Plan account any cash balance remaining (without accruing interest).

(ii) General

In respect of each participant in the Plan, Wesfarmers will establish and maintain a Plan account.

The price of Shares to be allocated under the Plan (the "allocation price") will be the average of the daily volume weighted average price of all Wesfarmers' shares sold on the Australian Securities Exchange in the relevant calculation period (but excluding any trades the directors in their absolute discretion consider do not reflect normal supply and demand), less any discount determined by Wesfarmers from time to time. Notification of the calculation period and the discount determined by Wesfarmers will be by announcement to ASX Limited.

In these Terms and Conditions "calculation period" means a period of not less than five consecutive trading days as determined by the directors from time to time in their absolute discretion.

5. Shares to be Allocated under the Plan

Shares to be allocated under the Plan will be allocated within the time required by the listing requirements of ASX Limited.

Shares allocated under the Plan will from the date of registration rank equally in all respects with all other issued fully paid ordinary shares in the capital of Wesfarmers.

Shares allocated under the Plan will be registered in the participant's holding and details of the shares will appear on the participant's routine transaction statement issued at the end of the month following the allocation.

6. Costs to Participants

No brokerage, commissions, stamp duty or other transaction costs are payable by participants in respect of the application for, and allocation of, shares under the Plan. However, participants will be required to pay any income tax or withholding tax payable in respect of the receipt of dividends or interest or in respect of the allocation of shares under the Plan.

7. Statement to Participants

Wesfarmers will send to each participant holding shares which are the subject of the Plan a statement as at each dividend payment date, giving details of the participant's participation in the Plan.

8. Variation to Participation

Forms to enable a participant to vary his or her participation in the Plan can be obtained by downloading the forms from the Wesfarmers website, www.wesfarmers.com.au or by contacting Wesfarmers' Share Registry, Computershare Investor Services on 1300 557 010.

A partial participant may at any time apply to become a full participant and a full participant may at any time apply to become a partial participant.

(Note: Where a partial participant has nominated a percentage of his or her shareholding to participate in the Plan and he or she acquires or disposes of shares, the number of the participant's shares subject to the Plan will be adjusted accordingly, i.e. to maintain the nominated percentage of participation.)

9. Termination of Participation

A full or partial participant may at any time give Wesfarmers notice of termination of participation in the Plan.

Notice of termination of participation will be effective in respect of the first record date after the date of receipt by Wesfarmers of the notice.

If a participant dies, participation by that participant and any other participant with whom the deceased was a joint participant, will be terminated upon receipt by Wesfarmers of notice of the death of the deceased participant.

Where a participant disposes of all the participant's shares without giving Wesfarmers notice of termination of participation and is not registered as the holder of shares at the next record date, the participant will be deemed to have terminated participation on that record date.

If there is a balance in a participant's Plan account at a record date and the participant has terminated or is deemed to have terminated participation in the Plan, the balance in the participant's Plan account will be paid to the participant.

10. Applications and Notices

Wesfarmers may, in its discretion, give any notice under this Plan to holders of Wesfarmers' securities by means of:

- (i) notice in writing in accordance with Wesfarmers' constitution; or
- (ii) an announcement to ASX Limited.

Notices by means of an announcement to ASX Limited will be deemed to have been received by all holders of Wesfarmers' securities on the date the announcement is made.

Applications and notices to Wesfarmers shall be in writing or such other form as Wesfarmers may from time to time require.

Such applications and notices will be effective on receipt by Wesfarmers subject to:

- (i) these terms and conditions;
- (ii) in the case of applications, acceptance by Wesfarmers; and
- (iii) receipt by Wesfarmers before the relevant record date.

Applications or notices received after such record date will be effective in respect of the next relevant record date.

11. Stock Exchange Listing

Application will be made by Wesfarmers promptly after issue of shares under the Plan to be listed for quotation on the official lists of ASX Limited.

12. Modification and Termination of the Plan

The Plan may be modified by Wesfarmers at any time on giving one month's notice to holders of Wesfarmers' securities and each agreement between Wesfarmers and a participant under the Plan shall be modified as necessary by such notice.

The Plan and each agreement between Wesfarmers and the participant under the Plan may be terminated by Wesfarmers at any time upon giving two month's notice to holders of Wesfarmers' securities in which event Wesfarmers will send to the participants the statements to be sent to participants upon termination of participation and any balance in the participant's Plan account.

The non-receipt of any notice under the Plan by the holder of any Wesfarmers' securities or the accidental omission to give notice of modification or termination of the Plan shall not invalidate such modification or termination.

The provisions of the Plan will not apply to dividends on shares which are the subject of the Plan where, by its Constitution or otherwise, Wesfarmers is entitled to and does retain or deal with all or part of such dividends.

13. Waiver of strict compliance

Wesfarmers reserves the discretion to waive strict compliance with any provisions of these terms and conditions.

14. Suspension of Plan

All or any part of the Plan may be suspended or recommenced from time to time and for such periods as Wesfarmers may in its discretion determine by giving one month's notice to holders of Wesfarmers' securities. Any applications for participation in the Plan will automatically be suspended during a suspension of the Plan and reinstated upon reinstatement of the Plan. On suspension of the Plan Wesfarmers may in its discretion, retain any balances in participants' Plan accounts until the Plan is reinstated, or distribute those balances to participants.