



SFE NOTICE NO.

054/08

Date of Issue: 21 April 2008

Effective Date: 28 April 2008

## Wesfarmers Limited Entitlement Offer – Corporate Actions for ASX CFDs over WES

### 1.0 Introduction

Wesfarmers Limited (ASX Code: **WES**) has announced on 21 April 2008, a pro-rata entitlement offer of **1 new securities for every 8 old securities at a subscription price of \$29.00**. The new securities rank the same with old securities to dividends.

The security has been in trading halts/suspension from Thursday 17 April 2008, and continues from Monday 21 April 2008 to Thursday 24 April 2008, and on account of the ANZAC Day public holiday, will be expected to resume trading on an ex-entitlement basis on Monday 28 April 2008.

The purpose of this SFE Notice is to describe the cash adjustments to be made to open positions in WES CFDs (commodity code **WSK6**).

The Effective Date for cash adjustments for open positions in WES CFDs (commodity code **WSK6**) held at the close of business on the day prior to the resumption of ex-entitlement trading, on account of the **entitlement offer** will be Monday 28 April 2008.

### 2.0 Cash Adjustments for the Entitlement Offer

The following will occur for positions in WES CFDs on account of the entitlement offer. The market implied value of the entitlement (or right) will be based on the VWAP ex-entitlement of the underlying securities as determined by ASX on Monday 28 April 2008.

#### Cash Adjustment per Account

$$CA = V \times R \times P \times N$$

Where:

CA	= Cash Adjustment amount
V	= Implied value of an individual right
R	= Number of new shares entitled under by rights
P	= Number of shares per CFD ( this is 1 for a standard Equity CFD)
N	= Number of Open CFDs per account

Implied value of an individual right is determined by the Exchange as

$$V = S - (d + C)$$

Where:

S	= VWAP ex-entitlement, as determined by ASX
d	= Dividend (or distribution) amount difference, if any, between new and old securities = <b>\$0</b>



Hence  $C = \text{Entitlement (or subscription) price to take up the new securities} = \$29.00$   
 $V = S - (0 + 29.00)$

So that the cash adjustment amount

$CA = V \times R \times P \times N$   
 $CA = (S - \$29.00) \times 1/8$  per open position

Long position holders (at close of business on the day prior to the effective date) will be credited the cash adjustment as per the above formulae.

Short position holders (at close of business on the day prior to the effective date) will be debited the cash adjustment as per the above formulae.

Any new positions traded to open on the effective date itself are trading on an ex-entitlement basis, and are excluded from the cash adjustment.

It should be noted that only trades to open a position prior to the trading halt that are cum-entitlement, will therefore be subject to the above cash adjustment for positions held. As the market value of the entitlement is used by ASX (and not bookbuild value), this amount will only be determined after the close of trading on the first ex-entitlement date of the underlying share on Monday 28 April 2008 when the VWAP is calculated.

The cash adjustment will be settled by SFECC on the day following the effective date, ie Tuesday 29 April 2008.

### 3.0 Further SFE Notice

Participants are advised that a further SFE Notice setting out the amount of cash adjustment will be issued as soon as is practicable, after the close of business on the effective date of Monday 28 April 2008.

### 4.0 Further information

Participants seeking further information in relation to this Notice should contact:

Peter Ho, Product Manager Equity Markets on 612 9227 0668 or [peter.ho@asx.com.au](mailto:peter.ho@asx.com.au)

Operational enquiries – Service Desk on 612 9256 0677 or [service.desk@asx.com.au](mailto:service.desk@asx.com.au)

A handwritten signature in black ink that reads 'David Raper'.

David Raper

General Manager, Trading Operations and Markets

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