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### **COLES ENTERS INTO PROPERTY JOINT VENTURE WITH ISPT**

Coles has entered into a joint venture with ISPT, a leading Australian property fund manager, which will acquire a 75 per cent interest in an initial portfolio of 19 Coles-owned shopping centres.

The initial portfolio is valued at approximately \$532 million, and the transaction will deliver proceeds to Wesfarmers of approximately \$400 million.

ISPT is one of Australia's largest unlisted property management funds and has over \$8 billion of funds under management.

Under the arrangement, Coles will retain a 25 per cent interest in the centres and will continue to manage the centres. ISPT and Coles will also look to place further properties into the joint venture as opportunities arise and Coles will maintain development control over these properties.

Coles Finance Director Rob Scott said the joint venture would deliver strong benefits to both parties.

"This joint venture with ISPT means Coles has secured a long-term property partner with closely aligned commercial interests," Mr Scott said.

"By retaining property development and management rights, Coles can ensure that it has flexibility and control over both store format layouts and the in-store experience for our customers.

"The arrangement also affords Coles the opportunity to secure funding for our future store growth plans."

Wesfarmers Finance Director Terry Bowen said that the joint venture represented a continuation of Wesfarmers' strategy to release capital from its balance sheet, with this transaction releasing approximately \$400 million of capital.

"This joint venture with ISPT progresses Wesfarmers' plans to recycle capital in business divisions that have experienced strong growth in freehold property. Wesfarmers will continue to look for innovative structures and partnerships such as this to create value for our shareholders," Mr Bowen said.

#### **For further information:**

**Media:** Cathy Bolt (+61) 8 9327 4423 / (+61) 417 813 804

**Investors:** Mark Scatena (+61) 8 9327 4416 / (+61) 439 979 398

**Wesfarmers Limited** ABN 28 008 984 049

11th Floor, 40 The Esplanade, Perth, Western Australia 6000. GPO Box M978, Perth WA 6843.

[www.wesfarmers.com.au](http://www.wesfarmers.com.au)