

Update on agreement to acquire UK retailer Homebase

4 February 2016

Transaction update

Further to the announcement on 18 January 2016 which confirmed that Wesfarmers Limited (ASX: WES) had entered into an agreement to acquire Homebase from Home Retail Group (LSE: HOME) for £340 million (A\$698 million)¹, Wesfarmers confirms that Home Retail Group has received approval from its banking syndicate.

Home Retail Group has also progressed its shareholder approval process consistent with the UK Financial Conduct Authority's Listing Rules for Class 1 transactions. A circular was issued to shareholders of Home Retail Group on 3 February 2016 which sets out the unanimous recommendation of its Board that the transaction is in the best interests of shareholders. The circular gives notice of a general meeting to be held on 25 February 2016 where Home Retail Group shareholders will be asked to approve the transaction. Subject to the approval of Home Retail Group shareholders, transaction completion is expected soon thereafter.

Integration support

Wesfarmers Managing Director Richard Goyder said that integration and implementation planning for Homebase was progressing well and that Tim Bult, Wesfarmers Director of Associate Businesses and International Development and previously the Group's Executive General Manager, Business Development, will assist with the integration of the Homebase business post completion.

"I'm delighted that Tim will provide support to the Bunnings and Homebase teams during the important phase of integrating the Homebase business," Mr Goyder said.

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¹ £:A\$ of 0.4869 at 3 February 2016 (Reserve Bank of Australia)