



29 August 2013

WESFARMERS SECURITISED LEASE TRANSACTION

Wesfarmers Limited today announced the sale and leaseback of 15 Bunnings Warehouse properties via a securitised lease transaction.

The transaction will realise proceeds of approximately \$304 million. After taking into account all expected cashflows, this results in an implied yield of 6.57 per cent.

Under the lease securitisation structure, the acquisition of the properties will be funded primarily from the issue of 12 year senior secured partially amortising floating rate notes. The notes will pay a coupon equivalent to the three month bank bill rate (BBSW) plus 215 basis points.

The notes are rated A- by Standard & Poor's, the same rating as Wesfarmers senior bonds.

CIMB and Goldman Sachs have acted as joint structuring advisers to the transaction and CIMB, Goldman Sachs and Westpac are the joint lead managers to the note issue.

Bunnings Chief Operating Officer Peter Davis said: "The innovative structure continues our focus on releasing capital via sale and leaseback on terms that retain operational flexibility. It also provides investors with a quality retail property portfolio as security, backed by the strength of Wesfarmers' credit rating.

"The structure also allows us to access new sources of capital whilst achieving attractive yields and may be utilised again as market conditions permit."

Wesfarmers Finance Director Terry Bowen, said: "The lease securitisation represents a continuation of Wesfarmers' strategy to release capital from its balance sheet, with this transaction releasing approximately \$287 million of capital. It follows the announcement on 8 August of the sale and leaseback of a portfolio of 10 other Bunnings properties to BWP Trust which will realise approximately \$271 million.

"Given the depth of Bunnings new store pipeline and high rate of conversion into trading locations, the group will continue its strong focus on recycling capital as these stores are completed."

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