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News Release

Wesfarmers

30 March 2020

Wesfarmers agrees to sell 5.2 per cent of Coles Group

Wesfarmers today announced that it has entered into an underwriting agreement with two lead managers to sell 5.2 per cent of the issued capital of Coles Group Limited (ASX:COL) (Coles).

As a result of the Group's interest falling below 10 per cent, the Relationship Deed agreed with Coles at the time of the demerger will terminate and Wesfarmers will no longer have the right to nominate a director to the Coles Board. As part of the transaction, Wesfarmers has also agreed to retain its remaining shares in Coles for at least 60 days from completion of the sale, subject to customary exceptions.

Wesfarmers Managing Director Rob Scott said that the significant and unprecedented events of the past few weeks have highlighted the importance of balance sheet flexibility to support the Group in a range of economic circumstances.

"We have been pleased with the performance of Coles since the demerger and the very important role that Coles is providing, and will continue to provide, to Australian households during the COVID-19 crisis," Mr Scott said.

"This divestment crystallises an attractive return for shareholders since demerger and further enhances Wesfarmers' strong balance sheet position."

Wesfarmers and Coles will continue its flybuys joint venture, with both groups retaining a 50 per cent interest in the business, allowing continued strategic collaboration between the two companies in relation to mutually beneficial growth initiatives.

Further details, including the price received per ordinary share and pre-tax profit on sale, will be disclosed when the sale proceeds are known.

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