

Company Announcement
ASX Limited

Melbourne, 28 August 2013

GRENCAP LIMITED ANNOUNCES RECOMMENDED SCHEME OF ARRANGEMENT
OFFERING \$0.08 PER SHARE FROM WESFARMERS INDUSTRIAL AND SAFETY

Greencap Limited (“**Greencap**”) is pleased to announce it has reached an agreement under which Greencap’s businesses and operations will become part of Wesfarmers Industrial and Safety Pty Ltd (“**WIS**”) a wholly owned subsidiary of Wesfarmers Limited.

Transaction Summary

- Greencap has entered into an agreement with, WIS under which it is proposed that WIS will acquire all of the issued capital of Greencap via a scheme of arrangement (the “**Scheme**”).
- If the Scheme is approved and implemented, Greencap shareholders will receive \$0.08 cash per Greencap share from WIS for the transfer of their Greencap shares (the “**Scheme Consideration**”).
- The Greencap Board of Directors **unanimously support the Scheme and unanimously recommend that Greencap shareholders vote in favour of the Scheme**, in the absence of a superior proposal and subject to receipt of the Independent Expert concluding that the Scheme is in the best interests of Greencap shareholders. Subject to these conditions, each Greencap Director who holds Greencap shares intends to vote in favour of the Scheme.

Rationale for the Scheme

As announced on 21 March 2013, the Board of Directors commissioned a strategic review of the business, aimed at increasing shareholder value. In accordance with that review a number of strategic options were considered, including the evaluation of proposals received from a number of interested parties in respect of Greencap’s ownership. The Directors believe that the Scheme has the greatest certainty of any proposal and is likely to deliver greater value to Greencap shareholders than other possible alternatives, including Greencap continuing as a standalone, ASX listed entity.

Benefits of the Scheme

The Greencap Board of Directors consider that the Scheme represents a compelling premium and is a highly attractive outcome for Greencap’s shareholders. The Scheme Consideration represents a premium of:

- **51%** over the 3 month volume weighted average share price (“VWAP”) to 27 August 2013 and **55%** over the 6 month VWAP to 27 August 2013;
- **48%** to the 3 month VWAP to 20 March 2013 – the last trading day prior to the announcement that Greencap had begun undertaking a strategic review aimed at increasing shareholder value, and a **36%** premium to Greencap’s 6 month VWAP to 20 March 2013; and

- **33%** over the last close price of Greencap shares on the trading day prior to this announcement (27 August 2013).

The Independent Expert

The Board intends to appoint Deloitte Corporate Finance Pty Ltd (the “**Independent Expert**”) to prepare an Independent Expert Report (“**IER**”) on the Scheme to provide an opinion on whether it is in the best interests of Greencap’s shareholders.

Comment

*Commenting on the Scheme, the **Chairman of Greencap, Mr Byram Johnston**, said*

“The Board’s primary concern has been, and continues to be, to act in the best interests of Greencap’s shareholders and to maximise value for them. The Directors believe the proposal from WIS reflects compelling value for Greencap’s shareholders, delivering cash proceeds in an uncertain economic environment at a significant premium that appropriately reflects the strength of Greencap’s business”

Greencap CEO Earl Eddings said

“This is a wonderful opportunity for Greencap to continue to strengthen its leading position as a full service risk management business while becoming an important part of WIS, offering both career opportunities for our employees and allowing us to focus on long awaited expansions to our service offerings to clients.

I extend my genuine thanks to every employee of Greencap. You have worked tirelessly to develop and maintain our pre-eminent market position, especially in your support of the vast improvements undertaken in recent years. These efforts are endorsed by this transaction.”

Wesfarmers Industrial and Safety Managing Director Olivier Chretien said

“The division regularly looks at acquisition opportunities to complement organic growth. Greencap represents an attractive bolt-on acquisition and further diversifies our existing portfolio of businesses. With strong customer recognition and professional talent, it will greatly complement our existing suite of safety training, on-site and technical services for customers.”

Terms and Conditions of the Scheme

The Scheme is subject to certain customary conditions precedent, including Greencap shareholders and the Court approving the Scheme. The Scheme is not conditional on financing.

The occurrence of certain events, including the Board withdrawing their support for the Scheme (other than as a result of the Independent Expert opining that the Scheme is not in the best interests of Greencap shareholders) will trigger a break fee payable by Greencap of \$400,000.

A copy of the Scheme Implementation Deed is attached.

Next steps and timetable

Detailed information concerning the Scheme, including its advantages and disadvantages, the IER and the Board of Directors recommendations will be set out in the Scheme documentation to be sent to Greencap shareholders in October 2013.

Greencap shareholders should consult their stockbroker, accountant or financial adviser if they are uncertain about the impact that the Scheme has on their particular investment objectives.

Set out below is an indicative timetable for the Scheme:

| Scheme task | Indicative Date |
|---|-------------------------|
| Lodge Scheme booklet with ASIC for review | 18 September 2013 |
| First Court hearing | 8 October 2013 |
| Dispatch Scheme booklet | 11 October 2013 |
| Scheme meeting for shareholders | 11 November 2013 |
| Second Court hearing | 14 November 2013 |
| Record date | 22 November 2013 |
| If Scheme approved, payment of \$0.08 cash per share (Implementation Date) | 29 November 2013 |

Advisors

Miles Advisory Partners is acting as financial advisor and Herbert Smith Freehills as legal advisor to Greencap.

Gilbert + Tobin is acting as legal advisor to WIS.

Further information on the Scheme will be lodged with ASX.

Contacts

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About Greencap Limited (ASX: GCG)

Greencap simplifies risk management and compliance for iconic clients throughout Australia and Asia. Our service is integrated, international, and embedded within a client's risk management system. Greencap's growth will be driven by:

- Exposing more of our key clients to a fuller range of our integrated services.
- Innovating our service teams: cross-disciplinary consultants backed up by sector specialists.
- Innovating our service delivery: online service delivery integrating with a client's risk management system.

For more information, please visit www.greencap.com.au

About Wesfarmers Industrial and Safety Pty Ltd

WIS is the leading provider of industrial and safety products and services in Australia and New Zealand with reported revenue in the year ending 30 June 2013 of \$1.6 billion. It also has a presence in Indonesia, export activities across the region and sourcing and logistics operations in China. It services customers across mining, oil and gas, construction and infrastructure, retail, manufacturing, health and government.

The division comprises three customer-focused streams: Generalists (Blackwoods, Blackwoods Protector), Safety Specialists (Protector Alsafe, NZ Safety, Safety Source) and Industrial Specialists (Coregas, Bullivants, Total Fasteners, Packaging House).

Attachments

Scheme Implementation Deed