



Wellard

ASX Announcement
27 June 2016

Separation Settlement Update

Wellard Ltd (Wellard, ASX:WLD) provides the following update on the Company's IPO Share Sale Agreement separation settlement referred to in its announcement 10 June 2016.

The adjustment amount, which WGH Holdings Pty Ltd (**WGH**) must pay Wellard to deliver the Wellard balance sheet in accordance with the IPO Prospectus, has been agreed at \$15.8 million (**Adjustment Amount**).

In determining the Adjustment Amount, Wellard established a Board Committee, consisting of independent non-executive directors (**Committee**), to oversee the process. The Committee engaged independent legal, financial and accounting advisors to assist in finalising the quantum of the adjustment.

WGH has advised the Committee that it is seeking to make arrangements which will enable it to pay the Adjustment Amount within a 3 month period and intends to make such repayment without recourse to selling any of the Wellard shares it owns. After taking independent advice, the Committee has entered into negotiations with WGH seeking to agree a 3 month loan. As part of the negotiations, the Company has entered into a subordination agreement with one of WGH's creditors associated with Mr Balzarini and Mr Balzarini has provided a personal guarantee to Wellard as security for repayment of the Adjustment Amount.

For further information:

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