



MEDIA RELEASE

TUESDAY 3 JUNE 2003

PROPOSED SALE OF EDWARD LUMLEY HOLDINGS LIMITED

EXCLUSIVE NEGOTIATIONS WITH WESFARMERS LIMITED

The shareholders of Edward Lumley Holdings Limited announce that they have entered into exclusive negotiations with Wesfarmers Limited ("Wesfarmers") in relation to the sale of their shares in the UK based holding company of the group's Australian and New Zealand insurance, financial services and information technology operations (the "Lumley Group").

The Lumley Group is a leading insurance and financial services business in Australia and New Zealand and provides a range of insurance, information technology and risk management services including general and life insurance underwriting, premium financing, insurance broking and related services.

Wesfarmers is one of Australia's largest public companies with operating revenues of A\$7.4 billion in the 2001/02 financial year. Wesfarmers employs some 30,000 people in Australia and New Zealand in a variety of sectors including insurance. Wesfarmers Federation Insurance ("WFI"), the insurance subsidiary of Wesfarmers, is a specialist rural and small business insurer which operates through 80 branches across Australia.

Wesfarmers intends to operate the Lumley Group businesses in parallel with the existing general insurance business of WFI. The Lumley Group's focus on intermediary distribution is seen as highly complementary to the direct distribution strategy of WFI.

Wesfarmers has been attracted by the strong historic and prospective financial performance of the Lumley Group together with its reputation for technical innovation, strong management and controls, reliability and high service standards. The highly regarded Lumley brand will be retained and the combination of the businesses is expected to support further growth in the Australian and New Zealand markets.

The potential acquisition is subject to approval by the Australian Prudential Regulation Authority, changes to the corporate structure of Edward Lumley Holdings Limited to facilitate Australian ownership and finality of due diligence and contractual terms. It is anticipated that these matters will be resolved early in the financial year commencing 1 July 2003. A further announcement will be made at that stage.

The shareholders of Edward Lumley Holdings Limited are being advised by Lexicon Partners Limited, the London based independent corporate advisory business.

The text of the announcement made today by Wesfarmers is attached for information.

- ENDS -

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Lexicon Partners Limited is acting for the shareholders of Edward Lumley Holdings Limited and no one else in relation to the potential sale of the Lumley Group through Edward Lumley Holdings Limited. Recipients should not distribute this press release to anyone to whom it would not be lawful to pass it on.