



Wesfarmers Limited

ABN 28 008 984 049

NEWS

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AGREEMENT TO ACQUIRE NEW ZEALAND INSURANCE BROKER, CROMBIE LOCKWOOD

Wesfarmers has entered into an agreement to acquire the trading businesses of Crombie Lockwood Holdings (New Zealand) Limited (“Crombie Lockwood”). Crombie Lockwood is the largest privately-owned, New Zealand insurance broking group and also operates a specialist underwriting agency and premium funding business.

Crombie Lockwood is the number three insurance broker in New Zealand and the largest domestic broker focusing on the commercial and small to medium enterprise sectors. It has annual revenues in excess of NZ\$50 million and has around 300 staff in 16 offices across New Zealand.

Crombie Lockwood will form part of the Wesfarmers Insurance Division and will continue to be managed and branded separately from Wesfarmers’ New Zealand underwriting business, Lumley General New Zealand, to maintain its independence in the market and to ensure that the successful growth of the business continues. Steve Lockwood, current Crombie Lockwood Chief Executive Officer, will report to Bob Buckley, Managing Director, Wesfarmers Insurance Division.

Wesfarmers’ Managing Director, Richard Goyder, said the transaction built upon the company’s recent entry into the insurance broking market and provided it with complementary country coverage to the OAMPS broking business in Australia.

“Crombie Lockwood also expands our New Zealand insurance operations which began with the 2003 acquisition of Lumley General New Zealand,” he said.

“The acquisition meets Wesfarmers’ investment hurdles and is expected to be earnings per share accretive (pre amortisation) in the first full year of ownership,”

Mr Lockwood said Crombie Lockwood was delighted to be part of the Wesfarmers Group.

“Wesfarmers’ ownership will enable us to retain our strong culture and our focus on providing outstanding service to New Zealand businesses. Being part of a larger organisation will give greater financial comfort to our clients and more opportunities for our staff while positioning us to capitalise on market opportunities.”

Mr Buckley, said Crombie Lockwood was a customer-focused business with a leadership team that had done an excellent job in profitably growing the business over the past 28 years.

Two major shareholders of Crombie Lockwood, Mr Lockwood and Carl O'Shea, will continue in their roles as Chief Executive Officer and Chief Operating Officer respectively. The other major shareholder, Colin Crombie, will retire from his position as Chairman.

The acquisition is subject to the New Zealand Overseas Investment Office approval. The price and other terms of the transaction are confidential and neither the purchase price nor earnings are material to the Group. The acquisition will be funded by existing debt facilities.

Further information on Crombie Lockwood can be found on the Internet at: www.crombielockwood.co.nz.

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