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WESFARMERS MAKES FOUNDATION INVESTMENT IN PRIVATE EQUITY FUND

Wesfarmers today announced a commitment of \$100 million as the cornerstone investor in the newly formed Gresham Private Equity Fund.

The fund has been formed by the Australian investment house, Gresham Partners Limited, in which Wesfarmers has held a significant shareholding since the firm's establishment in 1985.

The fund will target larger size private equity transactions in the areas of management buyouts, expansion capital and corporate restructuring. The fund will seek investment support from a number of other sources to reach its target size of \$200 million.

"Wesfarmers' investment in the fund will provide an excellent opportunity for the company to participate in the growing private equity market", Wesfarmers' Managing Director, Michael Chaney, said.

"The investment will enhance shareholder value and will allow our shareholders to benefit from the strong returns achieved from private equity activity."

Mr Chaney said that Wesfarmers had over the years successfully invested in private equity transactions on its own account. These had provided a useful supplement to its profits from mainstream activities. The fund provided an excellent vehicle for such activity in the future.

"The fund is well placed to consider and take up opportunities in a broad range of industries including areas outside our immediate focus."

"Wesfarmers and Gresham bring a unique combination of strengths to the fund. Gresham has established a strong track record in investment banking transactions. Wesfarmers brings a strong focus on evaluation and value realisation."

"Wesfarmers' business development division will make an active contribution to the success of the fund," Mr Chaney said. "We will second executives to the fund manager to enhance the manager's capacity to evaluate and make investments."

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