



media release

Vero announces proposed sale of Vero Lenders Mortgage Insurance

Thursday, 1 June 2006: Vero Insurance Limited (Vero) today announced that it has entered into an agreement to sell Vero Lenders Mortgage Insurance Limited (VLMI) to Genworth Financial Mortgage Insurance Pty Limited for approximately AUD\$220 million.

The sale price represents a premium of approximately AUD\$25 million to the current book value of VLMI.

In May of 2003, Vero chose to discontinue the operations of this business. Consequently, since April 2003 VLMI ceased to underwrite insurance policies and has been in run off mode.

“While this has been a profitable business for us, it is in the best interests of the business to be managed by a company that is an active participant in the sector, and which has ongoing scale in the market place“, said Duncan West, Chief Executive Vero.

Settlement of the sale is subject to, among other conditions, Australian Competition and Consumer Commission approval and is expected to complete in early July 2006.

ENDS

Editor’s note

Vero Insurance Limited (“Vero”) is a subsidiary of the Promina Group Limited, which is one of the top 50 companies listed on the Australian Stock Exchange. Vero, formerly Royal & Sun Alliance Insurance Australia Limited, has for many years been offering highly specialised solutions to its large range of customers.

Vero is one of Australia’s largest intermediated general insurance companies and has 19 branches across Australia, providing a suite of quality specialised and risk management products and services through brokers, corporate partners and risk managers.

For further information please contact:

Sue Repanellis
Communications Manager, Vero
Tele: 02 9978 2641
Mobile: 0407 210 710

Danielle Fanning
Media Executive, Vero
Tele: 02 9978 2048