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Suncorp update on proposed Tower Limited acquisition

Suncorp Group Limited (Suncorp) today provided an update on the proposed acquisition by its wholly owned subsidiary, Vero Insurance New Zealand Limited (Vero NZ) of outstanding shares in Tower Limited (Tower).

Following successful completion of due diligence, Vero NZ has revised its proposal to acquire all the ordinary shares in Tower it does not already own. Under the terms of the revised proposal, Tower shareholders will receive cash consideration of NZ\$1.40 for each share held.

The proposal is subject to approval from the Tower Board and completion of the transaction also remains subject to approval from the New Zealand Commerce Commission and the Reserve Bank of New Zealand.

Suncorp New Zealand (SNZ) CEO Paul Smeaton said the proposed acquisition of Tower provided an opportunity to strengthen SNZ's strategic position in the highly competitive New Zealand insurance market.

"There is strong strategic rationale for combining the businesses of Suncorp New Zealand and Tower. This transaction supports our vision to be the number one choice for New Zealanders and our strategy to connect New Zealanders to valuable products, services and experiences that enhance and protect their financial wellbeing." Mr. Smeaton said.

"We strongly believe in the compelling benefits of the acquisition and the significant value that would be created for Suncorp shareholders and benefits to market competition.

"We are also committed to protecting Tower's unique strengths through complementary multi-brand distribution and offering Tower's customers access to a broader range of products and services."

Vero NZ continues to work closely with the New Zealand Commerce Commission and is confident of the strong basis for approval for the acquisition.

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