



ASX Announcement

SUNCORP-METWAY LIMITED
SCHEME MEETING OF ORDINARY SHAREHOLDERS
WEDNESDAY 15 DECEMBER 2010, 2.30 PM
BRISBANE CONVENTION AND EXHIBITION CENTRE
CORNER OF MERIVALE AND GLENELG STREETS, SOUTH BANK, BRISBANE

CHAIRMAN'S ADDRESS

Ladies and gentlemen, as you could see from the information we were required to issue to shareholders to explain the restructure proposal, this has been a complex process.

So why have we bothered.

Well, there were three main reasons;

Firstly - **simplification** - our current corporate structure is the consequence of the major mergers and acquisitions undertaken by the Suncorp Group during the past 14 years.

It is complex and unwieldy, and does not reflect our current business model or operating framework.

In the interests of efficiency, it is now time to simplify that structure.

Secondly - **transparency** – externally, the new structure will provide investors with a clearer understanding of the quality and value of each of our businesses. Internally, it will be easier to set and measure progress against specific business objectives and disciplined performance targets that are aligned with shareholders' interests.

And thirdly - there are **regulatory benefits** - that is, the simplified structure will allow for greater efficiency in the way we are regulated.

All of these benefits were of course explained in detail in the Explanatory Memorandum.

In addition to these benefits, the Board believes that the restructure will improve the way we interact with shareholders, customers and employees.

As I said before, this has been a complex process, however most of that complexity is related to the internal restructuring that has to take place - the impact on ordinary shareholders (other than some of our foreign shareholders) is minimal.

In order to implement this restructure, we are asking holders of ordinary shares in Suncorp-Metway Limited to exchange their shares for an equivalent number of ordinary shares in Suncorp Group Limited, which will be the new listed holding company for the Group - nothing else will change for our ordinary shareholders.

While an exchange of shares sounds like a simple process, there are a number of steps required.

The legal process we are following is called a **scheme of arrangement**, which is a process supervised by the Supreme Court of Queensland.



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The Court has ordered today's meeting, called a "Scheme Meeting", to allow holders of ordinary shares to vote on the exchange of shares which is to be implemented through the scheme of arrangement.

Should ordinary shareholders approve the proposed scheme of arrangement today, we still have to complete some further legal steps, including obtaining the final approval of the Court, before the Scheme can be implemented.

However, we expect that shares in the new holding company will list on the Australian Securities Exchange, on a deferred settlement basis, on the 24 December 2010. The exchange of shares is expected to occur on 7 January 2011.

Normal settlement trading is expected to commence on the 12 January 2011, and Shareholders will receive their new holding statements shortly afterwards.

Finally, and regardless of how people choose to vote today, I would like to acknowledge the efforts of the team that has worked so hard to get us to this point.

The irony of this proposal to simplify our Group structure is that it has required a great deal of work on complex issues in a very short time frame.

As those of you who have read through the entirety of the Explanatory Memorandum will understand, there are many moving parts in the transition to a new structure and everyone involved has toiled tirelessly to meet the legal and regulatory requirements involved.

We are confident, however, that we have done everything possible to manage the complexities of this restructure while minimising the impact on our shareholders.

Importantly, the Restructure does not represent a taxable event for our preference shareholders or for Australian tax resident Ordinary Shareholders.

It is also important to note that following the restructure, both classes of our preference shares and our floating rate capital notes will remain on issue by Suncorp-Metway Limited and will continue to be quoted on the ASX.

The terms of the Convertible Preference Shares will however be amended to substitute Suncorp Group Limited as the issuer of ordinary shares on conversion of the Convertible Preference Shares, and to make certain other related and minor amendments.

In summary, your Board strongly believes the restructure will result in a simpler, cleaner Group structure and improve the way we interact with shareholders, customers and employees.

This view has been supported by the conclusions of the independent expert, Grant Samuel & Associates.

The board unanimously recommends that shareholders support the restructure proposal by voting in favour of the resolution, which has also received strong shareholder support.