

12 October 2006



The Manager  
The Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

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Market Information Services  
New Zealand Exchange Limited  
Level 2, NZX Centre  
11 Cable Street  
Wellington New Zealand

Dear Sir/Madam,

**Promina confirms proposal from Suncorp**

Yours faithfully,  
For and on behalf of  
Promina Group Limited

Judith Howard  
Company Secretary

12 October 2006

ASX / NZX Release

### **Promina confirms proposal from Suncorp**

Promina Group Limited (Promina) has been asked by the Australian Stock Exchange to respond to market speculation yesterday regarding a potential merger proposal from Suncorp Metway Limited (Suncorp) for the company.

Promina confirms that it has received a proposal from Suncorp to acquire all the ordinary shares of the company. The proposal offers 0.2618 Suncorp shares and A\$1.80 cash per Promina share. The proposal is conditional and would be intended to be implemented via a Promina Board-recommended scheme of arrangement.

Promina's Board of Directors has indicated to Suncorp that it is favourably disposed to the proposal, is further evaluating the overall transaction and has agreed with Suncorp to engage in order to reach a conclusion on whether the proposal would be in the best interests of Promina shareholders. This evaluation process will include undertaking satisfactory completion of commercial mutual due diligence and the negotiation of an acceptable Merger Implementation Agreement (MIA). Completion of any merger will be subject to a number of conditions, including ACCC, APRA and other regulatory considerations in Australia and New Zealand.

Promina is not planning to make a further public announcement until the discussions and evaluations are completed and announcement of a formal merger can occur, or alternatively, until discussions have been terminated between the two parties.

Promina has retained Goldman Sachs JBWere and Macquarie Bank Limited as financial advisers and Freehills as legal adviser.

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#### **For further information Media and Investors contact:**

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**About Promina Group**

Promina Group is a portfolio of specialised and focused general insurance and selected financial services businesses featuring well-known brands such as AAMI, Vero, Shannons, Tyndall, Asteron, AA Insurance and Australian Pensioners Insurance Agency (APIA).

Promina Group Limited is listed on the Australian and New Zealand Stock Exchanges. It employs over 7,200 people in 210 offices across Australia and New Zealand, and traces its operations back to 1833 in Australia and 1878 in New Zealand.

[www.promina.com.au](http://www.promina.com.au) / [www.promina.co.nz](http://www.promina.co.nz)

Unless otherwise stated, all references to "\$" are to Australian dollars.

The information in this Release is for general information only. To the extent that the information may constitute forward-looking statements, the information reflects Promina's current views at the date of this Release and is subject to known and unknown risks and uncertainties, many of which are beyond Promina's control, that may cause actual results to differ materially from those expressed or implied. Promina undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this Release (subject to stock exchange disclosure requirements). The information is also not financial product advice. Investors should seek appropriate advice based on their own objectives, financial situation and needs.

Promina Group Limited ABN 79 000 746 092