



**Suncorp-Metway Ltd**  
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12 March 2007

Company Announcements Office  
Australian Stock Exchange  
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Sydney NSW 2000

### **Promina Reset Preference Shares (PMNPA)**

In accordance with the arrangements outlined in the Promina Scheme Booklet, attached is the letter of offer from Suncorp-Metway Limited to holders of Promina Group Limited Reset Preference Shares.

A handwritten signature in black ink, appearing to read "C R Chuter", with a long, sweeping horizontal line extending to the right.

C R Chuter  
Corporate Secretary

12 March 2007

## Promina Group Limited Reset Preference Shares - Cash Offer

Dear Shareholder

As you probably know, on 21 October 2006, Suncorp-Metway Limited (**Suncorp**) and Promina Group Limited (**Promina**) entered into a merger implementation agreement under which they agreed to merge by way of a scheme of arrangement (**Scheme**).

On 20 December 2006, Promina's Chairman, Mr Leo Tutt, wrote to you as a holder of Promina reset preference shares (**Reset Preference Shares**).

In that letter, Mr Tutt advised you that:

- the Scheme applies to holders of Promina ordinary shares only, not to holders of Reset Preference Shares; and
- under the merger implementation agreement, one of the options available to Suncorp in respect of the Reset Preference Shares is to make a cash offer to all holders of Reset Preference Shares to acquire all of their Reset Preference Shares once the Scheme becomes unconditional.

All of the conditions precedent to the completion of the Scheme have now been satisfied, including the approval by Promina's ordinary shareholders and the approval of the Federal Court of Australia. The Scheme is expected to be completed on 20 March 2007.

This letter sets out the terms and conditions of Suncorp's cash offer for all of your Reset Preference Shares. Except as expressly stated below, any dates in this offer may be varied at any time by Suncorp in its absolute discretion by notice to ASX.

### The offer

The offer will be open until 5.00 pm (AEST) on Friday **13 April 2007**.

You may accept the offer at any time before then. However, when you submit your acceptance:

- it is binding and irrevocable (unless Suncorp withdraws the offer); and
- you must not sell the relevant Reset Preference Shares to any other person.

The number of Reset Preference Shares which you held on Friday 9 March 2007 is set out on your personalised acceptance form which accompanies this offer. This offer extends to any person who becomes registered as the holder of any of your Reset Preference Shares during the period from 9 March 2007 to the closing date. Any person who becomes registered as the holder of Reset

Preference Shares after 9 March 2007 and who wishes to accept this offer should contact Suncorp's share registry on 1300 882 012 or if calling from outside Australia +61 2 8280 7450.

The Corporations Act does not permit withdrawal or closing of the offer within one month of the date of the offer except in limited circumstances. If permitted, Suncorp may withdraw the offer by sending a withdrawal notice to you.

This offer is not open to holders of Reset Preference Shares with a registered address outside Australia or New Zealand.

Assuming that neither the closing date nor the Payment Date (see below) are extended, if you accept this offer, you will receive a total of A\$105.2994 per Reset Preference Share on 30 April 2007, as set out below:

#### ***Principal amount***

Suncorp is making a cash offer for each Reset Preference Share of A\$102.5641 (**Offer Price**).

You will receive a cash payment from Suncorp (**Offer Consideration**) equal to the Offer Price multiplied by the number of Reset Preference Shares in respect of which you accept the offer (**Sale Reset Preference Shares**). The Offer Consideration will be rounded up to the nearest cent.

Suncorp will pay the Offer Consideration to you on Monday 30 April 2007 (**Payment Date**) (for details see "When and how will I receive payment for my Sale Reset Preference Shares?" on page 3).

#### ***Accrued dividend***

The next dividend payable on the Reset Preference Shares is for the period from 1 November 2006 to 29 April 2007. The record date for that dividend is Thursday, 12 April 2007.

If you accept this offer in respect of your Reset Preference Shares, you will be the registered holder of those shares on the record date for the dividend.

You will therefore be entitled to receive the dividend on those shares for that full period of A\$2.7353 per Sale Reset Preference Share. You will receive that dividend on Monday 30 April 2007 from **Promina**, not from Suncorp.

#### ***Impact if closing date is extended***

If the closing date for the offer is extended, it is possible that you could acquire Reset Preference Shares on an "ex-dividend" basis and become registered as the holder of Reset Preference Shares after the record date for the dividend. If you accept this offer in respect of shares which you acquire "ex-dividend", you will not receive the dividend from Promina or any equivalent amount from Suncorp.

#### ***Impact if Payment Date is extended***

If the Payment Date (see below) is extended beyond 30 April 2007, Suncorp will pay you an amount equal to the accrued dividend on each Sale Reset Preference Share for the period from 30 April 2007 to the Payment Date (inclusive).



## Market value of Reset Preference Shares

The closing price of Reset Preference Shares on the Australian Securities Exchange (ASX) on Friday 9 March 2007 (being the last day on which trading in Reset Preference Shares occurred on ASX before the date of this offer) was A\$104.50.

## Your choices

There are three choices available to you in relation to this offer. You can:

- accept this offer for all your Reset Preference Shares;
- accept this offer for some of your Reset Preference Shares; or
- reject this offer.

For details of what will happen if you do not accept this offer for all your Reset Preference Shares, see "What will happen if you reject this offer in respect of all or some of your Reset Preference Shares?" on page 4.

## How to accept this offer

To accept this offer, you should complete and sign the enclosed Acceptance Form in accordance with the instructions on that form. You should return the completed and signed Acceptance Form to Suncorp's share registry by mail in the enclosed reply paid envelope or to the following addresses:

By hand:

Link Market Services Limited  
Promina RPS Offer  
Level 12, 680 George Street  
SYDNEY NSW 2000

By mail:

Link Market Services Limited  
Promina RPS Offer  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

The Acceptance Forms must be received on or before 5.00pm (AEST) on Friday **13 April 2007**.

## When and how will I receive payment for my Sale Reset Preference Shares?

Suncorp will pay any Offer Consideration to which you are entitled on the Payment Date, Monday **30 April 2007**.

Payment will be made either by:

- despatching a cheque drawn in your name (or in the case of joint holders, in your joint names) by prepaid post to your registered address as at Monday 23 April 2007); or
- making a deposit in an account with an Australian financial institution notified by you as at Monday 23 April 2007 (including any account notified by you to Promina for the purposes of payment of dividends).

## When will my Sale Reset Preference Shares be transferred to Suncorp?

Suncorp may, in its absolute discretion, decide to transfer your Sale Reset Preference Shares to Suncorp at any time (**Transfer Date**) after the closing date up to and including the Payment Date. This means that Suncorp may decide to transfer your Reset Preference Shares to it after the closing date but **before** you receive your Offer Consideration.

### **Costs of this offer**

All costs and expenses of the preparation and despatch of this offer and any stamp duty payable on transfers of Sale Reset Preference Shares pursuant to acceptance of offers will be paid by Suncorp.

### **What will happen if you reject this offer in respect of all or some of your Reset Preference Shares?**

If you reject this offer in respect of all or some of your Reset Preference Shares, you can sell those shares on ASX or you can continue to hold them.

Suncorp reserves the right to buy Reset Preference Shares on ASX at any time and at any price.

Set out below are some implications if you choose to continue to hold those Reset Preference Shares.

### ***Redemption of Reset Preference Shares***

Under the terms of issue of the Reset Preference Shares, the approval of the Scheme by the Federal Court of Australia is an event which entitles Promina and Reset Preference Share holders to certain rights. An outline of these rights is set out below, but the full terms of issue of the Reset Preference Shares are set out in the Reset Preference Share prospectus (which is available on the Promina website [www.promina.com.au](http://www.promina.com.au) or [www.promina.co.nz](http://www.promina.co.nz)).

### ***Notification of Court approval***

Promina must notify Reset Preference Share Holders once Court approval of the Scheme has been obtained by publishing a notice in *The Australian* or another daily financial newspaper in Australia as soon as practicable after the approval is obtained.

### ***Rights of Promina***

Upon Court approval of the Scheme, Promina may send to all Reset Preference Share Holders an "Exchange Notice" within 35 business days after the publication of the notice by Promina referred to under the heading "Notification of Court approval" above. In this instance, Promina has the option to do one or a combination of the following:

- convert Reset Preference Shares into Promina Shares in accordance with the terms of issue; or
- subject to the prior approval of Australian Prudential Regulation Authority (**APRA**), redeem, buy-back or cancel Reset Preference Shares for their face value and send the proceeds plus any accrued dividends owing to the Reset Preference Share Holder on the redemption date to the Reset Preference Share Holder.

### ***Rights of Reset Preference Share Holders***

Upon Court approval of the Scheme, Reset Preference Share Holders may individually elect to exchange their Reset Preference Shares by delivering an "Exchange Notice" to Promina within 35 Business Days after publication of the notice by Promina referred to under the heading "Notification of Court approval" above.



In response to an Exchange Notice delivered by individual Reset Preference Share Holders, Promina has the option to do one or a combination of the following:

- convert the Reset Preference Shares into Promina Shares in accordance with the terms of issue;
- procure the acquisition of the Reset Preference Shares by a third party for their face value and send the proceeds plus any accrued dividends owing to the Reset Preference Share Holder on the acquisition date to the Reset Preference Share Holder; or
- subject to the prior approval of APRA, redeem, buy-back or cancel the Reset Preference Shares for their face value and send the proceeds plus any accrued dividends owing to the Reset Preference Share Holder on the redemption date to the Reset Preference Share Holder.

#### ***Inconsistency between Exchange Notices***

If both Reset Preference Share Holders and Promina have issued Exchange Notices, Promina's Exchange Notice will prevail to the extent of any inconsistency.

#### ***APRA approval***

Promina may only redeem, buy-back or cancel the Reset Preference Shares if APRA has given its prior approval. APRA has approved such a redemption, subject to certain conditions.

Suncorp intends to procure that Promina will exercise its right to send to all Reset Preference Share holders an "Exchange Notice" and that it will choose to redeem the Reset Preference Shares for their face value (A\$100.00) and send the proceeds (plus any accrued dividends owing to the Reset Preference Shareholder on the redemption date) to the Reset Preference Share holder.

The redemption date is determined by the terms of issue of the Reset Preference Share and is dependent on a number of factors, including when the Exchange Notice is actually given by Promina. Suncorp currently expects that the redemption date will be Friday **29 June 2007**, but it could be earlier.

#### ***Differences between Suncorp's offer and redemption***

**In deciding whether or not to accept Suncorp's offer, you should take into account that Suncorp's offer is A\$102.5641 plus you may receive the dividend accrued to the Payment Date. However, if you do not accept Suncorp's offer and choose to hold your Reset Preference Shares, you will receive only A\$100.00 plus the dividend accrued to the date of the redemption.**

**You should, however, obtain your own advice in relation to the taxation and other implications of your decision.**

#### ***Quotation of Reset Preference Shares after completion of the offer***

The Reset Preference Shares are currently quoted on ASX. Following completion of this offer, it is likely that there will be materially fewer holders of Reset Preference Shares. While Suncorp does not currently intend to procure that Promina seeks to end quotation of the Reset Preference Shares after completion of the offer, you should be aware that liquidity in the market for Reset Preference Shares may be significantly reduced.

### Effect of submitting an Acceptance Form

By signing and returning the Acceptance Form in accordance with the terms of this offer, you will have, or be deemed to have:

- (a) accepted this offer in respect of the Sale Reset Preference Shares and agreed to transfer the Sale Reset Preference Shares to Suncorp in accordance with the terms set out in this offer;
- (b) represented and warranted to Suncorp that:
  - (i) all of the Sale Reset Preference Shares (including any rights and entitlements attaching to those shares) will, on the Transfer Date, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise; and
  - (ii) you have full power and capacity to sell and to transfer your Sale Reset Preference Shares (including any rights and entitlements attaching to those shares) to Suncorp pursuant to the offer;
- (c) consented to Suncorp doing all things and executing all deeds, instruments, transfers and other documents as may be necessary or desirable to give full effect to the terms of this offer and to effect the transactions contemplated by it; and
- (d) without the need for any further act, irrevocably appointed Suncorp and each of its directors (jointly and severally) as your attorney and agent for the purpose of executing any document or doing any other act necessary to give full effect to the terms of this offer and to effect the transactions contemplated by it including, without limitation, the provision of a proper instrument of transfer of the Sale Reset Preference Shares for the purposes of section 1071B of the Corporations Act (which may be a master transfer of all or part of the Reset Preference Shares in respect of which Suncorp receives acceptances under this offer and any offer in materially the same terms to other Reset Preference Share holders).

If you need further clarification please contact Suncorp's share registry on 1300 882 012 or if calling from outside Australia +61 2 8280 7450 or your financial adviser.

Yours sincerely



John Mulcahy  
Chief Executive Officer