

TOWER Australia Group Ltd
Strategic Relationship with Dai-ichi Life

Shareholder and Market Analyst Briefing

Rob Thomas Chairman
Jim Minto Managing Director

8th August 2008

A Compelling Proposition

- **GPG sells its investment to Dai-ichi Life**
- **TOWER enters into Business Cooperation Agreement with Dai-ichi Life**
- **Dai-ichi Life brings wealth of experience**
- **This investment is a vote of confidence in TOWER, its management and its strategy**

“TOWER has used the opportunity that has arisen from the transaction to position the company for further growth”

- Established in 1902, Dai-ichi Life is Japan's oldest mutual life insurance company and among the world's top 10 largest life insurers
- One of Japan's largest private life insurers with 8.24 million customers
- Dai-ichi Life proposes to demutualise in 2010 and has acquired business interests in Taiwan, Vietnam, India and Thailand
- Dai-ichi Life provides individual and group life insurance and annuity products
- A\$33.9b premium income, A\$2,580b policies in-force and A\$349b of total assets. ^[1]
- Dai-ichi Life has an S&P rating of A and a Fitch financial strength rating of A+
- Dai-ichi Life has skills, capability, business contacts and expertise that will benefit TOWER considerably

“Dai-ichi Life wants to be part of TOWER's future”

^[1] As at 31 March 2008. Australian dollar figure based on ¥91.19 = A\$1.00, being the exchange rate at 31 March 2008.
See more details on Dai-ichi Life at back

- **Dai-ichi Life will acquire GPG's entire 29.73% shareholding in TOWER; subject to TOWER shareholder and regulatory approval:**
 - Dai-ichi Life became a cornerstone shareholder in TOWER, effective 8th August 2008.
 - 14.9% has been acquired unconditionally.
 - A further 5.0% has been acquired subject to approval by FIRB and APRA.
 - The acquisition of the remaining 9.83% is subject to both TOWER Australia Group Ltd shareholders and regulatory approvals.
- **The purchase price is \$3.75 per share for all shares**

- **Caliburn and Minters appointed by Independent Directors of TOWER as financial and legal advisers**
- **Business Cooperation Agreement executed**
- **Independent Expert, Lonergan Edwards, appointed**
- **TOWER will be reimbursed for its costs and expenses associated with the transaction, irrespective of the outcome of the shareholder approval process**
- **GPG Board nominees have resigned today and will be replaced by two Dai-ichi Life nominees if shareholder approval obtained**
- **Subject to favourable Independent Expert opinion the Independent Directors recommend that shareholders approve the transaction**

- Shareholders to receive notice of meeting and Independent Expert report seeking approval for the remaining 9.83% share purchase by Dai-ichi Life
- Shareholder inquiry facilities to be provided with meeting notices
- Shareholder meeting in Sydney in October
- If the purchase of the remaining 9.83% shareholding is approved, the Business Cooperation Agreement will become effective
- Dai-ichi Life will be invited to nominate two directors to join the Board if shareholders approve Dai-ichi Life purchasing the remaining 9.83%

*“Shareholder interests have been at the forefront of
TOWER’s decisions”*

- **Business Cooperation Agreement defines how Dai-ichi Life will support TOWER's growth in Australia's life insurance market**
- **Dai-ichi Life views the investment in TOWER as a long-term strategic investment**
- **Dai-ichi Life expects this to be a mutually beneficial relationship and looks forward to working with the board and management of TOWER**
- **To facilitate knowledge sharing, further develop TOWER's expertise and, at TOWER's request, explore opportunities to enable exchange or transfer of appropriately skilled employees of Dai-ichi Life to TOWER**
- **Dai-ichi Life will explore opportunities to assist TOWER in the development of relevant technology**
- **TOWER will be granted access to Dai-ichi Life's training, knowledge, experience and expertise and information technology systems**

- **Dai-ichi Life will actively consider supporting TOWER in the event it wishes to raise additional capital in the future to facilitate and fund expansion initiatives and strategic investments that are approved by the TOWER Board**
- **If TOWER elects to offer a dividend reinvestment plan for future dividends, Dai-ichi Life will participate over the next three years in respect of all the TOWER shares it holds**
- **Dai-ichi Life will actively support TOWER's provision of group insurance within Australia to Australian affiliates of leading Japanese companies with which Dai-ichi Life has strong relationships**
- **Dai-ichi Life will assist TOWER by enhancing and developing its risk management, bancassurance, funds management expertise and experience and reinsurance arrangements**

- **Dai-ichi Life is a major global life insurer that can help take TOWER to the next phase**
- **The addition of Dai-ichi Life's expertise in product development, bancassurance, marketing, underwriting, agency training, information technology and investment management is of considerable value to TOWER**
- **Dai-ichi Life will both help enhance TOWER core capabilities and deliver incremental shareholder value**
- **TOWER has enjoyed working with GPG and thank them for their significant support and assistance as an investor over the past five years**
- **The TOWER Board particularly thanks Gary Weiss and Mike Jefferies for their valuable contribution**

- **Dai-ichi Life wants to preserve the value of what has already been created**
- **No change in management or strategy of TOWER**

“We see exciting growth prospects and are keen to see all our stakeholders benefit with increased prospects and opportunities in future”

- **Dai-ichi Life approached GPG to buy its stake**
- **The TOWER Board (Independent Directors) moved quickly, but appropriately to ensure shareholders' interests were enhanced**
- **TOWER has agreed positive outcomes that enhance the long-term strategy**
- **Business Cooperation Agreement is a wonderful template for a constructive and value-enhancing relationship**
- **Dai-ichi Life has expressed full support in management and strategy**

“This is a deal with serious long-term potential for TOWER”



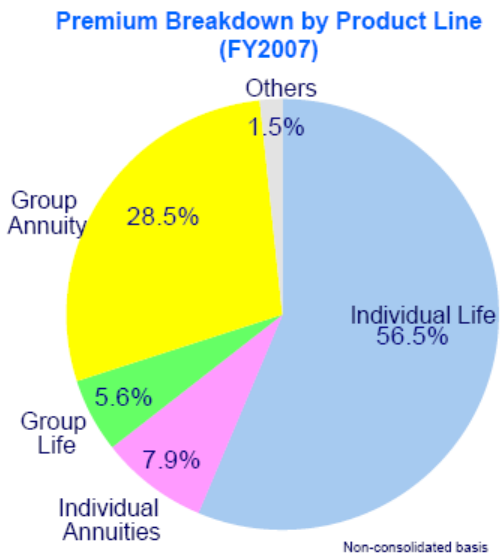
Dai-ichi Life is:

- First mutual insurance company in Japan, with 105 years of history
- 2nd largest private life insurance company* in the world's 2nd largest life insurance market
- A leading life insurance franchise with around 10% market share in Japan
- Established wholly-owned bancassurance life company (Dai-ichi Frontier Life Insurance) in 2007
- Affiliated with one of Japan's leading asset management companies which has AUM of USD97bn and is the 3rd largest pension fund and 6th largest investment trust in Japan.

*Excluding Japan Post Insurance Co. Ltd.

Business Breakdown

- Strong focus on profitable individual life



New Initiatives for Asian Markets

Vietnam

- 100% Acquired a company that now operates as Dai-ichi Life Vietnam in January 2007

India

- Two Indian national banks and Dai-ichi signed JV agreement in December 2007
 - The JV is scheduled to commence business in 2008

Thailand

- Allied with Ocean Life in group insurance business in July 2006
 - Acquired 24% shares in Ocean Life in July 2008

Taiwan

- Allied with Shin Kong Group, a Taiwanese financial conglomerate in June 2006

Key Figures

| | |
|------------------------------------|-------------------------|
| Total Assets: (March 2008) | ¥31.8 tn (USD 317.7 bn) |
| Premium Income: (FY2007) | ¥3,098 bn (USD 30.9 bn) |
| Profit before income tax: (FY2007) | ¥171 bn (USD 1,714 mn) |
| No. of Policyholders: | 8.24 million |
| Sales Representatives: | 42,367 |

Non-consolidated basis
 Exchange Rate: 15=¥100.19 as of March 31, 2008

Mid- to Long-term Corporate Strategy

Sustained growth to be realized by "Quality Assurance" and customer satisfaction

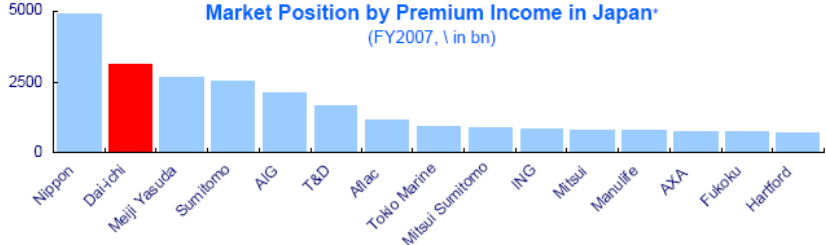


Further initiatives, including M&A, enabled by demutualization

Dai-ichi Life plans to demutualize and go public in the 1st half of FY2010* to support sustained growth and to enhance management transparency based on market discipline.

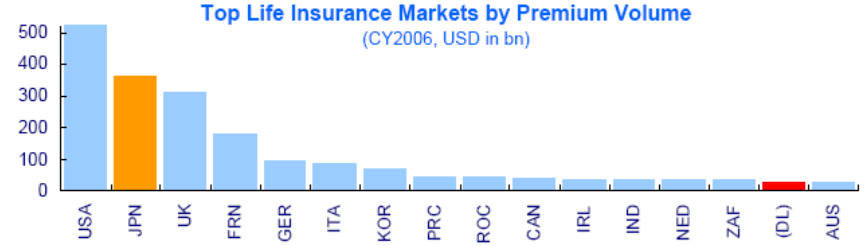
* Subject to approval of the general meeting of representative policyholders and regulatory authorities.

Dai-ichi Life's Competitive Position in Japan



*Non-consolidated basis. Excluding Japan Post Insurance Co. Ltd.
Source: Company disclosure of individual companies and The Life Insurance Association of Japan

Global and Japanese Insurance Market



Source: Swiss Re, "Sigma" No.4/2007