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## TOWER REDUCES STAKE IN DEALER GROUP FSP

TOWER Limited has announced that, as part of the FSP Group Restructure, it has lowered its holding in Financial Services Partners (FSP) but would continue to hold a 9.8% interest in the Group. The holding reflects a new partnership announced between FSP & Babcock and Brown.

TOWER previously held a 60 per cent interest in FSP, having acquired that in 2002.

TOWER Group CEO, Mr Jim Minto, said this move would allow FSP greater flexibility in developing and implementing its growth strategy.

“TOWER and FSP have a good business relationship and we will continue to work closely with each other. TOWER sees its ongoing 10 per cent interest in FSP as being a strategic investment in a dynamic and growing financial services group and representing a commitment to the business. We are happy to support their changes in shareholding structure,” Mr Minto said.

“Our strong growth rates in Life Insurance Product sales have been significantly coming through partnerships with dealerships like FSP. While this will continue to be a core part of the growth strategy, the holding of large interests in Dealer Groups is not necessarily a prerequisite to supportive partnerships. We see service and relationships as being the key differentiator in attracting and retaining adviser support.

“TOWER in Australia’s strategy is to grow through building partnerships with the independent adviser network and selected alliances.”

The sale will not have any major impact on TOWER’s 2005 or 2006 financial results.

For more information contact; Rod Metcalfe

TOWER Australia  
02-9448-9761