

2 September 2014

**Keybridge invests NZD3.8 million
into Foundation Life**

Keybridge is pleased to announce that it has participated as an investor in Foundation Life (FL), to assist in its acquisition of Tower Limited's residual life insurance business. The business manages a large portfolio of life funds with long term duration.

Keybridge invested NZD3.8 million which represents a 10.1% stake in FL, and has an entitlement to nominate a director to the Board. At the time of the investment, FL acquired the business below net tangible asset backing and Keybridge anticipates that this investment will generate strong cash flows that more than meet the Company's IRR targets over the next five years.

Nicholas Bolton commented on the new investment, "Keybridge is pleased to be participating in an investment with an attractive risk adjusted return, which is managed by a very capable team. Together with our 19.9% shareholding in Aurora Funds Management, we now hold strategic and substantial stakes in attractively priced fund managers that collectively have close to AUD1.0 billion in funds under management. I expect that these investments and relationships will prove valuable to Keybridge as we develop our own role in investment management going forward."

For further details, please refer to FL's press release attached.

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Foundation Life (NZ) Holdings Limited (Foundation Life) confirms acquisition of TOWER Limited's (TOWER) residual life insurance businesses

Foundation Life is pleased to confirm that the purchase of 100% of TOWER Life (N.Z.) Limited (TLNZ), announced on 1 July 2014, was settled on 29 August 2014.

Foundation Life is a private company backed by well established shareholders interested in the long term, prudent management of policyholder investments.

Commenting on the transaction, Foundation Life director, Mr. Richard Davies said, "We are excited to become the new owners of TLNZ and to bring a renewed focus and long term commitment to the business. We recognise that it is a privilege to be responsible for this well established company, and we are fully committed to an ownership transition process that assures policyholders, TLNZ employees and other stakeholders that the business will continue to be run in a prudent manner for the long term."

Grant Piercy has been appointed CEO of TLNZ. Grant was previously employed by TOWER and has had management oversight of TLNZ for a number of years. Grant's experience and comprehensive knowledge of the business will provide management continuity and a level of full-time focus that will ensure the ownership transition process is well managed and existing operations are properly maintained.

The business will continue to be based in Wellington and Foundation Life looks forward to working with the current team of TLNZ employees and related service providers for many years to come.

Following completion of the transaction, TLNZ's board has been reconstituted and comprises a majority of independent directors.

TOWER has been a responsible and effective owner of TLNZ. Foundation Life is committed to continuing TOWER's legacy of strong, prudent management of TLNZ and to managing the business in a manner that provides excellent service to TLNZ's large policyholder base.

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