

## **Advent Limited Announces Sale of Tower Technology Pty Ltd**

The Directors of Advent Limited ("Advent") today announced the entering into of a contract for the sale of Tower Technology Pty Ltd ("Tower") to Copper Australia Pty Ltd, an Australian subsidiary of the Nasdaq listed, Vignette Corporation ("Vignette") of the US for consideration consisting of cash and shares in Vignette with a current total value of US\$125 million.

There are some conditions precedent in the Vignette transaction and the estimated completion date is around the end of March 2004.

Based on an exchange rate of 75.52 cents to the US\$ this equates to an A\$ transaction value of approx. \$165 million for Tower. Advent's fully diluted interest in Tower's share capital is 34% after allowing for Tower staff options. This represents a gross transaction value to Advent of approximately \$56 million.

Tower is a leading provider of infrastructure software and services for high-volume, complex, or large scale document processing and records management. It specialises in the development and deployment of applications to capture, store, retrieve, process, archive and manage critical business information throughout its lifecycle.

Although the consolidated accounts of the Advent group as at 31 December 2003 are not yet finalised, on the basis that the valuation of the interest in Tower for the half-yearly valuation exercise is as per the estimated net transaction value ie. after allowance for the Manager's incentive and income tax payable, the estimated Net Tangible Asset Backing ("NTAB") of Advent's 70 cent ordinary shares is approximately \$2.38 per share as at 31 December 2003. This compares with the \$1.64 per share as at 30 June 2003, an increase of 45%. The net value of the Tower holding represents approximately \$1.90 of the \$2.38.

US\$45 million of the total consideration paid by Vignette will be by way of cash, with the US \$80 million balance to be satisfied by the issue to Advent and the other vendors of approximately 29.8 million shares in Vignette. As at settlement the value of these shares may change depending on both the Nasdaq share price and the exchange rate at the time. The US\$45 million was locked in at an exchange rate of 75.52 cents being A\$59.6 million.

Customary warranties for a deal of this nature have been provided by the Tower shareholders and approximately 13% of the cash and shares will be retained in an escrow account for 12 months to support these warranties.

40% of the shares issued as part of the consideration will be available for sale following the registration of those shares with Nasdaq. This is anticipated to occur around the end of April 2004. The remaining shares are subject to escrow arrangements. 24% of the escrow shares are subject to a 12 month tiered release program. The remaining 76% of the escrow shares are subject to a 6 month tiered release program however there is the ability to sell them all in either one or two parcels at the discretion of Advent and the other vendors who would need to sell the shares at the same time. The time periods for the escrow arrangements commence at the completion date. Accordingly it is likely that most of the shares will be sold within six months of completion and all within 12 months of completion. We will be advised by major investment banks in the US on the most effective method to sell these shares in a timely manner.

Assuming no change to the exchange rate at the completion date and the value of the Vignette shares issued to Advent, the estimated consolidated profit before tax for the Advent Limited Group, as a result of the sale, is approximately \$43 million after allowing for the performance incentive payment payable to the Manager, Advent Management Group Ltd ("AMG") of approximately \$9.4 million.

The estimated consolidated profit after tax for the Advent Limited Group is approximately \$35 million arising from the sale. In estimating these results we have assumed no claims being made against the warranty retention.

Advent's full year operating results along with the results for 2004/05 will also be impacted by the actual selling price achieved on Nasdaq for the Vignette shares issued in the transaction along with the impact of on-going exchange rate movements.

The Manager and the Board of Advent Limited is reviewing the means by which distributions to shareholders would be made following successful completion of the transaction and further details will be provided following completion. The objective is to return funds to shareholders as quickly as possible allowing for the constraints of the escrow and warranty arrangements and the timing of the payment of income tax liabilities, thereby increasing available franking credits.

The vast majority of the returns are likely to be by way of fully franked dividends. The maximum fully franked dividend that can be paid utilising existing franking credits, is expected to be declared and paid before 30 June 2004. The balance is expected to be declared and paid around the end of December 2004 following the payment by Advent Limited, in December 2004, of income tax in relation to the transaction.

Shareholders may have noticed that we requested the Stock Exchange to implement a three day Trading Suspension on Advent's shares effective from Thursday 22 January 2004. This was necessary given the timing of Vignette's Nasdaq announcement and our desire for shareholders to receive a copy of our ASX announcement prior to the Trading Suspension being lifted at the end of Tuesday 27 January 2004.

We have attached an announcement by Vignette dated 22 January 2004 which includes further information on both Vignette and Tower.

We would like to take this opportunity to thank Shareholders for their on-going support over recent years given the delays we have experienced with our investee divestment program. Tower has been a world-class company for a long time and our divestment expectations have always been strong. Unfortunately, there were a number of factors which delayed the sale including the technology stocks decline and the impact on world markets of 11 September 2001.

We congratulate the founders Pat Hume and Frank Johnson and the management of Tower and express our appreciation to AMG for their efforts over a long period with Tower.

For further details please contact Rupert A. Harrington or Daryl E. J. Reilly on 03 9690 9566.

Yours sincerely

Kevin J. Croagh AO  
Chairman  
23 January 2004

Attachment: The announcement released by Vignette, on 22 January 2004.