

The Directors
Turners Group NZ Limited
1st Floor, Turners Auctions Building
Cnr Penrose & Leonard Roads
Penrose
Auckland

17 October 2014

Dear Directors,

TURNERS GROUP TAKEOVER UPDATE / NOTICE OF EXTENSION OF OFFER

Attached is a letter that we are arranging to send to Turners' shareholders, as required by the Takeovers Code. We note that we have extended the Offer until 11:59pm on 7 November 2014.

In relation to the condition regarding payment of the special dividend, we confirm that we have waived the requirement in clause 5.3 of the offer that the special dividend be paid "within five business days following the Closing Date" given that the special dividend is already scheduled to be paid on 24 October 2014 to those that were shareholders at 5pm on 17 October 2014, and that the market is already trading ex-dividend.

As you will note in the attached letter, our current intention is to declare the Offer unconditional shortly after payment of the special dividend provided that none of the events set out in paragraph 6.1 of the offer document dated 18 September 2014 (the *Offer Document*) has occurred at that time. We are aiming to make the first offer settlement on 30 October 2014 (this is ahead of the timeframe the Takeovers Code would allow).

For and on behalf of
Dorchester Turners Limited


Paul Byrnes
Chief Executive Officer

cc: The Takeovers Panel
Level 3, Solnet House
70 The Terrace
Wellington 6011
By email: takeovers.panel@takeovers.govt.nz

cc: NZX Limited
Level 1, NZX Centre
11 Cable Street
Wellington 6011
By email: announce@nzx.com

17 October 2014

Dorchester

Loans | Insurance | Debt Recovery

Level 8, 34 Shortland Street, Auckland
PO Box 1232, Auckland 1140
New Zealand
Ph: +64 9 300 4800
Fax: +64 9 300 4801
E-mail: info@dorchester.co.nz
www.dorchester.co.nz

TURNERS GROUP TAKEOVER UPDATE

This letter is to update you on Dorchester's takeover offer for Turners Group NZ Limited. The offer has been recommended for acceptance by the Independent Committee of Turners' board.

At 12:40 pm today, Dorchester had received acceptances which, together with the shares Dorchester already holds, represents more than 86.8% of Turners shares, and is unconditional as to the minimum acceptance required. Of the acceptances to date, including Bartel Holdings, the consideration has been taken up as cash 49.1%, Dorchester shares 23.5%, and Dorchester Bonds 27.4%.

As previously advised, on 24 October 2014 Turners will pay its shareholders on the record date of 5 pm on 17 October 2014, a fully imputed special dividend of 15 cents per share.

Dorchester intends to declare its offer unconditional shortly after payment of Turners' special dividend, provided that none of the adverse events set out in paragraph 6.1 of the offer document dated 18 September 2014 has occurred at that time.

Once the Offer has been declared unconditional, Dorchester will be required to settle the offer consideration within 7 calendar days. Dorchester intends to complete the first settlement on 30 October 2014, and thereafter in accordance with the Takeovers Code.

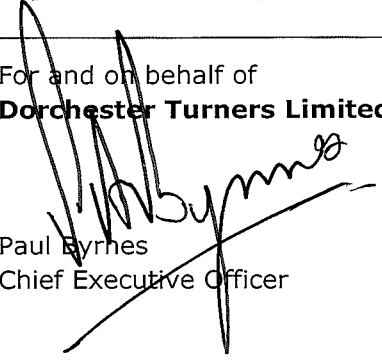
In order to enable further Turners' shareholders to accept the offer, Dorchester has varied the offer by extending the closing date for the offer until **11:59pm on 7 November 2014**. Dorchester has elected not to vary the date by which the offer is to become unconditional of 3 November 2014, and intends to declare the offer unconditional before 30 October.

If you have not yet accepted the Offer, and wish to do so, you should make sure you return your completed acceptance form as soon as possible. Once the offer is unconditional, Dorchester will be required to settle later acceptances within 7 days of receipt. ***Dorchester will include acceptances received by 28 October in the intended 30 October settlement.***

If you have lost your acceptance form, please contact Computershare Investor Services Limited on +64 9 488 8700 or email corporateactions@computershare.co.nz.

If you have already accepted the Offer, then you do not need to take any further action.

For and on behalf of
Dorchester Turners Limited


Paul Byrnes
Chief Executive Officer