

17 December 2012

Market Information
NZX Limited
Level 2, NZX Centre
11 Cable Street
Wellington
New Zealand

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Capital repayment

Further to the results announcement on 29 November 2012 where TOWER Limited (TOWER) advised its intention to repay capital to shareholders, TOWER advises that on 7 December 2012, it filed documents with the High Court seeking initial orders in relation to the proposed return of approximately \$120 million of capital to shareholders. The repayment of capital will be on a pro rata basis, by way of a scheme of arrangement pursuant to Part 15 of the Companies Act 1993. Under the scheme of arrangement, all holders of ordinary shares will be treated alike and relative holdings of shareholders will not be affected.

The High Court has granted orders directing, amongst other things, that TOWER put the proposed scheme of arrangement to holders of its ordinary shares for their consideration and approval by special resolution at the upcoming annual meeting of shareholders, to be held before the end of March 2013. Further detail regarding the scheme of arrangement will be contained in the notice of annual meeting to be sent to shareholders, which will include the proposed cash payment per share and the number of shares to be cancelled.

The repayment of capital will comprise the proceeds of the sale of TOWER's health business and existing surplus capital. TOWER will be working towards completion of the return of capital by the end of April 2013.

The Court will consider further details of the proposed scheme of arrangement including the proposed notice of meeting and explanation of the scheme of arrangement at a hearing to be scheduled for 9am on Monday 18 February 2013.

Shareholders may obtain copies of the documents filed with the High Court from TOWER's website (tower.co.nz), or by requesting them from TOWER. Copies will be sent free of charge.

Any shareholder who opposes the making of final orders by the Court approving the repayment of capital has the right to apply to participate in the Court proceeding by filing a notice of opposition in the Wellington Registry of the High Court of New Zealand and serving that notice on TOWER's solicitors, DLA Phillips Fox (marked to the attention of C M Stevens and A L Holloway), at the address for service set out in the originating application (included among the Court documents).

Ends

Bronwyn Walsh
Company Secretary & Compliance Manager
TOWER Limited
ARBN 088 481 234 Incorporated in New Zealand