

MEDIA STATEMENT

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For immediate release

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

TOWER sells investments business

(Auckland – NZ) TOWER Limited today announced that it has sold its investments business TOWER Investments to Fisher Funds for NZ\$79 million.

Fisher Funds is a New Zealand owned and operated fund manager and KiwiSaver provider, managing more than \$1.4 billion on behalf of more than 130,000 investors.

TOWER Group Managing Director Rob Flannagan said “the decision to sell TOWER Investments was made as a result of a comprehensive strategic review of what is best for TOWER and for TOWER’s shareholders.”

“This evaluation was undertaken primarily to identify opportunities for TOWER that would provide value for shareholders,” Mr Flannagan said.

The sale follows the divestment of TOWER’s health insurance business to Australian private insurer nib holdings ltd in November.

Mr Flannagan said that “the TOWER Board made the strategic decision to narrow TOWER’s focus. TOWER has entered into arrangements with the purchasers of those businesses to continue to distribute both Investment and Health products providing a seamless service to its customers.”

TOWER’s narrower focus will provide more market visibility for TOWER’s strong, ongoing businesses and enable the equity market to better recognise the value of TOWER’s shares. TOWER will continue to assess whether there are opportunities to obtain further value for shareholders following the strategic review undertaken last year.

“The focus for TOWER going forward will be on growing our traditional core insurance business through offering superior products backed by market-leading customer service,” he said.

The sale of TOWER Investments to Fisher Funds is on terms customary for a transaction of this type, including that no material adverse change occurs in either TOWER Investments or Fisher Funds prior to Completion. Subject to satisfaction of this condition, Completion is scheduled to occur on 2 April 2013.

Carmel Fisher Managing Director of Fisher Funds commented:

“This is an exciting opportunity for Fisher Funds to participate in the consolidation of a competitive KiwiSaver industry, accelerate our growth, and achieve economies of scale that we can pass on to our

clients. We are delighted to have the support of our new shareholder TSB Bank in this acquisition, along with the continued support of existing Fisher Funds shareholders including Morrison & Co.”

TOWER Investments has been sold as a stand-alone business with employees transferring across to Fisher Funds with the business.

Mr Flannagan said “an announcement regarding the application of sale proceeds realised from the sale of the investments business will be made in due course.”

Shareholders will be asked to approve a proposed return of capital of \$120 million following the sale of the health business at TOWER’s annual meeting on 21 March 2013.

He said TOWER Investments, under its new owner, would continue to play an important role in growing the wealth of New Zealanders.

“Over the coming months, TOWER will work closely with Fisher Funds to ensure that investors are provided with the high standard of service they enjoyed with TOWER Investments,” Mr Flannagan said.

Ends

For further information, please contact:

Rob Flannagan

Group Managing Director

TOWER Limited

Tel: + 64 9 369 2084

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