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Market Information
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11 Cable Street
Wellington
NEW ZEALAND

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

Federal Court of Australia approves Portfolio Transfer

As signalled at its results announcement earlier this week, TOWER Limited is pleased to announce that the Federal Court of Australia has today approved the Portfolio Transfer for the runoff business underwritten by its Australian branch to Gordian RunOff Limited, a subsidiary of Enstar Group.

TOWER Chief Executive Officer David Hancock said today the successful completion of the transaction would release approximately NZ\$21 million in capital reserves that had been required by the Australian Prudential Regulation Authority. This will be repatriated to New Zealand, and incorporated into TOWER's capital management plan.

"This further underpins TOWER's strong capital position as it moves forward as a focused general insurer. We have a robust growth strategy in place and an effective and efficient capital management programme will provide us with the scope to further invest in our business in the coming years," Mr Hancock said.

TOWER and Gordian RunOff Limited will now proceed towards the completion of the transaction, working to the transfer date of 5 December 2013 specified by the Federal Court of Australia at today's hearing in Sydney.

The transfer will see Gordian RunOff Limited assume the insurance liabilities and ongoing obligations of the run-off business underwritten by TOWER's Australian branch. The run-off business underwritten by its Australian branch was disclosed as a discontinued operation held for sale in TOWER's recently released financial statements.

The sale amount will be settled in cash on the transfer date.

ENDS

David Hancock
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