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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 to retain TOWER Life (N.Z.) Limited

TOWER advises that it is to retain TOWER Life (N.Z.) Limited, following an evaluation of options for divesting the business.

Chief Executive Officer David Hancock said TOWER had completed a formal process with a number of interested parties and had determined that greater shareholder value would be realised by retaining the business.

The TOWER Life business of 50,000 policies is made up of participating and non-participating Life insurance policies, annuities and unit linked insurance policies. Policy and shareholder assets are managed under Investment Management Agreements operated by a third party.

“TOWER believes there are a number of opportunities to continue to improve the business performance of the retained life business, and for a release of capital over time,” Mr Hancock said.

Over the past financial year TOWER has sold three businesses realising a total of \$370 million, and in doing so has made a significant cash return to shareholders. In addition to the \$120 million returned to shareholders in April 2013, a further \$70 million is planned to be paid in January 2014 through an off market voluntary share buy back (subject to a number of conditions). The buy back Offer to shareholders closes on Thursday 23 January 2014.

Mr Hancock said TOWER’s focus remained on ensuring shareholders benefitted from the company’s proven ability to maintain an efficient capital structure while delivering strong returns. “We will continue to look to release capital to shareholders as and when is appropriate,” he said.

ENDS

Michael Boggs
Chief Financial Officer
TOWER Limited
ARBN 088 481 234 Incorporated in New Zealand