



27 May 2014

Market Information
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Wellington
New Zealand

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TOWER offers opportunity to dispose small shareholdings cost effectively

TOWER has today responded to shareholder requests for a cost-effective solution to disposing of their small parcels of shares in TOWER Ltd (TOWER or the Company).

TOWER Chairman Michael Stiassny said a number of shareholders had asked the Company to consider a way for them to dispose of their small holdings without incurring brokerage fees. This had been highlighted to the Board during the voluntary share buyback programme earlier this year.

“It was a reasonable request and the Board is very pleased to respond. Through a share cancellation programme, we intend offering shareholders with fewer than 200 shares the opportunity to have TOWER cancel them free of any brokerage charges,” Mr Stiassny said.

TOWER shareholders with fewer than 200 shares will have the following three options:

1. Do nothing if they wish to have their shares cancelled by TOWER without incurring brokerage or any fees. Payments will be made in the same manner as dividend payments.
2. Increase their shareholding to more than 200 shares on the market through any NZX or ASX sharebroker. Applicable brokerage charges will apply.
3. Notify TOWER in writing by filling in an opt-out form if they wish to remain a TOWER shareholder with a small parcel and return this to Computershare Investor Services.

Mr Stiassny said the Board wanted to ensure the process was as simple and fair as possible for small shareholders, and ensure they did not incur costs that may be disproportionate to the value of their holdings.

“We felt this was preferable to a compulsory on-market acquisition, where shareholders may incur brokerage costs,” he said. “As a result, we have chosen a cancellation process whereby the cancellation of small parcels by the Company will be automatic at a known price and with no costs incurred. However, shareholders are also welcome to either maintain their shareholding by notifying TOWER or increase their shareholding on the market if they wish.”

TOWER has just over 20,000 shareholders with less than a minimum holding in TOWER. They represent 41.09% of the company’s total share register and own 2.5 million shares, approximately 1.43% of TOWER’s current issued share capital. Many small shareholders are likely to have received these initial shares as a result of TOWER’s demutualisation in 1999.

Mr Stiassny said the programme would also deliver benefits to TOWER through a reduction in the ongoing costs of servicing shareholders.



Shareholders have three months to make a final decision. Shareholders with small parcels who do not take either Option 2 or 3 above will have their small shareholdings automatically cancelled and will receive NZ\$1.72 per share being the volume weighted average price for the five trading days prior to 27 May 2014, on 1 September 2014.

Shareholders registered on the Australian register will be paid in Australian dollars at the conversion rate applicable on the trading day prior to the payment date. All eligible shareholders will receive a letter from TOWER outlining the options and details in the next week.

ENDS

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