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Market Information
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Off market share buy-back – Australian Taxation Office Class Ruling Published

(Auckland – NZ) TOWER Limited confirms that it has now received a class ruling from the Australian Taxation Office regarding the pro-rata off market voluntary buy-back (capital-only) of TOWER shares completed on 31 January 2014 (Buy-back).

The class ruling applies to Australian resident Participating TOWER Shareholders that held their TOWER shares on capital account and satisfy certain other conditions. In summary, for relevant Australian resident shareholders who held TOWER shares at the time of the Buy-back on 31 January 2014, the class ruling confirms that the purchase price is not a dividend for Australian tax purposes and the disposal of the shares by Australian Participating TOWER Shareholders was a Capital Gains Tax (CGT) event.

Background to the Buyback

On 26 November 2013, TOWER Limited announced that a pro-rata off market voluntary buy-back (capital-only) of TOWER shares would be conducted. The offer to participate in the Buy-back was made to all TOWER shareholders and only those who elected to participate (Participating TOWER Shareholders) had their TOWER shares bought back.

On 31 January 2014, TOWER paid Participating TOWER Shareholders NZ\$1.81 for each purchased share (Australian Participating TOWER Shareholders were paid the Australian dollar equivalent).

The sale consideration of A\$1.63805 per share (equivalent to NZ\$1.81 at the conversion rate applied on the Record Date) will be regarded as the capital proceeds for CGT purposes. An Australian Participating TOWER Shareholder will have made a capital gain (or capital loss) if the amounts received from TOWER for the shares were more than (or less than) the cost (or reduced cost base) of those shares.

The class ruling from the Australian Taxation Office regarding the tax treatment of the Buy-back for Australian resident shareholders has now been published and can be viewed on the web site of the Australian Taxation Office, <http://law.ato.gov.au/atolaw/index.htm>.

If Australian shareholders have any queries in relation to the class ruling, they are advised to obtain specific taxation advice on the treatment of the Buy-back, taking into account their particular circumstances.

ENDS

Michael Boggs
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TOWER Limited
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