



15 March 2017

Market Information
NZX Limited
Level 1, NZX Centre
11 Cable Street
Wellington
New Zealand

Company Announcements Office
ASX Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
Australia

Suncorp reaches 19.99% threshold

Tower Limited (NZX/ASX: TWR) understands that Suncorp Group Limited's stake in Tower has now reached 19.99% of shares for which it has paid \$1.40 per share to date.

Tower originally received a non-binding proposal for 100% of Tower shares at \$1.30 per share from Suncorp Group on 22 February, following an earlier announcement that Tower and Fairfax Financial Holdings Limited (FFHL) had entered into a Scheme Implementation Agreement, with FFHL offering to purchase 100% of Tower shares at NZ\$1.17 per share.

Tower Chairman, Michael Stiassny said the Board's advice to shareholders remained unchanged.

"The Board's primary focus remains to optimise value for all our shareholders. In order to do so, we need to carefully evaluate all options before making a recommendation. While we are pleased to see Suncorp has recognised additional value in Tower for a minority of shareholders, it is unclear whether the \$1.40 per share will be available for all Tower shareholders. We would expect all shareholders to benefit equally from a sale and will be asking Suncorp to advise whether it intends to employ differential pricing in its proposal. In addition, we will seek to clarify aspects of the highly conditional nature of their indicative scheme proposal.

"The Board also continues to closely engage with Fairfax in relation to the previously announced scheme and other transaction possibilities. We will update the market on any further material developments as the circumstances require," Mr Stiassny said.

In the meantime, the Tower Board of Directors strongly advises shareholders not to take any action without carefully assessing all available information and seeking their own professional advice.

The Board also reiterated that Tower insurance policies and the rights of policy holders remain unaffected. All policies and rights will remain with Tower Insurance Limited (or relevant Pacific Island subsidiaries) in the event of a change in ownership of Tower Limited.

ENDS

TOWER
Michael Stiassny
Chairman
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To arrange media interviews, please contact in the first instance:

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