



14 July 2003

Market Information
New Zealand Exchange Limited
ASB Bank Tower
Level 9, 2 Hunter Street
Wellington
NEW ZEALAND

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
AUSTRALIA
ARBN 088 481 234 Incorporated in New Zealand

Dear Sir/Madam

TOWER Limited – Company Announcement

In accordance with Listing Rules, please find attached the following document:

- **TOWER ANNOUNCES SALE OF TRUST COMPANY**

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Ngan Kee', positioned to the left of a vertical dotted line.

Mark Ngan Kee
GROUP COMPANY SECRETARY
TOWER Limited



MEDIA RELEASE
For immediate release

14 July 2003

TOWER ANNOUNCES SALE OF TRUST COMPANY

TOWER Limited today announced that US-based private investment company Sterling Grace Corporation will purchase TOWER Trust New Zealand on 31 July 2003, subject to satisfaction of remaining conditions.

TOWER Trust in New Zealand provides both personal and corporate trustee services. In the personal business it administers wills, estates and trusts and has a range of estate and investment planning products and services. It is New Zealand's leading corporate trustee, providing that sector with corporate trustee services as well as services for funds management.

TOWER Group Managing Director Keith Taylor said:

"TOWER has taken a number of steps to implement key strategic and operational initiatives aimed at refocussing its business and laying the framework for a turnaround in performance. We are directing TOWER's resources towards delivering a multi-niche risk and wealth management strategy in both Australia and New Zealand. As we have said previously, part of that process is the ongoing review of the ownership of TOWER's businesses and their fit with our strategy for the future."

"Diversification of TOWER's businesses was a foundation of the Group's success. However, today's business environment calls for a much greater degree of focus. TOWER Trust is a profitable, well-managed company, however we have decided that it does not have the strategic fit we require for the future. We were approached by Sterling Grace, and after they conducted exclusive due diligence, a purchase price of NZ\$25 million was agreed. Sterling Grace has obviously seen the value in TOWER Trust as a strong and dynamic company, a well managed market leader in its field," he said.

Sterling Grace has had a presence in asset management and financial services in major global markets, including Australia, Japan, New Zealand, Europe and the United States over a number of years and currently manages a significant, diversified portfolio of investments worldwide. The company has a history of involvement in investment and asset management dating back to 1885. Sterling Grace President, Mr John S. Grace, said the company was now looking to establish a solid presence in New Zealand and to apply its expertise in managing large portfolios of investment and trust business to further build on the local TOWER Trust operation.

"This is core business for us and an opportunity made more exciting because of its scale, its 'first-class' business infrastructure, and we believe, our ability to grow it and create further value," he said.

Mr Grace said he considers New Zealand to be an attractive market for investment. "Both New Zealand and Australia have relatively smaller and therefore more concentrated economies, good overall economic stability, well-educated workforces and strong business infrastructure.

"These elements allow the attainment of a strong and specialist market position and equally, provide a solid platform for growth," he said.

He said Sterling Grace had invested in TOWER Trust “because we see it as a recognised market leader in its field, with high quality management. Certainly, we will be looking to develop operations further but that entails adding to things rather than any substantive change in direction or operations.”

As part of the purchase agreement, the TOWER Trust name will be retained for an interim period. As New Zealand’s first trustee company, it is likely that the company’s original name of Trustees Executors will be reverted to.

ENDS

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