Market Information
New Zealand Exchange Limited
NZX Centre
Level 2, 11 Cable Street
Wellington
NEW ZEALAND

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
AUSTRALIA

3 December 2007

Dear Sir/Madam,

TOWER Limited – Dividend Reinvestment Plan

TOWER Limited has established a Dividend Reinvestment Plan.

The relevant documents for shareholders are attached:

1) Dividend Reinvestment Plan – offer Document

2) Explanatory letter to shareholders and reply form

3) DRP Participation Notice

Yours faithfully

Eric O'Sullivan
Company Secretary
TOWER Limited

TOWER Limited Level 11, TOWER Centre, 22 Fanshawe Street, Auckland
PO Box 90347 Auckland New Zealand Tel (+64) 9 369 2082 Fax (+64) 9 369 2160

TOWER

TOWER

Dividend Reinvestment Plan

OFFER DOCUMENT
November 2007

Contents

As part of our shareholder relations programme, TOWER will operate a Dividend Reinvestment Plan (Plan). The Plan offers shareholders the opportunity to directly increase their investment in TOWER at a discount to the prevailing market price.

This booklet explains how the Plan will work.

This document is important.

If you do not understand it or are in any doubt as to how to act you should contact your financial adviser immediately.

TOWER Limited
ARBN 088 481 234
Incorporated in New Zealand

Letter from the Board

Shareholders' interests are very important to TOWER. One of our key objectives is to increase value for shareholders.

While TOWER does not presently have an established dividend policy, our intention to resume paying dividends as soon as it is possible and efficient was announced to shareholders at the Annual Meeting in February 2007.

This Dividend Reinvestment Plan gives you a way to structure your investment in TOWER shares according to your investment needs and goals by allowing you to automatically apply dividends paid to purchase new TOWER shares.

The price of the shares issued under the Plan will be at a discount of 2.5% to the prevailing market price.

The Plan enables you to increase your investment in TOWER shares in an easy and convenient way without incurring brokerage fees. It is flexible so that you can choose your level of participation according to your own circumstances.

Participation in the Plan is entirely optional.

If dividends are an important income source for you, then do nothing and you will continue receiving all future dividends by cheque or direct credit.

This booklet provides detail on how the Plan works. Please read it thoroughly and consult your financial adviser if you have any questions. A Participation Form is included for you to complete and return to the TOWER Share Registry in the envelope provided if you wish to participate in the Plan.

A I (Tony) Gibbs
Chairman

Options available

1 Reinvest all or some of your dividends

Participation Notice

You should complete the Participation Notice enclosed with this Offer Document if you wish to reinvest all or some of your dividends in further TOWER shares.

Should you decide to vary your participation in the Plan at any later stage written notice must be given to the TOWER Share Registry at the address set out on page 8.

If you participate, on each dividend payment date you will be sent a statement detailing your dividend entitlement and the number of additional shares issued to you under the Plan.

Level of Participation

You can elect full or partial participation in the Plan. If you tick the full participation box in the Participation Notice, this will cover your current shareholding and any future TOWER shares purchased by you or allocated to you under the Plan.

If you wish to participate only in respect of some of the shares you hold then insert that number of shares in the partial participation box of the Participation Notice. Partial participation in the Plan means that the Rules of the Plan will apply, both now and in the future, only to the number of shares nominated by you now, until you notify the TOWER Share Registry in writing of a variation or you reduce your shareholding below the level you have nominated. If you wish to partially participate in the Plan you must nominate a minimum of 100 shares.

2 Receive dividends by cheque or direct credit

If you do not complete and return the Participation Notice you will continue to receive the net proceeds of any future dividend by cheque or direct credit.

If at a later date you decide you do wish to participate, the enclosed Participation Notice can be used for this purpose. Just complete and return the Notice to the TOWER Share Registry at the address set out on page 8.

Direct credit of dividend

You can arrange to have your dividend credited directly into your bank account by writing to the TOWER Share Registry and including a deposit slip encoded with your bank account details. You will still receive a Dividend Statement for each future dividend payment advising the amount credited. Direct crediting is considered a more secure and faster way of receiving your dividend.

Key features of the Plan

Shares in place of dividends

The Plan provides TOWER shareholders with an opportunity to invest any dividends payable on their shares in additional fully paid TOWER shares.

All shares issued under this Plan will be fully paid and will rank equally with existing shares.

Cost savings

The Plan allows you to buy shares without paying brokerage or commission charges.

Participation is optional, arrangements flexible

You can join, vary your participation in respect of some or all of your shares or withdraw from the Plan at any time. Simply notify the TOWER Share Registry in writing of your wish to do one of those things. If your notice is received after a Record Date it will be effective on the day following the payment date. Otherwise your notice will take effect immediately.

Details of your entitlement

You will receive a dividend statement immediately after the dividend payment date detailing your total entitlement and the number of shares you have been issued under the Plan.

Guide to completing the Participation Notice

Full Participation

Full Participation

(including any future TOWER shares acquired)

Full participation in the Plan means that the Rules of the Plan will apply to your total holding of shares both now and in the future.

Partial Participation

Partial Participation

(state number of TOWER shares for participation - must be a minimum of 100)

Partial participation in the Plan means that if you wish to participate only in respect of some of the shares you hold and you insert that number of shares in the box in the Participation Notice, this will be treated as partial participation for that number of shares. This means that the Rules of the Plan will apply only to the number of shares nominated by you on this form, until you notify the TOWER Share Registry in writing of a variation or you reduce your shareholding below the level you have nominated.

Commonly asked questions

How do I participate?

Simply read this Offer Document and fill out and return the enclosed Participation Notice in the envelope provided. If necessary, consult your financial adviser before joining.

Can I reinvest just some of my dividends?

Yes, you have the option of participating in respect of just some or all of your shares. However, if you do not wish to participate in respect of all of your shares you must nominate a minimum of 100 shares to participate.

When will my dividend reinvestment start?

Your reinvestment starts with the first dividend payment following receipt of your Participation Notice. However, if your notice is received after a Record Date it will be effective on the day following the payment date.

What price do I pay for the shares?

The price is based upon a 2.5% discount to the weighted average sale price of TOWER shares sold on the New Zealand Stock Exchange on each of the first five days following the Record Date.

The formula used in this calculation is explained on page 6 of this Offer Document.

What does it cost to participate?

You pay no costs. You will not be charged brokerage or commission costs to acquire any shares issued under the Plan.

Can I still sell my shares when I want?

Yes, you can sell your shares at any time. You should simply tell your broker that you participate in the Plan - particularly if the sale is shortly before a dividend payment date.

Can the Plan be changed or cancelled?

Yes, TOWER's Board can change, suspend or cancel the Plan at its sole discretion. In that event, notice will be given to all participants.

Are there any tax implications?

Where your dividends are reinvested in shares you will generally be treated, under both New Zealand and Australian tax laws as if you had received a cash dividend. TOWER will provide details of the dividend, taxes withheld and credits available so that you can complete your tax return. You should contact your professional tax adviser for more information.

Rules of the Plan

Introduction

1 The Plan enables shareholders to invest the cash dividend payable on all or any of their shares to acquire additional fully paid shares. The Rules of the Plan as determined by the Board are set out below.

2 Words used in these Rules have the meanings set out in rule 39.

Participation in the Plan

3 Participation in the Plan is optional and open to all shareholders provided this does not contravene the laws of the shareholder's country of residence. Participation may, subject to the restrictions and procedures provided for in these Rules, be varied or terminated at any time at the Board's sole discretion.

4 Each shareholder to whom an invitation is made to participate in the Plan will be given a reasonable opportunity to accept the invitation.

5 Shares acquired by a shareholder under the Plan will be acquired in accordance with the Rules set out in this Offer Document and will be subject to the same rights as shares acquired by all other shareholders participating in the Plan.

6 Shareholders not participating in the Plan will receive their dividends by cheque or direct credit.

Participation Notice

7 Election to participate in the Plan must be made on the Participation Notice enclosed with this Offer Document.

8 Participation will be effective for dividends payable in relation to the first Record Date after receipt by TOWER of a correctly completed Participation Notice.

Level of participation

9 Participation may be either full or partial.

10 In the case of full participation in the Plan, these Rules will apply to the dividends payable in respect of all the Participant's shares from time to time registered in the Participant's name.

11 Partial participation applies only to the dividends in respect of the number of shares nominated by the Participant in a Participation Notice. The number nominated must be a minimum of 100 shares. If at the relevant Record Date the number of shares held by the Participant is less than the nominated number of shares, then the Participation Notice will be deemed to have no further effect and any dividend will be paid by cheque or direct credit.

12 If the Participation Notice does not indicate the level of participation, it will be deemed to be an application for full participation provided it is otherwise correctly completed and signed.

13 A Participation Notice will not attach to the shares in respect of which it has been given, but will be personal to the shareholder giving it.

14 Any shares over which TOWER has a lien or a charge in accordance with its constitution or other requirements of law will not be eligible to participate in the Plan.

Operation of the Plan

15 TOWER will apply the Cash Dividend that is available for payment in respect of each Participant's Participating Shares at the Record Date as payment for the shares acquired by the Participant under the Plan. The number of such shares will be determined in accordance with clauses 18- 21 of these Rules.

16 The Board will, on the day that a Participant would otherwise have been paid a Cash Dividend on Participating Shares, make the acquired shares available to the Participant.

17 Shares acquired by the Participant under the Plan will be issued on the terms disclosed in these Rules and will, from the date of acquisition, rank equally in all respects with all other fully paid Shares.

Additional share entitlement

18 The number of fully paid shares to be acquired by a Participant under the Plan will be calculated in accordance with the following formula:

$$N = \frac{PS \times D}{97.5\% \times P}$$

Where:

N = the number of shares which will be acquired by a Participant.

PS = the number of Participating Shares registered in the name of the Participant at the Record Date.

D = is the net Cash Dividend per share which would otherwise have been payable to the Participant if a Participation Notice had not been given.

P = is the weighted average sale price of fully paid TOWER shares sold on the New Zealand Stock Exchange on the first 5 business days immediately following the Record Date (which price may be adjusted at the discretion of the Board as set out below).

19 If no sales of shares occur during such period then the weighted average sale price will be deemed to be the sale price for fully paid TOWER shares on the first sale on the New Zealand Stock Exchange which takes place after such period (which price may be adjusted at the discretion of the Board as set out below).

20 Any weighted average sale price so determined may be reasonably adjusted by the Board to allow for any bonus or dividend or other distribution expectation. If, in the opinion of the Board, any exceptional or unusual circumstances have artificially affected the weighted average sale price so determined, the Board may make such adjustment to that sale price as it considers reasonable.

21 Where the number calculated in accordance with the preceding formula:

- is not a whole number, then the number of shares to be acquired by a Participant will be the nearest whole number and shall be a minimum of one;
- ends in '.5', that number of shares will be rounded up to the next whole number.

22 At the time the price for the shares is set, TOWER will ensure that it has no information that is not publicly available and that would, or would be likely to, have a material adverse effect on the realisable price of the shares if it were publicly available.

Statements to Participants

23 TOWER will send to each Participant, on each dividend payment date, a statement detailing in respect of that Participant:

- the number of Participating Shares as at the relevant Record Date;
- the amount of Cash Dividend and the amount paid in respect of Participating Shares and non-Participating Shares (if applicable);
- the amount of any taxation deduction;
- the number of shares acquired under the Plan;
- advice as to the amount of any taxation credits.

No costs to Participants

24 No brokerage or commission costs will be payable by a Participant in respect of the acquisition of shares under the Plan.

Source of shares

25 Shares to be acquired by Participants under the Plan may, at the Board's discretion, be:

- new shares issued by TOWER, or
- existing shares acquired by TOWER or a nominee or agent of TOWER, or
- any combination of the above.

Variation or termination of participation

26 A Participant may, at any time, by giving written notice to TOWER's Share Registry:

- increase or, subject to these Rules, decrease the number of their shares which participate in the Plan, or
- terminate participation in the Plan.

27 Such alteration or termination will take effect immediately upon receipt by TOWER's Share Registry of the written notice. Provided that any notice received between a Record Date and the corresponding payment date will take effect on the day following such payment date.

28 If a Participant dies, participation in respect of their shares will be terminated on receipt by TOWER's Share Registry of a notice of death in a form acceptable to TOWER. Death of one of two or more joint holders will not automatically terminate participation.

Reduction of participation where no notice is given

29 Where a Participant disposes of part of his or her holding of shares then, unless the Participant advises the TOWER Share Registry otherwise the following changes will be made:

- Full Participation previously elected
  - Participation will continue to apply to the reduced number of shares unless fewer than 100 shares are retained in which case Participation will no longer be available.
- Partial Participation previously elected
  - the shares disposed of will be deemed to be shares not participating in the Plan and
  - if the number of shares disposed of exceeds the number not participating in the Plan, the balance will be attributed to shares which do participate in the plan, and
  - when fewer than 100 shares are retained Participation will no longer be available.

The Board's discretion

30 The Board may at any time in its sole discretion resolve:

- that participation in the Plan will not apply to the whole or part of any dividend and that the dividend, or the balance of the dividend (as the case may be), will be paid in cash;
- that a Participation Notice will cease to be of any effect;
- that the Plan be modified, suspended or terminated. If the Plan is modified then a Participation Notice will be deemed to be a Participation Notice under the Plan as modified unless such Participation Notice is subsequently changed or withdrawn by the Participant;
- in the event of the subdivision, consolidation or reclassification of shares into one or more new classes of shares, that a Participation Notice will be deemed to be a Participation Notice in respect of the shares as subdivided, consolidated or reclassified unless such Participation Notice is subsequently changed or withdrawn by the Participant.

31 Notice of any modification or termination will be given to all Participants.

32 However, no such modification or termination will be made during the period commencing on a date 21 days before a Record Date and ending on the date of payment of the dividend in relation to that Record Date.

Administration and disputes

33 The Board has absolute discretion to:

- resolve any disputes concerning the Plan as it considers appropriate;
- adopt any administrative procedures it considers appropriate;
- delegate to any one or more persons the exercise of any of its powers or discretions in relation to the Plan.

Stock Exchange listing

34 Any new shares which may be issued by TOWER under the Plan have been accepted for listing by New Zealand Exchange Limited (NZX) and the Australian Stock Exchange (ASX), and will be quoted upon issue of the new shares. However, NZX and ASX accept no responsibility for any statement contained in this Offer Document.

Applicable law

35 The Plan and its operation in these Rules will be governed by the laws of New Zealand.

Available information

36 A copy of TOWER's most recent annual and half year reports and financial statements complying with the Financial Reporting Act 1993 are available free of charge on TOWER's website www.towerlimited.com or on request from:

TOWER Limited
Investor Relations
PO Box 90347
Auckland 1142
New Zealand

TOWER Share Registry Address

37 **New Zealand**

TOWER Share Registry
Private Bag 92119
Auckland Mail Centre
Auckland 1142
New Zealand

Phone: 0800 222 065
(from within New Zealand)
or +64 9 488 8777
(from overseas)
Fax: +64 9 488 8787
Email: enquiry@computershare.co.nz

Australia

TOWER Share Registry
GPO Box 7045
Sydney NSW 1115
Australia

Phone: 1800 501 366
Email: enquiry@computershare.co.nz

Tax considerations

38 Neither TOWER nor its directors, officers, employees, representatives or agents:

- take any responsibility for the taxation liabilities of Participants or any consequences of such liabilities; or
- represent that a Participant will gain any taxation advantage or will not incur any taxation disadvantage as a result of participation in the Plan.

Definitions

39 The following words have these meanings in this Offer Document:

Board means the Board of directors of TOWER.

Cash Dividend means the dividend payable excluding any imputation credits and after the deduction by TOWER of any resident withholding tax or non-resident withholding tax.

Participant means any eligible holder of shares who has completed (and has not withdrawn) a Participation Notice which has been accepted by the Board.

Participating Share means a share registered in the name of a Participant, the dividends on which are subject to the Plan.

Participation Notice means a Participation Notice accompanying this Offer Document as approved by the Board.

Plan means the TOWER Limited Dividend Reinvestment Plan established by the Board pursuant to TOWER's constitution on the terms set out in this Offer Document as amended from time to time.

Record Date means 5.00pm on the date fixed by the Board for determining entitlement to dividend.

Shareholders means the holders of shares.

TOWER means TOWER Limited.

Dear Shareholder,

Receiving Shareholder Communications

As a TOWER Limited shareholder you receive a number of communications from us. However, in future we will no longer automatically be mailing to you hard copies of the Annual Report or Half Year Report. Instead the TOWER Annual Report for the year ending 30 September 2007 will be available on our website in December 2007, and the Half Year Report for the six months ending 31 March 2008 will be available on our website around June 2008. You will be able to obtain copies of these reports from our website at www.towerlimited.com.

We are sure that you will find this method of receiving TOWER Reports simpler, more convenient and faster.

However, if you prefer us to send you a hard copy of TOWER Reports we will do so free of charge. If this is your preference you need to notify us of this within 15 working days of receiving this letter. To do so please tick the box in Section A of the enclosed reply form.

We do not propose to prepare a concise Annual Report for the year ended 30 September 2007.

Dividends

The TOWER Board will soon be considering whether or not a dividend will be declared. In order to make sure we have all the required details in the event a dividend is declared, please complete Section B of the enclosed reply form. These details include specifying your preference as to how any dividend is received (reinvestment or payment) and your current New Zealand bank account details.

If you wish to choose the reinvestment option, please also complete and return the separately enclosed "Participation Notice". The terms and conditions of TOWER's Dividend Reinvestment Plan are set out in the enclosed Offer Document.

Address Details

If your address has changed and you have yet to advise us of this, please also take the time to provide your new address details in Section C of the enclosed reply form.

Before returning the enclosed form please ensure that you, and if applicable all joint holders of shares, sign in Section D as indicated. The completed form may be returned by email or fax using the contact details below or mailed in the enclosed reply paid envelope.

Should you have any questions on any of the above please contact TOWER's Share Registry:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142

Phone:	0800 222 065	(from New Zealand)
	+64 9 488 8777	(from overseas)
Fax:	+64 9 488 8787	
Email:	enquiry@computershare.co.nz	

You can also view and update your holder details by visiting the Computershare website: www.computershare.co.nz/investorcentre

Yours sincerely

Eric O'Sullivan
Company Secretary

SECTION A: COMPLETE THIS SECTION IF YOU WANT TO RECEIVE HARD COPIES OF TOWER'S REPORTS

RECEIVING HARD COPY OF ANNUAL AND HALF YEAR REPORTS

I/We request to receive printed copies of TOWER's Annual and Half Year Reports each year.

PLEASE TICK ☐

SECTION B: COMPLETE THIS SECTION IN RELATION TO PAYMENT OF ANY DIVIDEND DECLARED

PAYMENT OF DIVIDEND

I/We request any dividend declared to be paid directly to my/our bank account.

(this option is not available to shareholders who do not have a New Zealand bank account)

PLEASE TICK ☐

My/Our New Zealand bank account details are:

Account name ______________________________

Bank & branch name ______________________________

Account number

Bank	Branch	Account Number	Suffix
☐☐	☐☐☐☐	☐☐☐☐☐☐☐	☐☐☐

OR:

I/We request any dividend declared to be paid by cheque.

PLEASE TICK ☐

OR:

I/We request any dividend declared to be paid by reinvestment in TOWER shares.

(please complete the enclosed "Participation Notice to Reinvest your Dividend")

PLEASE TICK ☐

SECTION C: COMPLETE THIS SECTION IF YOUR ADDRESS DETAILS HAVE CHANGED

New address:

____

____

____

____

SECTION D: ALL HOLDERS MUST SIGN HERE

Shareholder Number: ☐

Signed: ______________________________

Shareholder Names: ☐

Signed: ______________________________

(all joint holders must sign)

Date: ______________________________

PLEASE RETURN THIS ENTIRE PAGE IN THE REPLY PAID ENVELOPE SUPPLIED

TOWER Limited ARBN 088 481 234 Incorporated in New Zealand
Dividend Reinvestment Plan

PARTICIPATION NOTICE TO REINVEST YOUR DIVIDEND

Name:

Shareholder Number:

Address:

Do not complete this form if you wish to receive dividends by cheque or direct credit.

If you wish to reinvest all or part of your dividends in TOWER Limited shares, simply complete and return this form in the enclosed reply paid envelope.

Information about the Dividend Reinvestment Plan is set out in the enclosed Offer Document.

Tick the appropriate box below if you wish to participate for all or some of your shares. Tick the Full Participation box if you wish to participate for all of your shares (including any future shares purchased). If you wish to participate for only some of your shares then **state the number of shares you wish to participate** in the Partial Participation box. It must be a minimum of 100 shares. If you tick the Partial Participation box rather than stating the number of shares, the share registry will be unable to process the form.

☐ **Full Participation**
(including any future TOWER shares acquired)

☐ **Partial Participation**
(state number of TOWER shares for participation - must be a minimum of 100)

Dividends are reinvested at a 2.5% discount to the market price, being the weighted average selling price on the New Zealand Stock Exchange for the five business days immediately following the record date (see Offer Document).

Joint holders must each sign. Companies must execute by an authorised officer or attorney. If signed by an attorney, the relevant authority must accompany this Notice.

I/We acknowledge receipt of a copy of the Offer Document. I/We agree to be bound by the Terms and Conditions of the TOWER Limited Dividend Reinvestment Plan set out in the Offer Document dated November 2007.

____
Signature of Shareholder(s)

____/____/____
Date

This Notice may be returned at any time to the address below:

New Zealand
FreePost 129318
TOWER Share Registry
Private Bag 92119
Auckland 1020
NEW ZEALAND

Australia
TOWER Share Registry
PO Box 1415
Strawberry Hills
Sydney
NSW 2012
AUSTRALIA