

Guinness Peat Group plc

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GPG Partial Takeover Offer

Guinness Peat Group plc ("GPG") has advised that a wholly-owned subsidiary, GPG Twenty One Limited, intends to make a partial offer under the New Zealand Takeovers Code to purchase 15.30% of the ordinary shares in TOWER Limited ("TOWER") at a price of \$2.30 per share. GPG currently controls, through a wholly-owned subsidiary, 19.70% of TOWER.

The offer will provide TOWER shareholders an opportunity to sell their shares at a price that is a 11.1% premium to the last TOWER closing price and a 16.3% premium to the 1 month volume weighted average price.

GPG Executive Director Tony Gibbs said "from GPG's perspective, as a result of the spin-offs of Tower Australia Group Limited and Australian Wealth Management Limited, GPG's investment in TOWER had reduced considerably in size. The offer would give GPG the ability to invest more money in TOWER and increase the value of its investment back up to a more optimal investment size more consistent with other investments in its portfolio."

Mr Gibbs also said "he expected the offer to be extremely well supported by both large and small shareholders. In particular small shareholders, many of whom hold uneconomic parcels, will have the opportunity to sell their shares at a premium price without incurring disproportionately large brokerage costs to dispose of their shares. The reduction of the number of small size shareholders would in turn assist TOWER to reduce the administrative costs of maintaining and communicating with such a large number of shareholders."

GPG has no current plans to appoint any further TOWER directors if it achieves its shareholding of 35%.

GPG is confident that it will receive the market support it requires for this offer to be successful. In order for the offer to be successful GPG requires:

- acceptances of 15.3% or 29,342,450 TOWER shares; and
- approval by TOWER shareholders.

Goldman Sachs JBWere (NZ) Limited is acting as broker to GPG in relation to this offer.

For further information contact Tony Gibbs on +64 21 991 327.

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