

29 August 2011

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

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

RESIGNATION OF DIRECTOR

TOWER announces that Tony Gibbs has resigned as Chairman and Director of the company. Group Managing Director Rob Flannagan said that Mr Gibbs had been Chairman of TOWER Limited since 2006 following the separation of the former TOWER Australian and New Zealand businesses. Under his leadership the company's profitability had grown from \$25m in 2006 to \$58m in 2010, and the company had commenced paying dividends to shareholders in 2009.

The strength of the company over this period has been evident in dealing with claims emanating from the Christchurch earthquakes over the past twelve months. Despite payments made under its re-insurance policies, and the cost of reinstatement, TOWER expects group profits for the year ending 30 Sept 2011 to be within the analysts' current range of \$22-28m, and for its general insurance business to remain profitable.

Mr Flannagan said that while negotiations for the reinstatement of catastrophe re-insurance over the next year had not yet been concluded, he was confident that cover would be contracted though premiums would be higher.

The Board has appointed Bill Falconer as Chairman, and has brought forward its succession plans with the intention of appointing a successor for Mr Gibbs. Mr Falconer said that TOWER's current strength was in no small part due to Mr Gibbs' passion for the company and his commitment to its success.

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