



1 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:

- **CAPITAL RAISING PROPOSAL**

Yours faithfully

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

Mark Ngan Kee  
**GROUP COMPANY SECRETARY**  
**TOWER Limited**



## MARKET ANNOUNCEMENT

1 July 2003

### **Capital Raising Proposal**

TOWER Limited intends to raise NZ\$210.8 million through a fully underwritten pro rata renounceable 4 for 3 Rights Issue at an issue price of NZ\$0.90 per share. This capital raising replaces the previous capital raising proposal which comprised a placement of shares to Guinness Peat Group plc (GPG) and a pro rata renounceable 3 for 5 Rights Issue fully underwritten by GPG.

The Directors obtained advice from Grant Samuel as to the relative merits of the two proposals. Grant Samuel's conclusion was:

*"In Grant Samuel's opinion the over-riding benefit of the Alternative Recapitalisation proposal is that it allows all shareholders to participate in the recapitalisation on an equal basis. Directors will need to consider whether the impact of extra fees of approximately 2 cents per share outweigh this benefit. Subject to the confirmation of the final underwriting arrangements and the removal of the remaining conditionality, Grant Samuel believes that the Alternative Recapitalisation is a preferred alternative."*

The independent Directors of TOWER's Board considered the terms of the alternative capital raising proposal and the Grant Samuel advice and determined that the alternative proposal is preferred to the previous proposal.

The key reasons for the Directors view are:

- The alternative proposal is fairer to all shareholders (allowing all shareholders to participate on an equal basis) and avoids the potential dilution shareholders would face as a result of the placement of shares at a discount to market.
- The alternative proposal became more certain than the previous proposal.

The record date for calculating the rights entitlement will be 11 July 2003 and TOWER expects the Offer to open shortly afterwards. An Offer Document will be made available when the Shares are offered.

TOWER Limited shares will **not** be trading ex-rights on the ASX following the resumption of trading. Details of the new ex-rights dates and other details on timing will be provided soon.

### **Underwriting**

First NZ Capital Securities and Credit Suisse First Boston Australia Limited have offered to underwrite the Rights Issue with a number of institutions sub underwriting the issue. The offer to underwrite does not require shareholder approval, is irrevocable and is open until 4 July 2003. The underwriting fee will be 2.75% plus a management fee of 0.5%.

GPG has confirmed it will exercise its right to underwrite this alternative proposal on the same terms. TOWER is holding discussions with GPG to ascertain whether this is feasible and achievable within the timeframe required.

### **Cancellation of Previous Proposal**

The proposed 3 for 5 Rights Issue, which was to have been fully underwritten by GPG, has been cancelled.

The proposal to place 50 million shares to GPG at NZ\$1.35 per share has been withdrawn with GPG's agreement.

### **Special Shareholder Meeting – 4 July 2003**

The Special Meeting of Shareholders scheduled for Friday 4 July 2003 will be proceeding. The business of the meeting will be:

1. Special resolution to approve the early expiry of the 10% Share Cap by amendment to TOWER's Constitution.

For more information, please contact:

Keith Taylor  
Group Managing Director  
TOWER Limited  
+64 4 498 7962

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

TOWER Limited

ARBN

088 481 234 (incorporated in New Zealand)

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |                                    |
|---|--|------------------------------------|
| 1 | +Class of +securities issued or to be issued   | Ordinary Shares                    |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 234,181,440                        |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary shares – no special terms |

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+ See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  If the additional securities do not rank equally, please state: <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	Yes									
5	Issue price or consideration	NZ\$0.90 per share									
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	As a replacement issue to the proposed rights issue and placement notified to the ASX on 19 June 2003.  Capital raised will enable TOWER Limited to reduce corporate debt.									
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	7 August 2003									
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>175,636,080</td><td>Existing Ordinary Shares</td></tr><tr><td>234,181,440</td><td>Ordinary Shares to issue under this alternative rights issue</td></tr><tr><td><b>409,817,520</b></td><td><b>Total Ordinary Shares post rights issue</b></td></tr></table>	Number	+Class	175,636,080	Existing Ordinary Shares	234,181,440	Ordinary Shares to issue under this alternative rights issue	<b>409,817,520</b>	<b>Total Ordinary Shares post rights issue</b>	
Number	+Class										
175,636,080	Existing Ordinary Shares										
234,181,440	Ordinary Shares to issue under this alternative rights issue										
<b>409,817,520</b>	<b>Total Ordinary Shares post rights issue</b>										

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<sup>+</sup> See chapter 19 for defined terms.

<p>9     Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 253 1069 302">Number</th><th data-bbox="1069 253 1359 302"><sup>+</sup>Class</th></tr> </thead> <tbody> <tr> <td data-bbox="766 302 1069 492">125,000,000</td><td data-bbox="1069 302 1359 492">TOWER Finance Limited Capital Bonds</td></tr> </tbody> </table>	Number	<sup>+</sup> Class	125,000,000	TOWER Finance Limited Capital Bonds
Number	<sup>+</sup> Class				
125,000,000	TOWER Finance Limited Capital Bonds				
<p>10    Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>The payment of dividends is at the sole discretion of TOWER Limited's board of directors. No dividend will be paid for the half year to March 2003.</p>				

## Part 2 - Bonus issue or pro rata issue

<p>11    Is security holder approval required?</p>	<p>No.</p>
<p>12    Is the issue renounceable or non-renounceable?</p>	<p>Renounceable pro-rata rights issue</p>
<p>13    Ratio in which the <sup>+</sup>securities will be offered</p>	<p>4 for 3</p>
<p>14    <sup>+</sup>Class of <sup>+</sup>securities to which the offer relates</p>	<p>Entitlements attach to existing ordinary shares</p>
<p>15    <sup>+</sup>Record date to determine entitlements</p>	<p>11 July 2003</p>
<p>16    Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?</p>	<p>No</p>
<p>17    Policy for deciding entitlements in relation to fractions</p>	<p>Fractional entitlements will be rounded up or down to the nearest whole number</p>
<p>18    Names of countries in which the entity has <sup>+</sup>security holders who will not be sent new issue documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p>	<p>Only holders with registered address in Australia and New Zealand will receive entitlements</p>
<p>19    Closing date for receipt of acceptances or renunciations</p>	<p>3pm (NZ time), 5 August 2003</p>

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<sup>+</sup> See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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20	Names of any underwriters	TBA
21	Amount of any underwriting fee or commission	NZ\$5,795,991
22	Names of any brokers to the issue	TBA
23	Fee or commission payable to the broker to the issue	TBA
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	TBA
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A, but see paragraph 11 above
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	14 July to 15 July 2003
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	14 July 2003
29	Date rights trading will end (if applicable)	29 July 2003 on ASX 1 August 2003 on NZX
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Instruct any NZX or ASX broker to sell all the rights during the relevant trading period. Or, shareholders entitled to 667 rights or less may sell them through a Rights Sale Facility made available by TOWER.

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+ See chapter 19 for defined terms.

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|----|--|--|
| 31 | How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Instruct any NZX or ASX broker to sell the desired number of rights during the relevant trading period. To accept the balance, complete and sign the Entitlement and Acceptance Form for the number of new shares accepted, following the instructions on the back of that form. Apply in \$NZ (or \$A, if an Australian resident entitled to 3000 rights or less), attaching a cheque or bank draft based on the number of new shares accepted. |
| 32 | How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?                    | To sell by private treaty, contact an investment adviser or broker for necessary forms.  |
| 33 | <sup>+</sup> Despatch date   | 7 August 2003  |

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Quotation agreement

- 1 <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

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<sup>+</sup> See chapter 19 for defined terms.



## Appendix 3B

### New issue announcement

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Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
2003

Date: 1 July

(Group Company secretary)

Print name: Mark Ngan Kee

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+ See chapter 19 for defined terms.

# Notice of event affecting securities

New Zealand Stock Exchange Listing Rule 7.12.2. For rights, Listing Rules 7.10.9 and 7.10.10.  
For change to allotment, Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one  
(Please provide any other relevant  
details on additional pages)

1

Full name of Issuer	TOWER Limited		
Name of officer authorised to make this notice	Mark Ngan Kee	Authority for event, e.g. Directors' resolution	Directors' resolution
Contact phone number	04 498 7988	Contact fax number	04 498 7903
		Date	01 / 07 / 2003

<b>Nature of event</b> Tick as appropriate	Bonus Issue <input type="checkbox"/>	If ticked, state whether: Taxable <input type="checkbox"/> / Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/>	Interest <input type="checkbox"/>	Rights Issue Renounceable <input checked="" type="checkbox"/>
	Rights Issue non-renounceable <input type="checkbox"/>	Capital change <input type="checkbox"/>	Call <input type="checkbox"/>	Dividend <input type="checkbox"/>	If ticked, state whether: Interim <input type="checkbox"/>
				Full Year <input type="checkbox"/>	Special <input type="checkbox"/>

<b>EXISTING securities affected by this</b>	If more than one security is affected by the event, use a separate form.		Preferential Allotment
Description of the class of securities	Ordinary shares of Tower Limited	ISIN	NZTWRE0001S3
			If unknown, contact NZSE

<b>Details of securities issued pursuant to this event</b>	If more than one class of security is to be issued, use a separate form for each class.	
Description of the class of securities	Ordinary shares of Tower Limited	ISIN
		NZTWRE0001S3
		If unknown, contact NZSE

Number of Securities to be issued following event	234,181,440	Minimum Entitlement	N/A	Ratio, e.g. ① for ②	4	for	3
Conversion, Maturity, Call Payable or Exercise Date	N/A	Treatment of Fractions	Rounded up or down to the nearest whole number				
	Enter N/A if not applicable	Cross if <i>pari passu</i>	<input checked="" type="checkbox"/>	OR	provide an explanation of the ranking		
Strike price per security for any issue in lieu or date Strike Price available.	Nil						

<b>Monies Associated with Event</b>	Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.		
In dollars and cents	#	Source of Payment	Subscribers, including underwriter(s)
Amount per security	\$0.90		
Currency	\$NZ	Supplementary dividend details - Listing Rule 7.12.7	Amount per security in dollars and cents
Total monies	\$210,763,296		N/A
		Date Payable	N/A

<b>Taxation</b>	Amount per Security in Dollars and cents to six decimal places		
In the case of a taxable bonus issue state strike price	N/A	Resident Withholding Tax	N/A
		Credits (Give details)	N/A

<b>Timing</b>	(Refer Appendix 8 in the Listing Rules)	
<b>Record Date 5pm</b> For calculation of entitlements - must be the last business day of a week	11 July, 2003	<b>Application Date</b> Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.
		5 August, 2003
<b>Notice Date</b> Entitlement letters, call notices, conversion notices mailed	14/15 July, 2003	<b>Allotment Date</b> For the issue of new securities. Must be within 5 business days of record date.
		7 August, 2003

## OFFICE USE ONLY

Ex Date:  
Commence Quoting Rights:  
Cease Quoting Rights 5pm:  
Commence Quoting New Securities:  
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

**NZSE**  
New Zealand  
Stock Exchange