



9 July 2007

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

Dear Sir/Madam

TOWER Limited – Company Announcement

In accordance with Listing Rules, please find below a press release

Value and Capital Analysis

Based upon providing information in response to queries from investors TOWER is publishing the attached supplementary information containing unaudited data in respect of the period ended 31 March 2007.

The information will also be available on TOWER website. www.towerlimited.com.

For further information please contact:

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TOWER Limited

Value and Capital Analysis Period ended 31 March 2007

Based upon providing information in response to queries from Investors TOWER is publishing this set of supplementary information containing un-audited data in respect of the period ended 31 March 2007.

6 July 2007

Making life easier



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Capital Analysis

Shareholder Funds

Assets Backing Shareholder Capital 31-Mar-07	Health and Life	General Ins	Investment Business	Holding Companies	Total
Fixed Interest	55.3	167.2	0.2	58.4	281.1
Equity	2.8	39.3	0.1		42.2
Property	11.9	10.5			22.4
Eliminate TOWER Life (NZ) Investment in TOWER Insurance		(29.4)			(29.4)
Shareholder Investment Assets in Excess of Policyholder Liabilities	70.0	187.6	0.3	58.4	316.3
Deferred Acquisition Costs	28.7	12.3	11.1		52.1
Net Operational Assets/(Liabilities)	24.5	(125.1)	5.0	25.5	(70.1)
Net Tangible Assets Backing Shareholders Capital	123.3	74.8	16.4	83.9	298.4
Excess of Market Value over Net Tangible Assets - Goodwill	13.1	17.7			30.8
External Debt				(87.0)	(87.0)
Total Equity Attributable to Shareholders	136.3	92.6	16.4	(3.1)	242.2

Capital Analysis

Enterprise Value/Fair Value

31-Mar-07 NZ\$millions	Health and Life	General Ins	Investment Business	Holding Companies	Total
Net Worth	23.6				23.6
Value of Inforce	142.9				142.9
Embedded Value	166.5	0.0	0.0	0.0	166.5
Value of 1 Year's New Business	8.9				8.9
Value of Future New Business	35.6				35.6
Appraisal Value (Enterprise Value)	202.1	0.0	0.0	0.0	202.1
Fair Value	69.4	164.5	16.4	83.9	334.2
Eliminate TOWER Life (NZ) Investment in TOWER Investments		(29.4)			(29.4)
External Debt				(87.0)	(87.0)
Enterprise Value/Fair Value	271.5	135.1	16.4	(3.1)	419.9

Carrying Value / Appraisal Value

As at 31 March 2007 NZ\$million	As at 31 March 2007		As at 30 September 2006	
	Carrying Value	Appraisal Value	Carrying Value	Appraisal Value
Health & Life				
TOWER Health & Life	76.3	138.1	66.0	123.3
TOWER Medical	30.0	69.4	26.9	63.0
TOWER Life (NZ)	29.9	64.0	33.2	68.0
	136.2	271.5	126.1	254.3
General Insurance				
TOWER Insurance	122.0	164.5	122.4	161.1
Eliminate TOWER Life (NZ) investment in TOWER Insurance	(29.4)	(29.4)	(33.8)	(33.8)
	92.6	135.1	88.6	127.3
Investment Business				
TOWER Asset Management	4.2	4.2	2.5	2.5
TOWER Managed Funds	12.2	12.2	10.2	10.2
	16.4	16.4	12.7	12.7
Other				
TOWER Group Head Office, Holding companies	83.9	83.9	120.5	120.5
Debt	(87.0)	(87.0)	(197.8)	(197.8)
Total capital employed	242.1	419.9	150.1	317.0

Financial Summary – Health & Life

NZ\$million	Six months ended 31-Mar-07	Six months ended 31-Mar-06
Life Insurance Operating Earnings		
Planned Profits	7.3	7.6
Experience Profit (Loss)	1.1	0.0
Capitalised Loss (Recognition) Reversal	0.0	0.0
Operating Earnings from Life Insurance (net of tax)	8.5	7.6
Health and Other Operating Earnings	3.1	2.4
Total Operating Earnings (Net of Tax)	11.6	10.0
Net Investment Return on Shareholders Funds	1.3	1.7
Discount Rate Changes	-0.7	-0.6
Net Profit After Taxation	12.2	11.1

Value Analysis

Change in Embedded Value

NZ\$million	TOWER Life (NZ)	TOWER Health & Life
Embedded Value as at 30 September 2006	64.2	92.9
Expected Increase in Value of In-Force	2.7	4.8
Earnings on Net Worth	0.4	0.1
Experience:		
- Investment earnings	(0.3)	0.5
- Other	0.3	(0.3)
Changes in Assumptions:		
- Discount rate	-	-
- Investment earnings	(0.6)	1.0
- Other	-	(0.2)
Value from New Business	0.5	0.8
Miscellaneous:		
- Transfers/Distributions	(6.8)	-
- Other	(0.5)	0.3
Embedded Value as at 31 March 2007	59.9	99.9

Value Analysis

Change in Value of One Year's New Business

NZ\$million	TOWER Life (NZ)	TOWER Health & Life
Value of One Year's New Business as at 30 September 2006	0.9	7.6
Change in one year's volumes and mix of business		0.3
Changes in Assumptions:		
- Discount rate	-	-
- Investment earnings/inflation	-	-
- New Products	-	-
- Other	0.1	-
Value of One Year's New Business as at 31 March 2007	1.0	7.9

Value Analysis

Embedded Value and Value of One Year's New Business

NZ\$ million	31-Mar-07		30-Sep-06	
	TOWER Life (NZ) NZ\$million	TOWER Health & Life NZ\$million	TOWER Life (NZ) NZ\$million	TOWER Health & Life NZ\$million
Net worth	16.5	7.2	20.3	6.8
Value of In-force Business	43.4	99.4	43.9	86.1
Embedded Value	59.9	106.6	64.2	92.9
Value of One Year's New Business	1.0	7.9	0.9	7.6