

IMPORTANT TAX INFORMATION FOR AUSTRALIAN SHAREHOLDERS

Cost-base Apportionment

TOWER Australia Group Limited separated from TOWER Limited in November 2006 and listed on the ASX.

For capital gains tax purposes, the cost base of your TOWER shares immediately before the Demerger was apportioned between the TAL Shares received by you, and your remaining TOWER Shares in a manner that was appropriate having regard to the market value of each set of shares.

TOWER suggests that a reasonable method of apportionment is to allocate the cost of a parcel of TOWER shares held immediately prior to the Demerger as follows:

60.75% to the TAL Shares issued to you as the holder of the relevant parcel.

39.25% to the remaining TOWER shares in the parcel.

This method of apportionment is based on the volume weighted average price of TAL and TOWER shares for the first five days of trading immediately after the Demerger, and is in accordance with the methodology specified in a ruling provided to TOWER by the Australian Tax Office ("ATO"). The ATO has published a Fact Sheet to assist taxpayers calculating their capital gains and losses emerging under the TOWER demerger. Both of these documents can be accessed from the TOWER Australia website and the ATO website.

Shareholders should also consult their taxation adviser before making any decision in relation to their TOWER and/or TAL Shares where the above apportionment basis may be relevant.