



DuluxGroup Limited

ABN 42 133 404 065

ASX Announcement

23 December 2014

VESTING OF 2011 LTEIP SHARES APPENDIX 3Y FOR EXECUTIVE DIRECTORS

As described in DuluxGroup's 2014 Annual Report, the shares granted to DuluxGroup executives under the Company's 2011 Long Term Equity Incentive Plan (**LTEIP**) vested on 12 November 2014.

DuluxGroup's compound annual growth in earnings per share (**EPS**) over the past 3 years, before non-recurring items, has been 11.5%. This growth comfortably exceeds the minimum EPS growth gateway condition that needs to be met in order for the shares to vest under the plan.

In order to calculate the amount of loan forgiveness that has been applied in respect of this grant, the Company's relative total shareholder return (**TSR**) was tested by Ernst and Young following release of the 2014 results. DuluxGroup's relative TSR performance over the performance period resulted in DuluxGroup being ranked at the 91st percentile against the applicable comparator group. This reflects the strong growth in DuluxGroup's share price since 2011 and its policy of paying dividends to shareholders over this period. Given this excellent relative TSR performance, the maximum 30% of loan forgiveness has been applied in accordance with the plan rules. Participants are now required to repay the outstanding balance of the loans made to them in 2011 to fund the acquisition of shares.

Managing Director and Chief Financial Officer to retain significant shareholding

In accordance with the Company's minimum shareholding guidelines, senior executives are required to acquire a minimum unrestricted shareholding (that is, excluding any unvested LTEIP shares) over a period of 5 years.

With these guidelines in mind, the Managing Director, Mr Patrick Houlihan, and the Chief Financial Officer, Mr Stuart Boxer, have elected to retain a proportion of their vested 2011 LTEIP shares after selling a portion in part to fund the repayment to the Company of their 2011 LTEIP loan, in part to fund their associated tax liabilities arising from the sale of shares, and in part for other purposes. Following these transactions, Mr Houlihan will hold unrestricted shares to a value of approximately 410% of his fixed remuneration, and Mr Boxer will hold unrestricted shares to a value of approximately 275% of his fixed remuneration. These amounts are well in excess of the Company's guideline that they hold shares in their own right to the value of at least 100% of their fixed annual remuneration.

Appendix 3Y - Changes in Shareholdings

The attached Appendix 3Y notifications relate to the portions of the 2011 LTEIP shares that have been sold by Mr Houlihan and Mr Boxer. The attached Appendix 3Y notifications also relate to the new shares that have been issued to Mr Houlihan and Mr Boxer under the Company's 2014 LTEIP offer in accordance with shareholder approval obtained at DuluxGroup's 2014 Annual General Meeting held on 18 December 2014.

Media contact:

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Appendix 3Y

Change of Director's Interest Notice

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 30/09/01. Amended 01/01/11.

Name of entity	DuluxGroup Limited
ABN	42 133 404 065

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Patrick Houlihan
Date of last notice	30 December 2013

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	N/A
Date of change	(1) 19 December 2014 (2) 18 – 22 December 2014 (3 trading days)
No. of securities held prior to change	526,207 (direct) and 1,774,522 (direct and held pursuant to the terms of the Company's Long Term Equity Incentive Plan (LTEIP))
Class	Ordinary shares
Number acquired	(1) 443,582 issued and held in LTEIP holding pursuant to the terms of the Company's 2014
Number disposed	(2) 434,950 disposed from LTEIP holding following vesting of the Company's 2011 LTEIP grant
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	(1) \$5.75 (acquisition price being the weighted average price of DuluxGroup fully paid ordinary shares in the 5 trading days from 11 December 2014 to 17 December 2014 in accordance with the terms of the LTEIP) (2) \$5.77 (being the average sale price of shares disposed over the 3 trading days from 18 – 22 December 2014 inclusive)

Appendix 3Y
Change of Director's Interest Notice

No. of securities held after change	800,000 (direct) and 1,509,361 (direct and held pursuant to the terms of the LTEIP)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	(1) Issue of securities pursuant to the terms of the 2014 LTEIP offer as approved at the Company's 2014 Annual General Meeting. (2) Sale on market of securities allocated under the 2011 LTEIP grant. Note 273,793 shares also transferred from LTEIP holding to unrestricted direct holding following vesting of the Company's 2011 LTEIP grant.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

Part 3 - + Closed period

Were the interests in the securities or contracts detailed above traded during a⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

Appendix 3Y

Change of Director's Interest Notice

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Introduced 30/09/01. Amended 01/01/11.

Name of entity	DuluxGroup Limited
ABN	42 133 404 065

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Stuart Boxer
Date of last notice	30 December 2013

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	N/A
Date of change	(1) 19 December 2014 (2) 18 – 22 December 2014 (3 trading days)
No. of securities held prior to change	60,500 (indirect), 138,684 (direct) and 508,901 (direct and held pursuant to the terms of the Company's Long Term Equity Incentive Plan (LTEIP))
Class	Ordinary shares
Number acquired	(1) 169,565 issued and held pursuant to the terms of the Company's 2014 LTEIP offer
Number disposed	(2) 70,000 disposed of following vesting of the Company's 2011 LTEIP grant
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	(1) \$5.75 (acquisition price being the weighted average price of DuluxGroup fully paid ordinary shares in the 5 trading days from 11 December 2014 to 17 December 2014 in accordance with the terms of the LTEIP) (2) \$5.77 (being the average sale price of shares disposed over the 3 trading days from 18 – 22 December 2014 inclusive)

Appendix 3Y
Change of Director's Interest Notice

No. of securities held after change	60,500 (indirect), 247,710 (direct) and 499,440 (direct and held pursuant to the terms of the LTEIP)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	(1) Issue of securities pursuant to the terms of the 2014 LTEIP offer as approved at the Company's 2014 Annual General Meeting. (2) Sale on market of securities allocated under the 2011 LTEIP grant. Note 109,026 shares also transferred from LTEIP holding to unrestricted direct holding following vesting of the Company's 2011 LTEIP grant.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

Part 3 - + Closed period

Were the interests in the securities or contracts detailed above traded during a⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A