



# RENOUNCEABLE RIGHTS ISSUE OFFER

3 February 2010

Details of a 2-for-9 pro-rata renounceable rights issue  
of Norfolk Group Limited ordinary shares  
at an offer price of \$0.72 per new share

**This offer closes at 5pm (AEDT) on 26 February 2010**

This is an important document which requires your immediate attention.

It is accompanied by an Entitlement and Acceptance Form for you  
to subscribe for new ordinary shares in Norfolk Group Limited.

**NORFOLK** 

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS



A.	Chairman's Letter	2
B.	Key Dates	4
C.	How to Apply	5
D.	Important Information	13
E.	ASX Announcement and Investor Presentation	20
F.	Glossary	44
G.	Examples of Allocations of Additional Shares	46

**Registered Office**

Norfolk Group Limited  
ACN 125 709 971  
Level 5, 50 Berry Street  
North Sydney NSW 2060  
PO Box 1417  
North Sydney NSW 2059

**Share Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
GPO Box 3560  
Sydney NSW 2001

**ASX Listing**

Norfolk Group Limited ordinary shares are listed on the Australian Securities Exchange (code: NFK)

**Website**

[www.norfolkgl.com](http://www.norfolkgl.com)

**Norfolk Shareholder Information Line**

Telephone: 1300 881 079 (within Australia)  
+61 2 8280 7506 (from outside Australia)

Open 8.30am to 5.30pm (AEDT) Monday  
to Friday from Friday 12 February 2010  
to Monday 8 March 2010

3 February 2010

Dear Shareholder,

On behalf of Norfolk Group Limited (**Norfolk**), I am pleased to invite you to participate in a 2-for-9 pro-rata renounceable rights issue (**Offer**) of Norfolk ordinary shares (**New Shares**) at an offer price of \$0.72 per New Share to raise approximately \$20 million.

Net proceeds of the Offer will be used to pay down existing debt facilities, thereby strengthening the company's balance sheet and increasing financial flexibility.

### The Offer

The Offer entitles Eligible Shareholders to subscribe for 2 New Shares for every 9 existing Norfolk shares held at 7pm (AEDT) on 11 February 2010 (the **Record Date**). Eligible Shareholders may also apply for New Shares in excess of their full entitlement (**Additional Shares**). The Offer is fully underwritten by Commonwealth Securities Limited and fully sub-underwritten by the Maui Group (an existing Norfolk shareholder).

The offer price of \$0.72 per New Share represents a discount of approximately 18.6% to the closing price of Norfolk shares on 2 February 2010 (the last trading day before the Offer was announced) and a discount of 15.8% to the theoretical ex-rights price based on Norfolk's closing price on 2 February 2010.

New Shares will be issued on a fully paid basis and will rank equally with existing Norfolk shares.

### Entitlements are renounceable

The Offer is renounceable. This provides Eligible Shareholders the opportunity to sell some or all of their Rights. Trading of Rights is expected to commence on ASX on 5 February 2010 and to cease on close of trading on 19 February 2010.

Commonwealth Securities Limited has been appointed as nominee by Norfolk to sell the Rights of those Norfolk shareholders who are ineligible to participate in the Offer. The net proceeds (if any) of the sale of those Rights will be forwarded to those Ineligible Shareholders in due course. Please read this Offer Booklet for further details.

### Offer Booklet

This Offer Booklet includes key information about the Offer, including:

- key dates for the Offer (see Part B);
- instructions on how to participate in the Offer or dispose of your entitlement (see Part C);
- the ASX announcement and investor presentation released to ASX on 3 February 2010 providing information on Norfolk, the Offer and key risks for you to consider (see Part E); and
- other important information (see Parts D and G).

In particular, you should consider the key risk factors outlined in the investor presentation that could affect the operating and financial performance of Norfolk or the value of an investment in Norfolk.

Accompanying this Offer Booklet is a personalised Entitlement and Acceptance Form which details your entitlement. It is to be completed in accordance with the instructions on the form and the information contained in this Offer Booklet. You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Offer.

For further information regarding the Offer, please call the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or +61 2 8280 7506 (from outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday from Friday 12 February 2010 to Monday 8 March 2010.

On behalf of the Board of Norfolk, I invite you to consider this investment opportunity and thank you for your ongoing support of Norfolk.

Yours sincerely



**Rod Keller**  
Chairman  
Norfolk Group Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Forward looking statements, opinions and estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This Offer Booklet and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of,

any 'U.S. person' (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the **Securities Act**)) (**U.S. Person**). No part of this Offer Booklet or the Entitlement and Acceptance Form may be distributed to, or relied upon by, persons in the United States or who are, or are acting for the account or benefit of, U.S. Persons. Neither the entitlements nor New Shares offered in the Offer have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a U.S. Person. New Shares may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, a U.S. Person except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

## B. Key Dates

4

Event	Date
Offer announced via ASX	3 February 2010
Norfolk shares quoted on an 'ex' basis; Rights trading on ASX commences	5 February 2010
Record Date	7pm on 11 February 2010
Offer opens	12 February 2010
Despatch of Offer Booklet and Entitlement and Acceptance Forms	12 February 2010
Rights trading on ASX ends	4pm on 19 February 2010
New Shares quoted on a deferred settlement basis	22 February 2010
Offer closes, last day for acceptance of application monies	5pm on 26 February 2010
Allotment and issue of New Shares	8 March 2010
Trading expected to commence for New Shares on a normal T+3 basis	9 March 2010

Applicants are encouraged to submit their applications and Application Money as soon as possible after the Offer opens. Norfolk reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws or regulations, to vary any of the above dates of the Offer, including extending the Offer or accepting late applications, either generally or in particular cases, without notice. Any extension of the closing date will have a consequential effect on the issue date of the New Shares. Times and dates reflect Australian Eastern Daylight Time (AEDT).

## 1. The Offer

### Eligibility to participate

The Offer is being extended only to **Eligible Shareholders** – being persons who are registered as Norfolk shareholders, with a registered address in Australia or New Zealand, as at 7pm (AEDT) on 11 February 2010 (the **Record Date**) (and who are not otherwise ineligible within the definition of 'Ineligible Shareholder' in the Glossary in Part F of this Offer Booklet).

### Offer ratio and offer price

Each Eligible Shareholder will be entitled to apply for 2 New Shares for every 9 existing Norfolk shares held by them on the Record Date, at the offer price of \$0.72 per New Share. The offer price is payable in full on application. The number of New Shares to which you are entitled (your **entitlement**) is shown on the accompanying Entitlement and Acceptance Form.

If you have more than one holding of Norfolk shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate entitlements for each separate holding.

In determining entitlements, any fractional entitlements have been rounded up to the nearest whole number of shares (with holdings in the same name aggregated for the purposes of the calculation).

### Amount to be raised

Approximately 28.9 million New Shares will be issued under the Offer and Norfolk will raise approximately \$20.8 million before costs. The Offer is fully underwritten by Commonwealth Securities Limited (**Commonwealth Securities**) and fully sub-underwritten by the Maui Group (**Maui**).

### Rights trading

The Offer is renounceable. This means that Eligible Shareholders who do not wish to take up all or some of their entitlement may sell or transfer their Rights. Eligible Shareholders are able to renounce (sell) the Rights which they do not wish to accept in order to realise the value which may attach to their Rights. Information on how Rights may be sold or transferred is set out below in section 3. The Rights will be quoted on ASX. If you decide not to exercise all or part of your Rights, you should consider whether to renounce your Rights.

### Additional Shares

Eligible Shareholders may, in addition to taking up their entitlements in full, apply for Additional Shares in excess of their entitlements. Additional Shares will only be available where there is a shortfall between applications received from Eligible Shareholders (or persons to whom Rights have been transferred or sold) and the number of New Shares proposed to be issued under the Offer. Additional Shares will be issued at the offer price of \$0.72 per share. Information on how to apply for Additional Shares, and how Additional Shares will be allocated, is set out below and in section 5.

### Allocation policy

All Eligible Shareholders who apply for New Shares will, at a minimum, have their applications satisfied up to their entitlement, unless all or part of the Offer is withdrawn. If demand for Additional Shares exceeds the number of New Shares available for allocation, the Board will implement a pro-rata scale-back of applications for Additional Shares based on shareholdings as at the Record Date. Information regarding the allocation of Additional Shares is set out in section 5.

Accordingly, Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application Money will be refunded without interest.

To the extent any New Shares remain unallocated, Maui (as sub-underwriter) will be required to subscribe for those shares.

## Ranking of New Shares

The New Shares will be fully paid and will rank equally with Norfolk's existing issued ordinary shares.

## Nominees

The entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual entitlement you may be permitted to take up where, for example, you are holding Norfolk shares on behalf of an Ineligible Shareholder.

Norfolk is not required to determine whether or not any Eligible Shareholder is acting as a nominee or custodian, or the identity or residence of any beneficial owners of Norfolk shares. Where any Eligible Shareholder is acting as a nominee or custodian for a foreign person, that Eligible Shareholder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws. Any person with a holding through a nominee, who would be an Ineligible Shareholder if they were the registered holder of Norfolk shares, may not participate in the Offer, and the nominee must not take up any entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person. Norfolk is not able to advise on foreign laws.

## 2. Alternatives Available

If you are an Eligible Shareholder, you may take any of the following actions:

- (a) take up your entitlement in full;
- (b) take up your entitlement in full and apply for Additional Shares;
- (c) sell your Rights in full on ASX;

- (d) take up part of your entitlement and sell the remaining Rights on ASX;
- (e) take up part of your entitlement and allow the remaining Rights to lapse;
- (f) transfer all or part of your Rights to another person other than on ASX, with or without taking up the balance of your entitlement; or
- (g) do nothing and let your Rights lapse.

As a result of this Offer, shareholders who do not take up all of their entitlement will have their percentage shareholding in Norfolk diluted. More information about the effect of the Offer on shareholders is set out in section 4 of Part D.

It is the responsibility of Applicants to determine their allocation of New Shares prior to trading in the New Shares. The sale by Applicants of New Shares prior to the receipt of a holding statement is at the Applicant's own risk.

## Enquiries

If you are in doubt as to the course you should follow, you should consult your stockbroker, accountant or other independent professional adviser.

If:

- you have questions on how to complete the Entitlement and Acceptance Form or take up your entitlement; or
- you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or on +61 2 8280 7506 (from outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday from Friday 12 February 2010 to Monday 8 March 2010.



## 3. What You Need to Do

Set out below are instructions on the actions you should take depending on how you want to respond to the Offer.

<p>(a) Take up your entitlement in full</p>	<p>If you wish to take up all of your entitlement, either:</p> <ul style="list-style-type: none"> <li>complete and return the slip attached to the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money; or</li> <li>make payment of the applicable amount of the Application Money using BPAY<sup>®</sup>,</li> </ul> <p>in each case in accordance with the instructions on the form.</p>
<p>(b) Take up your entitlement in full and apply for Additional Shares</p>	<p>If you wish to take up all of your entitlement and apply for Additional Shares, either:</p> <ul style="list-style-type: none"> <li>complete and return the slip attached to the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money (for your entitlement plus the number of Additional Shares you wish to subscribe for); or</li> <li>make payment of the applicable amount of the Application Money (for your entitlement plus the number of Additional Shares you wish to subscribe for) using BPAY<sup>®</sup>,</li> </ul> <p>in each case in accordance with the instructions on the form.</p> <p>In the event that demand for Additional Shares exceeds the number of New Shares available for allocation, the Board will implement a pro-rata scale-back of applications for Additional Shares, based on existing shareholdings as at the Record Date (see section 5 below). To the extent any New Shares remain unallocated, Maui (as sub-underwriter) will be required to subscribe for those shares.</p>
<p>(c) Sell your Rights in full on ASX</p>	<p>If you wish to sell all your Rights on ASX, you should instruct your stockbroker personally and provide details as requested on the Entitlement and Acceptance Form.</p> <p>Rights trading on ASX is expected to commence on 5 February 2010 and cease on 19 February 2010.</p>
<p>(d) Take up part of your entitlement and sell the remaining Rights on ASX</p>	<p>If you wish to take up part of your entitlement and sell the remaining Rights on ASX:</p> <ul style="list-style-type: none"> <li>in respect of the Rights to be sold, instruct your stockbroker personally and provide details as requested from the Entitlement and Acceptance Form. Rights trading on ASX is expected to commence on 5 February 2010 and cease on 19 February 2010; and</li> <li>in respect of any part of your entitlement you are taking up, complete and return the slip attached to the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money (for the number of New Shares you wish to take up),</li> </ul> <p>in each case in accordance with the instructions on the form.</p> <p>Please note that if you are selling part of your Rights, you cannot take up the balance of your entitlement via BPAY<sup>®</sup>. You must pay using cheque, bank draft or money order.</p>

<p>(e) Take up part of your entitlement and allow the remaining Rights to lapse</p>	<p>If you wish to take up part of your entitlement under the Offer and allow the remaining Rights to lapse, either:</p> <ul style="list-style-type: none"> <li>• complete and return the slip attached to the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money (for the number of New Shares you wish to take up); or</li> <li>• make payment of the applicable amount of the Application Money (for the number of New Shares you wish to take up) using BPAY<sup>®</sup>,</li> </ul> <p>in each case in accordance with the instructions on the form.</p>
<p>(f) Transfer all or part of your Rights to another person other than on ASX</p>	<p>You may elect to transfer all or part of your Rights to another person other than on ASX provided that the purchaser is not an Ineligible Shareholder (or would not be an Ineligible Shareholder if the purchaser was the registered holder of Norfolk shares).</p> <p>To do this you must:</p> <ul style="list-style-type: none"> <li>• in respect of the Rights to be sold, complete and return a standard renunciation form (available from your stockbroker or by calling the Norfolk Shareholder Information Line) to the Share Registry; and</li> <li>• in respect of any part of your entitlement you are taking up, complete and return the slip attached to the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money (for the number of New Shares you wish to take up),</li> </ul> <p>in each case in accordance with the instructions on the form.</p> <p>Please note that if you are transferring part of your Rights, you cannot take up the balance of your entitlement via BPAY<sup>®</sup>. You must pay using cheque, bank draft or money order.</p> <p>If the Share Registry receives both a completed renunciation form and an application for New Shares in respect of the same Rights, the renunciation will be given effect in priority to the application.</p>
<p>(g) Do nothing and let your Rights lapse</p>	<p>If you do nothing, your Rights will lapse and you will receive no benefit. Although you will continue to own the same number of Norfolk shares, your percentage shareholding in Norfolk will be diluted.</p>

## 4. Payment

You can pay in the following ways:

- BPAY®; or
- cheque, bank draft or money order.

### General

Cash payments will not be accepted. Receipts for payment will not be issued.

Any Application Money received for more than your final allocation of New Shares (including any Additional Shares applied for) will be refunded as soon as practicable. No interest will be paid to Applicants on any Application Money received or refunded.

If you are selling part of your Rights on ASX or otherwise, and taking up the balance of your entitlement, you must return your Entitlement and Acceptance Form and pay for those New Shares via cheque, bank draft or money order. You cannot pay via BPAY®.

### Payment by BPAY®

For payment by BPAY® please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to return the slip attached to the personalised Entitlement and Acceptance Form but are taken to make the declarations and other statements on that slip (and in this Offer Booklet) as if you had returned it;
- the payment should be for an amount equal to \$0.72 multiplied by the number of New Shares (including any Additional Shares) that you are applying for;
- if you do not pay for your full entitlement, you will be regarded as having taken up your entitlement in respect of such whole number of New Shares which is covered in full by your Application Money; and

- if you wish to apply for Additional Shares and do not pay for the full number of Additional Shares you wish to apply for, you will be regarded as having applied for such whole number of Additional Shares which is covered in full by your Application Money.

It is your responsibility to ensure that your BPAY® payment is received by no later than 5pm (AEDT) on 26 February 2010. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

### Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions on the form and return the slip accompanied by a cheque, bank draft or money order for the amount of the Application Money, payable to 'Norfolk Group Limited – Rights Issue' and crossed 'Not Negotiable'.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.72 multiplied by the number of New Shares (including any Additional Shares) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Money as your cheques will be processed on the day of receipt. If the amount of your cheque for Application Money (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for, including any Additional Shares, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

## Mailing address

If you are paying by cheque, bank draft or money order, the slip attached to the Entitlement and Acceptance Form and your payment must be received no later than the close of the Offer, at 5pm (AEDT) on 26 February 2010. The address for completed slips and cheques/bank drafts/money orders is:

### Postal address

Norfolk Group Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

### Delivery address

Norfolk Group Limited  
C/- Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

A reply paid or self-addressed envelope is provided with this Offer Booklet for shareholders in Australia. New Zealand shareholders will need to affix the appropriate postage.

If you are paying by BPAY®, you do not need to return the slip attached to the Entitlement and Acceptance Form.

## 5. Additional Shares

As noted above, Eligible Shareholders may, in addition to taking up their entitlements in full, apply for Additional Shares in excess of their entitlements. Additional Shares will only be available where there is a shortfall (**Shortfall**) between applications received from Eligible Shareholders or persons to whom Rights have been transferred or sold to subscribe for their entitlements to New Shares and the number of New Shares available to be issued under the Offer.

Eligible Shareholders who take up their full entitlement will be able to apply for Additional Shares on the following terms:

- All Eligible Shareholders will be entitled to apply for Additional Shares in addition to applying for their entitlement of New Shares.

- The offer of Additional Shares commences on the same date as the Offer and will remain open until the closing date of the Offer. Applications for Additional Shares must be made in accordance with the instructions set out in section 3 above.
- Additional Shares will be offered at the offer price of \$0.72 per share.
- There is no maximum number of Additional Shares for which an Eligible Shareholder may apply. However, the maximum number of Additional Shares that may be issued will be equal to the number of New Shares comprising the Shortfall.
- Where the number of New Shares comprising the Shortfall is equal to or greater than the total number of Additional Shares applied for, each Eligible Shareholder who applies for Additional Shares will be issued the number of Additional Shares they applied for.
- Where the number of New Shares comprising the Shortfall is less than the total number of Additional Shares applied for, the Norfolk Board will scale back applications for Additional Shares on a pro-rata basis by reference to the number of Norfolk shares held by the relevant Eligible Shareholders on the Record Date. In these circumstances, an Eligible Shareholder will be entitled to receive the lesser of:
  - their pro-rata proportion of the Shortfall; and
  - the number of Additional Shares they applied for.
- This pro-rata scale-back policy will continue to be applied until the Shortfall is completely allocated to Applicants for Additional Shares or all applications for Additional Shares are satisfied in full.
- If there is any Shortfall which remains unallocated, Maui (as sub-underwriter) will be required to subscribe for those New Shares.

Some simple examples of how the allocation policy for the Additional Shares will operate are set out in Part G of this Offer Booklet.

All decisions regarding the allocation of Additional Shares will be made by the Board and will be final and binding on all Eligible Shareholders.

## 6. Representations on Acceptance

### General

By completing and returning the slip attached to your personalised Entitlement and Acceptance Form (directly or via your stockbroker) with the requisite Application Money, or making a payment by BPAY®, you do each of the following:

- (a) You authorise Norfolk to register you as the holder(s) of the New Shares allotted to you, and authorise Norfolk and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form.
- (b) You agree to apply for, and be issued with up to, the number of New Shares that you apply for at the offer price of \$0.72, and agree to be bound by the terms of this Offer Booklet and the provisions of the Norfolk constitution.
- (c) You declare that:
  - all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
  - you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Offer; and
  - you are the current registered holder(s) of the Norfolk shares in your name at the Record Date.
- (d) You acknowledge that:
  - once Norfolk receives your application slip or your payment by BPAY®, you may not withdraw your application except as allowed by law; and
  - the information contained in this Offer Booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs.

(e) You represent and warrant that:

- you are an Eligible Shareholder; and
- the law of any other place does not prohibit you from being given this Offer Booklet or making an application for New Shares.

### Jurisdictional representations and acknowledgments

By completing and returning the slip attached to your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you will also be deemed to have represented on behalf of each person on whose account you are acting that:

- (a) you are not in the United States and are not a U.S. Person, and are not acting for the account or benefit of, a U.S. Person;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and, accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

## 7. Role of Your Stockbroker

Where you elect to sell your Rights, your stockbroker will act on your behalf. Norfolk accepts no responsibility for any failure by your stockbroker to carry out your instructions. Persons buying Rights will need to pay the Application Money to take them up and should follow the directions of their stockbroker.

## 8. Entitlements of Ineligible Shareholders

In compliance with Listing Rule 7.7.1 and the Corporations Act, Norfolk has appointed Commonwealth Securities (the **Nominee**) to arrange for the sale on ASX of the Rights which would have been granted to Ineligible Shareholders. The Nominee will direct the net proceeds (if any) to Norfolk or any other party upon Norfolk's instruction to facilitate pro-rata payments to Ineligible Shareholders.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which the Rights may be sold and the manner in which any sale is made. Any interest earned on the proceeds of the sale of these Rights will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Norfolk.

The proceeds of sale (if any) will be paid in Australian dollars to the Ineligible Shareholders for whose benefit the Rights have been sold in proportion to their shareholdings (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by Norfolk for distributing those proceeds, such proceeds may be retained by the Nominee.

Notwithstanding that the Nominee may sell Rights, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither Norfolk nor the Nominee will be liable for a failure to sell Rights or to sell Rights at any particular price. If the Nominee is unable to sell the Rights of Ineligible Shareholders, then those Rights will be allowed to lapse.

## 1. General

You should read the information in this Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares. **In particular, you should consider the risk factors outlined in the investor presentation released to ASX on 3 February 2010 (see Part E of this Offer Booklet) that could affect the operating and financial performance of Norfolk or the value of an investment in Norfolk.**

Norfolk has applied for the grant by ASX of official quotation of the New Shares. If ASX does not grant official quotation for the New Shares, Norfolk will not allot any New Shares and all Application Money will be refunded without interest.

It is expected that normal trading will commence in relation to New Shares issued under the Offer on 9 March 2010. Norfolk disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are quoted on ASX or before receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by Norfolk or the Share Registry.

## 2. Ineligible Shareholders

Norfolk is only making an offer under the Offer to Eligible Shareholders. An Eligible Shareholder is a holder of Norfolk shares who is registered as a holder of Norfolk shares as at the Record Date and who is not an Ineligible Shareholder.

A person will be an **Ineligible Shareholder** if that person:

- has a registered address which is not in Australia or New Zealand;
- is in the United States or is a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended) (**U.S. Person**) or acting for the account or benefit of a U.S. Person; or
- is ineligible under any applicable securities laws to receive an offer under the Offer.

Norfolk has decided that it is unreasonable to extend the Offer to Ineligible Shareholders having regard to:

- the number of shareholders outside Australia and New Zealand;
- the number and value of New Shares that would be offered to shareholders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions.

The Rights of Ineligible Shareholders will be dealt with in the manner described in section 8 of Part C of this Offer Booklet.

## 3. Underwriting and Sub-underwriting Arrangements

Norfolk has entered into an underwriting agreement with Commonwealth Securities under which Commonwealth Securities has agreed to fully underwrite, and act as manager in respect of, the Offer. If there are any New Shares available from the Shortfall once all applications for Additional Shares have been satisfied, Commonwealth Securities is obliged to subscribe for, or procure subscriptions for, those New Shares. Commonwealth Securities will be paid the following fees by Norfolk for providing these services:

- an underwriting fee equal to 1.5% of the portion of the Offer proceeds (if any) which are not sub-underwritten by Maui (although, as Maui has fully sub-underwritten the Offer, there will be no amounts payable under this limb of the fee structure);
- a marketing fee equal to 1.0% of the Offer proceeds; and
- a management and arranging fee equal to 2.0% of the Offer proceeds.

As is customary with these types of arrangements:

- Commonwealth Securities' obligations under the underwriting agreement are subject to certain conditions precedent;
- Norfolk has given certain undertakings in respect of its conduct during the Offer period;
- Norfolk has given certain representations and warranties for the benefit of Commonwealth Securities;
- Norfolk has indemnified Commonwealth Securities (and certain persons associated with it) against certain losses in connection with the Offer; and
- Commonwealth Securities may terminate the underwriting agreement and be released from its obligations on the happening of specified events, including if:
  - any regulatory action is taken against Norfolk in relation to the Offer, or any of the Norfolk directors is charged with an indictable offence or disqualified under the Corporations Act from managing a corporation;
  - Norfolk ceases to be admitted to ASX, its Shares are no longer quoted on ASX or ASX refuses to approve the New Shares for quotation on ASX;
  - Norfolk withdraws the Offer or is unable to issue the New Shares under the Offer;
  - Norfolk or any of its subsidiaries become insolvent;
  - the S&P/ASX 200 Index or the S&P/ASX Small Ordinaries Index closes at a level that is 10% or more below its level at the close of business on 2 February 2010 on two consecutive days, or on the day before the settlement date for the Offer;
  - Norfolk is in breach of the Underwriting Agreement;

- the sub-underwriting agreement with Maui is terminated or void, or Maui commits a material breach of that agreement; or
- Norfolk commits a material breach of, or an event of default or potential event of default occurs under the terms of, its debt facilities where that has a material adverse effect on the Norfolk Group as a whole.

The above list is not an exhaustive list of the termination events in the underwriting agreement.

In addition, Commonwealth Securities has entered into a sub-underwriting agreement with Maui, an existing Norfolk shareholder who (according to its most recent substantial holder notice filed with the Company) has voting power in Norfolk of 17.7%. Under the terms of this sub-underwriting agreement, Maui has agreed to fully sub-underwrite the Offer. If there are any New Shares available from the Shortfall once all applications for Additional Shares have been satisfied, Maui is obliged to subscribe for those New Shares. Commonwealth Securities will pay to Maui a nominal fee of \$1 in respect of Maui's sub-underwriting commitment. The sub-underwriting agreement will remain binding for so long as the underwriting agreement between Norfolk and Commonwealth Securities remains in place.

The effect of the combined underwriting and sub-underwriting arrangements is that to the extent that there is a Shortfall and the number of Additional Shares applied for by Eligible Shareholders is less than the number of New Shares constituting the Shortfall, those remaining New Shares will be subscribed for by Maui under the terms of its sub-underwriting agreement with Commonwealth Securities. The potential impact of this on the control of Norfolk is described in section 4 below.



## 4. Effect of the Offer on the Control of Norfolk

### 4.1 General

It is not possible to predict the effect of the Offer on the control of Norfolk. There are various possible outcomes that may arise and these, in large part, will depend on the extent to which Eligible Shareholders take up their entitlements under the Offer and apply for Additional Shares.

An outline of the most likely scenarios is set out below.

- If all Eligible Shareholders take up their full entitlements, then each Eligible Shareholder's percentage ownership interest (and voting power) in Norfolk will remain the same and there will be no effect on the control of Norfolk.
- If an Eligible Shareholder sells any of their Rights or does not take up all of their entitlement, their percentage ownership interest (and voting power) in Norfolk will be diluted.
- If no Eligible Shareholders take up their entitlements (which the Board considers to be an unlikely outcome), then pursuant to the combined underwriting and sub-underwriting arrangements described above, Maui will be required to subscribe for all the New Shares available under the Offer. If this occurs, then each existing shareholder (other than Maui) will have their percentage ownership interest (and voting power) in Norfolk diluted and Maui's voting power in Norfolk will increase to 32.7%. Although Maui already has significant voting power in Norfolk of 17.7%, and subject to the comments in section 4.2 below, the Board considers that any such increase in Maui's voting power in Norfolk may have a material effect on the control of Norfolk as Maui would, in those circumstances, be likely to have a greater degree of influence when voting on resolutions to be considered at shareholder meetings (see the discussion in section 4.2 below). Notwithstanding this, the Board considers that such an effect is acceptable in the circumstances, as it would only occur where all Eligible Shareholders have had an equitable opportunity to participate in the Offer (including via the right to apply for Additional Shares) on a pro-rata basis.

- Norfolk currently has three major shareholders, each of which has (according to the most recent substantial holder notices filed with the company by each of them) voting power in Norfolk in excess of 12%, as follows:

Shareholder	Voting power in Norfolk
Monadelphous Limited ( <b>Monadelphous</b> )	12.9%
Maui	17.7%
Hauraki Private Equity No 2 Fund ( <b>Hauraki</b> )	19.9%

If only Norfolk's major shareholders take up their entitlements and apply for Additional Shares, then this will mean that each other Norfolk shareholder will have their percentage ownership interest (and voting power) in Norfolk diluted and each of the major shareholder's voting power in Norfolk will increase. The amount of that increase will depend on the number of New Shares (including Additional Shares) applied for by each major shareholder.

Based on their current holdings of Norfolk shares, if each major shareholder takes up their entitlement (and no other shareholder does) and each major shareholder applies for at least their pro-rata share of the Additional Shares, then their respective voting power in Norfolk upon completion of the Offer would be as follows:

Shareholder	Voting power in Norfolk after the Offer
Monadelphous	15.2%
Maui	20.9%
Hauraki	23.4%

Given that these three major shareholders already have voting power in Norfolk in excess of 12%, and subject to the comments in section 4.2 below, the Board considers that any such increase in the major shareholders' voting power in Norfolk is unlikely to have a material effect on the control of Norfolk.

- If some Eligible Shareholders do not take up their full entitlement (resulting in a Shortfall) and one or more of the major shareholders applies for Additional Shares, then the voting power in Norfolk of those major shareholders (and any other Eligible Shareholders who apply for Additional Shares) will increase. The amount of that increase will depend on the size of the Shortfall, the number of Additional Shares applied for by each Eligible Shareholder and the pro-rata shareholdings of those Eligible Shareholders. If Eligible Shareholders other than the major shareholders take up New Shares (including Additional Shares), this would result in a correspondingly smaller increase in the major shareholders' voting power in Norfolk.

Based on their current holdings of Norfolk shares, if only one major shareholder takes up their entitlement (and no other shareholder does) and that same major shareholder applies for all the Additional Shares (ie, effectively subscribes for all the New Shares), then their respective voting power in Norfolk upon completion of the Offer would be as follows:

Shareholder	Voting power in Norfolk after the Offer
If Monadelphous is the only shareholder to take up their entitlement and applies for all the Additional Shares	28.7%
If Maui is the only shareholder to take up their entitlement and applies for all the Additional Shares	32.7%
If Hauraki is the only shareholder to take up their entitlement and applies for all the Additional Shares	34.5%

Given that the major shareholders already have voting power in Norfolk in excess of 12%, and subject to the comments in section 4.2 below, the Board considers that any such increase in a major shareholder's voting power in Norfolk is unlikely to have a material effect on the control of Norfolk.

- If there are any Additional Shares not taken up by Eligible Shareholders, these will be subscribed for by Maui pursuant to the combined underwriting and sub-underwriting arrangements described above and Maui's voting power in Norfolk will increase. The amount of that increase will depend on the size of the Shortfall and the number of Additional Shares applied for by Eligible Shareholders. However, Maui's voting power in Norfolk would not exceed 32.7%. Given Maui's existing significant voting power in Norfolk of 17.7%, and subject to the comments in section 4.2 below, the Board considers that any such increase in Maui's voting power in Norfolk may have a material effect on the control of Norfolk as Maui would, in those circumstances, be likely to have a greater degree of influence when voting on resolutions to be considered at shareholder meetings (see the discussion in section 4.2 below). Notwithstanding this, the Board considers that such an effect is acceptable in the circumstances, as it would only occur where all Eligible Shareholders have had an equitable opportunity to participate in the Offer (including via the right to apply for Additional Shares) on a pro-rata basis.

#### 4.2 Other relevant factors

As noted in section 4.1 above, in certain circumstances the voting power of one or more of the major shareholders may increase as a result of the issue of New Shares under the Offer. Some additional factors for shareholders to note as a result of any such increase are set out below.

- Shareholders should note that if any Eligible Shareholder, as a result of its participation in the Offer, acquires over 25% of the voting power in Norfolk, then that shareholder will be able to block any shareholder resolution that requires the approval of at least 75% of votes cast at a shareholder meeting. This means that such a shareholder could block:

- the passage of any special resolution put to Norfolk's shareholders. Matters that require approval by special resolution of shareholders include amendments to the Norfolk constitution and the approval of a selective capital reduction or a selective buyback by Norfolk; or
- the approval of a scheme of arrangement between Norfolk and its shareholders (noting that a scheme of arrangement is a common method used by acquiring companies to acquire all of the shares in another company).
- As noted in section 4.1 above, Norfolk currently has three major shareholders each of which has a shareholding above 12%. In the unlikely event that no Eligible Shareholders take up their entitlements and Maui's voting power increases from 17.7% to 32.7%, then the voting power of Monadelphous would be diluted from 12.9% to 10.5% and Hauraki would be diluted from 19.9% to 16.3%. This would leave Maui with voting power of 32.7%, the two other major shareholders (although unrelated) at a combined 26.8% and the remaining shareholders with a combined 40.5%. As a result:
  - Monadelphous and Hauraki would still have shareholdings in Norfolk in excess of 10% – ie, effectively 'blocking stakes' for the purposes of a Chapter 6 takeover bid (as a bidder needs to acquire 90% of all shares on issue under a takeover bid to be able to compulsorily acquire the remaining shares). As Monadelphous and Hauraki, and indeed Maui, already have an interest in more than 10% of Norfolk's issued shares, the Board considers that there is no material change to the control of Norfolk from this perspective.
  - Given the existence of other significant shareholders on the Norfolk register, Norfolk considers that a 32.7% shareholding by Maui may give Maui an ability to determine the outcome of ordinary resolutions (which require the approval of 50% of votes cast at a meeting) that are put to shareholder meetings. Numerous shareholder resolutions need to be approved as ordinary resolutions (including matters such as the appointment and removal of directors). For example, with a 32.7% holding by Maui, an ordinary resolution that is supported by Maui but opposed by Monadelphous and Hauraki would require other minor shareholders who, collectively, hold 5.9% to vote with Monadelphous and Hauraki to prevail over Maui.
- If one or both of Monadelphous or Hauraki elected to reduce their shareholding in Norfolk, this may leave Norfolk with a reduced number of major shareholders. This may have the impact of increasing the ability of Maui (assuming it maintains its holding) to influence the outcome of shareholder votes on resolutions – whether special resolutions or ordinary resolutions – although the absolute number of votes that Maui may cast will not have changed. For example, if Maui retained its 32.7% holding but Monadelphous disposed of all its Norfolk shares, then Maui's ability to influence the vote on an ordinary resolution would be increased (as, in those circumstances, Hauraki would be the only other major shareholder, with a shareholding of 16.3%).

### 5. ASIC Relief

Norfolk has applied for, and received, relief from ASIC to permit Eligible Shareholders to acquire voting power in Norfolk in excess of 20% (or to increase their voting power if they already have at least 20% voting power in Norfolk) as a result of those Eligible Shareholders subscribing for their full entitlement of New Shares and applying for, and receiving, Additional Shares.

## 6. Not Investment Advice

The information in this Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It does not contain all the information that would be required to be included in a prospectus. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Norfolk is not licensed to provide financial product advice in respect of the New Shares.

This Offer Booklet is dated 3 February 2010.

The information in this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares. This Offer Booklet and the Entitlement and Acceptance Form should be read in conjunction with Norfolk's other periodic and continuous disclosure announcements to ASX, available at [www.norfolkgl.com](http://www.norfolkgl.com). There are a number of risk factors that could potentially impact Norfolk. For information about these risks, please read the 'Key Risks' slides of the Investor Presentation included at Part E of this Offer Booklet.

Before deciding whether to apply for New Shares (including any Additional Shares), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Offer, you should contact your stockbroker, accountant or other independent professional adviser.

## 7. Responsibility for Offer Booklet

This Offer Booklet (including the Investor Presentation in Part E) and the enclosed personalised Entitlement and Acceptance Form have been prepared by Norfolk.

No party, including Commonwealth Securities and any other parties referred to in this Offer Booklet (other than Norfolk), has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in the information in this Offer Booklet. To the maximum extent permitted by law, each of the parties referred to in this Offer Booklet (other than Norfolk) expressly disclaims any responsibility for any statements in, or omissions from, this Offer Booklet other than, where applicable, references to its name in this Offer Booklet.

## 8. Taxation

The potential tax effects of participating in the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax adviser before deciding whether or not to participate in the Offer.

## 9. Information Availability

Eligible Shareholders in Australia and New Zealand can obtain a copy of the information in this Offer Booklet during the period of the Offer via the Norfolk website at [www.norfolkgl.com](http://www.norfolkgl.com) or by calling the Norfolk Shareholder Information Line.

Persons who access an electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the Norfolk website will not include an Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or +61 2 8280 7506 (from outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday from 12 February to 8 March 2010.

No party other than Norfolk has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in the information in this Offer Booklet.

## 10. Future Performance and Forward Looking Statements

Neither Norfolk nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Offer. Forward looking statements, opinions and estimates provided in the information in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Norfolk and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Booklet.

While due care and attention has been used in the preparation of forward-looking statements, there can be no assurance that actual outcomes will not differ materially from these forward looking statements. Except as may be required by law, Norfolk assumes no obligation to update this information.

## 11. Past Performance

Investors should note that the past price performance of Norfolk shares provides no guidance as to future price performance.

## 12. Governing Law

This Offer Booklet, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms or payment via BPAY® are governed by the laws applicable in New South Wales, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## 13. Foreign Jurisdictions

The information in this Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The New Shares being offered under the information in this Offer Booklet are also being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand). The information in this Offer Booklet is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The information in this Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of the information in this Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

3 February 2010

### Norfolk Group Limited – Pro-rata Renounceable Rights Issue

The international provider of integrated building and engineering services, Norfolk Group Limited (**Norfolk**) (listed on the Australian Securities Exchange), is pleased to announce a 2-for-9 pro-rata renounceable rights issue (the **Offer**) at \$0.72 per new share (**New Share**) to raise gross proceeds of approximately \$20.8 million. The record date for the Offer is 7pm (AEDT) on Thursday 11 February 2010 (**Record Date**). The offer is fully underwritten by Commonwealth Securities Limited (**Commonwealth Securities**) and fully sub-underwritten by the Maui Group (**Maui**).

**Key Points:**

- Norfolk launches an equity raising to raise approximately \$20 million through a 2 for 9 renounceable rights issue at an offer price of \$0.72 per New Share.
- Norfolk intends to use the proceeds of the Offer to strengthen its balance sheet and provide financial flexibility to pursue growth opportunities.
- To further strengthen Norfolk’s capital base, Norfolk has also arranged to increase its bonding facility by \$10 million.
- Refinancing risk removed with a credit approved term sheet agreed for new facilities for 3 years at a conservative gearing level of less than 1.0 times EBITDA as at 30 September 2009.

Glenn Wallace, Managing Director said the Offer was a key step in realising Norfolk’s domestic and international expansion plans and sales growth targets.

“Norfolk continues to win significant projects to underpin the future growth of the company. In order to drive our strong growth we need to strengthen our balance sheet so that we are poised to take advantage of the many growth opportunities we see in the market. The proceeds of the Offer will provide Norfolk with a sound basis to pursue its growth strategy, therefore I strongly encourage all shareholders to take up their rights.”

**Key Terms of the Offer**

Type of Offer	Pro-rata renounceable rights issue
Issue Ratio	2 New Shares for every 9 existing Norfolk shares held
Issue Price	\$0.72 per New Share
Issue Price Discount	Issue price represents a 18.6% discount to Norfolk’s closing share price on 2 February 2010 and a 15.8% discount to the theoretical ex-rights price
Record Date	7pm (AEDT) on 11 February 2010
New Shares Issued	Approximately 28.9 million
Funds Raised	Approximately \$20 million
Underwriter	Commonwealth Securities
Sub-Underwriter	Maui

## Key Highlights of the Offer

Under the Offer, eligible shareholders are able to subscribe for 2 New Shares for every 9 existing Norfolk shares held at the Record Date.

Other key highlights of the Offer include:

- Eligible shareholders can choose to take up their entitlements in full, in part or not at all;
- The rights are renounceable and can be traded on the ASX. The trading period is expected to commence on 5 February 2010 and close on 19 February 2010; and
- Eligible shareholders may, in addition to taking up their entitlements in full, apply for New Shares in excess of their entitlements (Additional Shares). Additional Shares will only be available where there is a shortfall between applications received from eligible shareholders (or persons to whom rights have been transferred or sold) and the number of New Shares proposed to be issued under the Offer. Additional Shares will be issued at the offer price of \$0.72 per share. If demand for Additional Shares exceeds the number of New Shares available for allocation, the Board will implement a pro-rata scale-back of applications for Additional Shares based on shareholdings as at the Record Date. Information regarding the allocation of Additional Shares is set out in the offer booklet which will be sent to all eligible shareholders (Offer Booklet);
- New Shares issued under the Offer will rank equally with existing ordinary shares.

## Ineligible Shareholders

The Offer is open only to eligible shareholders. An eligible shareholder is a holder of Norfolk shares who is registered as a holder of Norfolk shares as at the Record Date and who is not an ineligible shareholder. A person will be an ineligible shareholder if that person:

- has a registered address which is not in Australia or New Zealand;
- is in the United States or is a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933) or acting for the account or benefit of a U.S. Person; or
- is ineligible under any applicable securities laws to receive an offer under the Offer.

Norfolk has appointed Commonwealth Securities to sell the rights of ineligible shareholders on the ASX. The net proceeds (if any) from the sale of those rights will be sent to ineligible shareholders.

## Dividend Guidance

Based on preliminary results for the full year to 31 March 2010, it is expected that a dividend will not be paid for the full year 2010, with the focus remaining on reducing debt. Norfolk recognises the desire of shareholders to receive stable and growing dividends, however the Board believes it is in the best interests of the business and its shareholders to pursue an optimal capital structure ahead of paying a dividend.

## Debt Reduction and Maturity Profile

Norfolk has successfully negotiated a credit approved term sheet for a club debt facility with Westpac and Commonwealth Bank of Australia for 3 years. The \$45 million reduction in debt facility has moved Norfolk's gearing to a conservative position of less than 1.0 times EBITDA as at 30 September 2009 providing significant covenant headroom. As part of the new agreement, the bonding facility has been increased to \$60 million which will be used to support growth and enable Norfolk to bid on larger contracts.

## Outlook

Key points to note in relation Norfolk's outlook are as follows:

- Record order book (\$820 million) positions the company well for the future.

- Continued commitment to existing Norfolk Group strategy, including focus on stable sectors.
- \$766 million of FY2010 revenue underpinned by contracts, work orders and ongoing service commitments.
- Significant new contracts.
- Ability to bid for larger contracts with the recent increase in the bonding facility.
- Entry and expansion into the Asia Pacific region.

#### **Underwriting and Sub-underwriting Arrangements**

Norfolk has entered into an underwriting agreement with Commonwealth Securities under which Commonwealth Securities has agreed to fully underwrite, and act as manager in respect of, the Offer.

In addition, Commonwealth Securities has entered into a sub-underwriting agreement with Maui, an existing Norfolk shareholder who (according to its most recent substantial holder notice filed with the Company) has voting power in Norfolk of 17.7%. Under the terms of this sub-underwriting agreement, Maui has agreed to fully sub-underwrite the Offer. The sub-underwriting agreement will remain binding for so long as the underwriting agreement between Norfolk and Commonwealth Securities remains in place.

The effect of the combined underwriting and sub-underwriting arrangements and the potential impact of those arrangements on the control of Norfolk are described in the Offer Booklet.

#### **Further Details**

Further details of the Offer, including details of the use of proceeds, the timetable and key risks of the Offer are contained in the investor presentation released to the ASX today and available on Norfolk's website. The Offer Booklet, which includes the investor presentation, was also released to the ASX today and is expected to be dispatched to eligible shareholders on or before 12 February 2010.

#### **Shareholder Enquiries**

Shareholders who have questions regarding the Offer should phone the Norfolk Shareholder Information Line on 1300 881 079 (within Australia) or +61 2 8280 7506 (from outside Australia) any time between 8:30am and 5:30pm (AEDT), Monday to Friday from Friday 12 February 2010 to Monday 8 March 2010.

#### **Investor/Analyst Call**

Date: 1 pm AEDT 3 February 2010  
Local Dial In: +61 2 8113 1400  
Australia Dial In: 1800 554 798  
New Zealand Dial In: 0800 450 585

#### **For further information please contact:**

##### **Analysts / Investors:**

Rose Redmayne  
Norfolk Group Limited  
Email: [redmayne@norfolkgl.com](mailto:redmayne@norfolkgl.com)  
Phone: +61 2 9933 1001

##### **Media:**

John Gardner  
MAGNUS Investor Relations + Corporate Communication  
Email: [jgardner@magnus.net.au](mailto:jgardner@magnus.net.au)  
Phone: +61 413 355 997



## **Norfolk Group Limited**

Norfolk is a leading international provider of integrated building and engineering services. In Australia, Norfolk, Norfolk is number one in the electrical and non-residential HVAC (heating, ventilation and airconditioning) maintenance services markets.

Norfolk employs more than 3,500 people, including highly skilled engineers, electricians, plumbers, air conditioning technicians and apprentices, across more than 150 sites throughout Australia, New Zealand and India. Norfolk has more than 19,500 customers across a range of sectors including infrastructure, industrial, commercial, resources, retail, government and communications.

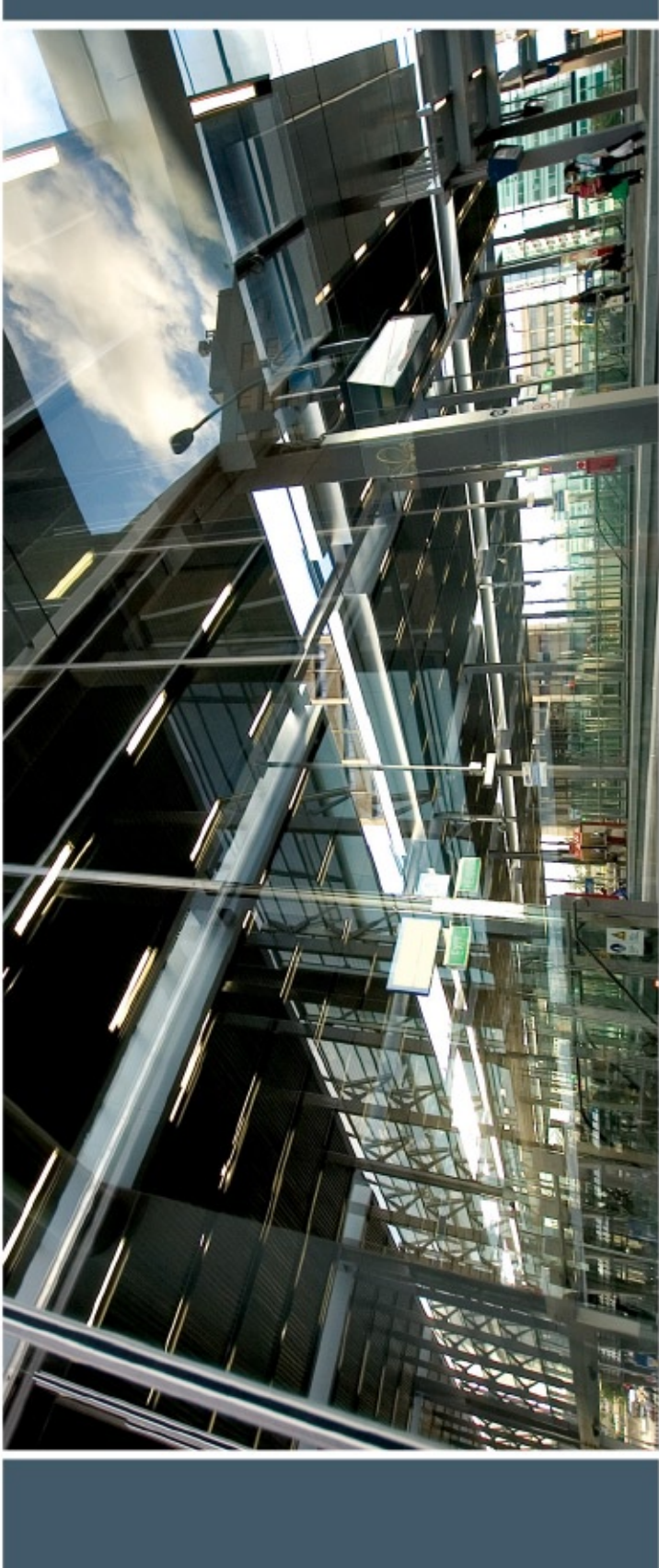
For further information on Norfolk, please visit [www.norfolkgl.com](http://www.norfolkgl.com).

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.**

This announcement does not constitute an offer to *sell or a solicitation of an offer to buy*, securities in the United States, or to any person that is, or is acting for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933 as amended (the U.S. Securities Act) (U.S. Person)). The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless the securities are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

This announcement contains certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Norfolk and its officers, employees, agents or associates, which may cause actual results to differ materially from those expressed or implied in such statements. Some of these risks are set out in the investor presentation released to the ASX and available on Norfolk's website. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. These forward-looking statements are based on information liable to Norfolk as of the date of this release. Except as required by law or regulation, Norfolk assumes no obligation to update such information.

Renounceable Rights Issue  
3 February 2010



ASX: NFK



**NORFOLK  
IS A LEADING  
PROVIDER OF  
INTEGRATED  
BUILDING &  
ENGINEERING  
SERVICES**



## Important Information

### Summary information

This Presentation contains summary information about Norfolk Group Limited (Norfolk) and their activities current as at 3 February 2010. The information in this Presentation is of general background and does not purport to be complete. It should be read in conjunction with Norfolk's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au).

### Not financial product advice

This presentation is for information purposes only and is not a financial product or investment advice or a recommendation to acquire Norfolk shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Norfolk is not licensed to provide financial product advice in respect of Norfolk shares. Cooling off rights do not apply to the acquisition of Norfolk shares.

### Financial data

All dollar values are in Australian dollars (A\$) unless stated otherwise and financial data is presented within the financial half year end of 30 September or the financial year end of 31 March unless stated otherwise.

### Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

### Future performance

This Presentation contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This presentation contains such statements that are subject to risk factors associated with the industries in which Norfolk operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables and risks which could cause actual results or trends to differ materially, including but not limited to: integrated building and engineering services industry dynamics, project pipeline, counter party payment risk, technology, environment, exchange rate, capital investment, weather conditions, litigation, staff, occupational health and safety, share price and volume fluctuations, economic risks, general business competition, government policies and legislation, taxation implications and investment/political environment.

## Important Information (cont'd)

### Investment Risk

An investment in Norfolk shares is subject to investment and other known and unknown risks, some of which are beyond the control of Norfolk, including possible delays in repayment and loss of income and principal invested. Norfolk does not guarantee any particular rate of return or the performance of Norfolk, nor does it guarantee the repayment of capital from Norfolk or any particular tax treatment. Persons should have regard to the risks outlined in this presentation.

### Not an offer

This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any "U.S. person" (as defined in Regulation S under the Securities Act of 1933, as amended (the U.S. Securities Act)). This document may not be distributed or released in the United States or to, or for the account or benefit of, any U.S. Person. The securities in the proposed offering have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed offering may not be offered, or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

### Foreign Jurisdictions

The offer is only being made in Australia and New Zealand, and information associated with the offer has only been prepared to comply with the requirements of the securities laws of Australia and New Zealand. This presentation is not a prospectus under the Corporations Act and has not been lodged with ASIC. It does not contain all the information that would be required to be included in a prospectus. The offer is made to eligible shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This presentation is not an investment statement or prospectus under New Zealand law, and may not contain all the relevant information than an investment statement or prospectus under New Zealand law is required to contain. This presentation does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the offer or the securities being offered in any jurisdiction other than Australia and New Zealand. The distribution of this presentation (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this presentation, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.



## Agenda

1. Executive Summary
2. Norfolk Overview
3. Outlook
4. Offer Details
5. Eligible and Ineligible Shareholders
6. Offer Timetable
7. Refinanced Debt Facilities
8. Source and use of Funds
9. Pro Forma Balance Sheet
10. Key Risks

## Executive Summary

### Offer Rationale

- Strengthen the balance sheet, financial flexibility and a long term capital structure that will enable Norfolk to expand domestically and internationally and take advantage of growth opportunities

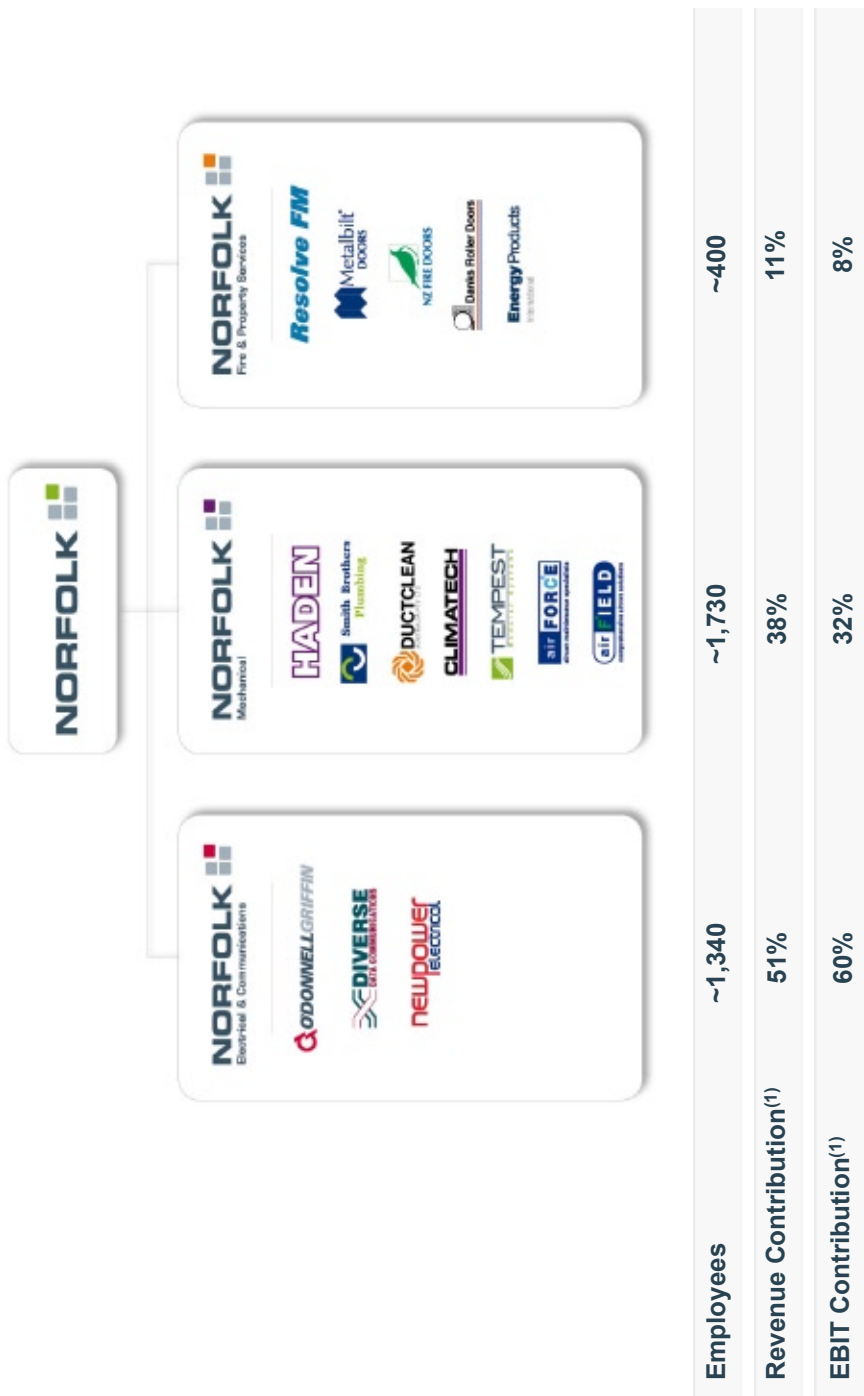
### Rights Issue

- Norfolk is seeking to raise approximately \$20 million in equity via a fully underwritten 2-for-9 renounceable rights issue
- \$0.72 issue price. This represents a:
  - 18.6% discount to the 2 February 2010 closing price of Norfolk shares on the ASX; and a
  - 15.8% discount to the theoretical ex-rights price on the same date

### Debt Facilities

- New shares issued under the rights issue will rank equally with existing Norfolk ordinary shares
- Norfolk has agreed a credit approved term sheet for a 3 year club debt facility with Westpac and CBA:
  - Revolving Credit Facility of \$25m
  - Working Capital Facility of \$30m
  - Contingent Liability Facility of \$60m

# Norfolk Overview



Notes:  
 (1) Based on 1H FY2010 reported Revenue and EBIT





### Outlook

- Record order book (\$820 million) positions the company well for the future
- Maintain commitment to existing Norfolk Group strategy, including focus on stable sectors
- \$766 million of FY2010 revenue underpinned by contracts, work orders and ongoing service commitments
- Uncertain conditions still remain in some markets; forecasted slow recovery of NZ economy
- Entry and expansion plans into the Asia Pacific region

## Offer Details

### **Approximately \$20 million, 2-for-9 pro-rata renounceable rights issue**

- The rights issue is available to Eligible Shareholders as at the Record Date (7pm 11 February 2010)
- Eligible Shareholders may choose to accept all or part of their pro-rata entitlement or none at all
- Eligible Shareholders who take up their full entitlement can apply for Additional Shares
- Rights can be sold on the ASX
- The rights issue is fully underwritten and fully sub-underwritten

### **Fixed \$0.72 issue price**

- 18.6% discount to the Norfolk closing price as at 2 February 2010
- 15.8% discount to the theoretical ex-rights price (TERP) on the same date

### **Use of proceeds**

- Net proceeds will be used to pay down existing debt facilities, thereby strengthening Norfolk's balance sheet and increasing its financial flexibility

## Offer Details (cont'd)

### Underwriting & sub-underwriting arrangements

- The Offer is fully underwritten by Commonwealth Securities Limited
- Maui Group, an existing substantial shareholder with a 17.7% holding as at the Record Date has agreed to fully sub-underwrite the Offer

### Application for additional shares

- Eligible Shareholders who take up their entitlement in full may apply for Additional Shares in excess of their entitlements at the offer price of \$0.72 per share
- Additional Shares will only be available if all Eligible Shareholders do not take up their whole entitlement under the offer
- Where applications for Additional Shares exceed shares not taken up under the Offer, applications will be scaled back on a basis which reflects applicants' registered shareholdings as at the Record Date

### Ranking

- New Shares to rank equally with existing shares

### Eligible & Ineligible Shareholders

- The Offer is open only to Eligible Shareholders
- An Eligible Shareholder is a Norfolk shareholder at the Record Date who is not an ineligible shareholder
- An ineligible shareholder is a Norfolk shareholder who:
  - has a registered address which is not in Australia or New Zealand;
  - is in the United States or is a U.S. Person or acting for the account or benefit of a U.S. Person; or
  - is ineligible under applicable securities laws to receive an offer under the rights issue.

## Offer Timetable

Event	Date
Offer announced via ASX	3 February 2010
Norfolk shares quoted on an 'ex' basis; rights trading on ASX commences	5 February 2010
Record Date	7pm on 11 February 2010
Offer Opens	12 February 2010
Despatch of Offer Booklet and Entitlement and Acceptance Forms	12 February 2010
Rights trading on ASX ends	4pm on 19 February 2010
New Shares quoted on a deferred settlement basis	22 February 2010
Offer closes, last day for acceptance of application monies	5pm on 26 February 2010
Allotment and issue of New Shares	8 March 2010
Trading expected to commence for New Shares on a normal T+3 basis	9 March 2010



## Refinanced Debt Facilities

- Norfolk has refinanced its existing debt facilities through a club debt facility with Westpac and CBA:

Facility	Financial Ratios	
	Pre Debt Refinancing (\$m)	Post Debt Refinancing (\$m)
Revolving Credit Facility	90	25
Working Capital Facility	20	30
Contingent Liability Facility	50	60
<b>Total</b>	<b>160</b>	<b>115</b>

	Financial Ratios	
	Pre Debt Refinancing <sup>(1)</sup>	Post Debt Refinancing
Interest Cover (EBITDA / Interest Expense)	5.6x	5.6x
Gearing Ratio (Net Debt / EBITDA)	1.5x	0.9x
Total Gearing Ratio (Net Debt + Bonding / EBITDA)	3.2x	2.6x

- The new facility removes near term refinancing risk for Norfolk

Notes:  
 (1) Based on reported financials 1H2010.

## Sources and Uses of Funds

- Net proceeds from the Offer will be used to pay down existing debt facilities, thereby strengthening Norfolk's balance sheet and increasing financial flexibility

Sources of Funds	\$ millions
Rights Issue	20.8
Transaction costs	0.9
Net Proceeds	19.9

Uses of Funds	\$ millions
Debt Repayment	19.9

## Pro-forma Balance Sheet

Norfolk Balance Sheet (as at 30 September 2009)	Pre Equity Raising (\$m)	Equity Raising Adjustments <sup>(1)</sup> (\$m)	Pro-forma Balance Sheet (\$m)
<b>Assets</b>			
Current Assets	180.1		180.1
Non-current Assets	81.5		81.5
<b>Total Assets</b>	<b>261.6</b>		<b>261.6</b>
<b>Liabilities</b>			
Borrowings	61.1	19.9	41.2
Other Liabilities	164.4		164.4
<b>Total Liabilities</b>	<b>225.5</b>		<b>205.6</b>
<b>Equity</b>			
Share Capital	243.9	19.9	263.8
Other	(207.8)		(207.8)
<b>Total Shareholders' Equity</b>	<b>36.1</b>		<b>56.0</b>

Notes:

(1) Equity raising adjustments reflect gross equity raising of \$20.8 million less transaction costs of \$0.9 million.





## Key Risks

This section discusses some of the key risks associated with an investment in Norfolk. Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Norfolk (such as available on the websites of Norfolk and the ASX), carefully consider their personal circumstances and decide if they should consult with their stockbroker, solicitor, accountant or other professional advisor before making an investment decision.

### Competition

The industries, in which Norfolk operates, particularly the electrical and communications services and HVAC (heating, ventilation and air conditioning) and refrigeration services industries, are highly fragmented. The actions of competitors or the entry of new competitors into the market may adversely impact Norfolk's performance or operating margins in the event that Norfolk does not respond effectively to the increased competition.

### Cyclical fluctuations

A number of the industries in which Norfolk operates are subject to the cyclical fluctuations of commercial and residential construction, mining construction and general economic conditions. These cycles are determined by domestic and global factors outside the control of Norfolk and have the potential to impact its financial performance.

### Contracting business

A significant proportion of Norfolk's revenue and earnings are sourced from large construction and installation contracts of the Electrical and Communications division and the Mechanical division. Many of these contracts may be subject to variations in scope of the contract and other unexpected events during the course of the contract resulting in unexpected expenses, that may include the expenses of subcontractors of Norfolk, which may not be fully recoverable. Unrecoverable expenses incurred during the course of a project the subject of a contract have the potential to impact Norfolk's financial performance negatively.

## Key Risks (cont'd)

### **Finite project earnings**

Project contracts may not be capable of renewal, limiting the potential for recurring revenue following the end of the project's finite life. The projects awarded to Norfolk may vary in number and value from year to year.

### **Reputation and relationships**

Norfolk operates established brands in each of the industries in which it operates and has formed strong customer relationships over many years that have been strengthened by each division's directly employed workforce. The failure, or perceived failure, of any of the services and products offered by Norfolk may damage its reputation and customer relationships.

### **Labour shortages and inability to recruit and retain labour**

It is possible that there may be shortages of skilled workers in some of the industries in which Norfolk operates. Additionally, in a labour-constrained market, it is possible that Norfolk may be unable to recruit and retain sufficient labour and may lose labour to competitors. This may negatively affect Norfolk by limiting its ability to retain sufficient staff to undertake potential business, or by causing it to spend above forecast levels to retain staff.

### **Retention of key management personnel**

Norfolk's future success depends, in part, on its capacity to retain and motivate existing management personnel as well as attract new management personnel. In particular, Norfolk's performance is dependent on the talents and efforts of key management personnel. The loss of key management personnel could cause material disruption to Norfolk's business and operations in the short to medium term and may have an adverse impact on the financial performance or prospects of Norfolk.

### **Technological change**

Technological change presents Norfolk with significant opportunities for growth. However, the risk remains that a competitor may introduce new technology enabling it to gain a significant competitive advantage over Norfolk.



## Key Risks (cont'd)

### **Industrial relations**

Industrial action, disputes with employees and future changes to labour have the potential to impact the operational and financial performance of Norfolk adversely. Norfolk has implemented policies and procedures, including retaining external industrial relations consultants, to manage relations with employees and labour unions.

### **Sustainability of growth and margins**

The sustainability of growth in Norfolk's revenue and profit and the level of profit margins from operations are dependent on a number of factors, some of which are outside Norfolk's control. Industry margins in each industry in which Norfolk operates may be subject to continuing but varying margin pressures. There is no assurance that the historical financial performance of Norfolk is indicative of its future financial performance.

### **Interest**

Norfolk borrows money to assist in financing its operations. Changes in interest rates have the potential to impact the financial performance of Norfolk.

### **Disruption to business operations**

Norfolk is exposed to a range of operational risks including equipment failures, information technology system failures, external services failures, disputes and natural disasters. While Norfolk endeavours to take appropriate action to mitigate these operational risks and insure against them, Norfolk cannot completely remove all disruption risk to its business and one or more of these risks may negatively impact its future operational and financial performance.

### **Litigation**

Given the nature and scope of the activities of Norfolk and the wide range of parties it deals with, Norfolk may be exposed to potential claims of, or litigation from, third parties such as customers, suppliers, joint venture partners, employees and regulators. To the extent that these risks are not covered by Norfolk's insurance policies, litigation and the costs of responding to any threats of legal action or investigation may have an adverse impact on the financial performance of Norfolk.

## Key Risks (cont'd)

### **Taxation**

Both local and foreign tax rules or their interpretation, may change, impacting your returns from Norfolk.

### **General equity market risk**

The financial performance, distributions and the price of shares may be materially adversely affected by a number of general risk factors, including but not limited to changes in the Australian and international economic outlook and fiscal monetary regulatory policies, and there is also a risk associated with investments in listed securities, including the market volatility and market liquidity of Norfolk shares. Investors should be aware that there are risks associated with any investment listed on the ASX. The price of Norfolk shares may rise above or fall below the offer price, depending on the financial condition and operating performance of Norfolk and external factors over which Norfolk and its Directors have no control.

These factors include:

- General economic conditions
- Investor sentiment in the local and international stock markets
- Changes in fiscal, monetary regulatory and other government policies
- Geo-political conditions such as acts or threats of terrorism or military conflicts
- Developments and general conditions in the markets in which Norfolk operates

### **Global economic downturn**

At present, the global economy is experiencing a range of adverse effects and any further deterioration in economic conditions may decrease or delay the demand for Norfolk's services in each of its key markets and may result in an adverse effect on Norfolk's future financial performance and position, earnings and cashflows. These effects may occur over a short or long period.



Term	Meaning
\$	Australian dollars
<b>Additional Shares</b>	New Shares applied for by an Eligible Shareholder that are in excess of that Eligible Shareholder's entitlement
<b>AEDT</b>	Australian Eastern Daylight Time
<b>Applicant</b>	A person who has applied to subscribe for New Shares under the Offer
<b>Application Money</b>	The aggregate money payable for New Shares (including any Additional Shares) applied for by an Applicant
<b>ASIC</b>	The Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited or the financial market operated by it
<b>Board</b>	The Board of Directors of Norfolk
<b>Commonwealth Securities</b>	Commonwealth Securities Limited (ABN 60 067 254 399; AFSL 238814)
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth)
<b>Eligible Shareholder</b>	A Norfolk shareholder at the Record Date who is not an Ineligible Shareholder
<b>entitlement</b>	The number of New Shares that an Eligible Shareholder is entitled to apply for under the Offer (on the basis of 2 New Shares for every 9 existing Norfolk shares held on the Record Date, subject to rounding)
<b>Entitlement and Acceptance Form</b>	The personalised Entitlement and Acceptance Form accompanying this Offer Booklet

Term	Meaning
<b>Ineligible Shareholder</b>	A Norfolk shareholder at the Record Date who: <ul style="list-style-type: none"> <li>• has a registered address which is not in Australia or New Zealand;</li> <li>• is in the United States or is a U.S. Person or acting for the account or benefit of a U.S. Person; or</li> <li>• is ineligible under any applicable securities laws to receive an offer under the Offer</li> </ul>
<b>Listing Rules</b>	The official listing rules of ASX
<b>Maui</b>	Maui Capital Limited, Level 20 ASB Bank Centre, 135 Albert Street, PO Box 3295, Shortland Street, Auckland 1140 New Zealand
<b>New Share</b>	A new Norfolk share to be issued under the Offer (and, for the avoidance of doubt, any Additional Shares will be New Shares)
<b>Norfolk or the Company</b>	Norfolk Group Limited (ACN 125 709 971)
<b>Norfolk shares</b>	A fully paid ordinary share in the capital of Norfolk
<b>Offer</b>	2-for-9 pro-rata renounceable rights issue of New Shares at an offer price of \$0.72 per New Share
<b>Offer Booklet</b>	This offer booklet in relation to the Offer
<b>Record Date</b>	7pm (AEDT) on Thursday 11 February 2010
<b>Right</b>	The right to subscribe for 2 New Shares for every 9 Norfolk shares held on the Record Date
<b>Share Registry</b>	Link Market Services Limited
<b>Shortfall</b>	New Shares which are not taken up under the Offer by Eligible Shareholders (or persons who acquire the Rights of Eligible Shareholders)
<b>U.S. Person</b>	As defined in Regulation S under the U.S. Securities Act of 1933 (as amended)

# G. Examples of Allocations of Additional Shares

This Part G provides some simple examples of how the allocation policy of Additional Shares will work. These examples are based on the following assumptions:

- the number of New Shares comprising the Shortfall is 100,000;
- the total number of Additional Shares applied for is 150,000; and
- the Eligible Shareholders who apply for Additional Shares hold on the Record Date, in aggregate, 40% of the total number of Norfolk shares on issue on the Record Date.

## Example 1

Shareholder X holds 5% of the total number of Norfolk shares on issue on the Record Date and applies for 5,000 Additional Shares.

Under the allocation policy, Shareholder X is entitled to receive the lesser of:

- their pro-rata proportion of the Shortfall (being 5/40ths of 100,000, namely 12,500 Additional Shares); and
- the number of Additional Shares applied for (being 5,000 Additional Shares).

Under the allocation policy, Shareholder X gets their application for Additional Shares satisfied in full and receives 5,000 Additional Shares.

## Example 2

Shareholder Y holds 1% of the total number of Norfolk shares on issue on the Record Date and applies for 10,000 Additional Shares and Shareholder Z holds 3% of the total number of Norfolk shares on issue on the Record Date and applies for 10,000 Additional Shares.

Under the allocation policy,

- Shareholder Y is entitled to receive the lesser of:
  - their pro-rata proportion of the Shortfall (being 1/40th of 100,000, namely 2,500 Additional Shares); and
  - the number of Additional Shares applied for (being 10,000 Additional Shares).

Under the allocation policy, Shareholder Y gets an initial allocation of 2,500 Additional Shares.

- Shareholder Z is entitled to receive the lesser of:
  - their pro-rata proportion of the Shortfall (being 3/40ths of 100,000, namely 7,500 Additional Shares); and
  - the number of Additional Shares applied for (being 10,000 Additional Shares).

Under the allocation policy, Shareholder Z gets an initial allocation of 7,500 Additional Shares.

To the extent that any of the Shortfall remains unallocated after these initial allocations, then Shareholders Y and Z will receive a further allocation of Additional Shares. For example, if Shareholders Y and Z were the only remaining Shareholders whose applications for Additional Shares had not been satisfied in full after the initial allocations and there remained 5,000 Additional Shares to be allocated, then those shares would be allocated between them as follows:

- Shareholder Y is entitled to receive the lesser of:
  - their pro-rata proportion of the remaining Shortfall (being 1/4 of 5,000, namely 1,250 Additional Shares); and
  - the outstanding number of Additional Shares applied for (being 7,500 Additional Shares).

Under the allocation policy, Shareholder Y gets a further allocation of 1,250 Additional Shares.

- Shareholder Z is entitled to receive the lesser of:
  - their pro-rata proportion of the remaining Shortfall (being 3/4 of 5,000, namely 3,750 Additional Shares); and
  - the outstanding number of Additional Shares applied for (being 2,500 Additional Shares).

Under the allocation policy, Shareholder Z gets a further allocation of 2,500 Additional Shares.

At this point, as Shareholder Y is the only shareholder whose application for Additional Shares has not been satisfied in full, Shareholder Y will be entitled to the remaining 1,250 Additional Shares.



This page has been left blank intentionally.

This page has been left blank intentionally.



