

27 July 2012

Dear fellow Alesco Shareholder,

REJECT DULUXGROUP'S MATERIALLY INADEQUATE REVISED OFFER

I am writing to provide you with an update on developments relating to DuluxGroup Limited's (**DuluxGroup**) revised offer (**Offer**) for your shares in Alesco Corporation Limited (**Alesco**). The Alesco Board strongly advises all Alesco shareholders to **REJECT** DuluxGroup's materially inadequate Offer.

Recently, you may have seen a number of announcements from DuluxGroup and Alesco in relation to DuluxGroup's revised "best and final" Offer for Alesco.

You will also have seen that, on 24 July 2012, your Board announced its FY12 audited financial results and dividends totalling \$0.15 cents per share, comprising of a fully franked final dividend of \$0.05 per share and a fully franked special dividend of \$0.10 per share.

The effect of these announcements is that if you accept the Offer, DuluxGroup will pay shareholders a cash amount of \$1.90 per share. In addition, Alesco will pay shareholders the fully franked final dividend of \$0.05 per share and special dividend of \$0.10 per share.

Total franking credits of \$0.06 per share will be attached to the dividends paid. The value of those franking credits is not the same for all shareholders and varies depending on the tax position of individual shareholders (including whether a shareholder is an individual, a superfund or a corporate entity). Your Board will be issuing a supplementary target's statement with further details to assist you in understanding this issue. You will likely also see a supplementary bidder's statement that may deal with the issue.

Your Board has assessed DuluxGroup's Offer and reaffirms its advice to shareholders to **REJECT** it for the following reasons:

1. DuluxGroup's Offer is materially inadequate and does not reflect fair value for your Alesco shares
2. The Independent Expert assessed that the value of Alesco on a controlling interest basis ranges from \$2.23 to \$2.52 per Alesco share. DuluxGroup's revised Offer remains materially below the bottom of this range
3. Alesco is a focussed building products company with a strong platform for future growth
4. Alesco stands to benefit from a recovery in the detached housing and renovation markets
5. Alesco expects to be able to deliver value to Alesco shareholders through future capital management initiatives. As previously announced, the Board intends to assess the capacity for capital management initiatives totalling 25 to 30 cents per share over the next two to three years (in addition to the fully franked special dividend announced on 24 July 2012 and ordinary dividends in accordance with Alesco's dividend policy)
6. The timing of DuluxGroup's Offer is highly opportunistic
7. Your Directors believe that DuluxGroup should offer more for your Alesco shares
8. DuluxGroup's Offer is highly conditional and uncertain. In particular, DuluxGroup continues to maintain a free option on the Offer by not declaring its intention in relation to certain conditions that it believes appear to have been breached. This is despite the fact that DuluxGroup was made aware of the circumstances giving rise to those breaches in Alesco's Target's Statement dated 12 June 2012.

Please refer to Section 1 of the Target's Statement for further detail on the Alesco Board's reasons.

The Alesco Board has only had very limited recent engagement with the DuluxGroup in relation to its Offer. Following an initial approach late last week by DuluxGroup, Alesco confirmed that it was open to engaging with the DuluxGroup on a negotiated outcome which is in the best interests of all shareholders. However, DuluxGroup only tabled the revised Offer, presented it as DuluxGroup's best and final proposal and made no genuine attempt to negotiate with the Board. As a result, your Board had no option but to reject the revised Offer given its material inadequacy.

If you have any queries, please contact the Alesco Shareholder Information Line on 1800 828 558 (toll free within Australia) or +61 2 8280 7215 (callers outside Australia). Please see our website for further details about Alesco and other ASX announcements.

Each member of the Board who holds Alesco shares intends to **REJECT** the Offer in relation to those Alesco Shares. To **REJECT** the Offer, simply **DO NOTHING**.

We will update you further as the situation develops.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Luby', written in a cursive style.

Mark Luby
Chairmanx