



#alesco

**TAKE NO
ACTION**

in relation to
the **unsolicited,**
highly conditional
takeover offer
from DuluxGroup

The Alesco Board is assessing the DuluxGroup offer and will provide a recommendation in its Target's Statement to be released in June.

You may have recently received a Bidder's Statement from DuluxGroup in relation to its unsolicited, highly conditional takeover offer for Alesco.

The Bidder's Statement is not an Alesco document.

The Alesco Board will assess the offer and provide further advice with Alesco's Target Statement. Meanwhile, we advise you to

TAKE NO ACTION

In assessing the DuluxGroup offer, Alesco will consider the following:

Alesco has been rationalised and repositioned

- Alesco is now a focused building products company
- Alesco has strengthened its balance sheet
- Alesco generates strong and sustainable cash flows

Alesco has a strong platform for future growth

- Executing organic growth through the expansion of the Parchem trade store network
- Introducing new products across the portfolio
- Well positioned to pursue value enhancing bolt-on opportunities

Project Restore business turnaround programme delivering solid progress

- Step change in operational focus delivering financial benefits
- Leveraging successful GDO operating methodologies and disciplines across the portfolio to deliver a leaner, fitter business
- Project Restore Phase II – a range of further business improvement initiatives are underway

Recovery in housing & renovation markets will improve earnings

- Australian & New Zealand new housing markets currently at 10 year lows
- Alesco is highly leveraged to this cycle and as the market recovers Alesco's earnings will improve
- RBA interest rate cuts will also help stimulate the housing & renovation markets

Substantial shareholder value can be delivered through capital management

- Significant capacity to make returns to shareholders with a strengthened balance sheet and conservative gearing
- Alesco has the potential to pay fully franked dividends from its large franking credit balance

The Alesco Board is assessing the DuluxGroup offer and will provide a recommendation in its Target's Statement



Any financial product advice contained in this letter is general advice only and does not take into account your investment objectives, financial situation or particular needs. Alesco is not licensed to provide financial product advice.

Alesco's Target's Statement expected to be dispatched to shareholders in June

For further information:

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