



13 May 2013

Shareholder update

Dear Shareholders

Profit Outlook

The Board is pleased to advise that during the financial year the company has successfully renegotiated Bank liabilities and has now also negotiated significant reductions of its loan liabilities, and notwithstanding financial costs, this has resulted in a significant book profit.

Dividend

As a result the Board is pleased to advise that it has now declared an interim dividend to shareholders out of current year profits.

All shareholders will be entitled to the same dividend entitlement of one tenth of one cent per share. The record date for entitlement will be eight business days after the date of this letter.

We are also pleased to advise that the company is continuing its history of a Dividend Reinvestment Plan (DRP) with attractive terms for shareholders. The Board encourages all shareholders to participate in the DRP. The Board has arranged a provisional underwriting agreement limited to cover any cash requirements arising from shareholders not participating in the DRP.

Shareholders should read the attached notice explaining the DRP and other administrative arrangements in relation to this Dividend.

Share Update

An essential part of the loan liabilities reduction has been achieved by conversion of some existing debt facilities held by a super fund into shares and this will be summarised in an App 3B which will be released shortly.

Yours sincerely

S Liebeskind
Director



Dividend Reinvestment Plan

As in prior years when dividends were paid, all shareholders are encouraged to avail themselves of the company's Dividend Reinvestment Plan (DRP). Under the plan shareholders may elect to have their dividends applied to acquire more shares in the company. This is relevant as the company considers there is a prospect of paying further dividends in the future. The company's largest shareholder group has confirmed it will be participating in the DRP. If you do not elect to participate then your proportional shareholding in the company will be reduced.

The Directors have determined that the share price for the DRP is to be set at one tenth of one cent per share, being the same price as the lowest price per share issued in the last twelve months. To clarify, this means that by electing to reinvest your dividend of one tenth of a cent per share, you will then own two shares for every one share you currently own.

Confirmation of your wish to participate in the DRP is to be sent to the company by email or by letter and received by us within 14 calendar days of the date of this letter. Your dividend will be paid to you/additional shares credited to you on the eighth business day after the date of this letter, or when your letter is received. The additional shares will be credited to your existing shareholding account without further action required by you.

Administrative arrangements

The Directors have determined that as the cost of preparing dividend cheques, individual notices, printing and postage is significant and not less than \$5, that this amount will be deducted from the amount of dividend paid to any shareholder requiring payment by cheque. There will be no charge for payment made by electronic banking.

As a result shareholders are encouraged to advise the company of their electronic banking arrangements, providing their bank details along with proof of identity such as a copy of your drivers licence, or authority from the named company/super fund, as appropriate. You can send this by email or by letter to our GPO box, within 14 calendar days of the date of this letter.

If the company has not received requests for electronic banking payment within 14 calendar days from the date of this letter, then we will presume you wish to receive payment by way of cheque. Cheques will then be dispatched to those entitled to a cheque payment without further action by you.

