



DuluxGroup Limited

ABN 42 133 404 065

ASX Announcement

Monday 30 December 2013

VESTING OF 2010 LTEIP SHARES APPENDIX 3Y FOR EXECUTIVE DIRECTORS

As described in DuluxGroup's 2013 Annual Report, the Board approved the vesting of shares granted to DuluxGroup executives under the Company's 2010 Long Term Equity Incentive Plan (**LTEIP**) on 13 November 2013. This grant was made shortly after demerger from Orica in 2010.

DuluxGroup's compound annual growth in earnings per share (**EPS**) over the past 3 years, before non-recurring items, has been 8.5%. This growth comfortably exceeds the minimum EPS growth gateway condition that needs to be met in order for the shares to vest under the plan.

In relation to the amount of loan forgiveness that has been applied in respect of this grant, the Company's relative total shareholder return (**TSR**) was tested by Ernst and Young following release of the 2013 results. DuluxGroup's relative TSR performance over the performance period resulted in DuluxGroup being ranked at the 93rd percentile against the applicable comparator group. This reflects the strong growth in DuluxGroup's share price since 2010 and its policy of paying dividends to shareholders over this period. Given this excellent relative TSR performance, the maximum 30% of loan forgiveness has been applied in accordance with the plan rules. Participants are now required to repay the outstanding balance of the loans made to them in 2010 to fund the acquisition of shares.

Managing Director and Executive Director Finance to retain significant shareholding

Following the introduction by the Company of guidelines adopted this year, DuluxGroup executives are encouraged to acquire a minimum unrestricted shareholding (ie excluding any unvested LTEIP shares) over a period of 5 years.

In accordance with these guidelines, the Managing Director, Mr Patrick Houlihan, and the Chief Financial Officer, Mr Stuart Boxer, have elected to retain a proportion of their vested 2010 LTEIP shares after selling a portion in part to fund the repayment to the Company of the outstanding balance of their 2010 LTEIP loan, in part to fund their associated tax liabilities arising from the sale of shares, and in part for other purposes. Following these transactions, Mr Houlihan will hold unrestricted shares to a value of approximately 260% of his fixed remuneration, and Mr Boxer will hold unrestricted shares to a value of approximately 170% of his fixed remuneration. These amounts are well in excess of the Company's guideline that they hold shares in their own right to the value of 100% of their fixed remuneration within 5 years.

Appendix 3Y - Changes in Shareholdings

The attached Appendix 3Y notifications relate to a portion of the 2010 LTEIP shares that have been sold by Mr Houlihan and Mr Boxer. The attached Appendix 3Y notifications also relate to the new shares that have been issued to Mr Houlihan and Mr Boxer under the Company's 2013 LTEIP offer in accordance with shareholder approval obtained at DuluxGroup's 2013 Annual General Meeting held on 19 December 2013.

Media contact:

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Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

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

Name of entity	DuluxGroup Limited
ABN	42 133 404 065

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

Name of Director	Patrick Houlihan
Date of last notice	21 December 2012

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

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

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

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	N/A
Date of change	(1) 20 December 2013 (2) 20 – 27 December 2013 (4 trading days)
No. of securities held prior to change	144,322 (direct) and 2,466,419 (direct, held pursuant to the terms of the Company's Long Term Equity Incentive Plan (LTEIP))
Class	Ordinary shares
Number acquired	(1) 453,758 issued and held pursuant to the terms of the Company's 2013 LTEIP offer
Number disposed	(2) 763,770 disposed of following vesting of the Company's 2010 LTEIP grant
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	(1) \$5.34 (acquisition price being the weighted average price of DuluxGroup fully paid ordinary shares in the 5 trading days from 12 December 2013 to 18 December 2013, in accordance with the terms of the LTEIP) (2) \$5.47 (being the weighted average sale price of shares over the trading days 20-27 December 2013)

No. of securities held after change	526,207 (direct) and 1,774,522 (direct, held pursuant to the terms of the LTEIP)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	(1) Issue of securities pursuant to the terms of the 2013 LTEIP offer as summarised in the Notice of Meeting for the Company's 2013 Annual General Meeting. (2) Sale on market of securities allocated under the 2010 LTEIP grant.

Part 2 – Change of director's interests in contracts

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

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

Part 3 - + Closed period

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

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

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

Name of entity	DuluxGroup Limited
ABN	42 133 404 065

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

Name of Director	Stuart Boxer
Date of last notice	21 December 2012

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

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

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

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	N/A
Date of change	(1) 20 December 2013 (2) 20 – 27 December 2013 (4 trading days)
No. of securities held prior to change	60,500 (indirect), 32,726 (direct) and 651,494 (direct, held pursuant to the terms of the Company's Long Term Equity Incentive Plan (LTEIP))
Class	Ordinary shares
Number acquired	(1) 175,280 issued and held pursuant to the terms of the Company's 2013 LTEIP offer
Number disposed	(2) 211,915 disposed of following vesting of the Company's 2010 LTEIP grant
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	(1) \$5.34 (acquisition price being the weighted average price of DuluxGroup fully paid ordinary shares in the 5 trading days from 12 December 2013 to 18 December 2013, in accordance with the terms of the LTEIP) (2) \$5.47 (being the weighted average sale price of shares over the trading days 20-27 December 2013)

No. of securities held after change	60,500 (indirect), 138,684 (direct) and 508,901 (direct, held pursuant to the terms of the LTEIP)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	(1) Issue of securities pursuant to the terms of the 2013 LTEIP offer as summarised in the Notice of Meeting for the Company's 2013 Annual General Meeting. (2) Sale on market of securities allocated under the 2010 LTEIP grant.

Part 2 – Change of director's interests in contracts

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

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

Part 3 - + Closed period

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