



Alesco Corporation Limited

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7 May 2012

Dear Shareholder

INITIAL RESPONSE TO TAKEOVER BID FROM DULUXGROUP LIMITED

As you may be aware, DuluxGroup Limited (**DuluxGroup**) (ASX:DLX) announced on 1 May 2012 that it intends to make an unsolicited, highly conditional, all cash takeover bid for Alesco Corporation Limited (**Alesco**) (ASX:ALS) at a price of \$2.00 per share.

The Alesco Board was only advised of the intentions of DuluxGroup on the morning of 1 May 2012. There have not been any prior discussions between Alesco and DuluxGroup.

DuluxGroup has acquired 19.96% of the issued capital of Alesco at the offer price of \$2.00.

At this stage, we have not been advised of the date of receipt of the bidder's offer document. The Directors will review the offer documents when received and provide further advice in due course. Meanwhile, your Directors advise you to **TAKE NO ACTION** in relation to DuluxGroup's offer.

As you know, Alesco has now rationalised its portfolio, de-risked its business and strengthened its balance sheet. Alesco is also well advanced in implementing its three year Project Restore turnaround programme, with detailed plans in place to improve each division's operational and financial performance. These initiatives reflect your Board's focus on maximising Alesco shareholder value through the cycle and this offer, or any other offers or proposals, will be considered in that context.

The offer, once dispatched, will remain open for a minimum of one month and we will ensure that you have sufficient time to make a decision on whether to accept the offer after receiving your Board's Target's Statement containing a detailed recommendation.

Greenhill Caliburn has been appointed as financial advisor and King & Wood Mallesons as legal advisor to Alesco in relation to this offer.

I will continue to keep you informed of further developments concerning the takeover offer, as they arise.

For further details please call our shareholder information lines:

Within Australia: 1800 828 558

Outside Australia: +61 2 8280 7215

More detailed information is also available on our website www.alesco.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Luby', with a stylized flourish at the end.

Mark Luby
Chairman