

Mr R Campbell,  
Chairman,  
GPG Plc.  
By email  
28 October 2011

Dear Rob,

We have had concern expressed about GPG issuing the scrip dividend this year.

The explanation and timetable issued earlier by the company said in bold:

*For Shareholders protection, the Directors ...is below 34p, they will have the right (but not the obligation) to withdraw the Scrip Dividend Alternative. In those circumstances .....all shareholders will receive the cash dividend instead.*

On 21 October the share price was 29p. This is well below the 34p indicated.

Shareholders rightly point out that they would have been better off receiving the cash dividend (and using it to buy further shares on market if they chose to do so). They are also disadvantaged compared to those who elected to take the cash dividend.

Shareholders are also frustrated as they felt that by electing to take the Scrip Dividend Alternative their position was protected if the price fell. A number may have made a different call if this "protection" had not been signalled.

We accept that the note to shareholders allows the company to choose whether or not to pay only in cash, but as far as we can see, no explanation of the reason for continuing with the Scrip Dividend Alternative was forthcoming.

Would you care to comment?

This letter and any response will be posted on the NZSA website.

Regards,

John Hawkins  
Chairman