



2 June 2017

Dear Shareholder

Earlier this year, we announced that we were transforming our Company to consolidate operations.

After extensive negotiations, I am pleased to announce the sale of our Trade business to Clennett's Mitre 10.

This transaction enables the Company to substantially reduce its debt and focus on optimising our remaining retail assets.

The transaction also delivers a very positive outcome for our Trade customers and employees. The expanded Mitre 10 Trade network will enable its products and services to thrive and the industry to continue to benefit from local ownership and expertise.

After a very difficult couple of years, we now have a solid platform from which to become more efficient.

The transaction is scheduled to settle in June and on completion it is expected that the net proceeds will be applied to debt reduction less the costs of sale.

Should you have any enquiries please do not hesitate to call me.

Greg Goodman
Chairman
Kemp & Denning Limited
Mobile 0419 122 061

