



Dear Shareholder

I refer to my letter to you in April, advising that subsequent to the resignation of our Managing Director we were undertaking the process of recruiting a replacement. During this period the Board decided, which is more in keeping with the trend within ASX listed entities, to make the appointment that of a Chief Executive Officer (CEO).

I am pleased to be able to let you know that after an extensive search we have appointed to the position of CEO, Nick Fazzolari, who will commence with us on the 8th September 2014. Nick has an extensive background in business management, trade, retail and supply chain management, having worked variously in senior roles with Dahlsens which is a large independent mainland trade and hardware chain and K Mart being part of the Wesfarmers network.

As I have indicated previously, and this is referred to in the Annual Report which you have recently received, we are in a period where the landscape of our industry is changing and your Directors are confident that Nick will fulfil the role not only from an operational perspective but also in working with the Board to develop our strategy.

I would like to pay tribute to, and thank our Chief Operating Officer, Craig Cashion, who stepped into the role of General Manager in the intervening period and who has performed that task with expertise enthusiasm and endeavour.

We are in a period where there are significant challenges, both in terms of general economic conditions and the competitive industry environment in which we operate, and with the appointment of a CEO and the management team that we have in place, we will meet those challenges.

Yours sincerely

Kemp & Denning Limited

Ray Brown

Chairman

28 August 2014

