



Dear Shareholder

On behalf of the Board, I wish to let you know that our Managing Director (MD), Peter Geard will be leaving K&D on the 21st February 2014, having accepted the offer of a position to further his career. This is an opportunity that Peter has been considering and discussing with me for some time and he leaves us with our thanks and best wishes.

Peter started at K&D in 1994, being appointed Manager, Warehouse Stores in 2002 and MD in 2005 and over the last 9 years has dedicated himself to and seen K&D through a number of complex and difficult transactions. These include our expansion to Cambridge, Kingston and Devonport, the integration and rationalisation of the Brewster business and the closure of the Brick Company.

The Board has appointed Craig Cashion as General Manager. Craig has been with us since 2005, taking over from Peter as Manager, Warehouse Stores and in 2011 was promoted to Chief Operations Officer (COO), being responsible for all operational matters.

As General Manager, Craig will be responsible for all the activities and performance of the Company, reporting directly to the Board. It is obviously important that Craig's focus is on operational activities and our financial performance to drive our business as usual, and in that regard the Board has, in place, structures and people. Firstly to oversee the current process of any opportunities that may arise from other parties looking at us, and secondly to drive the sale process of the Brickworks at Giblin Street.

I need to reiterate that it is critical that we need to focus on and drive the business and Craig as General Manager will be responsible for that.

The contribution that Peter has made to the Company over 20 years, and in particular the last 9 years as MD is, by any measure, significant and I know that I can on your behalf and on behalf of the Board wish him all the very best for the future and thank him for his significant contribution.

Yours sincerely

Kemp & Denning Limited

Ray Brown
Chairman

11 February 2014