

8 July 2019

NZPM Group Ltd – Rebate Dividend 2019

Dear Ordinary Shareholder,

NZPM Group Limited (NZPM) is pleased to announce the ordinary shareholder rebate dividend for the year ending 31 March 2019 has been set at 5.0% of Grade-A Cash. The rebate dividend will be paid in late September 2019.

The rebate dividend payment of \$4.7 million represents an 18% increase over the prior year dividend payment, albeit this is spread over a larger pool of Grade-A Cash.

The level of rebate dividend was based on another year of growth in NZPM's earnings. Excluding the gains and losses on the disposal of associate companies, profit before net financing costs, dividends and taxation has increased by 9% to \$10.6 million. The improvement in NZPM's underlying earnings continues to come from a range of factors including our focus on customer service, our reinvestment in the business, the dedication of our people, and the support of our customers and shareholder members.

The dividend payment to individual shareholders has again been set at minimum of \$300 per ordinary shareholder to recognise the support from shareholders who have invested capital of \$10,000 but whose purchases do not generate a minimum rebate of \$300. This base payment ensures that all ordinary shareholders earn a rebate dividend of at least 3% on their capital invested, while continuing to reward shareholders based on their level of trading with Plumbing World.

Rebate dividends are an important part of NZPM's value proposition along with service, stock levels, everyday competitive pricing, quarterly Go for Gold exclusive product rebates, the overseas trip program, dividends on other classes of shares and NZPM Extra benefits.

The directors wish to thank all shareholders for their continued support of NZPM and we look forward to meeting with as many of you as possible at our NZPM/Plumbing World roadshows, and at the 55th Annual Meeting on Friday 16 August in Wellington.

A handwritten signature in blue ink, appearing to read "John DeBernardo".

John DeBernardo
Chairman