



NZX/ASX/Media release

23 February 2011

**NEW ZEALAND SECURITIES COMMISSION & NUPLEX INDUSTRIES LIMITED
MEDIA RELEASE**

***(The New Zealand Securities Commission and Nuplex Industries Limited have agreed
to make the following media release)***

In April 2010, the Securities Commission commenced civil proceedings against Nuplex Industries Limited and six of its present or past directors, John Hirst, Robert Aitken, Barbara Gibson, David Jackson, Bryan Kensington and Michael Wynter. The Commission alleged in those civil proceedings that Nuplex should have announced to the market a forecast and (subsequent) confirmed breach by Nuplex of the Senior Debt Cover Ratio covenant in its banking facility agreement as at 31 December 2008. The Commission alleged that this was Material Information and therefore that the failure to announce it to the market was a breach of the continuous disclosure rules in the NZSX Listing Rules and thereby a breach of section 19B of the Securities Markets Act 1988. The Commission also alleged that the defendant-directors were a party to that breach by Nuplex.

The parties have reached a full and final settlement of the matters raised in the Commission's proceedings.

As part of that settlement, Nuplex will make available a sum of NZ\$3,054,980.57 as compensation for all shareholders who purchased and retained shares in Nuplex over the period from 22 December 2008 to 18 February 2009. Nuplex will shortly write to all shareholders who purchased and retained shares over that period setting out the terms of the offer of compensation. This offer is to be made on equal terms to all Nuplex shareholders who purchased and retained shares over that period whether they purchased those shares by trades conducted on NZX or ASX.

Nuplex acknowledges that, once it was apparent to the company that the SDCR covenant would be breached as at 31 December 2008, this was Material Information which should have been disclosed to the market and that Nuplex was therefore in breach of the continuous disclosure rules in NZSX Listing Rules 10.1.1(a) and 10.1.1(c) and thereby in breach of s 19B of the Securities Markets Act 1988.

Nuplex has also agreed to pay NZ\$148,127.53 as a contribution to the Commission's investigation and court costs.

The Commission's court proceedings against Nuplex and the directors will now be discontinued.

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