



GWA
Group Limited

ABN 15 055 964 380
t 61 7 3109 6000
f 61 7 3852 2201
www.gwagroup.com.au

Level 2, HQ (South Tower)
520 Wickham Street
Fortitude Valley
QLD 4006

GPO Box 1411
Brisbane QLD 4001

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ASX On-Line
Manager Company Announcements
Australian Securities Exchange

Dear Sir

GWA Group Limited Employee Share Plan

Since 1993, GWA has operated an Employee Share Plan ("Plan") as a long term incentive for employees. There are currently 2.6 million shares held by employees under the Plan with outstanding loans from the Company of \$5.5 million.

The Managing Director, Mr Peter Crowley and the Executive Director, Mr Richard Thornton, hold 572,500 and 100,000 shares respectively under the Plan with outstanding loans from the Company of \$714,995 and \$212,995 respectively.

The total shares outstanding under the Plan represent less than 1% of GWA's outstanding shares on issue.

As outlined in the 2012 Remuneration Report, the Board excluding Messrs Crowley and Thornton decided to discontinue the use of the Plan as it has failed to achieve its objectives as a long term incentive for employees. As part of that it is proposed to wind down the Plan during March/April 2013 with all employees being given the option to sell their shares on-market and repay the loans provided by the Company.

It is not expected that there will be any material earnings impact from this process in the 2012/13 financial year or thereafter. If an employee chooses not to sell their shares, then they will continue to be subject to the Plan rules.

GWA will continue to operate its Long Term Incentive Plan ("LTIP") for executives which was approved by shareholders in 2008. Mr Crowley and Mr Thornton participate in the LTIP and currently hold 330,000 and 32,500 shares respectively under the LTIP and hold Performance Rights of 905,000 and 140,000 respectively which may vest in future periods subject to the achievement of performance hurdles.

For further information call:

Tim Allerton
City PR
02 9267 4511