

DISCLOSURE OF CHANGE IN NATURE OF RELEVANT INTEREST

Sections 23 and 24, Securities Markets Act 1988

Relevant event being disclosed: change in nature of relevant interest

Date of event being disclosed: 9 May 2012

To: NZX Limited

And: Mercer Group Limited ("**MGL**")

Date this disclosure made: 9 May 2012

Date last disclosure made: 9 May 2012

Substantial security holder(s) giving disclosure

Name(s): Rodger David Shepherd ("**Rodger**").

Contact details: Rodger Shepherd, 09 837 7540 rshepherd@merciers.co.nz

Summary of substantial holding to which disclosure relates

Class of listed voting securities: ordinary shares in MGL

Summary for: Rodger

For this disclosure,—

- (a) total number held in class: 18,181,818
- (b) total in class: 237,322,491
- (c) total percentage held in class: 7.66%

For last disclosure, —

- (a) total number held in class: up to a maximum of 51,566,204 ordinary shares in MGL (assuming Rodger exercises all of the Options and no further shares in MGL are issued)
- (b) total in class: (currently) 219,140,673 but up to 270,706,877 (assuming Rodger exercises all of the Options and no further shares in MGL are issued)
- (c) total percentage held in class: up to 19.05%

all relating to a beneficial interest in securities in MGL.

Details of transactions and events giving rise to relevant event

The shareholders of MGL voted, at a special meeting on 9 May 2012, to amend the terms of the "Series A Options" granted to Rodger, by amending the exercise date from 2 February 2013, to any date on or before 2 February 2013.

Rodger exercised the Series A Options on 9 May 2012, thereby changing the nature of his relevant interest from a beneficial interest in options to subscribe for up to 18,181,818 ordinary shares in MGL, to a legal (and beneficial) interest in 18,181,818 ordinary shares in MGL.

Details of relevant interests in substantial holding after relevant event

Details for Rodger

Nature of relevant interest: legal/registered holder and beneficial owner

For that relevant interest:

- (a) total number held in class: 18,181,818
- (b) total percentage held in class: 7.66%
- (c) current registered holder: new issue
- (d) registered holder of securities once transfers registered: Rodger

Additional information

Nature of connection between substantial security holders: N/A

Address(es) of substantial security holder:

Rodger Shepherd
168 Potts Road, Whitford, Auckland, New Zealand
Christchurch
New Zealand

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Act in relation to the securities to which this disclosure relates: none

Declaration

I, Rodger David Shepherd, declare that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

