

6 May 2003

Dear Shareholder

Re: Amendment to dividend Reinvestment Plan (DRP)

The Company adopted a dividend reinvestment plan in 1999, which has operated successfully since that time. One of the features of the plan is that where there is a fractional entitlement to a share (ie where the amount of dividend to be reinvested does not exactly match the total discounted market price of the applicable number of shares), that entitlement is rounded up to the nearest whole number. This is a common feature of dividend reinvestment plans.

It has come to the attention of the company that some shareholders have been arranging for the registration of a multitude of very small parcels of shares to take advantage of the rounding up feature over and over again. This practice has become more economical for them since the abolition of stamp duty on transfers of shares in ASX listed companies.

The DRP was not established to be manipulated in this way and is to the detriment of the wider body of shareholders as it dilutes their equity interests (albeit marginally) and adds to the Company's administrative costs.

The Company has therefore restricted participation in the DRP to those shareholders who hold not less than a "marketable parcel" of shares for ASX purposes. This is currently \$500 worth of shares based on the most recent available ASX closing price. The Directors consider this is not an unusual restriction.

This amendment to the plan has been effected by adding the following proviso at the end of clause 3.2 of the DRP.

"... provided that, in either case, the election to participate is in respect of not less than what is regarded by ASX as a "marketable parcel" of Shares at the time the Election Form is given to the Company."

Clause 3.2 now reads:

3.2 Extent of Participation

A Shareholder may participate in the DRP in respect of either:

- (a) all Shares entered in the Register in the Shareholder's name ("Full Participation"); or
- (b) a specific number of the Shares entered in the Register in the Shareholder's name ("Partial Participation").

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Provided that, in either case, the election to participate is in respect of not less than what is regarded by ASX as a "marketable parcel" of Shares at the time the Election Form is given to the Company.

Directors also advise that the definition of "Market Price" in clause 1.1 of the DRP has been amended by substituting a period of 5 (rather than 20) trading days immediately preceding and inclusive of the relevant Record Date. The change to 5 days is more in accordance with current market practice.

Yours faithfully

A.P. Eagers Limited

A handwritten signature in black ink, appearing to read "Dennis W Hull", written over a horizontal line.

Dennis W Hull

Company Secretary