

MARKET UPDATE – INVESTMENT RESEARCH GROUP (IRG)

IRG regularly receives enquiries from shareholders, and IRG always seek to keep the market fully informed. The policy of IRG is to communicate with shareholders openly on all appropriate matters. Some of items recently raised are:

1. **Shareholder numbers**

The number of shareholders has risen significantly from approximately 475 to approximately 1330. This was due to one shareholder distributing its parcel to its unit holders. The institution I Cap Nominees had previously held 6,135,714 shares in IRG and transferred these progressively during December 2008 and January 2009. These shares are now held in individual names as well as approximately 400 being held through a custodial platform.

“The benefit for IRG is that we now have a larger shareholder base said Brent King, Managing Director, “however some of the holdings are very small and investors have chosen to immediately sell. Approximately 150 shareholders of small holdings have chosen to sell. We understand that some share parcels have been so small that the parties have bundled them together to reduce brokerage. “Unfortunately the sell at any price has impacted the market“said Mr King. We hope that the weak sellers will be cleared shortly and the register will stabilise at approximately 1100 (including shares held on custodial platforms).

2. **Sale of Freeze Driers**

We announced on 4 September 2008 that the Freeze driers that were owned by IRG and leased were under a sale and purchase agreement with a settlement date of 31-3-09. We confirm that settlement occurred on that date as expected and that the proceeds were used to reduce debt.

3. **Other sales or acquisitions**

We continue to review all businesses to assess their value to IRG ‘said Mr King. I will not rule out any sale or acquisition in the future. We purchased 5 companies last year and sold 3. We will make decisions when there is advantage to shareholders.

The markets are highly volatile and there are some very interesting situations developing. Any company must be ready to move as opportunities present themselves.

4. **General**

We believe that the financial markets will be difficult for some time. The last 12 months has been dramatic for most businesses. It is unlikely that this will improve significantly.

We are looking at ways we can deliver significant value to our shareholders in these turbulent times. We expect to announce the financial years result in the week ending on the 12th of June 2009.

For Further Info
Please contact

Brent King
Managing Director
021-632-660
brent.king@irg.co.nz

7 May 2009