

Announcement to market

11 September 2008

CYTPA Dividend Rate

Cynotech Holdings advises shareholders of Convertible Preference Shares (CYTPA) of the impact on the CYTPA share dividend rate as a consequence of the OCR (Official Cash Rate) announcement today.

For the current quarter ending 30 November 2008 the dividend on Convertible Preference Shares will be unchanged at 12% as per our announcement to the market on 25th July, 2008.

In accordance with the Prospectus dated 21 November 2007, the next dividend reset date is 1 December 2008. Subsequent dividend rates are set on the reset date at the equivalent of 50% over the Reserve Bank of New Zealand's Official Cash Rate (OCR). This means that the Dividend rate from December 1st would currently be 11.25%, unless there is a further amendment to the OCR due to be announced on October 23rd, 2008.

Therefore, from 1st September to 30th November the dividend rate is 12%. From 1st December 2008 to 28th February 2009 the dividend rate will be 11.25%, unless there is a further OCR rate change announcement on October 23rd 2008.

-Ends-

Brett Tawse
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