

Bapcor Limited
(ASX: BAP)

ASX/Media Release

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Bapcor Limited to increase price for takeover offer for 100% of the fully paid shares in Hellaby Holdings Limited, further major shareholders commit to accept the offer and offer period to be extended

Highlights

-) Bapcor Limited (“Bapcor”), (formerly Burson Group Limited), today announced it will increase the offer price of its cash takeover offer (the “Offer”) for 100% of the fully paid shares in Hellaby Holdings Limited (“Hellaby”) to NZ\$3.60 per share.**
-) Bapcor has entered into irrevocable agreements to accept the Offer with shareholders representing approximately 40% of the total issued capital of Hellaby.**
-) Bapcor will not be increasing its Offer price further. Hellaby shareholders will have until an extended date of 18 January 2017 to accept the Offer.**
-) The revised Offer represents 29% premium to the volume weighted average price of Hellaby shares over the 3 months prior to announcement of Bapcor’s Offer and is at the bottom of the Hellaby’s Independent Adviser’s valuation range.**
-) The Offer to Hellaby shareholders remains subject to the conditions as specified in Bapcor’s Offer.**
-) The transaction will be fully funded by a combination of current cash holdings (including A\$181.3 million proceeds raised from its Institutional Placement and Share Placement Plan) and a new acquisition facility with the Australia and New Zealand Banking Group (“ANZ”).**
-) The revised Offer is expected to be EPS accretive to Bapcor shareholders. Bapcor intends to provide further guidance to shareholders subject to the success of the Offer.**

Revised Offer Price

On 27 September 2016, Bapcor announced an Offer for 100% of the fully paid shares in Hellaby at NZ\$3.30 per share. Bapcor has received acceptances under its Offer representing approximately 30% of Hellaby's fully paid shares.¹

Given the highly complementary fit of Hellaby's automotive division to Bapcor and its position in the New Zealand automotive parts market, Bapcor has carefully considered its options in respect of its Offer. Following this and feedback from Hellaby's institutional shareholders, Bapcor has decided that it will increase the Offer price to NZ\$3.60 per share in cash.

Bapcor's increased Offer price represents a 29% premium to the volume weighted average price of Hellaby shares over the 3 months prior to announcement of Bapcor's Offer and is at the bottom of the Hellaby's Independent Adviser's valuation range of NZ\$3.60-\$4.12 per share.

Bapcor will not be increasing its Offer price further.

Agreements to Accept the Offer

Bapcor has secured the support of Hellaby's largest shareholders for its revised Offer through irrevocable agreements and acceptances representing approximately 40% of the total issued capital of Hellaby. Bapcor held irrevocable agreements with shareholders representing approximately 30% of Hellaby's total issued capital for its Offer when announced on 27 September 2016. It has now secured further irrevocable agreements representing approximately 10% of Hellaby's total issued capital for its revised Offer from major institutional shareholders of Hellaby. Hellaby's three largest shareholders, Castle Investments, Accident Compensation Corporation and Salt Funds Management, have now entered irrevocable agreements with Bapcor for their entire shareholdings in Hellaby.

Extension of the Offer Period

Bapcor will extend the closing date for the Offer from 20 December 2016 to 18 January 2017. Letters will be sent to Hellaby shareholders later today varying the Offer price and Offer period. All of the other terms and conditions of the Offer remain unchanged.

Funding

The transaction will be fully funded through a combination of current cash holdings and debt facilities including a new acquisition facility provided by ANZ. A\$181.3 million was raised via Bapcor's Institutional Placement and Share Placement Plan.

¹ The number of acceptances received by Bapcor as at 5.00pm (NZT) on Friday, 2 December 2016.

Conclusion

Hellaby represents a highly complementary fit to Bapcor's existing trade focused distribution business and is Bapcor's preferred method to enter the New Zealand automotive parts market. Bapcor maintains a disciplined approach to the potential acquisition of Hellaby and this revised Offer. The revised Offer is expected to be EPS accretive to Bapcor shareholders.

Contact Information

For further information, contact:

Darryl Abotomey
Managing Director and CEO

+61 419 838 059

+61 3 9914 5547

Gregory Fox
Chief Financial Officer and Company Secretary

+61 417 562 891

+61 3 9914 5547