

Bapcor Limited

(ASX: BAP)

New Zealand Media Release

Hellaby continues to be unrealistic on valuation says Bapcor

6 December 2016: Bapcor CEO Darryl Abotomey says the Hellaby Board's suggestion that an 18 cent dividend be paid in addition to Bapcor's revised \$3.60 cash offer price is a continuation of Hellaby's unrealistic views on the company's valuation.

"Unfortunately, Hellaby independent directors' unrealistic views on what Hellaby shares are worth continues to mean that they overreach in their guidance to shareholders. Their request for additional consideration via an 18 cent per share dividend is another example of that. This follows their earlier endorsement of the Independent Adviser's valuation range for Hellaby shares that, in our view, improperly excluded corporate head office costs and resulted in an overstated valuation range."

Mr Abotomey says Bapcor gave Hellaby an option which included a dividend but this was rebuffed.

"As part of our discussions with the Hellaby Chairman last week, we made it very clear that our views on value meant that the maximum consideration to shareholders was \$3.60. We gave them the option that this could be delivered either by an offer price of \$3.42 in cash per share payable by Bapcor, plus an 18 cent per share dividend; or \$3.60 in cash per share payable by Bapcor.

"They did not take the opportunity to agree to a dividend, which would have allowed shareholders to benefit from imputation credits, and that left us with no choice but to put our best foot forward with our offer price of \$3.60 in cash per share. Bapcor will not be increasing its offer price further."

Mr Abotomey also notes that Hellaby's net debt remained unchanged between June and September at approximately \$83.5 million, despite the contribution from underlying trading and the cash proceeds from the sale of the Equipment business.

"They have already spent the proceeds. Any dividend paid by Hellaby would effectively be funded by Bapcor, if the takeover is successful, as Bapcor would take on Hellaby's net debt."

Bapcor's revised \$3.60 cash offer price is within the range recommended by Grant Samuel in the Independent Adviser Report, and is near the top end of the

valuation range if Grant Samuel's range is adjusted to take account of Hellaby's ongoing corporate head office costs.

40 per cent of shareholders, including Accident Compensation Corporation and most of Hellaby's major shareholders, have already agreed to accept Bapcor's offer.

"\$3.60 in cash is our final offer. We now believe the remaining shareholders will also see that this represents the best value for their shares," Mr Abotomey says.

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About Bapcor

Bapcor (ASX: BAP) is Australia's leading automotive aftermarket parts, accessories and services business with 750 sites across Australia and a market capitalisation as at 6 October of \$1.67 billion. Led by Burson Auto Parts, the jewel in the company's crown, the company employs almost 2,600 people across Australia. Bapcor has three key business segments: Specialist Wholesale; Trade; and Retail, which includes multi-million dollar brands such as Autobarn, Opposite Lock and Midas. Its trade segment supplies over 500,000 units each year to a large distribution network of 30,000 customers. With forecasts showing continued growth in population and the number of vehicles on our roads, Bapcor's goal is to become the leading provider of aftermarket parts, accessories and services in Australasia. For more information please visit: <http://www.bapcor.com.au>

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