

Hellaby Holdings Limited NZX / Media Release – 16 January 2017

Hellaby Recommends Shareholders Accept Bapcor Offer

Bapcor Finance Pty Limited has now declared its offer unconditional, having received acceptances for more than 50% of the shares on issue in Hellaby Holdings Limited (NZX: HBY). As a consequence Hellaby's Independent Directors now recommend that shareholders accept the Bapcor takeover offer.

Chairman of Hellaby, Steve Smith, said: "The Hellaby Board's primary focus during the takeover has been to optimise value for our shareholders and we were pleased that Bapcor increased their initial offer by \$0.30 cents per share, delivering an additional \$29.3 million in shareholder value. While the Independent Directors remain of the view that the \$3.60 offer price potentially undervalues Hellaby, the achievement of control of a majority shareholding in Hellaby by Bapcor adds significant risk to any future delivery of additional value to current shareholders.

"Given that change of circumstances, the Independent Directors are recommending that shareholders accept the offer."

The reason for the change in the Independent Directors' recommendation is as follows:

- Bapcor will have a majority shareholding in Hellaby. Shareholders who retain their Hellaby shares will be in a minority position with little influence, in a company with a majority shareholder, which has a different strategy to that set by Hellaby's current Board.
- Bapcor has also advised that it plans to appoint a majority of its nominees to the Hellaby Board. The new Hellaby Board will then be able to re-set strategy, including the potential divestment of existing businesses and change Hellaby's capital management, including dividend and borrowing policies.
- Shareholders who retain their Hellaby shares are more than likely to see a reduction in liquidity and in Hellaby's share price following the close of the offer. There may not be another opportunity for these shareholders to realise an amount equal to or above the current offer price for their shares, even if Bapcor were to launch a second offer.

Bapcor has extended the offer close date to 7 February 2017.

The Independent Directors advise that Hellaby shareholders should act promptly to ensure acceptances are received before the end of the offer period. Hellaby shareholders who have already accepted the offer, or decide not to accept the offer, do not need to take any further action.

Shareholders are encouraged to seek professional investment and/or legal advice if they have any questions in respect of the offer.

ENDS

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