

Hellaby Takeover Goes Unconditional – What Now?

As we suggested was likely in our earlier email, Bapcor have now succeeded in obtaining more than 50% of Hellaby and have waived the condition that they achieve 90%. This morning they advised NZX that they are satisfied that all other conditions will be met, and consequently their offer is now unconditional.

Whether or not they get to 90%, Bapcor now hold enough shares to control Hellaby. This means that if you do not accept the takeover offer (and Bapcor do not get to the 90% threshold where they can compulsorily acquire your shares), you may be left as a minority shareholder. In our earlier email we pointed out that this has several potential downsides.

- The share price may fall.
- Share trading liquidity will be reduced.
- Existing imputation credits will be lost.
- Hellaby's business focus will narrow as Bapcor sells some parts of Hellaby.
- Bapcor may sell parts of Hellaby at less than book value, reducing the asset base.
- Bapcor may change the dividend policy. There could be a smaller or even no dividend.
- Bapcor may launch another takeover to mop up remaining shares, but this may be at a different price, possibly lower than \$3.60 which included a margin for control.

Investors must make up their own minds whether they would be comfortable to be in a minority position given the very changed circumstances and Bapcor's stated intentions to completely alter the Hellaby strategy. NZSA board members who hold Hellaby shares intend to accept the Bapcor offer. We expect that the Hellaby board will recommend that remaining shareholders also do so.

Bapcor has extended the final date for accepting the offer to 7 February. It is possible that this could be further extended but shareholders should not rely on that happening. With the offer going unconditional, you will be paid \$3.60 for each of your shares within 7 days of receipt of the acceptance form. If you have already accepted, you will be paid within 7 days.

How do I accept?

You must fill in the form sent to you by Bapcor and post it to Computershare in the envelope supplied. Alternatively, you can fill in the form; scan it and emailing it to Computershare. Note that there is NO provision to accept via a website, unlike voting/proxy appointments..

If you have any queries about the process or have lost your acceptance form, you should call Computershare immediately. Their phone is **0800 524 531** (+649 415 4826 from outside NZ)

The Team at NZSA