

## Hellaby Holdings Limited NZX / Media Release 10 October 2016

### Hellaby Annual Meeting Summary and Voting Results

The Bapcor takeover offer was top of mind for shareholders at today's Hellaby Holdings Limited annual shareholders' meeting, with chairman Steve Smith reiterating the directors' view that the Bapcor offer was opportunistic and did not represent fair value for Hellaby.

Steve Smith said: "Hellaby has a new strategy, with a clearly defined focus on two core business groups that operate in multi-billion dollar markets and are led by experienced and talented teams – Automotive and Resource Services. The opportunities ahead of us are significant and we are excited about what the future holds as we build our presence in these two very large markets.

"Shareholders are recommended to do nothing with their Hellaby shares until they receive the Target Company Statement from Hellaby, which will include the board's formal recommendation and the Independent Advisers Report."

Managing director, Alan Clarke, spoke more on the company's new strategy and future potential.

"Hellaby is in great shape and we have a clear plan with a clear understanding of who we are and what we do. Our Automotive and Resource Services groups present significant investment and value creation opportunity to Hellaby's shareholders.

"Growth of EBIT and EPS is a core objective and a key focus for the management team. We are well resourced and well positioned to achieve \$1 billion in revenues with a 10% EBIT in 5 years' time."

In regards to the Bapcor offer, he commented: "We have an attractive future and an opportunity to build something quite special going ahead.

"In fact, our suitor's own ASX success with a market capitalisation that is over four times that of Hellaby is exactly what we could achieve, and that is exactly our opportunity, and that is exactly why they want to buy us.

"Bapcor have commented on the synergies that could be gained between the two companies. What they neglect to say is that synergy benefit would be for their shareholders only to enjoy. Under the bid, Hellaby's shareholders would not benefit from any synergies and, at the price indicated, would exit for cash at a value that is way less than the value that the bidder's own shareholders enjoy."

#### **FY2017 Group Priorities:**

At the meeting, management outlined the priorities for each of Hellaby's business Groups for 2017:

- Automotive: Increase growth momentum, particularly in the Australian auto-electrical sector; drive benefits from scale and intercompany activity; and strengthen the Group's IT infrastructure.
- Resource Services: Focus on growing organic revenue and more consistent earning streams; expand the service offering; continue to identify value-adding acquisition opportunities; and focus on cost efficiencies.
- Footwear: Focus on improving performance and positioning the Group for a sale process in 24 to 36 months' time; restructure plan currently being implemented and expected to result in abnormal costs of about \$6 million in FY2017, which will be more than offset by the gain on the \$81 million sale of the Equipment Group of around \$30 million.

## Voting Results

All resolutions were approved at the meeting on show of hands:

- The re-election of James Sclater as a director
- Authorisation for the directors to fix the auditor's remuneration

## Proxy and postal voting details:

	For	Against	Discretionary	Abstain
Re-election of James Sclater	46,215,003	112,137	2,706,452	950
Authorisation to fix the auditor's remuneration	46,295,800	16,360	2,697,008	25,374

ENDS

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### Hellaby at a glance

Hellaby Holdings (NZX: HBY) is a long term committed business owner with a focus on businesses that provide innovative solutions in specialised industrial services sectors.

Our goal is to be a leading Australasian investment opportunity, based on the value we add to our portfolio, the returns we deliver to our shareholders and the calibre of our people.

Hellaby's core purpose is to generate long-term shareholder value by building better businesses. We achieve this through a combination of performance improvement and organic growth in the businesses we own, as well as smart acquisitions and divestments.

We have identified the Automotive and Resource Services sectors as our core focus, and also operate businesses in the Footwear market, which we have identified as non-core. Our 3,000 people span New Zealand, Australia, the Middle East and the Americas.

We have a decentralised business model, with Hellaby's head office providing strategic oversight and support for each business' talented and experienced business and technical teams.

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