

Hellaby Holdings Limited

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HELLABY TO ACQUIRE TBS GROUP FOR \$45M AND ANNOUNCES NEW CEO FOR RESOURCE SERVICES GROUP

Hellaby Holdings (NZX: HBY) has today announced that a conditional agreement has been reached to acquire TBS Group Limited, a specialist industrial asset maintenance provider, for an initial payment of \$45 million (subject to net asset adjustment), plus an earn out payment of up to \$6 million dependent on achievement of twelve month earnings targets.

The initial consideration comprises NZ\$40.5 million in cash and \$4.5 million in Hellaby ordinary shares. Any earn out payment will be satisfied in a mix of cash and through the issue of new Hellaby shares.

The business is currently generating annualised revenues of approximately \$85 million and is expected to add about \$8 million in annualised EBIT to the Resource Services Group in FY17. Settlement is scheduled to occur on 1 July 2016.

TBS Group has a 45-year history of providing key maintenance services to a wide range of New Zealand clients in the oil and gas, agricultural, construction and power generator markets.

It is an attractive extension of the Resource Services Group and complements Contract Resources' international focus in the highly specialised and technical industrial services including catalyst handling, mechanical services and specialised cleaning for major heavy industrial customers in four key regions around the world.

CEO of Hellaby Holdings, Alan Clarke, commented: "Hellaby's Contract Resources business is the cornerstone of our Resource Services Group, with other acquisitions such as TBS Group expanding the service offer. We see TBS Group complementing our existing Contract Resources business and enhancing our combined service offering, both in New Zealand and ultimately, internationally. This expanded service offering will assist in dampening the earnings volatility the Resource Services Group has experienced in recent times.

"TBS has a long history of successful joint ventures and informal partnerships with a variety of different organisations across New Zealand. They hold preferred contractor status for a number of key clients, based on the high quality workmanship delivered by their experienced and specialised workforce. There are no plans to change either their leadership or operations and we are delighted to be welcoming TBS to the Hellaby Group."

Ivor Ferguson Appointed as New CEO for Resource Services Group

Highly respected energy and resources executive, Ivor Ferguson, has been appointed as CEO for the Resource Services Group and will commence his role on 1 July 2016.

Ivor has over 30 years' experience in the international oil and gas energy sector and has worked or consulted for many of the world's largest oil and gas companies, including Shell, Woodside Energy and Global Energy Group. He has senior leadership experience in blue chip companies as well as in more entrepreneurial environments. His most recent role was CEO of Clough Amec, an Australian joint venture between two multi-billion dollar global companies to deliver services to the oil and gas industry.

Ivor said: "I am delighted to be joining such a well established and successful company. Due to the early vision, leadership and very hard work of the founders, Contract Resources has grown over 27 years into an excellent services company with an impressive portfolio of loyal and valued clients.

"Now under the corporate stewardship of Alan and the Hellaby Board, Contract Resources is destined to enter a promising new phase in its life. The opportunity to develop and deliver on the huge potential for this highly regarded business in its next stage of growth represents an exciting challenge for me, and one where I see lots of upside, locally and internationally", said Ivor.

Alan Clarke said: "Ivor has a depth of industry experience and a track record in leadership, cost efficiency, organisational growth, project delivery, change management and delivering profitability in difficult environments. He is ideally suited to grow value for our shareholders and lead our Resource Services Group into an exciting future, as we look to build on our existing high quality portfolio of project work, as well as develop new and more stable revenue streams."

ENDS

For more information on TBS Group, please visit the company website www.tbsgroup.co.nz

Hellaby at a glance

Hellaby Holdings (NZX:HBV) is a long term committed business owner with a focus on businesses that provide innovative essential solutions and services to our clients who operate in specialist markets.

Our goal is to be viewed as an attractive listed company, that is well understood and that operates in markets where we can add value through focused long term ownership of leading and respected business groups.

Hellaby's core purpose is to generate long-term shareholder value by owning and growing businesses in attractive and understood markets. We will achieve this through a combination of performance improvement and organic growth in our core business groups as well as through smart focused acquisitions.

Our investment portfolio employs 3,000 people across New Zealand, Australia, Middle East and North America.

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

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