

Hellaby Holdings Limited

NZX / Media Release 11 May 2016

Hellaby Holdings Announces Long Term Strategic Direction

- New positioning as a committed long term owner of core businesses that provide innovative solutions in selected specialised industrial services sectors
- Corporate restructure and move towards decentralised business model; smaller corporate team
- Resignation of Neil MacCulloch, Chief Operating Officer and Greg Batkin, Chief Investment Officer; neither position will be replaced
- Variable market and economic conditions continuing across Hellaby's major Resource Services markets; continuing volatility in oil and gas sector impacting on trading conditions; update to be provided end-May 2016
- A\$13 million acquisition of Premier Auto Trade in Australia, adding A\$2.6 million EBIT in FY17 and building on the successful acquisition of JAS Oceania that was made in 2015

New Strategic Direction

Hellaby Holdings (NZX: HBY) has today announced its new strategic direction as it moves to become a long term committed business owner with a focus on businesses that provide innovative solutions in specialised industrial service sectors.

The company will invest in core business groups that are or can be industry leaders; which operate in large scalable markets; and which offer considerable scope for long term acquisition and organic growth.

Hellaby currently has established businesses in four business groups – Automotive, Resource Services, Equipment and Footwear. Footwear is considered non-core and will be divested at an appropriate time.

Holding and building businesses that are respected and create shareholder value is a key priority for Hellaby as a focused long term and committed business owner.

Hellaby Strategic Direction 2016

A long term owner of core businesses that provide innovative solutions in selected specialised industrial services sectors.

Focused on delivering:

- Consistent performance improvement
- Attractive long term organic and acquisition growth prospects in large scalable markets
- Capital efficiency
- Superior medium-to-long term shareholder returns
- Superior governance and management

The new strategic direction was announced today by Managing Director and CEO, Alan Clarke, following an in-depth six month review after he joined the company in November 2015.

Alan said: "I was delighted to find that Hellaby has some fantastic scalable business groups where there are significant opportunities for us to add value and deliver attractive medium to long term investment returns to our shareholders.

"There is still near term earnings volatility inherent in some of the businesses and markets in which we operate. Therefore, an important focus going forward will be to complement the more volatile high margin revenue opportunities, with lower margin but steadier and more predictable earning streams.

"Our talented, experienced and highly knowledgeable technical and business teams are our biggest asset. Going forward, they will be empowered to build better businesses, with more responsibility and accountability.

"With the resignations of Neil MacCulloch, chief operating officer and Greg Batkin, chief investment officer, a decision has been made to not replace these positions. This means the individual business groups will take on full responsibility for their own performance outcomes and they will now drive their own market development.

"Hellaby's head office team will provide strategic oversight and support for each group, and a rigorous planning and process framework will guide performance and direction. As a result of the smaller Hellaby corporate team going forward, there will be a significant reduction in Hellaby's corporate overheads on an annualised basis."

Chairman of Hellaby, Mr Steve Smith, commented: "The Board fully supports the new strategic direction and believes it will enhance medium-to-long term shareholder value, as we position ourselves as a more focused owner and builder of scalable industrial and service related businesses.

"With the move towards a more decentralised business model, we expect more interaction between the Board and the individual group management teams, focused on strategy, markets, customers and people.

"Hellaby's balance sheet is strong with a conservative gearing of just under 30%, below our target gearing of 45%. We remain well positioned to fund future growth opportunities, as well as continuing to pay attractive annual dividends to our shareholders."

The Hellaby Group currently has 3,000 staff across New Zealand, Australia, the Middle East and the Americas. In excess of 30% of revenues are now generated offshore with growth opportunities identified in all markets. Hellaby's business group management teams will be taking greater responsibility for their own market development initiatives.

Challenging Trading Conditions Update

Market and economic conditions continue to be variable across all of Hellaby's major Resource Services markets. In particular, the ongoing oil price and production volatility continues to impact on refinery maintenance schedules.

Alan said: "The expected second half contract work has not eventuated at the levels estimated prior to Christmas as a number of our Australian and Middle East customers have again pushed out scheduled maintenance work even further.

"We expect to have an update on trading conditions and to issue guidance ranges for the financial year in three weeks' time, following completion of a detailed review that is currently underway."

Acquisition of Premier Auto Trade in Australia

Hellaby is pleased to advise that it has acquired Premier Auto Trade Pty Limited in Australia, an importer and wholesaler of quality electronic fuel injection, and engine management and service components to the Australian automotive aftermarket.

The acquisition of this A\$22 million revenue business follows the successful 2015 acquisition of JAS Oceania, an Australian wholesale distributor of auto electrical, automotive air conditioning and lighting components.

Colin Daly, CEO of the Automotive Group, said: "Premier Auto Trade is an attractive acquisition with strong sustainable earnings that will expand our product range and footprint and provide additional scale and trading synergies within the Australian Auto Electrical sector."

ENDS

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.

For further information please contact

Alan Clarke

Managing Director & Chief Executive Officer

T +64 9 306 7406

M +64 21 368 818

E alan@hellabyholdings.co.nz

Richard Jolly

Chief Financial Officer

T +64 9 307 6844

M +64 27 497 6710

E richard@hellabyholdings.co.nz

www.hellabyholdings.co.nz