

**Accrued Interest** means all interest on the Face Value of a Capital Note which has accrued and is payable, but remains unpaid, in accordance with the Trust Deed, including any default interest payable pursuant to the Trust Deed;

**Application Form** means the application form contained in or accompanying this Offer Document;

**Borrowing Group** means Hellaby Holdings Limited and each Guaranteeing Subsidiary;

**Business Day** means a day in which the NZX is open for trading;

**Call Option Date** means 16 June 2008;

**Capital Notes** means the unsecured, subordinated fixed interest debt obligations of Hellaby Holdings Limited that are the subject of this Offer Document;

**Cash Redemption Date** means the date on which a Capital Note is, or is to be, redeemed by Hellaby Holdings Limited or purchased and cancelled;

**Closing Date** means 21 June 2006, or the date on which subscriptions are received and accepted for the maximum aggregate Face Value of the Capital Notes (including over-subscriptions, if any), or such other date as Hellaby Holdings Limited determines;

**Co-Lead Manager** means Forsyth Barr Limited;

**Consolidated Group** means, as at the date of this Offer Document, Hellaby Holdings Limited, AB Equipment Limited, AB Rental Limited, BBQ Factory Limited, Brake & Transmission NZ Limited, Diesel Distributors Limited, Elldex Packaging Limited, Eurolift NZ Limited, Hellaby Properties Limited, Levana Textiles Limited, R Hannah & Co Limited, TRS Tyre & Wheel Limited, Diesel Distributors Australia Pty Limited, Bombay Petfoods Limited, Energy Intellect Limited and New Zealand Wool Services International Limited;

**Conversion Date** means the date on which a Capital Note converts, being the date on which Hellaby Holdings Limited issues and allots the relevant Ordinary Shares to the Holder;

**Conversion Rate** means, in relation to a Capital Note and the Conversion Date relating to that Capital Note, the number of Ordinary Shares to be issued on conversion of that Capital Note calculated in accordance with the following formula:

$$OS = CNM \div (OSMV \times CP)$$

Where:

**OS** = the number of Ordinary Shares to be issued on conversion of the Capital Note.

$$CNM = FV + AI$$

Where:

**FV** = the face value of the Capital Note; and

**AI** = the Accrued Interest in respect of the Capital Note on the Conversion Date in respect of that Capital Note;

**OSMV** = the Ordinary Share Market Value determined in respect of that Conversion Date.

$$CP = 95\%$$

**Date of Record** means the time fixed by the Board of Directors for the determination of the holders of Ordinary Shares to whom an entitlement, right or obligation to those Ordinary Shares shall apply;

**Default Interest Rate** means the Interest Rate plus 1.5% per annum;

**Eligible Shareholders** means investors who were registered as New Zealand resident shareholders of Hellaby Holdings Limited on 16 May 2006;

**Extraordinary Resolution** means a resolution passed at a duly convened meeting of the Holders by a majority consisting of not less than 75% of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75% of the votes given at such a poll;

**Face Value** means the face value of each Capital Note, being \$1.00;

**Final Interest Date** means, in relation to a Capital Note, the first to occur of:

- a. the Interest Date immediately preceding the Conversion Date in respect of the Capital Note where that Capital Note converts;
- b. the Cash Redemption Date in respect of that Capital Note; and
- c. the Liquidation Redemption Date;

**Firm Allocations** means the Capital Notes reserved for subscriptions by clients of the Lead Manager, the Organising Participant, the Co-Lead Manager, other Primary Market Participants and invited financial institutions;

**GAAP** means:

- a. in relation to Hellaby Holdings Limited and the Guarantors incorporated in New Zealand, generally accepted accounting practice as such term is defined in section 3 of the Financial Reporting Act 1993; and
- b. in relation to a Guarantor incorporated in another jurisdiction means, generally accepted accounting principles in that jurisdiction, consistently applied;

**Guaranteeing Subsidiary** means, as at the date of this Offer Document, AB Equipment Limited, AB Rental Limited, BBQ Factory Limited, Brake & Transmission NZ Limited, Diesel Distributors Limited, Elldex Packaging Limited, Eurolift NZ Limited, Hellaby Properties Limited, Levana Textiles Limited, TRS Tyre & Wheel Limited and, at any time after the date of this Offer Document, any wholly owned subsidiary of Hellaby Holdings Limited which becomes a guarantor of the obligations of Hellaby Holdings Limited in accordance with the provisions of the Trust Deed unless, in any case, the relevant subsidiary has been released from liability under the Trust Deed in

accordance with the Trust Deed. (For further information regarding the entry and release mechanisms for Guarantors, see the section entitled "Summary of Trust Deed");

**Holder** means, at any particular time, each person whose name is entered in the Capital Notes register as a holder of Capital Notes;

**Interest Dates** means 15 December, 15 March, 15 June and 15 September in each year;

**Interest Period** means the interest period in relation to each Capital Note, being the period from and including one Interest Date to, but excluding, the next Interest Date, provided the first Interest Period will be deemed to be a period from and including the Issue Date to, but excluding 15 September 2006;

**Issue Date** means in relation to a Capital Note, the date on which it is issued in terms of the Trust Deed;

**Lead Manager** means Westpac Institutional Bank, a division of Westpac Banking Corporation (ABN 33 007 457 141);

**Liquidation** means, in relation to a company, either:

- a. the process of liquidation provided for in Part XVI of the Companies Act; or
- b. any analogous procedure under the laws of any jurisdiction following which that company will cease to validly exist, or be duly incorporated, except for the purposes of, and followed by, a reconstruction or an amalgamation (not including or arising out of insolvency) provided that, upon such reconstruction or amalgamation, the successor of such company assumes the obligations of such company under this deed and the terms of the Capital Notes, and that the form of the restructuring or amalgamation has been approved by Extraordinary Resolution; or
- c. it becoming subject to statutory management under the Corporations (Investigation and Management) Act 1989 or any analogous procedure under the laws of any jurisdiction;

**Liquidation Amount** means, in respect of a Capital Note, the Face Value of that Capital Note plus all Accrued Interest in respect of that Capital Note;

**Liquidation Redemption Date** means, in the event of Liquidation of Hellaby Holdings Limited, the date on which the Capital Notes are redeemed by payment of the Liquidation Amount;

**Listing Rules** means the listing rules of the NZX in relation to the NZDX in force from time to time;

**Maturity Date** means 15 June 2011;

**Minimum Number** means Capital Notes having an aggregate Face Value of \$5,000;

**Note Obligations** means all amounts due and payable from time to time by Hellaby Holdings Limited in respect of the Capital Notes;

**NZ FRS** means New Zealand Financial Reporting Standards as modified by the Securities Regulations 1983;

**NZ IFRS** means New Zealand equivalents to International Financial Reporting Standards as modified by the Securities Regulations 1983;

**NZX** means New Zealand Exchange Limited;

**NZX 50 Index** comprises the securities of the top 50 companies listed on the NZSX by free float market capitalisation. The free float is determined by excluding blocks of shares greater than 20% and blocks between 5% and 20%, which are considered strategic;

**NZDX** means the New Zealand Debt Market operated by the NZX;

**NZSX** means the New Zealand Stock Market operated by the NZX;

**Offer** means the offer of Capital Notes under this Offer Document;

**Offer Document** means this combined investment statement and prospectus dated 18 May 2006;

**Opening Date** means 24 May 2006 or such other date as Hellaby Holdings Limited determines;

**Ordinary Shares** means fully paid ordinary voting shares of Hellaby Holdings Limited and includes any shares which result if any Ordinary Shares in Hellaby Holdings Limited are at any time subdivided, consolidated or reclassified after the date of the Trust Deed;

**Ordinary Share Market Value** means, in relation to a Conversion Date:

- a. the volume weighted average of the prices (adjusted to eliminate the effect of any dividend, distribution or other entitlement, share buyback, consolidation, division, reconstruction, bonus issue, rights issue or similar transaction reflected in such price to which the Holder would not be entitled) of an Ordinary Share sold through the order matching or similar system of such exchange during the period of 20 consecutive Business Days immediately preceding the fifth Business Day prior to that Conversion Date, such period to be referred to as the "Market Value Determination Period"; or
- b. if no such sale occurred during the Market Value Determination Period, the market value of an Ordinary Share of Hellaby Holdings Limited as determined by an independent adviser;

**Organising Participant** means Westpac Institutional Bank, a division of Westpac Banking Corporation (ABN 33 007 457 141);

**Primary Market Participant** has the meaning ascribed to it in the NZX Participant rules;

**Priority Pool** means a pool of Capital Notes with an aggregate Face Value of \$5 million, which has been reserved for Eligible Shareholders;

**Priority Pool Closing Date** means 14 June 2006;

**Public Pool** means the Capital Notes (if any) after Firm Allocations that may be available for subscription by members of the public;

**Record Date** means, in relation to a payment due on a Capital Note, the day (or if that day is not a Business Day, the Business Day immediately preceding such day), which is 10 days before the due date for payment;

**Register** means the register of Capital Notes kept by the Registrar;

**Registrar** means Computershare Investor Services Limited, or such other registrar as Hellaby Holdings Limited may appoint from time to time;

**Securities Regulations** means the Securities Regulations 1983;

**Senior Creditor** means, in relation to a person, all creditors of that person in relation to indebtedness, other than:

- (a) in the case of Hellaby Holdings Limited, indebtedness:
  - i. owed to Holders pursuant to the Capital Notes; or

- ii. which is expressed to be subordinate to the obligations of Hellaby Holdings Limited under or in relation to the Capital Notes, or *pari passu* with such obligations; and

(b) in the case of a Guaranteeing Subsidiary, indebtedness:

- i. owed to Holders pursuant to the guarantee in the Trust Deed; or
- ii. which is expressed to be subordinate to the obligations of the Guaranteeing Subsidiary under that guarantee, or *pari passu* with such obligations;

**Supplemental Trust Deed** means the supplemental trust deed dated 17 May 2006 executed by the Borrowing Group and the Trustee specifying the characteristics applicable to the Capital Notes;

**Trust Deed** means the master trust deed dated 17 May 2006 entered into between the Borrowing Group and the Trustee in relation to the Capital Notes and includes, and as modified by, the Supplemental Trust Deed;

**Trustee** means The New Zealand Guardian Trust Company Limited.

#### Statutory Index

For the purposes of regulation 5(6) of the Securities Regulations 1983, the matters required to be stated or contained in this Offer Document pursuant to the Second Schedule of the Securities Regulations 1983, and the page reference within this Offer Document in which each matter appears are:

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