

## Consolidated Group

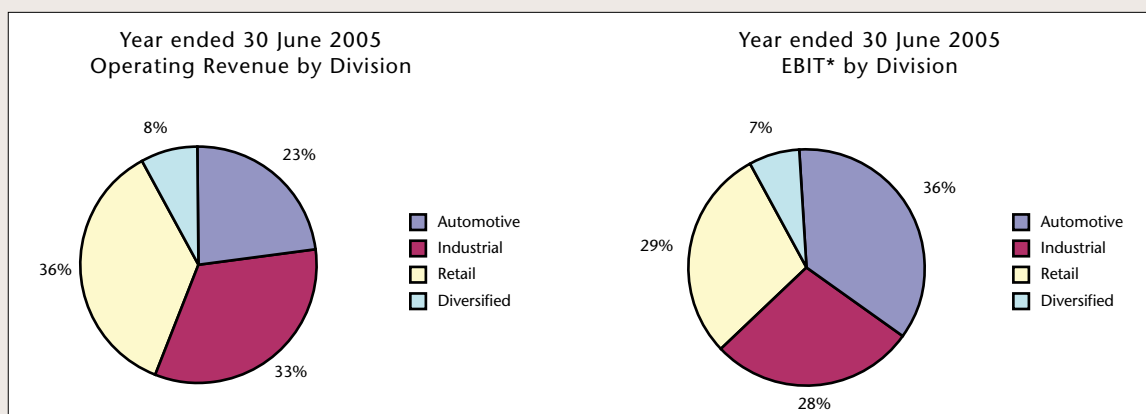
The companies that comprise the Consolidated Group are managed and operated within a divisional structure.



\*As at the date of this Offer Document, these companies do not form part of the Borrowing Group, are not Guaranteeing Subsidiaries and do not guarantee the Note Obligations.

Hellaby Holdings Limited has entered into an agreement to sell its 82.5% interest in Rodd & Gunn, which is conditional upon Hellaby Holdings Limited shareholder approval. Provided shareholder approval is given, it is expected the sale will settle before 30 June 2006.

The breakdown of the Consolidated Group's (i.e. Borrowing Group and Non-Borrowing Group companies) Operating Revenue and Earnings Before Interest and Tax ("EBIT") for the year ended 30 June 2005 by division is shown below.



Source: Hellaby Holdings Limited Management.

## Borrowing Group

The companies that comprise the Borrowing Group are Hellaby Holdings Limited and its Guaranteeing Subsidiaries. For the purposes of, and as at the date of, this Offer Document, the companies comprising the Borrowing Group are 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, and TRS Tyre & Wheel Limited.

As at 30 June 2005, the total assets (including intangible assets) of the Borrowing Group had a book value of \$219 million, with total liabilities of \$132 million (as prepared under NZ FRS).



## AUTOMOTIVE DIVISION

### **Brake and Transmission NZ Limited (“BNT”)**

BNT is an importer, distributor, and wholesaler of replacement parts for the New Zealand automotive and commercial aftermarket. Nationwide distribution is through a network of 44 branches.

BNT has a customer base in excess of 7,000 active customers comprising independent automotive repair workshops, national franchised automotive repair groups including Pitstop and Midas, motor vehicle importers including Ford and Mitsubishi, motor vehicle franchise dealers, commercial fleet operators including Fonterra, and commercial trailer builders including Transfleet, Steel Bros, and Dometts. BNT stocks in excess of 60,000 line items comprising internationally recognised brands.

Autolign is a division of BNT, importing and distributing a specialist range of steering and suspension replacement parts to automotive repairers. National distribution is through 9 branches. In addition, this division franchises an independent chain of 25 specialist suspension repair shops trading as The Shock Shop.

Bindons is a division of BNT operating in Whangarei servicing the local auto-electrical aftermarket and operating an auto-electrical workshop. Industrial bearings and engineering supplies are wholesaled throughout Northland.

BNT employs 410 staff.

### **Diesel Distributors Limited (“DDL”)**

DDL is an importer, distributor and wholesaler of diesel fuel injection, turbocharger, and ancillary diesel engine products for customers in New Zealand and the Pacific Islands.

DDL is a leading participant in all sectors of the industry and holds agencies for the distribution of leading international brand products for the diesel and related industries.

DDL employs 9 staff.

### **Diesel Distributors Australia Pty Limited (“DDAL”)**

DDAL operates in Australia in a similar manner to its sister company DDL, with branches in Brisbane, Sydney and Melbourne.

DDAL employs 16 staff.

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## INDUSTRIAL DIVISION

### **AB Equipment Limited (“ABE”)**

ABE is one of New Zealand’s leading suppliers of materials handling equipment and is a leader in the construction equipment market.

#### **Materials Handling**

ABE is a New Zealand market leader for the supply and aftermarket support of forklifts, with: Toyota (Japan) counter balance forklifts; BT (Sweden) battery electric warehousing equipment (reach trucks, order pickers, stackers, low lift trucks); Kalmar (Sweden) for forklifts and reach stackers with heavy lift capacities from 12 tonne to 45 tonne; and Comac (Italy) floorcare products (scrubbers and sweepers).

#### **Construction Equipment**

ABE supplies equipment to civil construction, mining and forestry industries. Its products include Sumitomo (Japan) “maxi” excavators; IHI (Japan) “mini” excavators; Sakai (Japan) road rollers and compaction equipment; and Vermeer (USA) tree chippers and underground directional drills.

#### **Transport Equipment**

Since ABE’s entry into the transportation sector, ABE has grown ahead of expectation. ABE’s product range includes Hiab (Sweden) truck mounted cranes; Johnston road sweepers (Australia); Jonsered (Finland) log cranes; and Moffett (Ireland) mounted forklifts for trucks.

ABE provides nationwide aftermarket support, service, parts and forklift operating training from a 14 branch network.

### **AB Rental Limited (“ABR”)**

ABR is one of New Zealand’s largest forklift rental companies with some 2,400 forklifts in the fleet. ABR offers both long term (3 years plus) and short term rental options to a range of customers.

ABE and ABR employ 233 staff.

### **Eurolift NZ Limited (“Eurolift”)**

Eurolift is an equipment, aftermarket support and rental business in the materials handling and construction equipment sectors.

#### **Materials Handling**

Eurolift imports and distributes the Linde AG range of high performance, high production forklifts which have established a strong niche position in New Zealand in paper manufacture, wool processing, and other demanding operations.

#### **Construction Equipment**

Eurolift imports and distributes Kubota (Japan) “mini” excavators and holds a leadership position in this market sector.

Aftermarket support is provided from 5 locations nationally, and both long and short term rentals are a key element to the business.

Eurolift employs 40 staff.

### **TRS Tyre & Wheel Limited (“TRS”)**

Hellaby Holdings Limited acquired TRS in 2003. TRS is a market leader in agricultural tyres and wheels, and has strong partnership supply agreements with the world’s leading tyre manufacturers including Michelin, Continental, Bridgestone and others. TRS is based in Wanganui and has branches in Auckland and Christchurch.

Recent diversification into the industrial tyre and wheel market (forklifts / loaders / rubber tracks etc) has seen TRS become a major supplier in New Zealand in this sector.

TRS employs 38 staff.



## RETAIL DIVISION

### **R. Hannah & Co Limited ("Hannahs")**

Hannahs is New Zealand's longest established speciality footwear retail chain, starting business in 1868. Today Hannahs is a mid-market family footwear chain of 56 stores throughout New Zealand. Products include international brands like New Balance and Hush Puppies and Hannahs' own brands developed and marketed by Hannahs' merchandise team, including Pulp, Rugged Shark, Steelers and Andrea Renzie.

Recent innovations include the development of 7 Hush Puppies concept stores. The stores are aimed at men and women aged 35 to 55 years and offer a unique store environment and sales approach.

In Australia, Hannahs trades under the Pulp brand. The Pulp stores are small and focused entirely on fashion for young males and females aged 16 to 24 years. Pulp operates 18 stores in Australia in Queensland and New South Wales and primarily sells Pulp branded products.

Hannahs employs 344 staff.

On 29 March 2006, Hellaby Holdings Limited increased its holding in Hannahs to 100%. Hannahs will become a Guaranteeing Subsidiary and will join the Borrowing Group before 30 June 2006.

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### **Discount Shoe Warehouse Limited**

Trades as Number 1 Shoe Warehouse ("No. 1 Shoe")

No. 1 Shoe is one of New Zealand's largest specialist discount shoe retailers. On 1 July 2005, Hellaby Holdings Limited purchased an 80% shareholding in No. 1 Shoe and will acquire the remaining 20% shareholding in No. 1 Shoe on 31 August 2007.

No. 1 Shoe now has an extensive network of 33 large format self service retail stores throughout New Zealand. No. 1 Shoe intends to continue to expand its store network with a further 10 new stores expected to be opened over the next three years.

No. 1 Shoe employs 510 staff.

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### **Rodd & Gunn Limited ("Rodd & Gunn")**

Rodd & Gunn is a retailer of quality casual menswear in New Zealand and Australia.

A 43 strong chain has been developed, with 24 stores in Australia and 19 stores in New Zealand.

Hellaby Holdings Limited has recently entered into an agreement for sale and purchase to sell its 82.5% interest in Rodd & Gunn. The agreement is conditional upon Hellaby Holdings Limited shareholder approval.

A meeting to obtain shareholder approval has been scheduled for 9 June 2006. Provided shareholder approval is given at this meeting, it is expected the sale will settle before 30 June 2006.

Rodd & Gunn employs 154 staff.

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### **BBQ Factory Limited ("BBQ Factory")**

Hellaby Holdings Limited acquired BBQ Factory on 31 August 2004. BBQ Factory is a leading outdoor living and home heating retail company with 21 outlets located from Whangarei to Invercargill. The majority of stores are company owned, however certain stores in provincial areas are operated under franchise agreements.

The core products of BBQ Factory are barbeques, barbeque accessories, spa pools, outdoor furniture and indoor and outdoor heating. BBQ Factory is the largest retailer of spa pools in New Zealand.

A number of adverse factors are resulting in the performance of the BBQ Factory Limited to be below expectations, as evidenced by the results of the summer season, the impact of new competitors and the outlook for the heating products over the winter season. This will result in the company holding higher than anticipated year end inventories which in turn will impact on the 30 June 2007 financial year. As a result the company conducted an initial impairment review which has indicated that the BBQ Factory Limited goodwill of \$15 million is impaired by up to \$5 million. The BBQ Factory Limited brand of \$7.2 million is not considered to be impaired.

The Board, in conjunction with management is continuing to undertake a number of initiatives to address current performance which to date has included the appointment of a new Chief Executive Officer, the relocation to more appropriate



## DIVERSIFIED DIVISION

warehousing and distribution facilities, a review of the product range, inventories and markets, the introduction of a new store format, implementation of a new IT system and the acquisition of a number of franchised stores.

In accordance with Hellaby Holdings Limited's accounting policy, a comprehensive impairment review will be undertaken at 30 June 2006 which will incorporate the final results for the year, the end of season inventory position, the strategies noted above and the finalisation of the 30 June 2007 budget.

BBQ Factory employs 98 staff.

### DIVERSIFIED DIVISION

#### **Levana Textiles Limited ("Levana Textiles")**

Levana Textiles is a Levin based company that manufactures specialist circular knitted fabrics with distribution through commission agencies in New Zealand, Australia and South Africa. Levana Textiles also has a customer base in the United Kingdom, Hong Kong and China.

Levana Textiles fabrics are mainly polyester/cottons, cottons, cotton blends, merino wool and nylons. Fabric can be made with or without elastane, using either dyed yarn for plains, stripes and jacquards, or undyed yarn for piece dyed fabrics.

Levana Textiles employs 75 staff.

#### **Elldex Packaging Limited ("Elldex")**

Elldex is a significant importer and distributor of retail checkout bags and is also a leading manufacturer of high density polyethylene (HDPE) packaging material used extensively in the horticultural, meat, processed food, local government and retail sectors.

Elldex's manufacturing operation in Albany, Auckland, has an extrusion and conversion capacity of approx 1200 tonnes of HDPE per annum and recently invested in a state of the art recycling plant enabling it to reduce raw material costs and meet industry recycling targets.

The Albany manufacturing and importing operations are supported by New Zealand sales and distribution facilities in Auckland and Christchurch.

Elldex employs 44 staff.

### ASSOCIATE COMPANIES

#### **Bombay Petfoods Limited ("Bombay Petfoods") (49%)**

Bombay Petfoods is a petfood manufacturer, producing primarily fresh meat pottles for the retail supermarket trade. Bombay Petfoods trades under the brand name Jimbos, currently one of the leading suppliers for fresh cat food in New Zealand.

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#### **Energy Intellect Limited ("Ei") (25%)**

Ei is an Australasian technology and service company developing and selling metering and communication equipment and providing meter reading and energy management tools and services to customers in a number of countries.

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#### **New Zealand Wool Services International Limited ("WSI") (20%)**

WSI is the largest New Zealand-owned wool exporter and scoured wool processor. It is a leader in scouring technology and marketing of quality scoured New Zealand wool to more than 30 countries.

WSI has two scouring factories, Kaputone Wool Scour at Belfast outside Christchurch and Whakatu Wool Scour in the Hawke's Bay.

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### OTHER COMPANIES

#### **Hellaby Properties Limited ("Hellaby Properties")**

Hellaby Properties owns commercial properties at Wanganui and Levin occupied by TRS and Levana Textiles respectively. These properties are currently being marketed for sale on lease-back terms.

In addition, Hellaby Properties owns the relatively small Christchurch property occupied by and leased to Oakleys Plumbing Supplies Limited. It also intends to sell this property in due course.



## HISTORY OF SIGNIFICANT ACQUISITIONS AND DISPOSALS

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Set out below are some of Hellaby Holdings Limited's significant acquisitions and disposals, demonstrating Hellaby Holdings Limited's active management of its portfolios.

**FEBRUARY 2000** Acquired 33.5% of Rodd & Gunn Limited - subsequently increased to 82.5%

**MARCH 2000** Increased holding in New Zealand Wool Services International Limited from 46% to 59.2%

**SEPTEMBER 2000** Sold 100% interest in Taylors Limited

**MAY 2001** Acquired 32% of Energy Intellect Limited - subsequently diluted to 25%

**MAY 2001** Acquired 72.7% of Club Life Holdings Limited – subsequently diluted to 63%

**JUNE 2001** Sold 100% interest in Patton Refrigeration Limited

**DECEMBER 2001** Reduced holding in New Zealand Wool Services International Limited from 59.2% to 20%

**MAY 2002** Acquired 100% of Diesel Distributors Limited\*

**JUNE 2002** Increased holding in R Hannah & Co Limited from 81.2% to 85%

**MAY 2003** Acquired 100% of TRS Tyre & Wheel Limited\*

\*These companies are members of the Borrowing Group as at the date of this Offer Document. For a full list of the members of the Borrowing Group refer to page 13.



**AUGUST 2003** Subsidiary Brake & Transmission NZ Limited\* acquired 100% interest of Bindons Auto Electrical Limited

**JANUARY 2004** Sold 63% interest in Club Life Holdings Limited

**AUGUST 2004** Acquired 100% of BBQ Factory Limited\*

**FEBRUARY 2005** Acquired 100% of Elldex Packaging Limited\*

**JULY 2005** Increased holding in R Hannah & Co Limited from 85% to 94.2%

**JULY 2005** Acquired 80% of Discount Shoe Warehouse Limited (trades as No1 Shoe Warehouse) with an agreement to acquire remaining 20% on 31 August 2007

**MARCH 2006** Increased holding in R Hannah & Co Limited from 94.2% to 100%

**APRIL 2006** Entered into a conditional agreement to sell the trade and assets in Rodd & Gunn Limited

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