

This section of this Offer Document sets out or refers to the information required to be disclosed in a prospectus by the Second Schedule of the Securities Regulations 1983.

1 Main Terms of Offer

The issuer of the Capital Notes is Hellaby Holdings Limited. The registered office of Hellaby Holdings Limited is Level 9, Worldwide Tower, 8-10 Whitaker Place, Auckland.

The securities being offered are unsecured, subordinated, fixed interest debt obligations of Hellaby Holdings Limited. A detailed description, including the maximum amount being offered and the price to be paid for the Capital Notes, is set out in the section entitled "Main Terms of the Offer" on page 8.

2 Name and Address of Offeror

Not applicable.

3 Details of Incorporation of Issuer

Hellaby Holdings Limited was incorporated in New Zealand under the Companies Act 1955 on 6 March 1980. Hellaby Holdings Limited was subsequently re-registered under the Companies Act 1993 on 3 December 1996. Hellaby Holdings Limited's registered number is 36293.

The public file relating to Hellaby Holdings Limited's incorporation may be viewed on payment of a fee on the Companies Office website at www.companies.govt.nz or they can be requested by contacting Searchlink at info@searchlink.co.nz. These documents may also be inspected without payment of a fee at the registered office of Hellaby Holdings Limited during normal business hours. Copies of the documents can also be obtained (on payment of relevant fee) by telephoning the Companies Office Contact Centre on 0508 266 726.

4 Guarantors

The indebtedness of Hellaby Holdings Limited under the Capital Notes is guaranteed on an unlimited unsecured subordinated basis by each Guaranteeing Subsidiary. As at the date of this Offer Document the Guaranteeing Subsidiaries are:

- 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.

The above group of companies, together with Hellaby Holdings Limited constitutes the "Borrowing Group" as defined in the Securities Regulations 1983.

A description of the terms of the guarantee given by the Guaranteeing Subsidiaries is set out in the section entitled "Summary of Trust Deed" on page 79.

5 Directorate and Advisers

The names and technical or professional qualifications (if any) of each director of Hellaby Holdings Limited are set out in the section entitled "Directors and Senior Management" on page 20. The address at which each director can be contacted is Level 9, Worldwide Tower, 8-10 Whitaker Place, Auckland. The principal residence of each director is Auckland, with the exception of Robert Carter and William Falconer whose principal residence is Tauranga and Cambridge respectively.

William Falconer is the Independent Chairman of Hellaby Holdings Limited.

David Houldsworth is the Managing Director of Hellaby Holdings Limited.

Robert Carter is a Non-Executive Director of Hellaby Holdings Limited.

Hugh Green is a Non-Executive Director of Hellaby Holdings Limited.

Paul Byrnes is a Non-Executive Director of Hellaby Holdings Limited.

John Williamson is an Independent Non-Executive Director of Hellaby Holdings Limited.

No director has been adjudged bankrupt during the five years preceding the date of registration of this Offer Document.

The names of the auditors, securities registrar, bankers, sharebroker, and solicitors of Hellaby Holdings Limited who have been involved in the preparation of this Offer Document are set out in the Directory contained on the inside the back cover of this Offer Document.

The Trustee for the Capital Notes is The New Zealand Guardian Trust Company Limited whose address is Level 7, Vero Centre, 48 Shortland Street, Auckland.

5A Restrictions on Directors Powers

The Companies Act 1993 contains a number of provisions that may have the effect, in certain circumstances, of imposing modifications, exceptions or limitations on the powers of the Board of Directors of Hellaby Holdings Limited. For example, the Companies Act 1993 requires that major transactions (as defined in the Companies Act 1993) must be approved by a special resolution of shareholders. These provisions apply to all companies registered under the Companies Act 1993. Hellaby Holdings Limited's constitution does not impose any other modifications, exceptions or limitations on the powers of the Board of Directors of Hellaby Holdings Limited.

The Listing Rules contain a number of provisions that could have the effect of imposing modifications, exceptions or limitations on the powers of the Board of Directors of Hellaby Holdings Limited.

6 Description of Activities of Borrowing Group

The Borrowing Group, for the purposes of the Securities Regulations 1983, is 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.

Hellaby Holdings Limited is the parent company of the Borrowing Group. During the five years preceding the date of this Offer Document, the Borrowing Group's principal activities comprised the importation and distribution of automotive and industrial equipment, servicing and rental of materials handling and construction equipment, retailing of specialty shoes and menswear, barbecue, spa and heating products. Further information about the activities of the Borrowing Group is set out in the section of this Offer Document entitled "Company Overview" on page 12.

The principal fixed assets of the Borrowing Group are not charged as security for the Capital Notes.

7 Summary of Financial Statements

Financial statements in summary form, for Hellaby Holdings Limited and the Guaranteeing Subsidiaries in respect of each of the 5 consecutive accounting periods ended 30 June 2005 and the 6 months ended 31 December 2005 are set out in this Offer Document in the section entitled "Summary Financial Statements" on page 24.

8 Acquisition of Business or Subsidiary

The Borrowing Group has not acquired any business, subsidiary or body corporate from any person at any time in the period of 2 years preceding the date of registration of this Offer Document for a consideration in excess of one-fifth of the amount of the total tangible assets of the Borrowing Group at 30 June 2005.

9 Material Contracts

The following material contracts (not being contracts entered into in the ordinary course of business of a member of the Borrowing Group) have been entered into by members of the Borrowing Group in the 2 years preceding the date of registration of this Offer Document:

- Capital Notes Master Trust Deed between 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, TRS Tyre & Wheel Limited, and The New Zealand Guardian Trust Company Limited dated 17 May 2006. Further details of the Trust Deed are provided in the section entitled "Summary of Trust Deed"; and

- Supplemental Trust Deed between 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, TRS Tyre & Wheel Limited, and The New Zealand Guardian Trust Company Limited dated 17 May 2006.

10 Pending Proceedings

There are no legal proceedings or arbitrations that are pending as at the date of registration of this Offer Document that may have a material adverse effect on the Borrowing Group.

11 Issue Expenses

Issue expenses, including brokerage fees, legal, audit, lead management fees, issue management fees, NZX fees, trustee fees, registry expenses, printing and distribution costs to be incurred in relation to the Offer are estimated to be \$1.70 million based on an issue size of \$40 million. Issue expenses excluding brokerage are \$1 million.

This estimate includes brokerage payable to the Lead Manager and the Co-Lead Manager for on-payment to any other Primary Market Participant or approved financial intermediary in respect of Capital Notes issued bearing their stamp in the following amounts:

- 1.00% of the Face Value; and
- 0.75% of the Face Value in respect of Firm Allocations.

12 Ranking of Securities

The obligations of Hellaby Holdings Limited to the Holders under, and the rights of the Holders (or the Trustee on behalf of the Holders) against Hellaby Holdings Limited in respect of the Capital Notes rank behind the obligations of Hellaby Holdings Limited to its Senior Creditors (which includes its general secured and unsecured creditors). Accordingly, in the event of Liquidation of Hellaby Holdings Limited, claims under the Capital Notes will rank in point of payment behind the claims of Senior Creditors. Claims under the Capital Notes rank ahead of claims of holders of Ordinary Shares.

Each Guaranteeing Subsidiary has guaranteed on an unsecured and subordinated basis to each of the Holders and the Trustee for itself and on behalf of each Holder payment by Hellaby Holdings Limited of the Note Obligations. The guarantee of each Guaranteeing Subsidiary ranks behind the obligations of that Guaranteeing Subsidiary to its Senior Creditors (which includes its general secured and unsecured creditors). Accordingly, in the event of Liquidation of a Guaranteeing Subsidiary, claims under the guarantee of that Guaranteeing Subsidiary in respect of the Capital Notes will rank in point of payment behind the claims of the Senior Creditors of that Guaranteeing Subsidiary.

Since the Capital Notes are not secured, there are no securities that are secured by a mortgage or charge over the assets of the Borrowing Group that ranked in point of security equally with the Capital Notes.

The aggregate amount of the securities that were, as at 31 December 2005, secured by a mortgage or charge over the assets of the Borrowing Group and that ranked in point of security ahead of the Capital Notes was \$159,777,000.

13 Provisions of the Trust Deed and Other Restrictions on Borrowing Group

On 17 May 2006 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 entered into a Trust Deed and Supplemental Trust Deed (together the "Trust Deed") with The New Zealand Guardian Trust Company Limited relating to the Capital Notes. A summary of the Trust Deed (including the duties of the Trustee) is set out in the section entitled "Summary of Trust Deed" on page 79.

The Trust Deed imposes limitations on Hellaby Holdings Limited, including financial covenants. Details of these limitations and covenants are detailed in the section entitled "Summary of Trust Deed" on page 79. The Trust Deed does not impose any limitations on the creation of new mortgages or charges ranking in point of security ahead of, or equally with, any mortgage or charge securing the Capital Notes.

There are no restrictions on the ability of any member of the Borrowing Group to borrow, being restrictions that result from any undertaking given, or any contract or deed entered into by any member of the Borrowing Group.

The statement required to be made by the Trustee pursuant to clause 13(3) of the Second Schedule of the Securities Regulations 1983 is set out in the section entitled "Trustee's Statement" on page 91.

14 Other Terms of Offer and Securities

All the terms of the Offer and all the terms of the Capital Notes being offered are set out in this Offer Document, other than those implied by law, or set out in a document that is registered with a public official and is available for public inspection, and is referred to in this Offer Document.

15 Financial Statements

The audited financial statements and auditors' report for the Borrowing Group for the 12 month period ended 30 June 2005 prepared under NZ FRS are set out in the section entitled "Historical Financial Information" on page 23. The financial statements include the information required by clauses 15 to 32 of the Second Schedule of the Securities Regulations 1983. The unaudited interim financial statements for

the Borrowing Group for the 6 month period ended 31 December 2005 prepared under NZ IFRS are also set out in the section entitled "Historical Financial Information" on page 23.

16 Places of Inspection of Documents

The constitution of Hellaby Holdings Limited, the Trust Deed, the Supplemental Trust Deed and the material contracts referred to above are kept by the Companies Office on Hellaby Holdings Limited's public file. Documents on the public file may be viewed on the Companies Office website, www.companies.govt.nz, or they can be requested by contacting Searchlink at info@searchlink.co.nz. These documents may also be inspected without payment of a fee at the registered office at Hellaby Holdings Limited during normal business hours. In addition the documents can be requested by submitting a search request form which may be obtained from the Companies Office. Copies of the documents can also be obtained (on payment of the relevant fee) by telephoning the Companies Office Contact Centre on 0508 266 716. The Companies Office may charge a fee for inspection of certain documents.

17 Other Material Matters

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 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.

Hellaby Holdings Limited has recently entered into an agreement for sale in 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.

There are no material matters relating to the Offer other than those matters set out above and elsewhere in this Offer Document, the financial statements referred to in this Offer Document, and contracts entered into in the ordinary course of business.

18 Directors' Statement


The directors of Hellaby Holdings Limited, after due enquiry by them in relation to the period between 31 December 2005 and the date of registration of this Offer Document, are of the opinion that no circumstances have arisen that materially adversely affect:

- a. the trading or profitability of the Borrowing Group; or
- b. the value of the Borrowing Group's assets; or
- c. the ability of the Borrowing Group to pay its liabilities due within the next 12 months.

19 Auditors' Report

The auditors' report required by clause 36 of the Second Schedule of the Securities Regulations 1983 is set out on page 66 of this Offer Document. Hellaby Holdings Limited adopted NZ IFRS effective 1 July 2005 and therefore the interim financial statements at 31 December 2005 have been prepared in accordance with NZ IFRS as modified by the Securities Regulations 1983. In accordance with the Securities Commission Practice Note 3, the Summary Financial Statements on page 24 presents the financial performance and position for the Borrowing Group at 30 June 2005 under both NZ IFRS and NZ IFRS.

Signed by each director of Hellaby Holdings Limited
(or by their authorised agent in writing):



William John Falconer



David Michael John Houldsworth



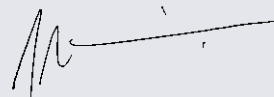
Paul Anthony Byrnes



Robert William Carter



Hugh Green



John Michael Williamson