

6 October 2008

Dear Shareholders

Replacement notice of annual meeting of shareholders

In late September 2008 you would have received Hellaby Holdings' notice of meeting in respect of the Annual General Meeting on 30 October 2008 in Auckland.

Today we have pleasure in announcing the appointment of a further new director, James Sclater. This follows the announcements we made of John Maasland and Steve Smith's directorships in April and September respectively. These appointments substantially change the Hellaby board composition, in line with our signalled transformation of the company.

With this latest appointment it has been necessary to issue a new notice of meeting (and associated proxy form) to enable Mr Sclater's re-election to be put to the Annual General Meeting. Profiles for John Maasland, Steve Smith and James Sclater are included in the attached replacement notice of meeting explanatory notes.

Hugh Green, who has retired as a director effective 6 October, has been appointed by the Hellaby Holdings board as alternate director to Mr Sclater. The Hugh Green Trust retains its shareholding in Hellaby Holdings.

In recent weeks there has been heightened media coverage on the quantum of fees payable to directors of listed companies. Included in this year's Annual General Meeting agenda is a resolution proposing an increase in directors fees for the Hellaby board. Your board has sought independent, expert advice on appropriate remuneration for Hellaby directors from Sheffield Limited. Accordingly, I take this opportunity to attach the summary findings of Sheffield's investigation into the appropriate level of fees payable to Hellaby board members.

The proposed increase in aggregate fees takes account of the current market rates of remuneration for directors, and provides for an aggregate amount which will allow for flexibility in the appointment of a chairman, five non-executive directors and the managing director (who does not receive a director's fee). The increase being sought is to enable Hellaby to continue to appoint and retain directors of the necessary calibre to ensure the continued turnaround of Hellaby.

Further commentary on this resolution is included in the attached replacement notice of meeting explanatory notes. Please note that shareholdings associated with directors receiving directors' fees are prevented from voting on the directors' fee resolution. Shareholdings associated with the managing director, John Williamson (who does not receive a director's fee), will be able to vote on the directors' fee resolution.

If you have already completed and returned the original proxy form that was mailed to you, the completion and return of the attached replacement proxy form will supersede those initial votes.

Yours sincerely



W J Falconer
Chairman