HELLABY HOLDINGS LIMITED

Hellaby Holdings Limited Investor Presentation

November 2009

Disclaimer

This investor presentation dated November 2009 should be read in conjunction with, and subject to, the explanations and views of future outlook on market conditions, earnings and activities given in the August 2009 full year results announcement, 2009 annual report and November 2009 AGM presentation.

Please read this presentation in the wider context of material previously published by Hellaby Holdings.

Hellaby Contacts

John Williamson	Managing Director
Richard Jolly	Chief Financial Officer
Neil MacCulloch	Chief Operating Officer
Telephone	+64 9 307 6844

www.hellabyholdings.co.nz

Purpose of this presentation

- Hellaby not well understood
- Dramatic change over past two years
- Operational turnaround plus balance sheet reform in tough economic recession
- Clear portfolio plan and strategic plan
- New management, board and culture
- Growth story, leveraged to economic recovery
- 'New start' for Hellaby

Hellaby at a glance

• Revenue - year to 30 June 2009	$480 million
• Market Capitalisation	$80 million
• Employees	2,450 (6 in Hellaby office)

- 10 business units across four core groupings
- Listed on NZSX and NZDX

What is Hellaby ?

- NZX listed investment company
- Actively managing a portfolio of businesses in range of sectors
- Prefer long-term ownership of assets
- Now an active, hands-on owner of assets
- ‘Buy, build and harvest’ investment strategy
- Consider portfolio diversification to be a strength
- Current portfolio
  - automotive parts
  - industrial equipment
  - packaging
  - footwear retail
- Represent a diverse cross-section of New Zealand economy … ‘NZ Inc’

FY09 was a challenging year

- Two year performance turnaround project (now largely complete)
- Economic downturn significantly tougher than expected
  - Priority to ensure Hellaby weathered the economic storm
- FY09 earnings reflected extreme trading conditions and impact of BBQ Factory impairment
  - 50% reduction in demand for new heavy equipment
  - Discounting of excess equipment and footwear stocks
  - One-off restructuring costs and obsolete inventory exit

FY09 was a challenging year - however …

- Substantial balance sheet reform through working capital initiatives
  - Focused on cashflow generation and debt reduction
- Strengthened subsidiary management teams with additional talent
- Major culture change across group
- Operational improvements successfully implemented across subsidiaries, positioning Hellaby for stronger future performance

FY09 results overview – strong cash generation

- $47.8 million free cashflow [1] generated (55% increase)
- Total net debt [2] reduced by 26.3%, and core bank debt reduced by 40.4%
- After tax operating profit of $5.3 million
- Net profit after tax (NPAT) of $0.7 million, due to $4.6 million deficit from discontinued operations of BBQ Factory, sold June 2008
- Inadequate bottom line earnings
- Banking facilities renegotiated for two year period to 31 July 2011
- No final dividend declared

1. *Cashflow from operations, less net operational capex*
2. *Interest bearing debt including core bank debt, trade loans and capital notes*

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FY09 annual results summary

NZ$ million	June 2009 12 months	June 2008 12 months	% Change
Sales Revenue	480.7	520.0	(7.6)
Trading EBITDA	26.5	46.8	(43.5)
Trading EBIT	18.2	37.1	(51.0)
Operating NPAT	5.3	19.4	(72.7)
Deficit from discontinued operations	(4.6)	(14.7)	-
NPAT	0.7	4.7	(84.9)
EPS - cps	1.4	9.3	(84.9)
Dividend – cps	6	5	-
Free cashflow	47.8	30.8	55.1
ROFE [1] - %	12.8	18.3	(30.0)

1. *Trading EBIT as percentage of average working capital plus fixed assets; FY08 includes discontinued*

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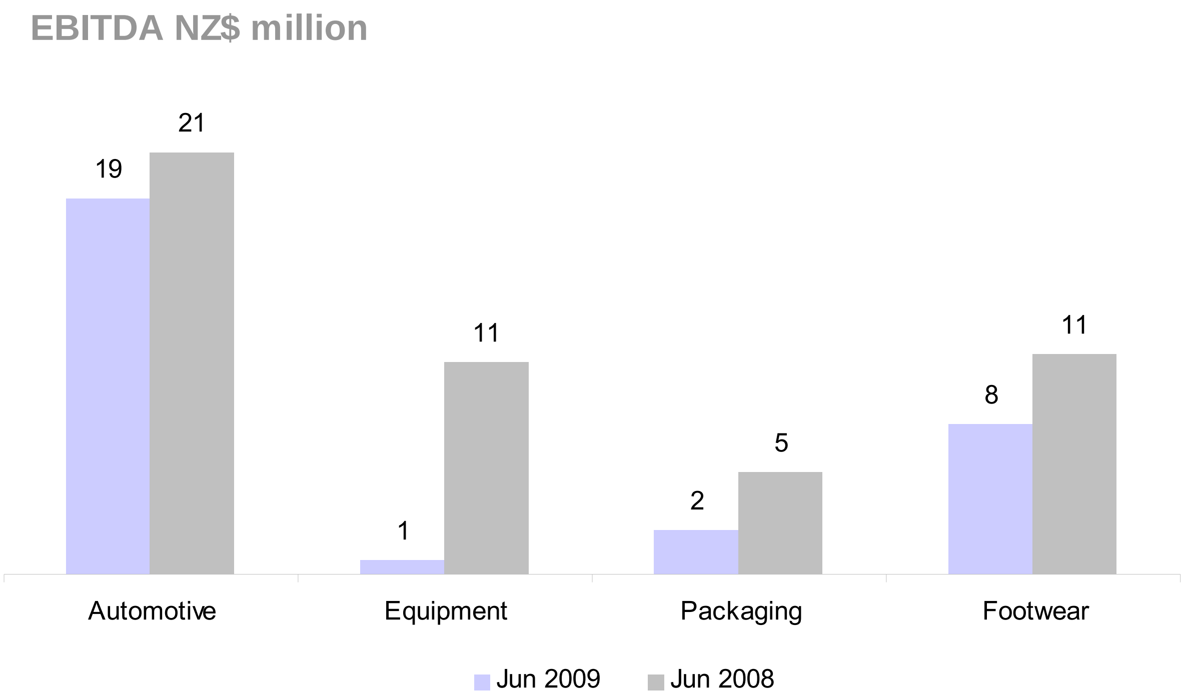
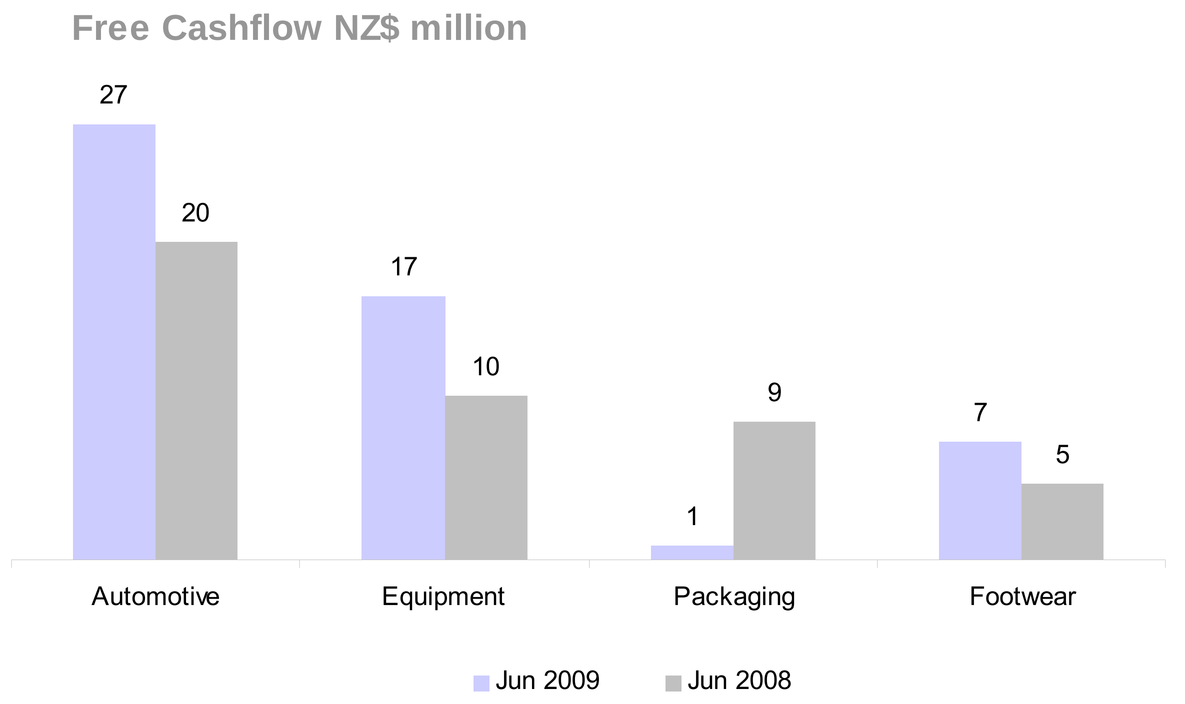
All businesses impacted by economic downturn and restructuring



Excludes discontinued, diversified and corporate

Group free cashflow increased 55%



Excludes discontinued, diversified and corporate

Automotive

Hellaby's automotive division comprises a group of market-leading wholesale distribution companies, which supply automotive and truck replacement parts and batteries to trade repairers and resellers through a network of over 70 branches across New Zealand. In addition, the automotive division distributes tyres and wheel componentry to the agricultural and materials handling equipment sectors - and has a leading position in the Australasian diesel parts market. The division employs 550 staff.

Brake & Transmission
BNT is a leading wholesale distributor of automotive and commercial truck replacement parts to trade repairers and resellers through 48 branches across New Zealand.

Autolign
Autolign is a specialist wholesale supplier of automotive steering and suspension replacement parts. Autolign operates 9 branches and franchises 26 outlets under the *Shock Shop* brand.

NZ Brake Co
NZ Brake Co is a leading wholesale supplier of automotive and commercial brake parts.

HCB Technologies
HCB is a leading wholesale distributor of automotive and industrial batteries, with 4 branches in New Zealand. HCB has supply and marketing agreements with 115 *Battery Town* outlets nationwide. *Battery Town* is an automotive, commercial and marine battery supply and repair network.

Diesel Distributors
Diesel Distributors is a wholesale distributor of diesel fuel injection products, testing equipment and turbochargers, with 5 branches in Auckland, Melbourne, Sydney, Brisbane and Perth.

TRS Tyre & Wheel
TRS is New Zealand's leading wholesale distributor of tractor tyres, wheels and wheel componentry, and is developing a leadership position in industrial and materials handling tyres and wheels. TRS has 3 branches in Wanganui, Auckland and Christchurch.

Automotive : solid performance in defensive sector

NZ$ million	June 09 12 mths	June 08 12 mths	%
Sales	156.7	160.0	(2.1)
EBITDA	19.2	21.5	(10.8)
EBIT	17.7	19.7	(10.3)
Free cashflow	27.5	20.0	37.4
EBITDA/sales %	12.2	13.4	
ROFE%	30.6	31.7	

- Strong performance from BNT (parts) and HCB (batteries). Market share growth in commercial / truck parts. Good progress on working capital
- Tough trading conditions for Diesel Distributors. Profit impacted by restructuring of Australian operation, and disposal of excess stocks. Decision taken to exit turbocharger market
- Declining tractor / forklift equipment imports and farm spending impacted TRS (tyres / wheels). Australian operation discontinued. Shift in focus to tyre replacement market, rather than wheel conversion for tractor imports

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Automotive strategy

- Aspiration = NZ’s leading wholesale aftermarket vehicle parts group
- Well positioned in light of ageing NZ vehicle fleet
- Current focus is wholesale automotive parts
- Stronger in automotive rather than truck parts
- Key growth strategy is bolt-on acquisitions and broadening product range
- Organic growth opportunities in truck parts and tyres
- Longer-term, potentially wider automotive investment opportunities beyond automotive parts

Equipment

The equipment division consists of a group of market-leading wholesale distribution companies, specialising in materials handling and construction equipment. It also provides equipment servicing and rentals though a network of 19 technical service centres across New Zealand. The division employs over 280 staff.

AB Equipment

AB Equipment is one of New Zealand's leading suppliers of materials handling equipment and construction equipment. AB Rental is one of New Zealand's largest forklift rental companies. The AB Equipment group has a significant equipment servicing capability, and operates through a network of 14 technical service centres across New Zealand.

Eurolift

Eurolift supplies and services Linde materials handling equipment and Comac floor cleaning equipment through 5 branches, with service mechanics also operating remotely at Fonterra and Carter Holt Harvey sites across New Zealand.

TradedEquipment.com

TradedEquipment.com started in November 2008 as a channel to market for surplus used equipment within the Hellaby equipment division.

Equipment : major restructuring and working capital turnaround to reconfigure businesses around lower activity levels

NZ$ million	June 09 12 mths	June 08 12 mths	%
Sales	99.8	131.5	(24.1)
EBITDA	0.7	10.8	(93.2)
EBIT	(1.9)	7.1	-
Free cashflow	16.7	10.3	61.6
EBITDA/sales %	0.7	8.2	
ROFE%	(6.1)	16.6	

- Operating loss due to severe economic downturn
- Market demand for new materials handling and construction equipment decreased >50% year-on-year
- Major restructure of Equipment division : reducing overheads, reducing inventories and forklift rental fleets and reforming internal processes
- Good progress on working capital. TradedEquipment.com established as a channel to market for surplus used equipment
- AB Equipment senior management team strengthened

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Equipment strategy

- Focus on performance improvement, rather than major acquisition growth
- Targeting > 20% ROFE by FY11
- Demand conditions beginning to stabilise at low levels
- Focus on developing ‘lean distribution’ model → major restructuring
  - Moving to decentralised business model
  - Restructure in expectation of market recovery mid / late 2010
- Greater focus on aftermarket (service / parts)
- Add / replace equipment distributorships which complement AB model – ‘multi-franchise’
- Eurolift – opportunities identified in lifting solutions
- Potential opportunities in agri-equipment distributorships

Packaging

Over the past two years, Hellaby has developed a leading position in the sourcing, manufacture and distribution of flexible plastic packaging.

The Elldex Packaging Group supplies packaging to the supermarket and retail, industrial, horticultural, dairy, meat, fish and processed food sectors across Australia and New Zealand.

Elldex has a core competency in import supply chain management; and has two extrusion, printing and conversion plants in Christchurch and Wellington. The division employs 175 staff.

Packaging : integration into single Elldex group, and expansion into food packaging

NZ$ million	June 09 12 mths	June 08 12 mths	%
Sales	54.9	57.6	(4.7)
EBITDA	2.3	5.2	(56.2)
EBIT	2.0	4.8	(58.2)
Free cashflow	0.9	8.7	(90.1)
EBITDA/sales %	4.1	9.0	
ROFE%	14.9	47.8	

- Successful market repositioning. Expanded into food packaging (incl dairy, bread, meat and horticulture); now less reliant on retail and supermarket sectors
- Substantial resin pricing and currency movements during H1 impacted on margins and profitability
- Stronger earnings performance in H2
- Auckland plant integrated into Wellington and Christchurch
- Integration of three business units into single Elldex group entity now substantially completed
- Common ERP system to be commissioned in FY10, to align internal processes, production planning and pricing

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Packaging strategy

- Aspiration = supply chain leadership
- Considerable progress in diversifying from retail / supermarket bags to primary / food sector packaging
- Primary / food sector growth strategy – meat, dairy, horticulture, bread, fish, timber
- Consolidate NZ position and target Australian opportunities from 2010
- Strengthen Asian supply chain competencies and partnerships
- Growth should be predominantly organic rather than acquisitional

Footwear

The footwear division is collectively New Zealand's leading footwear retailer, with three retail chains comprising 115 stores across New Zealand, and additionally, a small retail presence in Australia. The division employs 1,425 staff.

Hannahs

Hush Puppies

pulp

Hannahs

Hannahs is New Zealand's largest specialty retail footwear chain, with 57 stores under the *Hannahs* brand, and 10 stores under the *Hush Puppies* brand.

In addition, the Hannahs group has 1 Auckland *Pulp* store and 15 *Pulp* stores in Queensland and New South Wales.

number 1 shoes

Number 1 Shoes

Number 1 Shoes is New Zealand's largest specialist discount footwear retailer, with 47 stores.

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Footwear : prolonged retail recession impacts sales and margins

NZ$ million	June 09 12 mths	June 08 12 mths	%
Sales	170.8	167.5	2.0
EBITDA	7.7	11.2	(31.5)
EBIT	4.2	7.9	(47.0)
Free cashflow	7.4	4.8	52.2
EBITDA/sales %	4.5	6.7	
ROFE%	10.5	19.7	

- Worsening retail recession during FY09; Q4 arguably the toughest quarter
- Hannahs Australasian same store sales down (2.7%). Significant improvement in NSW / Queensland performance
- Number 1 Shoes same store sales up 1.4% year-on-year, but driven by major project to exit slow-moving stocks
- Inventory reduction negatively impacted Number 1 Shoes margin and earnings, however inventory now relatively clean
- Number 1 Shoes senior management team strengthened, and turnaround initiatives implemented

Footwear strategy

- Targeting > 6% EBIT / sales over medium term
- Conditions should stabilise in 2010, with expectation of improving consumer confidence
- Major performance improvement opportunities at Number 1 Shoes
  - labour utilisation
  - merchandise planning
  - robust processes and controls (introduced during 2009)
- Define Number 1 Shoes market positioning
- Optimise NZ store footprint / contribution
- Australian 'Pulp' growth opportunities based on successful store format
- Develop an earnings growth strategy for footwear

BBQ Factory impairment

- Hellaby divested BBQ Factory at June 2008 for $5.79 million on deferred payment terms
- During past year Hellaby received $1.35 million, which is less than scheduled
- Decision to fully provide for remaining debt of $4.44 million at June 2009
- $2.35 million provided for future unexpired lease obligations
- Disappointment that NPAT guidance would otherwise have been exceeded
- Expect to achieve recovery of 25% from remaining fully impaired debt during FY10

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People and culture change

- Significant culture change across Hellaby group
- Subsidiary teams strengthened with additional talent
    - approximately 20 calibre senior managers appointed to subsidiaries over past year
    - ‘strengthened the bench’ for future growth
- Relatively new Hellaby corporate team (CEO, CFO, COO)
- Board refreshment recently completed
    - four new directors within last 18 months
- Culture of ownership and accountability

Capital management

- Total net debt reduced 26% to $103 million in FY09
- Gearing improved to 55% at 30 June 2009 (current target is 50%)
- Refinanced Westpac banking facilities to July 2011
- Targeting further balance sheet improvement
- Capital notes decision next financial year – maturity June 2011, $50m
- Capital notes options at maturity
  - redeem for cash
  - convert to shares (with shareholder approval)
  - renew capital notes
  - combination thereof

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Key internal measures and indicative targets

• ROFE	(> 20%)
• Free cashflow	
• Net debt : EBITDA	(< 3.0 x)
• Debt gearing	(< 50%)
• Earnings per share	(year-on-year improvement)
• Total shareholder return	(superior to NZX50)

- Subsidiary chief executives rewarded for ROFE improvement

Dividends

- Dividend policy is to distribute approximately 50% of NPAT
- FY09 year-end nil dividend decision reflected earnings result and preference to retain cash in tough conditions
- Maintaining Dividend Reinvestment Plan
- Committed to delivering superior shareholder returns going forward
- Objective is to achieve TSR superior to NZX50 average

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Shareholder mix

- Major shareholders: Hugh Green Trust (30.45%), ACC (2.45%)
- Predominantly retail investors with small average shareholdings (Renouf legacy)
- 67% of shareholders collectively hold 6.2% of issued shares, with average holding of 609 shares each
- Aim to improve liquidity
- Will consider smaller shareholder top up / exit programme at later date
- Want to attract habitual investors and institutions
- Need to better understand drivers to attract investors
- Want to build awareness and relationships with brokers

Capital raising

- Focus shifts to growth
- Likely to raise equity in 2010 to pursue acquisition opportunities
- Believe that 2010 / 2011 will present numerous sensible acquisition opportunities
- We have a robust strategic plan, with a clearly defined acquisition strategy
- Understand that we must ‘earn’ the right to grow, and timing should be appropriate in 2010
- Larger divestments (to release cash) unlikely until subsidiary performance and market multiples improve (from 2011)

Investment strategy

- ‘Buy, build and harvest’ investment strategy
- Preference for long-term ownership
- Future investment likely to be in automotive, industrial and distribution sectors
- Initial acquisitions likely to be bolt-ons
- Significant organic growth opportunities across our subsidiaries, including footwear retail
- Will divest if assets not performing, if unable to grow them, or if can better use funds elsewhere
- > 20% ROFE an important internal hurdle for retain / divest

Acquisitions / divestments

- Clear portfolio plan
- Acquisitions
  - Chequer and PPL (Packaging) mid 2007 – no aquisitions since
  - will become more active from 2010
- Divestments
  - Levana Textiles late 2007
  - Bombay Petfoods mid 2008
  - BBQ Factory mid 2008
  - debt reduction in FY09 allows us to now divest sensibly and opportunistically
  - will continue to divest small non-core assets (eg Energy Intellect)
  - will become more active with portfolio optimisation when subsidiary performance and multiples improve (from 2011)

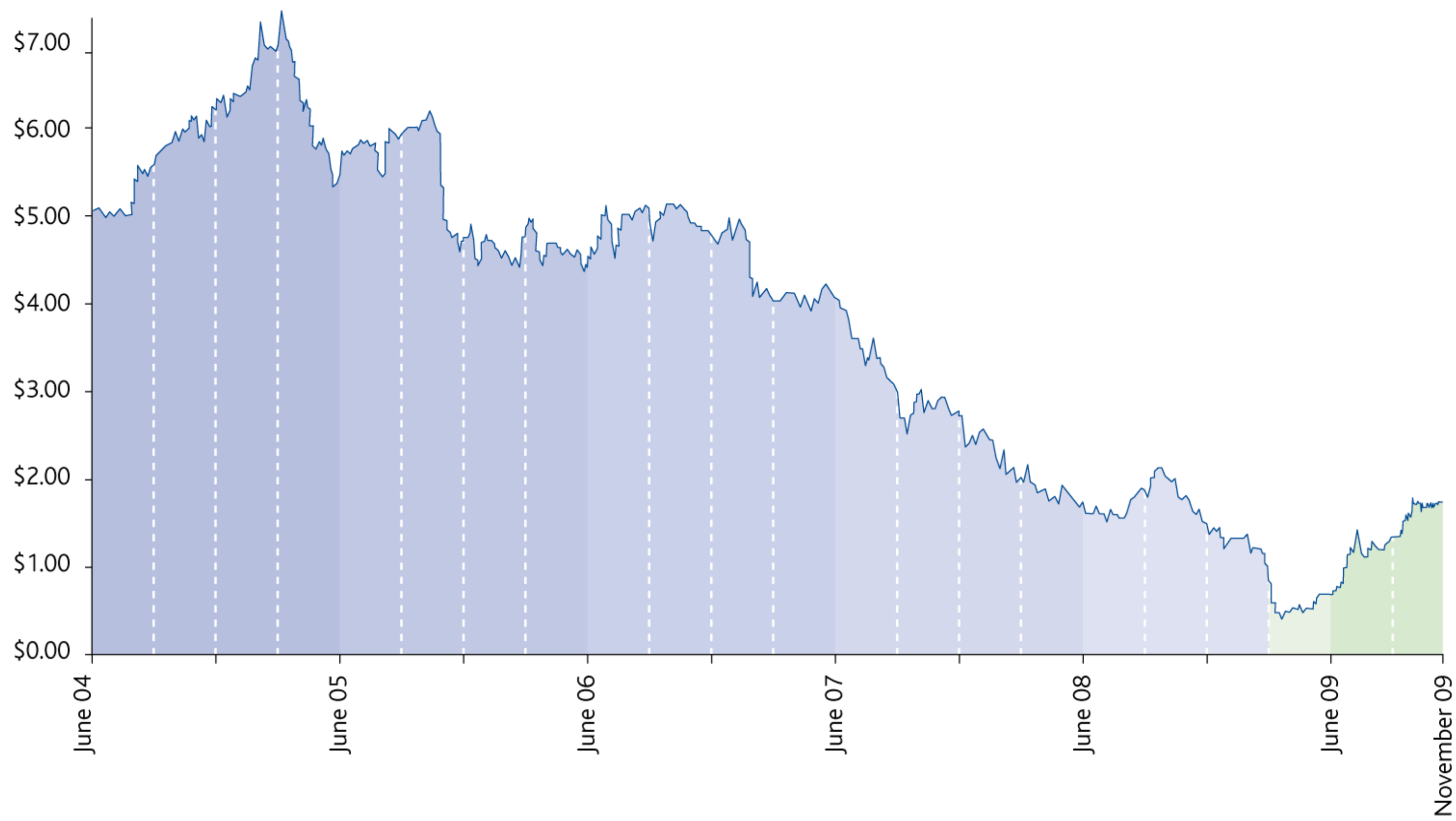
Priorities this year

- Balance sheet reform and operational turnaround largely complete
- Clearer portfolio strategy
- Tough decisions taken to address operational underperformance, productivity and risk
- Following two years of restructuring, focus now shifts to growth
    - improve earnings quantum and reliability
    - improve debt gearing
    - improve return on investment
    - pursue acquisition opportunities which meet investment criteria

Outlook

- Unpredictable economic conditions – no ‘green shoots’ yet
- Expect slow first half year for group earnings, and stronger second half year
- Now experiencing improvement in Automotive and Packaging
- No uplift likely for Footwear or Equipment until second half year
- Focus remains on realising benefits of operational improvements actioned over past year
- Confident Hellaby will achieve significantly improved earnings in FY2010
- First half year will be tough

Shareholder returns



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'New start' - the new Hellaby

- Have now dealt with major legacy issues
- Committed to delivering superior shareholder returns going forward
- Hellaby targeting total shareholder returns superior to NZX50 average
- Our priority is to restore investor confidence in Hellaby
- We believe we have turned the corner
- Well positioned to participate in economic recovery

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BNT

AB EQUIPMENT

Autolign
THE STEERING & SUSPENSION SPECIALISTS

Eurolift

AB RENTAL

PPL

DIESEL DISTRIBUTORS

number 1 shoes

pulp

HCB TECHNOLOGIES

ELLDEX PACKAGING GROUP

Hush Puppies

CHEQUER
CHEQUER PACKAGING

NZ BrakeCo

TRS TYRE & WHEEL LIMITED

Hannahs

Traded Equipment.com

Energy Intellect