

9 March 2017

NZX Announcement

Reverse Listing Transaction with NZ Retail Property Group Limited

BIL is pleased to announce that it has signed a non-binding conditional term sheet (**Term Sheet**) with Westgate Power Centre Limited (**Westgate**) and NZ Retail Property Group Limited (**NZRPG**).

NZRPG, a privately owned property development, investment and management company, is a wholly-owned subsidiary of Westgate. Further information regarding NZRPG follows.

Based on the current asset values involved in the reverse listing, BIL believes this transaction, if approved, is likely to be the largest reverse listing to occur on the New Zealand capital markets.

Transaction Summary

The transaction will involve all of BIL's assets (except the NZX Bond of NZ\$ 75,000 and \$25,000 in cash) being transferred into BIL's wholly owned subsidiary, BIL 2016 Limited (**New BIL**). The shares of New BIL will then be distributed pro rata to all of BIL's existing shareholders. New BIL will assume the name Bethunes Investments Limited.

The business of NZRPG will then be reverse listed into the resulting shell of BIL through BIL issuing shares to Westgate in exchange for all of the shares in NZRPG. BIL will then assume the name NZ Retail Property Group Limited.

Accordingly, the effect for BIL shareholders if the transaction is completed is that they will retain their current BIL shares which become an interest in NZRPG but will also, for no consideration, receive shares in New BIL which will be an interest in the same assets and business plan that BIL presently has.

Valuation

The initial indicative and non-binding estimates for the transaction are:

- The shares in NZRPG are estimated at approximately \$400 million.
- The shares in Bethunes (less the assets and receivable held in BIL 2016 Limited) on a debt free basis valued at \$1.0 million plus the NZX Bond of \$75,000 and \$25,000 cash.

Based on these valuations Westgate will hold approximately 99% of the share capital in BIL. These values are however subject to final determination and agreement and may vary.

Conditions

The transactions contemplated by the Term Sheet are conditional on:

- BIL conducting a due diligence investigation of NZRPG.
- Westgate conducting a due diligence investigation of BIL.
- Entry into legally binding transaction documents between BIL and Westgate.
- Obtaining any necessary waivers from NZX that are required in order to proceed with the transaction.
- BIL obtaining all shareholder approvals that may be required to undertake the transactions, including under the Companies Act 1993, the Takeovers Code and the NZX Listing Rules.

A notice of special meeting to approve the transactions, and all other required documentation, will be circulated to BIL shareholders in due course. Such documentation will include an independent report and appraisal report on the merits of the transaction as required under the Takeovers Code and the NZX Listing Rules. A profile document on the business of NZRPG will also be circulated as required under the Listing Rules.

Timetable

Under the Term Sheet, BIL will seek to hold the required shareholders' meeting by 30 June 2017 with the intention of completing the transactions shortly after such approvals are obtained.

Reasons for the Transaction

As noted above the current business plan and assets of BIL will continue in New BIL which BIL shareholders will directly own. Accordingly completing the transactions can only add value for BIL shareholders as they will also own an interest in NZRPG.

In addition, NZRPG is meeting the costs of the transactions and BIL is only liable to pay its share of the costs if shareholders vote against the transaction, BIL terminates the transaction without cause or BIL materially breaches the transaction documents. Accordingly the Board can only see upside for shareholders in undertaking the transaction and believes it is in their best interests.

The BIL Board is investigating either re-listing New BIL following the transactions or placing New BIL on an alternative share trading platform to retain some liquidity in New BIL. A decision on this will be made at a later time but prior to shareholders being asked to vote on the transaction.

For and on behalf of the Board,

Christopher Swasbrook
Chairman

Email: chris.swasbrook@bethunesinvestments.com

About New Zealand Retail Property Group (NZRPG)

NZRPG is one of New Zealand's largest privately held retail ownership, management and development companies with over 100,000 square meters of leasable space in the portfolio. The total portfolio of mixed-use assets is valued at significantly higher than the transaction value of \$400 million. For over 30 years, NZRPG has been completing development and construction projects across New Zealand, solidifying their position as a long-standing player in the New Zealand property development market.

With a core specialisation in retail, NZRPG actively invests in the development of the long term property assets that are owned in the portfolio and that offer the opportunity to add value through mixed use expansion, development and redevelopment. The property portfolio includes three strategic Town Centres located in Auckland and a Shopping Centre in Tauranga.

The intention of NZ Retail Property Group is to grow the company's investment portfolio through the strategic development of existing retail centres into planned town environments and the development of mixed use assets that derive the highest value per square meter.

Historically income generated from property assets has, to a large part, been utilised to fund the ongoing development, planning and design processes necessary to ensure the long-term opportunity for these town centres. As a result, NZRPG is now uniquely positioned with a significant and long-term development pipeline, which will provide long-term income and value growth. NZRPG is seeking capital to realize these plans and a reverse listing is intended to support securing new capital.

NZRPG is presenting to investors the opportunity to take part in one of the most significant retail property development pipelines in New Zealand. The company is seeking capital to embark on the next phase of its pipeline, which includes one of New Zealand's biggest mixed-use property development opportunities – Westgate Town Centre.

In addition to the ongoing completion of the 48.5-hectare Westgate Town Centre, both the Milford Centre and Highbury Centre on Auckland's North Shore are undergoing retail development with a residential overlay. The success of these developments is underpinned by the expansive urban town planning that is reshaping Auckland.

These growth opportunities include the provision of residential overlays to all the town centre properties (Milford, Highbury and Westgate) which will both enhance the retail performance of the centres and allow for significant tranches of capital to be recycled into the core business. The Milford development plan is underway with completion due in Mid-2019.

View www.nzrpg.co.nz for more information.