



The Directors
Transport Investments Ltd
330 Devon Street
New Plymouth, 4312

The Directors
Bethunes Investments Limited
PO Box 10340,
The Terrace
Wellington 6143

The Proposed Directors (as that term is defined in the NZX Listing Profile dated on or about 17 November 2017)

17 November 2017

Dear Directors / Proposed Directors

Investigating Accountant's Report

Independent Limited Assurance Report on prospective financial information

We have been engaged by you to report on prospective financial information of Transport Investments Limited (TIL or the Company) and its controlled entities, together referred to as 'the TIL Group', for the years ending 30 June 2018 and 30 June 2019 for inclusion in the NZX Listing Profile dated on or about 17 November 2017 (Profile) and the supplementary financial information document titled "TIL Group's Prospective Financial Information, a reconciliation of non-GAAP to GAAP information, and supplementary financial information" (SFI), in each case relating to the proposed reverse listing of TIL via the acquisition of the assets and business of TIL by Bethunes Investments Limited (BIL).

Expressions and terms defined in the Profile have the same meaning in this report.

Scope

You have requested PricewaterhouseCoopers to review the following prospective financial information of TIL Group included in the Profile and the SFI:

Statutory Prospective Financial Information (Statutory PFI)

- the prospective Consolidated Statement of Comprehensive Income for the years ending 30 June 2018 and 30 June 2019;
- the prospective Consolidated Statement of Changes in Equity for the years ending 30 June 2018 and 30 June 2019;



- the prospective Consolidated Statement of Financial Position as at 30 June 2018 and 30 June 2019;
- the prospective Consolidated Statement of Cash Flows for the years ending 30 June 2018 and 30 June 2019,

as described in section 3 of the Profile and section 6 of Part A of the SFI (together the Statutory PFI).

The Prospective Directors' assumptions underlying the Statutory PFI are based on best information and provide a reasonable and supportable basis as defined by FRS-42 ("directors' best-estimate assumptions"). The Prospective Directors' best-estimate assumptions underlying the Statutory PFI are described in section 4 of Part A of the SFI. The stated basis of preparation used in the preparation of the Statutory PFI being the recognition and measurement principles contained in New Zealand Accounting Standards (in particular FRS-42 Prospective Financial Information) and TIL Group's adopted accounting policies;

Pro Forma Prospective Financial Information (Pro Forma PFI)

- the pro forma prospective Consolidated Statement of Comprehensive Income for the years ending 30 June 2018 and 30 June 2019;
- the pro forma prospective Consolidated Statement of Changes in Equity for the years ending 30 June 2018 and 30 June 2019;
- the pro forma prospective Consolidated Statement of Financial Position as at 30 June 2018 and 30 June 2019;
- the pro forma prospective Consolidated Statement of Cash Flows for the years ending 30 June 2018 and 30 June 2019; and
- the reconciliation to the PFI

as described in section 3 of the Profile and Parts B and C of the SFI (together the Pro Forma PFI).

The Pro Forma PFI has been derived from the TIL Group's Statutory PFI, after adjusting for the effects of the pro forma adjustments described in Part C of the SFI. The stated basis of preparation used in the preparation of the Pro Forma PFI being the recognition and measurement principles contained in New Zealand Accounting Standards (in particular FRS-42 Prospective Financial Information) applied to the PFI and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Part C of the SFI, as if those event(s) or transaction(s) had occurred as at 1 July 2014. Due to its nature, the Pro Forma PFI does not represent TIL Group's actual prospective financial performance, financial position, movements in equity and cash flows for the years ending 30 June 2018 and 30 June 2019.

Proposed Directors' responsibility

The Proposed Directors are responsible for:



- the preparation of the Statutory PFI, including its basis of preparation and the best-estimate assumptions underlying the Statutory PFI;
- the preparation of the Pro Forma PFI, including its basis of preparation and the selection and determination of the pro forma adjustments made to the Statutory PFI and included in the Pro Forma PFI; and
- the preparation of the reconciliation of the Pro Forma PFI to the Statutory PFI.

This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the Proposed Directors determine are necessary to enable the preparation of historical financial information, pro forma historical financial information, Statutory PFI and Pro Forma PFI that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory PFI and Pro Forma PFI, the best-estimate assumptions underlying the Statutory PFI and Pro Forma PFI, and the reasonableness of the Statutory PFI and Pro Forma PFI themselves, based on our work. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* issued November 2012 by the Australian Government Auditing and Assurance Standards Board. ASAE 3450 is being used as authoritative support as there is no applicable standard in New Zealand.

Our limited assurance engagement consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It is substantially less in scope than an audit conducted in accordance with New Zealand Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory PFI

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Statutory PFI do not provide reasonable grounds for the Statutory PFI; and
- in all material respects, the Statutory PFI:
 - is not properly prepared on the basis of the directors' best-estimate assumptions as described in section 4 of Part A of the SFI; and
 - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in New Zealand Accounting Standards



(in particular FRS 42 Prospective Financial Information) and the entity's adopted accounting policies; and

- the Statutory PFI itself is unreasonable.

Pro Forma Prospective Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Pro Forma PFI do not provide reasonable grounds for the Pro Forma PFI; and
- in all material respects, the Pro Forma PFI:
 - is not properly prepared on the basis of the directors' best-estimate assumptions, as described in section 4 of Part A of the SFI; and
 - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in New Zealand Accounting Standards and TIL Group's adopted accounting policies, applied to the Statutory PFI and the pro forma adjustments as if those adjustments had occurred as at the date of the Statutory PFI; and
- the Pro Forma PFI itself is unreasonable.

Statutory PFI and Pro Forma PFI

The Statutory PFI and Pro Forma PFI have been prepared by TIL management and adopted by the Proposed Directors in order to provide prospective investors with a guide to the potential financial performance of the TIL Group for the years ending 30 June 2018 and 30 June 2019. There is a considerable degree of subjective judgment involved in preparing prospective financial information since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Statutory PFI and Pro Forma PFI since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The Proposed Directors' best-estimate assumptions on which the Statutory PFI and Pro Forma PFI are based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the TIL Group. Evidence may be available to support the Proposed Directors' best-estimate assumptions on which the Statutory PFI and Pro Forma PFI are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Proposed Directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Bethunes/TIL Group, which are detailed in the Profile and the SFI, and the inherent uncertainty relating to the Statutory PFI and Pro Forma PFI. Accordingly, prospective investors should



have regard to the investment risks and sensitivities as described in section 4 of the Profile and section 5 of Part A of the SFI. The sensitivity analysis described in section 5 of Part A of the SFI demonstrates the impact on the Statutory PFI and Pro Forma PFI of changes in key best-estimate assumptions. We express no opinion as to whether the Statutory PFI or Pro Forma PFI will be achieved.

The Statutory PFI and Pro Forma PFI have been prepared by the Proposed Directors for the purpose of inclusion in Profile and the SFI. We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory PFI or Pro Forma PFI to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the TIL Group, that all material information concerning the prospects and proposed operations of the TIL Group has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Notice to investors outside New Zealand

Under the terms of our engagement this report has been prepared solely to comply with New Zealand Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside New Zealand. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

This report is made solely to the directors of the Company, the directors of BIL and the Proposed Directors. We disclaim any assumption of responsibility for any reliance on this Report or on the prospective financial information to which this Report relates for any purpose other than the purpose for which it was prepared. This Report should be read in conjunction with the Profile and the SFI. However, we take no responsibility for, nor do we report on, any part of the Profile or the SFI not specifically mentioned in this report. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the directors of the Company and the directors of BIL and the Proposed Directors for the conclusions that we have formed.

Consent

PricewaterhouseCoopers has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers is limited to the inclusion of this report in the Profile and the SFI on the Bethunes Website. PricewaterhouseCoopers makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Profile or the SFI.

Independence or Disclosure of Interest

PricewaterhouseCoopers does not have any interest in the outcome of the Proposed Transaction other than the preparation of this Limited Assurance Report and related due diligence procedures, for which normal professional fees will be received. We have no relationship with or interests in any member of TIL Group or Bethunes other than in our capacities as auditor to TIL Group and other adviser role



(such as tax structuring advice associated with the Proposed Transaction). These services have not impaired our independence.

Yours faithfully

PricewaterhouseCoopers

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