

**NZX Release**

**30 September 2015**

## Kiwi Pacific Foods: Arbitration

In 2014, Veritas Investments Limited (NZX:VIL), through its subsidiary, Midas Foods Limited, purchased a 50% shareholding in Kiwi Pacific Foods Limited. Kiwi Pacific Foods' main business is the manufacture of burger patties in New Zealand. Kiwi Pacific Foods has been performing to expectations and is continuing to actively look for growth opportunities in both the local and export markets.

Veritas' joint venture partner in Kiwi Pacific Foods is Antares Restaurant Group Limited, which operates the New Zealand Burger King franchise. Kiwi Pacific Foods has a preferred supply arrangement with Antares under which it has been supplying meat patties to Burger King in New Zealand. This arrangement is documented in a joint venture agreement between Antares, Kiwi Pacific Foods, Midas Foods, Kiwi Choice Limited.

In April 2015, certain disputes arose between the parties on the interpretation of the supply terms and Antares sought to terminate the joint venture agreement. Kiwi Pacific Foods, Midas Foods and Kiwi Choice challenged the validity of Antares' termination notice. This led to the commencement of recent arbitration proceedings involving the parties.

Despite these disputes, KPF has continued to trade with Antares.

The arbitrator has now issued a declaration that Antares' notice of termination of the joint venture agreement is valid, and that the joint venture agreement will terminate on 24 April 2016.

Veritas does not agree with this declaration and having obtained legal advice, will seek leave to appeal the arbitrator's decision. In the mean time, the existing preferred supply arrangements will continue on a business as usual basis.

The Board will keep the market abreast of the developments in this regard.

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## **About Veritas Investments Limited**

Veritas Investments is an NZX Main Board-listed investment company focusing in the Food and Beverage, Franchise and Hospitality sectors. The shell company was formed in December 2011 and made its first acquisition of the Mad Butcher franchisor business in May 2013 through a reverse acquisition transaction. A further investment was made in December 2013 for 50% of Kiwi Pacific Foods Limited. In September 2014 Veritas acquired the Nosh Food Market business. In November 2014 Veritas acquired The Better Bar Company group business.

[www.veritasinvestments.co.nz](http://www.veritasinvestments.co.nz)