

**NZX Release**

**29 October 2015**

**Quarter One Market Update**

As previously advised to the market on 28 August 2015, the Board are providing a market update for the first quarter of FY16 performance.

**Mad Butcher**

The first quarter for Mad Butcher continues to be challenging due to high beef and lamb prices affecting the stores' ability to promote at attractive price points. There are however signs that prices appear to be easing, which is positive as we enter the summer barbecue and Christmas season, traditionally the strongest trading period for the stores. The new advertising strategy – "My Mad Butcher" – is achieving strong brand recognition and a very positive market response. In addition, Mad Butcher is looking at other and new cost effective ways to expand its reach and community involvement, particularly through social media. The number of stores held for sale remains the same and we are working diligently to identify appropriately qualified franchisees for these outlets.

**Kiwi Pacific Foods**

Following our recent market announcement regarding the outcome of an arbitration process and a pending leave to appeal application we are exploring options for the ongoing business, but it is too early to have a definitive view on the outcome and impact. The Board will provide updates as the situation and outcomes become clearer.

**Nosh Group**

The Nosh stores as a whole continue to show growth on last year and remain on track to be profitable in the next quarter. Our latest Nosh store opened in Pakuranga on time and to budget and, following a soft launch, revenue continues to grow with significant marketing activity continuing in the local area. The Board look forward to strong trading over the Christmas and summer season for all stores.

**Better Bar Company**

The Auckland bars and gastro pubs are trading to expectations, however the Hamilton bars continue to underperform and the Board are proactively working on a number of potential solutions to produce a positive outcome.

In summary the Veritas Board believe that we remain on track to achieve guidance as announced to the market on 24 June 2015.

A further market update on FY16 in respect of the second quarter will be provided following the finalisation of the financial results for the six months ending 31 December 2015, which is expected to be ready at the end of January 2016.

### **Appointment of an Interim Chief Financial Officer**

The Board have appointed John Hames as Interim Chief Financial Officer following the resignation of the current CFO. John will transition over the next few weeks and will remain with Veritas until the appointment of a permanent CFO is finalised. John is a former Financial Controller of Westpac New Zealand, 2 Degrees Mobile Limited and Group Chief Accountant of Fletcher Building Limited.

### **Search for a Chief Executive Officer**

As a result of the recent Board structural review, the Board have resolved to appoint a Chief Executive Officer for Veritas Investments Limited and will be commencing a recruitment and search exercise shortly.

For further information, contact:

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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)