

28 November 2014

Veritas completes acquisition of Better Bar Company group

Veritas confirms that the transaction to acquire the business and assets of The Better Bar Company group of companies (“BBC”) has been completed and settled today (28 Nov.).

The completion follows the announcement on 7 November 2014 that Veritas Investments Limited (NZX:VIL) had entered into a conditional agreement to purchase the business and notification on 25 November that shareholders had strongly supported the acquisition.

This acquisition is expected to increase the combined Veritas group’s annual revenue to \$90 million per year.

This is the fourth acquisition in 18 months for Veritas and follows the successful purchases of the Mad Butcher franchisor business in May 2013, a 50 per cent holding in Kiwi Pacific Foods in December 2013 and the Nosh Food Market business in September 2014.

The BBC deal involves Veritas Investments Limited’s subsidiary Veritas Holdings Limited paying \$23.4 million in cash, funded by bank debt, and issuing 6,964,286 new Veritas shares to the certain BBC vendors. The BBC vendors and their associates now hold 15.718 per cent of Veritas’ total shares. In addition, Veritas is assuming approximately \$6 million of the BBC Group’s net debt. Three million dollars in cash has been held back as a “retention amount” to deal with any purchase price adjustments and warranties.

All BBC staff have been offered ongoing employment by Veritas. As part of the transaction, BBC Chairman Richard Sigley has been appointed to the board of Veritas in accordance with the shareholder approval at the annual meeting. Veritas Chairman Mark Darrow says he is delighted to have Richard join the board of Veritas.

“Richard Sigley brings wide hospitality industry experience to the Veritas board having been in the industry for 20 years. He is the current CEO of the Nourish Group and held several senior

management roles at DB Breweries. He has worked in the retail wine and spirits sector and in advertising. He's also an elected board member of the Hospitality Association of New Zealand."

Geoff Tuttle, who has worked with the BBC group since 2002 and has been the CEO of the BBC business, also remains in his current role and is subject to a retention agreement.

"The BBC opportunity is a game changer for Veritas and the board believes it will add significant scale and diversification to Veritas' current business. It is expected to materially increase shareholder value, and we also expect the acquisition to increase investor interest in Veritas," Mr Darrow says.

About Veritas Investments Limited

Veritas Investments is an NZX-listed investment company focusing in the Food and Beverage sector. 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. On 25 November 2014 Veritas shareholders approved the purchase of The Better Bar Company group business. www.veritasinvestments.co.nz

About BBC

The BBC Group is a significant operator of gastro bars in New Zealand, including the newly refurbished and reopened gastro bar "The Cav" in Auckland. It also operates two well-established iconic Irish pubs in Auckland's Viaduct, O'Hagans and Danny Doolans and The Doolan Brothers chain of neighbourhood Irish bars and eating establishments in various suburbs around Auckland and Hamilton. The BBC Group also operates two new establishments in Hamilton, The Good Home and Honky Tonk. It has enjoyed strong periods of growth and profitability driven by a management team with a proven track record of developing and sustaining great, long lasting concepts within the hospitality sector. www.thebbc.co.nz

For further comment, please contact:

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