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News release

**New Veritas acquisition expected to lift annual revenue to over \$90 million**

Veritas Investments Limited (“Veritas”) has entered into a conditional agreement to purchase the business and assets of The Better Bar Group of companies (“BBC”) as a going concern for \$31.2m. This acquisition is expected to increase Veritas’ annual revenue to over \$90m on a full-year basis.

This will be the fourth acquisition for Veritas in just 18 months and follows the purchase of The Mad Butcher franchisor business in May 2013, a 50 per cent stake in Kiwi Pacific Foods in December 2013 and the Nosh Food Market business in September 2014.

BBC is a leading specialty hospitality operator in New Zealand, with 11 sites located in Auckland and Hamilton, including well known brands such as The Cav, O’Hagan’s, Doolan Brothers and Danny Doolans. Employing around 200 people, BBC is expected to generate revenue of more than \$31m per annum.

The acquisition is conditional on Veritas shareholder approval at its annual meeting to be held later this month. The deal is also conditional on landlord and key supplier consents, relevant permits and licences being obtained to ensure the day-to-day operation of the business, as well as key management staff transferring their employment to Veritas.

Of the \$31.2m purchase price, \$23.4m (75 per cent) will be paid in cash funded by a facility of up to \$25m with ANZ Bank, and the remaining 25 per cent through the issue of new Veritas shares.

“This transformational acquisition for Veritas is expected to deliver a significant uplift in revenue and earnings for the Veritas group.” says chairman Mark Darrow.

“BBC has a strong track record of growth and recent acquisitions have seen their group go from strength to strength under the direction of the senior management, who are considered to be amongst the most experienced and successful hospitality executives in New Zealand.”

Subject to shareholders approving the transaction, BBC chairman Richard Sigley will join the Veritas Board and Geoff Tuttle will remain in his role as CEO of the BBC business.

“This significant acquisition fits our investment mandate and complements the existing companies within the Veritas group. We see further opportunities for procurement synergies between the

companies, complemented by listed company governance and better resources, enabling the businesses to be scaled significantly over time.” Mr Darrow says.

The acquisition is expected to be completed late November 2014.

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

**About The Better Bar Group**

The Better Bar Group is New Zealand’s leading specialty hospitality operator. From humble beginnings with a couple of establishments in Auckland’s Viaduct, the group has grown to 11 sites across Auckland and Hamilton. The Better Bar Group owns and operates the Ponsonby gastro-bar The Cav, Irish gastro-pub Doolan Brothers, live music venue Danny Doolans, Irish gastro-bar O’Hagan’s, traditional English pub Cock & Bull, western/country bar The Honky Tonk and Good Home Public house in Hamilton. [www.thebbc.co.nz](http://www.thebbc.co.nz)

For further comment, please contact:

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