

## NEWZEALAND

Southern Travel Holdings Limited  
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25 February 2015

The Shareholders  
Southern Travel Holdings Limited

Dear Shareholder

### **Southern Travel Holdings Joint Venture's Takeover Offer for Southern Travel Holdings Limited**

The independent directors of Southern Travel Holdings Limited ("**STH**") advise shareholders that on 24 February 2015, notice was received from an unincorporated joint venture called Southern Travel Holdings Joint Venture (comprising the persons listed in the attached appendix) ("**STHJV**") of its intention to make a takeover offer for STH.

A copy of the notice and the documents that accompany it are available from STH and from STHJV free of charge on request.

The notice states that STHJV intends to make a full takeover offer for all the ordinary shares in STH not already held by STHJV at an offer price of 30 cents per share.

The offer will only be conditional on STHJV receiving acceptances that will result, when taken together with the shares already held or controlled by STHJV, in STHJV holding or controlling 90% of the shares of STH.

Members of STHJV, and persons acting jointly or in concert with them, already hold or control more than 90% of the shares in the company. If STHJV receives any acceptance of its takeover offer (for any number of shares) STHJV will become a "dominant owner" in terms of the Takeovers Code, and entitled under the Takeovers Code to compulsorily acquire the rest of the shares in the company. STHJV has indicated in the takeover notice that it has in place a lock-up agreement under which a shareholder has already agreed to accept the offer, and therefore STHJV will become entitled to exercise the power of compulsory acquisition.

Accordingly, the decision for shareholders will not be whether they should sell their shares for 30 cents per share, or retain their shares. Shareholders will not be able to retain their shares. The only effect which a decision by shareholders on whether to accept the takeover offer, is on the way in which shares are priced for the purposes of compulsory acquisition.

The independent directors, being John King and David Osborne, will appoint an independent adviser to assess the offer and give advice to shareholders on the merits of the offer.

STH shareholders will be mailed a Target Company Statement within the time period required under the Takeovers Code. The Target Company Statement will include a copy of an

independent adviser's report commissioned by the independent directors, and will include a recommendation by the directors.

The independent directors recommend that STH shareholders take no action until the Target Company Statement has been provided to shareholders.

Shareholders who are in any doubt as to how to proceed should take their own advice from an independent financial adviser.

Yours sincerely

Southern Travel Holdings Limited

A handwritten signature in black ink, appearing to read 'John King', written in a cursive style.

John King  
Chairman

## APPENDIX

<b>Member of Southern Travel Holdings Joint Venture</b>	<b>Shareholding in Southern Travel Holdings Limited</b>	<b>Percentage of Southern Travel Holdings Limited shares on issue</b>
Rodney Walshe Limited	3,393,148	27.51%
Kiyomi Gunji	2,263,000	18.34%
Kazue Gunji	1,737,000	14.08%
Argyle Trustee Limited	1,315,531	10.66%
Russell John Field and Anthony James Palmer (jointly)	850,000	6.89%
Keith Fraser Johnston and Judith Gay Johnston Palmer (jointly)	472,993	3.83%
Bancorp Strategic Management Limited	386,691	3.13%
Kerry Anne Graham	210,608	1.71%
Awatea Investments Limited	170,739	1.38%
Ian Graham Douglas	93,393	0.76%
Geoffrey Donald Campbell Walker and Martin Victor Richardson (jointly)	92,291	0.75%
Terry Bryce Horne & Margaret June Horne (jointly)	86,267	0.70%
Michael Hall	84,227	0.68%
Terry Bryce Horne & Barbara Lesley Horne (jointly)	50,000	0.41%
Frances Denise Flanagan	8,250	0.07%
Timothy George Mason Horne	7,143	0.06%
Christie Elsa Alison Horne	1,786	0.01%
<b>TOTAL</b>	<b>11,223,067</b>	<b>90.98%</b>