



26 April 2018

NZX Limited
Level 2, NZX Centre, 11 Cable Street
Wellington, New Zealand

ASX Limited
20 Bridge Street
Sydney, NSW, Australia

and to:

Takeovers Panel
Level 3, Solnet House
70 The Terrace
WELLINGTON

RECEIPT OF TAKEOVER NOTICE

The directors of Tegel Group Holdings Limited (NZX/ASX: TGH, Tegel) advise that they have yesterday received a notice of takeover under the Takeovers Code (Takeover Notice) from Bounty Holdings New Zealand Limited (Bounty), a wholly-owned subsidiary of Bounty Fresh Food, Inc., to acquire all of the issued shares in Tegel, at a price per ordinary share of NZ\$1.23. Under the terms of the notice Tegel is also permitted to pay a dividend of up to NZ\$0.041 per ordinary share (prior to the deduction of any withholding taxes) prior to closing of the offer, without adjustment to the offer price.

A copy of the Takeover Notice is attached to this letter.

Key terms

The Takeover Notice is not an offer, but will entitle (but not oblige) Bounty to make an offer at any date between 10 May 2018 and 26 May 2018. The actual making of the offer, and the terms of the offer when made, are both conditional on no material counter party refusing under contractual obligation to approve the change in control of Tegel which would arise on any successful completion of the Offer.

The draft offer accompanying the Takeover Notice contains a range of other conditions typical of offers of this nature, including Bounty receiving acceptances under the offer that would, when taken together with any shares already held or controlled by Bounty, confer on Bounty more than 50% of the voting rights in Tegel and necessary regulatory approvals.

The directors also note the filing by Claris Investments Pte Ltd (Claris), the holder of 45% of the company's issued shares, of a substantial product holder notice in relation to a lock-up agreement committing Claris to accept the offer when made by Bounty in respect of all of its shares.



Board sub-committee appointed

The takeover notice was unsolicited by the Board and Tegel. The Tegel Board has appointed an independent sub-committee of the Board, comprising David Jackson (Independent Chairman) as well as the other independent directors (being Bridget Coates and George Adams), to respond to Bounty's Takeover Notice. None of the members of the sub-committee have any association with Bounty.

While noting the draft offer price represents a 50% premium to the NZ\$0.82 close price of Tegel shares on 24 April 2018 on the NZX, the independent directors consider it too early to comment on the draft offer at this time. In particular, the independent directors do not yet have full details in respect of Bounty's proposed strategy for Tegel, which is something we are focused on.

At this stage, we advise shareholders to take professional advice before taking any action with respect to their Tegel shares.

Tegel has appointed Goldman Sachs to advise it on the Takeover Notice and the independent directors intend to appoint an independent expert to evaluate the merits of the offer. The Board will report to shareholders more fully in accordance with the Takeovers Code requirements, once this advice has been received and our assessment of the offer has been completed.

Bounty is one of the largest poultry companies in the Philippines, with vertically integrated farm-to-plate operations including breeding, raising, processing and retailing (including both locally and via export to other parts of Asia).

Kind regards,

David Jackson
Independent Chairman

Attachments

- Takeover Notice under Rule 41 of the Takeovers Code
- Lock-up agreement between Claris and Bounty



For investor queries please contact:

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Chief Financial Officer

For media queries, please contact:

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PR advisor (+64 21 481234)

About Tegel Group Holdings Limited

Tegel Group Holdings Limited (NZX/ASX: TGH) processes approximately 55 million birds per year, across vertically integrated operations in Auckland, Christchurch and New Plymouth. It is New Zealand's leading poultry producer, processing approximately half of New Zealand's poultry, and also manufactures and markets a range of other processed meat products. Tegel produces a range of products across its core business (e.g. fresh and frozen whole chickens, fillets and portions), and value added convenience products (e.g. fresh value added, cooked and smoked small-goods and frozen further processed products), which are sold through three key sales channels domestically (retail grocery, foodservice / industrial and quick-service restaurants), and in selected channels in international markets. Its brands are Tegel, Rangitikei and Top Hat.

For more information go to: www.tegel.co.nz