

12 April 2011

Recent offers by limited partnerships associated with Mr Bernard Whimp to purchase shares

Shareholders in several listed companies have complained to the Securities Commission about offers made in March 2011 from limited partnerships associated with Mr Bernard Whimp. Shareholders are concerned that Mr Whimp's offers may be misleading. So are we.

Which offers?

The offers were made around 15-18 March 2011 by:

- Carrington Securities LP – to buy shares in TrustPower Limited
- NZ Investment Securities LP – to buy shares in Vector Limited
- Chase Securities LP – to buy shares in Guinness Peat Group plc
- Carlyle Securities LP – to buy shares in Contact Energy Limited
- Energy Securities LP – to buy shares in DNZ Property Fund Limited
- Fairfield Securities LP – to buy shares in Fletcher Building Limited.

Mr Whimp is the general partner of all these limited partnerships.

What has the Securities Commission done about the offers?

We have obtained interim orders that stop the transfer of shares to the buyers until the Court decides whether the offers are misleading.

What happens next?

The Court will decide on 9 May 2011 if the offers are misleading.

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I accepted an offer – what should I do now?

You don't have to do anything at the moment.

You can go to our website at www.seccom.govt.nz for more information, and watch the media for the outcome of the hearing.

If the Court decides the offers were misleading, the Securities Commission will ask it to cancel the share sales and for any shares already sold to be returned. If the Court decides the offers weren't misleading, the accepted offers will go through and shares will be transferred.

You may have had a notice from us or be about to get one. This explains that you may go ahead and sell your shares regardless of what the Court decides about the offers.

DO NOT SIGN and return the notice **UNLESS** you do want to go ahead and sell your shares to the limited partnership that offered to buy them.

What shall I do if the Court decides the offers weren't misleading?

We recommend you get legal advice as soon as possible. The Court may decide the offers were not misleading, and/or the Commission might be unable to cancel the sale of shares and have them returned to you.

We can't give you any legal advice. A lawyer will be able to tell you what your other options are.

How did the partnerships get hold of information about me?

Companies are legally required to provide a copy of their share registers to anyone who asks for it. This includes the names and addresses of their shareholders.

Are these offers illegal?

It's not illegal to offer to buy someone's shares or to offer to buy them at below their current market value. But it is against the law to mislead or deceive someone into accepting an offer.

At first sight, these offers seem to be for above the shares' current market value, but we believe they are misleading. You won't be fully paid for 10 years so, in today's value, the offer is worth much less than first appears.

Not only is the offer worth less than it appears, but it's worth less than you would get if you sold your shares now at the current price through a sharebroker.

You will also lose rights to any dividends over those 10 years, and you will have to trust the creditworthiness of the limited partnership to meet your ongoing payments.

Where can I get more information?

Go to www.seccom.govt.nz. Or you can call the registrar of the company you hold shares in – Computershare Investor Services Limited – on 0800 888 726.