

LOGAN CORPORATION LIMITED

COPY

15 October 2001

Pacific Retail Group Limited
Level 2
One Nelson Street
PO Box 91141
AUCKLAND

DESPATCH NOTICE OF A FULL OFFER FOR ORDINARY SHARES AND OPTIONS IN PACIFIC RETAIL GROUP LIMITED UNDER THE TAKEOVERS CODE

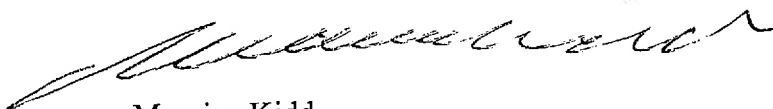
Logan Corporation Limited ("Logan") advises that the offer document and accompanying documentation relating to its full offer to purchase all fully paid ordinary shares and options in Pacific Retail Group Limited ("PRG") (being those fully paid ordinary shares and options in PRG not already held by Logan as at the date of the offer) under the Takeovers Code was sent today to the offerees in respect of the offer.

The documents that were sent to the offerees were:

- (a) the offer document;
- (b) forms of transfer and acceptance with which to accept the offer;
- (c) the independent advisers report prepared by Ferrier Hodgson; and
- (d) a covering letter from Logan Corporation Limited.

Copies of these documents are attached to this notice. Copies of this letter and accompanying documents will be sent to the NZSE, the Registrar of Companies and the Takeovers Panel as required by the Code.

Logan Corporation Limited



Maurice Kidd
Director

LOGAN CORPORATION LIMITED

12 October 2001

Dear Shareholders and Optionholders

On 24 September 2001 Logan Corporation Limited filed notice with Pacific Retail Group Limited ("PRG") of its intention to acquire up to 100 per cent of the shares and options of PRG.

Enclosed with this letter is the formal offer document relating to the bid, together with the report from Ferrier Hodgson which concludes that the relative pricing of the offer as between all the equity security holders of PRG is fair. The offer is now open for your acceptance by 10 November 2001 (unless extended).

The offer from Logan is \$1.76 per share for all shares, and \$1.76 less the relevant exercise price for options. The price offered for the shares represents a premium of just under 20 per cent above the average market closing price of the shares for the six months leading up to the filing of our notice with PRG. Acceptance of the offer affords you an opportunity to cash up your investment in Pacific Retail Group which, predominantly because of large holdings by a few parties, has been a relatively illiquid stock for some time.

I encourage you to read thoroughly the enclosed documents before completing and returning the acceptance form in the prepaid envelope provided.

Yours faithfully
Logan Corporation Limited



Philip S. Newland
Director

Received: 15/10/01 8:59AM;
15/10/2001 07:58 CULLEN → 13678596

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NO.887 0003

**FULL OFFER BY
LOGAN CORPORATION LIMITED
TO PURCHASE SHARES AND OPTIONS IN
PACIFIC RETAIL GROUP LIMITED
MADE PURSUANT TO THE TAKEOVERS CODE**

IMPORTANT:

If you are in doubt as to any aspect of this offer, you should consult a member of the New Zealand Stock Exchange or a financial or legal adviser.

If you have sold all your shares in Pacific Retail Group Limited, you should immediately hand this offer document and the accompanying acceptance form to the purchaser, or to the member of the New Zealand Stock Exchange or other agent through whom the sale was made, to be passed to the purchaser.

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This Offer is made in accordance with the Takeovers Code approved by the Takeovers Code Approval Order 2000.

SUMMARY OF OFFER

On 24 September 2001, Logan Corporation Limited announced it would make a full takeover offer for all of the fully paid ordinary shares and options to acquire fully paid ordinary shares in Pacific Retail Group Limited not already held by it. The key terms of the offer are:

- The consideration offered is:
 - \$1.76 in cash for each fully paid ordinary share in Pacific Retail Group Limited;
 - \$0.293 in cash for each PRG option that was issued on 24 December 1999 and is exercisable at \$1.467 per share on or before 24 December 2004;
 - \$0.203 in cash for each PRG option that was issued on 13 March 2000 and is exercisable at \$1.557 per share on or before 13 March 2005;
 - \$0.203 in cash for each PRG option that was issued on 22 March 2000 and is exercisable at \$1.557 per share on or before 22 March 2005;
 - \$0.37 in cash for each PRG option that was issued on 20 July 2000 and is exercisable at \$1.39 per share on or before 20 July 2005.
- The offer closes on 10 November 2001 unless extended.

Detailed terms of the offer are set out on pages 5 to 13 of this document.

HOW TO ACCEPT THIS OFFER

To accept the offer by Logan Corporation Limited, you should complete the relevant Form of Acceptance and Transfer enclosed with this offer in accordance with the instructions set out on the form. Then mail (in the enclosed prepaid envelope), fax or deliver the form to:

Logan Corporation Limited
C/- Computershare Registry Services Limited
Level 2
159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland 1020
NEW ZEALAND

Facsimile: +64 9 488 8787

If you have sold all or some of your shares, please refer to the instructions below.

If you cannot readily locate your Faster Identification Number (FIN number), please complete and return the form and complete the indemnity on the reverse of the form.

IMPORTANT

ACCEPTANCES MUST BE RECEIVED BY 10 NOVEMBER 2001

(UNLESS EXTENDED)

**FULL OFFER BY LOGAN CORPORATION LIMITED
TO PURCHASE SHARES AND OPTIONS IN PACIFIC RETAIL GROUP LIMITED**

TO: The shareholders and optionholders of
Pacific Retail Group Limited ("PRG")

1. THE OFFER

- 1.1 Logan Corporation Limited ("Logan") offers to purchase all the fully paid ordinary shares ("PRG Shares") and options to acquire fully paid ordinary shares ("PRG Options") in PRG not already held by Logan at the date of this offer, including all rights which are attached to the PRG Shares or to the PRG Options at the date on which Logan gave PRG notice of intention to make this offer (the "Notice Date") or which arise subsequently.
- 1.2 The offer is dated 12 October 2001 and remains open for acceptance until 10 November 2001. Logan may extend the offer period, subject to the provisions of the Takeovers Code. The expiry of the offer (as it may be extended from time to time (if at all)) is referred to as the "Closing Time".
- 1.3 A holder of PRG Shares or PRG Options may accept this offer in respect of all or any such shares or options held by that holder.
- 1.4 This offer is made on the terms, and subject to the conditions, set out in this offer document and on the terms contained in the Takeovers Code (except to the extent that the terms contained in the Takeovers Code are, where permitted by the Takeovers Code, varied by this offer).

2. CONSIDERATION

2.1 The consideration offered for each:

- (a) PRG Share is \$1.76 in cash;
- (b) PRG Option issued on 24 December 1999 and exercisable at \$1.467 per share on or before 24 December 2004 is \$0.293 in cash;
- (c) PRG Option Issued on 13 March 2000 and exercisable at \$1.557 per share on or before 13 March 2005 is \$0.203 in cash;
- (d) PRG Option issued on 22 March 2000 and exercisable at \$1.557 per share on or before 22 March 2005 is \$0.203 in cash;
- (e) PRG Option Issued on 20 July 2000 and exercisable at \$1.39 per share on or before 20 July 2005 is \$0.37 in cash.

3. TERMS OF THE OFFER

- 3.1 All PRG Shares and PRG Options in respect of which this offer is accepted, and all shares, options and other securities of the nature referred to in clauses 3.3 to 3.5, must be free of all liens, charges, mortgages, encumbrances and other adverse interests or claims of any kind when they are transferred to Logan.

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- 3.2 If PRG pays any dividend or other cash distribution in respect of PRG Shares or any PRG Options after the Notice Date and Logan waives the condition contained in clause 5.1(a) then, at the option of Logan, either:
- (a) the consideration per PRG Share and/or per relevant PRG Option (as the case may be) payable under clause 2.1 will be reduced by an amount equivalent to that dividend or other cash distribution; or
 - (b) acceptors of this offer will be bound to pay to Logan in respect of each PRG Share and/or each relevant PRG Option (as the case may be) for which they have accepted this offer (provided the dividend or other cash distribution is paid or payable in respect of that share or option) an amount equivalent to that dividend or other cash distribution.
- 3.3 If PRG makes any bonus issue of shares, options or other securities of any nature in respect of PRG Shares or in respect of any PRG Options on or after the Notice Date (and Logan waives the condition contained in clause 5.1(a)), then either:
- (a) if the bonus issue is of fully paid ordinary shares in PRG, then the consideration per PRG Share and per PRG Option payable under clause 2.1 shall be reduced to take account of the effect of the bonus issue;
 - (b) If the bonus issue is of securities other than fully paid ordinary shares in PRG, each acceptor must transfer to Logan, without additional consideration, the number of those securities which is attributable to the PRG Shares or PRG Options transferred, and if an acceptor fails to do so, the consideration payable by Logan to that acceptor shall be reduced by such amount as Logan reasonably considers appropriate to take account of that failure.
- 3.4 If PRG subdivides or consolidates the PRG Shares or any PRG Options on or after the Notice Date (and Logan waives the condition contained in clause 5.1(b)) this offer will be for the securities resulting from such subdivision or consolidation and the consideration per PRG Share and/or per relevant PRG Option (as the case may be) payable under clause 2.1 will be correspondingly reduced or increased and acceptors must transfer the relevant subdivided or consolidated shares and/or options to Logan without any additional consideration.
- 3.5 If PRG issues any further ordinary shares or options on or after the Notice Date whether pursuant to any dividend reinvestment plan, share investment scheme, employee share or option scheme, or otherwise (and Logan waives the conditions contained in clauses 5.1(a) and (b), and clause 3.3 does not apply) then the offer will extend to such of those shares and/or options as are not held by Logan.
4. **ACCEPTANCE OF OFFER**
- 4.1 To accept this offer, acceptors must complete the enclosed Acceptance Transfer Form ("Acceptance Form") and return it to Logan, in accordance with the instructions printed on the Acceptance Form, as soon as possible but in any event so as to be received not later than the Closing Time. No acknowledgement of the receipt of acceptances will be issued by Logan.
- 4.2 Logan may, in its discretion, treat any form of acceptance as valid whether or not it complies with clause 4.1 or is otherwise irregular (including, without limitation, where no FIN number is supplied). Logan may also, in its discretion, rectify any errors in, or omissions from, any form of acceptance to enable that form to constitute a valid acceptance of the offer and to facilitate registration of the transfer of the relevant PRG Shares or PRG Options to Logan, including inserting or correcting details of the PRG Shares or PRG Options held by the acceptor and filling in any blanks.

- 4.3 Except as provided in clause 4.4, acceptances are irrevocable and acceptors are not entitled to withdraw their acceptances of this offer, whether or not this offer has been varied by Logan in accordance with the Takeovers Code.
- 4.4 If payment is not sent within the period specified in clause 6.1 to any acceptor whose PRG shares or PRG Options are taken up under the offer, that acceptor may withdraw acceptance of the offer:

- (a) by notice in writing to Logan; but only
- (b) after the expiration of 7 days' written notice to Logan of that acceptor's intention to do so.

However, the right to withdraw acceptance of the offer does not apply if that acceptor receives the consideration during the 7 day period referred to in clause 4.4(b).

- 4.5 Notwithstanding clause 4.3, Logan shall be released from its obligations under this offer, and arising from acceptance of this offer, if:

- (a) this offer is withdrawn with the consent of the Takeovers Panel; or
- (b) this offer lapses as a result of any condition contained in section 5 not being satisfied by the date specified in clause 5.3 as the latest date for satisfaction of that condition.

- 4.6 This offer is open for acceptance by all persons who have acquired PRG Shares or PRG Options from any person to whom this offer has been sent by Logan.

- 4.7 Except where Logan is required by the Takeovers Code to give or send notice of any matter to the holders of PRG Shares or PRG Options, notice by Logan to the New Zealand Stock Exchange and to PRG of any matter relating to this offer will constitute notice of that matter to holders of PRG Shares and holders of PRG Options and will be deemed to have been duly given on the day following the date of notification to the New Zealand Stock Exchange.

5. CONDITIONS

- 5.1 This offer is subject to the conditions (which are for the benefit of Logan and may be waived in whole or in part by Logan in its discretion) that during the period from and including the Notice Date until and including the latest date by which this offer must become unconditional specified in clause 5.3, unless Logan consents in writing:

- (a) No dividends, bonuses or other distributions of any nature are declared, paid or made on, or in respect of, the PRG Shares or PRG Options or on or in respect of the shares of any of PRG's partly owned subsidiaries;
- (b) None of the PRG Shares or PRG Options are subdivided, consolidated or bought back by PRG, no further shares, options, or other securities of any nature of PRG or any of its partly owned subsidiaries are issued or made the subject of any option or agreement to issue, and there is no alteration of the rights, privileges or restrictions attaching to any PRG Shares or PRG Options or to the terms of any PRG Options;

- 5.2 Each of the conditions set out in clause 5.1 is a separate condition subsequent, and acceptance of the offer by each acceptor shall constitute a contract by that acceptor with Logan subject to those conditions.

- 5.3 The latest date on which this offer can become unconditional is 24 November 2001. Should this offer not become unconditional by or on that date it will lapse and all Acceptance Forms will be returned by Logan to acceptors.

6. SETTLEMENT

- 6.1 Cheques for the cash to which each acceptor is entitled under the offer will be despatched by Logan by ordinary post not later than 7 days after the later of:
- (a) the date on which this offer becomes unconditional; or
 - (b) the date on which an acceptance is received; or
 - (c) the end of the initial offer period specified in clause 1.2.

7. GENERAL

- 7.1 By acceptance of this offer, each acceptor will be deemed to:
- (a) authorise Logan to advise PRG and/or its share and option registrar of the details of that acceptor's acceptance and to note the PRG share and option registers with those details; and
 - (b) represent and warrant to Logan that title to that acceptor's PRG Shares or PRG Options, and to all other shares, options and other securities of the nature referred to in clauses 3.3, 3.4 and 3.5, will pass to Logan free of all charges, liens, mortgages, encumbrances and other adverse interests and claims of any kind, and that that acceptor has full power and capacity to sell and transfer all such securities.
- 7.2 All cheques, Acceptance Forms and other documents to be delivered or sent by or to a holder of PRG Shares or PRG Options will be delivered or sent by or to that holder at that holder's own risk.
- 7.3 The provisions set out in the Acceptance Form form part of the terms of the offer.
- 7.4 All references in this document and in the Acceptance Form to:
- (a) currency are to New Zealand currency, unless stated otherwise;
 - (b) time are to New Zealand time, unless stated otherwise;
 - (c) the singular include the plural and vice versa, unless the context otherwise requires.
- 7.5 Headings are for convenience only and do not affect the interpretation of this document or any Acceptance Form. Any expression that is defined in the Takeovers Act 1993, or in the Takeovers Code, and used (but not defined) in this offer has the same meaning as in the Takeovers Act or Takeovers Code.
- 7.6 This offer may be varied by Logan in accordance with the Takeovers Code.
- 7.7 This offer, and all contracts arising from acceptance of it, will be governed by and construed in accordance with the laws of New Zealand. Logan and each acceptor submit to the non-exclusive jurisdiction of the courts of New Zealand.

8. ADDITIONAL INFORMATION

8.1 The information required by Schedule One to the Takeovers Code, and not stated elsewhere in this offer, is set out below.

8.2 The address of Logan is:

Level 11
 Elders Finance House
 2 Kitchener Street
 Auckland

8.3 The directors of Logan are:

Maurice George Kidd
 Philip Samuel Newland

Ownership of equity securities of PRG

8.4 The table below sets out the number, designation, and percentage of equity securities of any class of PRG held or controlled by:

- (a) Logan; and
- (b) any related company of Logan; and
- (c) any person acting jointly or in concert with Logan; and
- (d) any director of any of the persons described in paragraphs (a) to (c); and
- (e) any other person holding or controlling more than 5% of the class, if within the knowledge of Logan.

Name	Description	Number of equity securities held or controlled	Type of equity security	Percentage of class
Logan Corporation Limited (+)	Company	34,306,305	Ordinary shares	67.96%
Cullen Investments Limited (+)	Related company of Logan	34,306,305	Ordinary shares	67.96%
Eric John Watson (+)	Sole shareholder in Cullen Investments Limited	34,306,305	Ordinary shares	67.96%
Axa Asia Pacific Limited (*)	Holder of more than 5% of a class of equity security	5,373,888	Ordinary shares	10.65%
Mark Stephen Hotchin	Director of a related company of Logan	2,098,518	Ordinary shares	4.18%
Nicholas Peter Gordon	Director of a related company of Logan	1,666,666	Ordinary shares	3.30%
Stefan Gary Preston	Director of a related company of Logan	261,386	Ordinary shares	0.52%

Richard Anthony Johnston	Director of a related company of Logan	217,944	Ordinary shares	0.43%
Nell Alistair Campbell	Director of a related company of Logan	124,196	Ordinary shares	0.25%
Mark John Allen	Director of a related company of Logan	24,536	Ordinary shares	0.05%
Peter Thomas Halkett	Director of a related company of Logan	67,045	Ordinary shares	0.13%
Richard Edward Reilly	Director of a related company of Logan	16,666	Ordinary shares	0.03%
Ronald McGregor Irvine	Director of a related company of Logan	3,666	Ordinary shares	0.01%
Peter Thomas Halkett	Holder of more than 5% of a class of equity security	333,333	Options Exercise Price: \$1.467 Final Exercise Date: 24 December 2004	100%
John Milford	Holder of more than 5% of a class of equity security	222,222	Options Exercise Price: \$1.557 Final Exercise Date: 13 March 2005	100%
Nell Alistair Campbell	Director of a related company of Logan	5,555	Options Exercise Price: \$1.557 Final Exercise Date: 22 March 2005	0.02%
Nell Alistair Campbell	Director of a related company of Logan	5,000	Options Exercise Price: \$1.39 Final Exercise Date: 20 July 2005	0.02%

(*) These details were obtained from the 2001 Annual Report of Pacific Retail Group Limited and the register of PRG shareholders.

(+) Logan is a wholly-owned subsidiary of Cullen Investments Limited. Eric John Watson is the sole shareholder of Cullen Investments Limited. For the purposes of the Takeovers Code, both Cullen Investments Limited and Mr Watson are regarded as controlling the shares held by Logan.

8.5 None of the other persons referred to in clause 8.4 hold or control equity securities of PRG.

Trading in target company equity securities

- 8.6 The following persons referred to in clause 8.4 have, during the six month period before the date of the offer, acquired or disposed of equity securities of PRG:

Name	Number of equity securities	Type of equity security	Acquisition or disposal	Date of transaction	Consideration per equity security
Logan Corporation Limited	263,734	Ordinary shares	Acquisition	26 September 2001	\$1.76
Logan Corporation Limited	2,262,000	Ordinary shares	Acquisition	8 October 2001	\$1.76
Platinum Retail Limited(*)	2,240,000	Ordinary shares	Disposal	8 October 2001	\$1.76
Axa Asia Pacific Limited (**)	9,222	Ordinary shares	Disposal	22 August 2001	Unknown(+)
Axa Asia Pacific Limited (**)	9,222	Ordinary shares	Acquisition	22 August 2001	Unknown(+)

(*) Platinum Retail Limited is a company associated with Mark Stephen Hotchin.

(**) These trades were an internal transfer between clients of Axa Asia Pacific Limited.

(+) The consideration involved in these trades is not within the knowledge of Logan after making proper enquiry of Axa Asia Pacific Limited.

- 8.7 None of the other persons referred to in clause 8.4 have acquired or disposed of equity securities in PRG in the six month period before the date of the offer.

Agreements to accept offer

- 8.8 No person has agreed conditionally or unconditionally to accept the offer.

Arrangements to pay consideration

- 8.9 The maximum amount payable under the offer is just over \$33,000,000 if it is accepted in full. Logan confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the offer and to pay any debts incurred in connection with the offer (including the debts arising under Rule 49 of the Takeovers Code).

- 8.10 A statement setting out the rights of offerees under Rule 34 of the Takeovers Code is set out in clause 4.4 of the offer.

Arrangements between offeror and target company

- 8.11 No agreement or arrangement (whether legally enforceable or not) has been made, or has been proposed to be made, between Logan or any associates of Logan, and PRG or any related company of PRG, in connection with, in anticipation of, or in response to, the offer.

Arrangements between offeror, and directors and officers of target company

- 8.12 No agreement or arrangement (whether legally enforceable or not) has been made, or has been proposed to be made, between Logan or any associates of Logan, and any of the directors or senior officers of PRG or of any related company of PRG in connection with, in anticipation of, or in response to, the offer.

Financial assistance

- 8.13 Logan currently proposes to enter into funding arrangements in relation to the offer. If these arrangements are utilised (which would occur if Logan holds 90% of the ordinary shares in PRG) Logan will cause PRG and its subsidiaries (other than Pacific Retail Finance Limited) to give a guarantee and grant security over their assets to secure the obligations of Logan under these funding arrangements.

Market acquisitions of securities

- 8.14 Logan, its related companies, any person acting jointly or in concert with Logan and any director of any such party may acquire PRG Shares or PRG Options otherwise than under this offer in compliance with Rule 36 of the Takeovers Code.

Likelihood of changes in target company

- 8.15 If, as a result of the offer or otherwise, Logan or another member of the Logan group of companies becomes entitled to acquire compulsorily PRG Shares and PRG Options under the Takeovers Code, it is intended that those rights will be exercised and PRG will apply for de-listing from the New Zealand Stock Exchange.
- 8.16 If the offer becomes unconditional, but Logan or another member of the Logan group of companies does not compulsorily acquire all PRG Shares and PRG Options, it is Logan's present intention to maintain PRG's listing on the New Zealand Stock Exchange and for the business of PRG as currently conducted to continue.

Pre-emption clauses in target company's constitution

- 8.17 There is no restriction on the right to transfer any equity securities to which the offer relates that:
- (a) is contained in the constitution of PRG; and
 - (b) has the effect of requiring the holders of those securities to offer the securities for purchase to members of PRG or to any other person before transferring those securities.

Escalation clauses

- 8.18 No agreement or arrangement (whether legally enforceable or not) has been made, or has been proposed to be made, under which:
- (a) any existing holder of equity securities in PRG will or may receive in relation to, or as a consequence of, the offer any additional consideration or other benefit over and above the consideration set out in the offer; or

NO. 887 0015

15-10-01: 7:51 : Copy sent

**FORM OF ACCEPTANCE AND TRANSFER
LOGAN CORPORATION LIMITED ("Buyer")
FULL OFFER FOR SHARES IN PACIFIC RETAIL GROUP LIMITED ("Pacific Retail")**

Shareholder/Seller (the Seller):

HOLDER NUMBER

**NUMBER OF SHARES
CURRENTLY HELD**

Insert in the box below the number of fully paid ordinary shares ("Pacific Retail Shares") in Pacific Retail Group Limited ("Pacific Retail") in respect of which you accept the full offer.

NOTE:

1. You may accept the offer in respect of all or any Pacific Retail Shares held by you.
2. If you do not state the number of Pacific Retail Shares in respect of which you wish to accept the offer, you will be deemed to have accepted the offer in respect of all Pacific Retail Shares held by you and to have stated that number in the box below.

Number of Pacific Retail shares you wish to sell:

By signing this form the Seller hereby:

- (a) accepts the full offer dated 12 October 2001 of the Buyer, for the number of shares set out in the box above and held by the Seller and transfers those shares to the Buyer, subject to the terms and conditions of the offer; and
- (b) enters into the indemnity below in favour of and for Pacific Retail and the Buyer, and appoints the Buyer the attorney of the Seller.

The Buyer hereby agrees to take the shares. The Seller hereby authorises the Buyer to use the Seller's FIN (as set out below) to transfer the shares to the Buyer. If a FIN is not set out below, the indemnity below shall apply.

FIN Number: _____

Dated and executed the _____ day of _____ 2001

FOR AN INDIVIDUAL OR ATTORNEY	FOR A COMPANY
<i>Signed by the Seller(s):</i>	<i>Signed for the Seller by:</i>
<i>In the presence of:</i>	<i>In the presence of:</i>
<i>Name:</i> <i>Occupation:</i> <i>Town/City of Residence:</i>	<i>Name:</i> <i>Occupation:</i> <i>Town/City of Residence:</i>

BY THE SELLER'S EXECUTION OF THIS FORM, THE SELLER:

1. hereby declares that if the FIN in respect of the shares referred to above is not also shown above:
 - 1.1 the Seller is the holder of such shares, and has made proper endeavours to identify the FIN and has been unable to do so; and
 - 1.2 the Seller will indemnify Pacific Retail, the Buyer and its agent Computershare Registry Services Limited and its related companies against any costs, loss or damage arising out of any failure to produce the FIN or the transfer of such shares being registered by Pacific Retail without production of the FIN; and
2. hereby enters into a Power of Attorney in favour of the Buyer as follows:

As from the time of the offer being declared unconditional, I/we irrevocably authorise and appoint the Buyer (with power of substitution by the Buyer in favour of such person(s) as the Buyer may appoint to act on its behalf) as my/our attorney and agent to act for me/us and to do all matters of any kind or nature whatsoever in respect of or relating to the Pacific Retail Shares in respect of which we have accepted the offer and all rights and benefits attaching to them as the Buyer may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting, including the transfer of shares to any person or persons whatsoever, the appointment of a proxy or proxies for any meeting of the shareholders of Pacific Retail, attendance in person at and voting at such meeting, application to any court whatsoever and execution of all documentation in my/our name(s) which the Buyer may

NOTES AND INSTRUCTIONS FOR COMPLETION

1. TO ACCEPT THE OFFER:

- (i) Insert your FIN number in the space provided.
- (ii) Insert the date of execution in the space provided.
- (iii) Sign this form where marked "Signed by the Seller(s)" and have your signature witnessed. Any person (including your husband or wife) may witness your signature and must add his or her occupation and address in the space provided. Companies must sign where marked "For A Company" and in accordance with the Companies Act 1993 or other applicable law.

2. **SHARES HELD BY NOMINEES:** If your Pacific Retail Shares are held through a nominee, advise your nominee as to how many Pacific Retail Shares you wish to sell and instruct them to complete, execute, and return this form to the Buyer in accordance with the instructions contained in it.

3. **JOINT HOLDERS:** If the shares are registered in the names of joint holders, all must sign the form.

4. **POWER OF ATTORNEY:** If the form is signed under a power of attorney, a copy of the relevant power of attorney must be submitted with the form for noting and return, and the certificate printed below must be completed by the party holding the Power of Attorney. Where the power of attorney has already been noted by Pacific Retail, then this fact must be stated under the signature of the attorney.

5. **ON COMPLETION:** Either mail, deliver or fax this form (and a copy of any related power of attorney) as provided for below as soon as possible, but in any event so as to be received by Logan Corporation Limited not later than 10 November 2001, or if the closing time of the offer is extended, by the extended closing time.

Shareholders resident outside New Zealand are encouraged to return the acceptance form by fax.

(a) **MAIL:** Place the signed acceptance form in the reply paid envelope and post to:

Logan Corporation Limited
C/- Computershare Registry Services Limited
Private Bag 92119
Auckland 1020
NEW ZEALAND

(b) **DELIVER:** Deliver the signed acceptance form to Logan Corporation Limited, C/- Computershare Registry Services Limited at the following address:

Level 2
159 Hurstmere Road
Takapuna
Auckland
NEW ZEALAND

NOTE: This office is only open on weekdays during normal business hours.

(c) **FAX:** Fax the signed acceptance form to Logan Corporation Limited, C/- Computershare Registry Services Limited on the following fax number:
+64 9 488 8787

and then the Seller must either:

1. post the original signed acceptance form in the enclosed prepaid envelope to Logan Corporation Limited, C/- Computershare Registry Services Limited at the address set out in (a) above; or
2. deliver it to Logan Corporation at the address set out in (b) above

as soon as possible after faxing the acceptance form. However, as long as the faxed acceptance form has been received by the Buyer by the closing time of the offer, that acceptance will remain valid notwithstanding that the original is not received until after that time.

6. **PREVIOUS SALE:** If you have sold all your shares, please pass this form, together with the documents, to your sharebroker or the purchasers of the shares. If you have sold part of your shareholding, or acquired more shares, record that fact on this form by amending the number of shares noted as being held by you on the face of this form. Please also refer to the more detailed instructions on page 4 of the Offer.

7. **INTERPRETATION:** In this form references to the singular shall include the plural.

IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR ACCEPTANCE, PLEASE TELEPHONE COMPUTERSHARE REGISTRY SERVICES LIMITED ON 09 488 8777 FOR DOMESTIC NEW ZEALAND CALLERS OR +64 9 488 8777 FOR INTERNATIONAL CALLERS.

IF THIS FORM IS SIGNED UNDER POWER OF ATTORNEY, THE ATTORNEY(S) SIGNING MUST SIGN THE FOLLOWING CERTIFICATE:

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I/We, _____
(Insert name of Attorney(s) signing)

of _____
(Address and Occupation)

HEREBY CERTIFY:

1. By a Power of Attorney dated _____ the Seller named and described on the face of this form (the Seller) appointed me/us his/her/their attorney on the terms and conditions set out in that Power of Attorney.
2. I/We have executed the form printed on the face of this document as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me/us.
3. At the date hereof I/we have not received any notice of information of the revocation of that Power of Attorney by the death (or winding up) of the Seller or otherwise.

Signed at _____ on _____ 2001

Signature(s) of Attorney(s)

**FORM OF ACCEPTANCE AND TRANSFER
LOGAN CORPORATION LIMITED ("Buyer")
FULL OFFER FOR OPTIONS IN PACIFIC RETAIL GROUP LIMITED ("Pacific Retail")**

Optionholder/Seller (the Seller):

**DESCRIPTION OF OPTIONS
CURRENTLY HELD**

OPTION EXERCISE PRICE

**FINAL EXERCISE DATE
OF OPTIONS**

**NUMBER OF OPTIONS
CURRENTLY HELD**

HOLDER NUMBER

Insert in the box below the number of options ("Pacific Retail Options") in Pacific Retail Group Limited ("Pacific Retail") in respect of which you accept the full offer.

NOTE:

1. You may accept the offer in respect of all or any Pacific Retail Options held by you.
2. If you do not state the number of Pacific Retail Options in respect of which you wish to accept the offer, you will be deemed to have accepted the offer in respect of all Pacific Retail Options held by you and to have stated that number in the box below.

Number of Pacific Retail Options you wish to sell:

By signing this form the Seller hereby:

- (a) accepts the full offer dated 12 October 2001 of the Buyer, for the number of options set out in the box above and held by the Seller and transfers those options to the Buyer, subject to the terms and conditions of the offer; and
- (b) enters into the indemnity below in favour of and for Pacific Retail and the Buyer (if the certificate for the Seller's Pacific Retail Options is not returned with this form); and
- (c) appoints the Buyer the attorney of the Seller.

Dated and executed the _____ day of _____ 2001

FOR AN INDIVIDUAL OR ATTORNEY	FOR A COMPANY
<i>Signed by the Seller(s):</i>	<i>Signed for the Seller by:</i>
<i>In the presence of:</i>	<i>In the presence of:</i>
<i>Name:</i> <i>Occupation:</i> <i>Town/City of Residence:</i>	<i>Name:</i> <i>Occupation:</i> <i>Town/City of Residence:</i>

BY THE SELLER'S EXECUTION OF THIS FORM, THE SELLER:

1. hereby declares that if the certificate in respect of the options referred to above is not enclosed with this form:
 - 1.1 the Seller is the holder of such options, and has made proper endeavours to find the certificate and has been unable to do so; and
 - 1.2 the Seller will indemnify Pacific Retail, the Buyer and its agent Computershare Registry Services Limited and its related companies against any costs, loss or damage arising out of any failure to produce the certificate or the transfer of such options being registered by Pacific Retail without production of the certificate; and
2. hereby enters into a Power of Attorney in favour of the Buyer as follows:

As from the time of the offer being declared unconditional, I/we irrevocably authorise and appoint the Buyer (with power of substitution by the Buyer in favour of such person(s) as the Buyer may appoint to act on its behalf) as my/our attorney and agent to act for me/us and to do all matters of any kind or nature whatsoever in respect of or relating to the Pacific Retail Options in respect of which we have accepted the offer and all rights and benefits attaching to them as the Buyer may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting, including the transfer of options to any person or persons whatsoever, the appointment of a proxy or proxies for any meeting of the optionholders of Pacific Retail, attendance in

NOTES AND INSTRUCTIONS FOR COMPLETION

1. TO ACCEPT THE OFFER:

- (i) Insert the date of execution in the space provided.
- (ii) Sign this form where marked "Signed by the Seller(s)" and have your signature witnessed. Any person (including your husband or wife) may witness your signature and must add his or her occupation and address in the space provided. Companies must sign where marked "For A Company" and in accordance with the Companies Act 1993 or other applicable law.
- (iii) enclose the certificate for your Pacific Retail Options with this form.

2. **OPTIONS HELD BY NOMINEES:** If your Pacific Retail Options are held through a nominee, advise your nominee as to how many Pacific Retail Options you wish to sell and instruct them to complete, execute, and return this form to the Buyer in accordance with the instructions contained in it.

3. **JOINT HOLDERS:** If the options are registered in the names of joint holders, all must sign the form.

4. **POWER OF ATTORNEY:** If the form is signed under a power of attorney, a copy of the relevant power of attorney must be submitted with the form for noting and return, and the certificate printed below must be completed by the party holding the Power of Attorney. Where the power of attorney has already been noted by Pacific Retail, then this fact must be stated under the signature of the attorney.

5. **ON COMPLETION:** Either mail, deliver or fax this form (together with the option certificate and a copy of any related power of attorney) as provided for below as soon as possible, but in any event so as to be received by Logan Corporation Limited not later than 10 November 2001, or if the closing time of the offer is extended, by the extended closing time.

Optionholders resident outside New Zealand are encouraged to return the acceptance form by fax.

(a) **MAIL:** Place the signed acceptance form in the reply paid envelope and post to:

Logan Corporation Limited
C/- Computershare Registry Services Limited
Private Bag 92119
Auckland 1020
NEW ZEALAND

(b) **DELIVER:** Deliver the signed acceptance form to Logan Corporation Limited, C/- Computershare Registry Services Limited at the following address:

Level 2
159 Hurstmere Road
Takapuna
Auckland
NEW ZEALAND

NOTE: This office is only open on weekdays during normal business hours.

(c) **FAX:** Fax the signed acceptance form to Logan Corporation Limited, C/- Computershare Registry Services Limited on the following fax number:
+64 9 488 8787

and then the Seller must either:

1. post the original signed acceptance form in the enclosed prepaid envelope to Logan Corporation Limited, C/- Computershare Registry Services Limited at the address set out in (a) above; or
2. deliver it to Logan Corporation at the address set out in (b) above

as soon as possible after faxing the acceptance form. However, as long as the faxed acceptance form has been received by the Buyer by the closing time of the offer, that acceptance will remain valid notwithstanding that the original is not received until after that time.

6. **INTERPRETATION:** In this form references to the singular shall include the plural.

IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR ACCEPTANCE, PLEASE TELEPHONE COMPUTERSHARE REGISTRY SERVICES LIMITED ON 09 488 8777 FOR DOMESTIC NEW ZEALAND CALLERS OR +64 9 488 8777 FOR INTERNATIONAL CALLERS.

IF THIS FORM IS SIGNED UNDER POWER OF ATTORNEY, THE ATTORNEY(S) SIGNING MUST SIGN THE FOLLOWING CERTIFICATE:

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I/We, _____
(Insert name of Attorney(s) signing)

of _____
(Address and Occupation)

HEREBY CERTIFY:

1. By a Power of Attorney dated _____ the Seller named and described on the face of this form (the Seller) appointed me/us his/her/their attorney on the terms and conditions set out in that Power of Attorney.
2. I/We have executed the form printed on the face of this document as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me/us.
3. At the date hereof I/we have not received any notice of information of the revocation of that Power of Attorney by the death (or winding up) of the Seller or otherwise.

Signed at _____ on _____ 2001

Signature(s) of Attorney(s)

Note: Your signature does not require witnessing.



FERRIER HODGSON
CHARTERED ACCOUNTANTS

INDEPENDENT ADVISER REPORT
IN RELATION TO A TAKEOVER OFFER FOR
PACIFIC RETAIL GROUP
BY
LOGAN CORPORATION LIMITED

24 September 2001

FERRIER HODGSON

CONTENTS

1. Introduction
2. Scope of Report
3. Evaluation of Offer
 - 3.1 Offer Price of Each Class of Equity Security
 - 3.2 Structural Aspects of Options
 - 3.3 Lack of Negative Control
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6. Qualifications, Declarations and Consent

FERRIER HODGSON

1. INTRODUCTION

Logan Corporation Limited ("Logan Corporation") has advised that it will be filing a takeover notice for all equity securities whether voting or non-voting of Pacific Retail Group Limited ("PRG" or "the Company") other than those it already holds.

There are five classes of equity securities in existence:

Type of Security	Number	% of Total Equity Securities
Ordinary shares	50,479,714	97.3
December 2004 Options	333,333	0.6
13 March 2005 Options	222,222	0.4
22 March 2005 Options	438,889	0.9
July 2005 Options	395,000	0.8
Total Equity Securities	51,869,158	100.0

The details relating to these options are:

	December 2004	13 March 2005	22 March 2005	July 2005
Date of Issue	24 Dec 99	13 Mar 00	22 Mar 00	20 July 00
Date of Maturity	24 Dec 04	13 Mar 05	22 Mar 05	20 July 05
Amount Issued	300,000	200,000	395,000	395,000
Bonus Issue	33,333	22,222	43,889	-
Total Options on Issue	333,333	222,222	438,889	395,000
Effective Strike Price	1.467	1.557	1.557	1.390

The directors of Logan Corporation have requested Ferrier Hodgson & Co ("Ferrier Hodgson") to prepare an independent adviser's report in accordance with Rule 22 of the Takeovers Code. Our appointment has been approved by the Takeovers Panel.

Our report sets out the following information:

1. a review of the different classes of equity securities;
2. a comparison of the consideration and terms to be offered for each class of equity security and the relationship of the offer as between each class of equity security; and
3. an opinion as to the fairness and reasonableness of the offer as between each class of equity security.

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The sources of information, which we have had access to and relied upon, are set out in Section 5 of this report.

This report should be read in conjunction with the statements and declarations set out in Section 6, regarding our independence, qualifications, general disclaimer, indemnity and the restrictions upon the use of this report.

FERRIER HODGSON

2. SCOPE OF REPORT

We understand that Logan Corporation will file a takeover notice for all the equity securities not currently owned by Logan Corporation.

Takeovers Code Requirements

Rule 22(1) of the Takeovers Code states:

An offeror must obtain a report from an independent adviser, if any of rules 8(3) and (4) and 9(5) apply.

Rule 8(4) states:

If non-voting securities are included in a full offer, the consideration and terms offered for non-voting securities must be fair and reasonable in comparison with the consideration and terms offered for voting securities and as between classes of non-voting securities.

The Takeovers Code requires an independent adviser to certify that the consideration and terms offered for non-voting securities are fair and reasonable in comparison to those offered for voting securities and fair and reasonable between classes of non-voting securities.

In determining the fairness and reasonableness of the offer, Ferrier Hodgson has considered the following:

1. the offer price for the non-voting securities compared to voting securities and between the non-voting securities;
2. the relative number of options in existence compared to the total number of equity securities on issue; and
3. the terms and conditions attached to the options.

This report has been prepared for the benefit of all equity security holders in PRG to assist them in considering whether the consideration and terms offered for non-voting securities are fair and reasonable in comparison with the consideration and terms offered for voting securities and as between classes of non-voting securities.

Ferrier Hodgson notes that each option holder's circumstances and investment objectives are unique. Accordingly, it is not possible to advise what action each option holder should take in response to the offer. Ferrier Hodgson's advice and opinions are necessarily general in nature and are intended to assist the option holders to form their own opinions as to what action they should take in the circumstances.

This report should not be used for any other purpose without Ferrier Hodgson's prior written consent.

FERRIER HODGSON

3. EVALUATION OF OFFER

3.1 OFFER PRICE OF EACH CLASS OF EQUITY SECURITY

The consideration for each different class of equity security is:

for each Ordinary Share	\$1.76 in cash
for each December 2004 Option	\$0.293 in cash
for each 13 March 2005 Option	\$0.203 in cash
for each 22 March 2005 Option	\$0.203 in cash
for each July 2005 Option	\$0.370 in cash

To assess the fairness of the offer as between classes we need to compare the offer price for ordinary shares with the offer price of each class of option together with exercise price. This is set out below:

Option Class	Exercise Price	Offer Price	Total
December 2004	1.467	0.293	1.76
13 March 2005	1.557	0.203	1.76
22 March 2005	1.557	0.203	1.76
July 2005	1.390	0.370	1.76

This shows the value of the offer price for each class of option is the same as being offered for the ordinary shares, net of the exercise price.

This can be expressed as a formula as follows:

$$OPO = OPS - SP$$

where OPO = Offer price for a particular class of option
 OPS = Offer price for ordinary shares
 SP = Strike price for a particular class of option

If there is no valid reason for a class of option to attract a premium or discount in its offer price, then an offer price expressed in terms of the above formula is fair and reasonable.

3.2 STRUCTURAL ASPECTS OF OPTIONS

The four classes of options have been issued by PRG to management and staff under its Employee Share Option Plan.

All 1,389,444 options on issue have been issued under this scheme. The details of the four classes of options are set out in Section 1 above.

As the options are issued under the Employee Share Option Plan they are not listed and they are not transferable. The only parties entitled to the benefit of the options are the parties to whom they are issued.

FERRIER HODGSON

Clause 5.5 of the Employee Share Option Plan states that if an offer is made to the holders of all the fully paid ordinary shares of the Company, the Company shall notify the participants to the option plan. Any participant may exercise his or her options and be free to accept the offer being made for the ordinary shares of the Company.

Due to the existence of this clause, in the event of a takeover offer being made for the ordinary shares of the Company, there ceases to be any restrictions on the participants of their ability to exercise their options. As a consequence, any offer for the options must be at least in accordance with the pricing formula described in 3.1 above otherwise participants will be financially incentivised to convert their options and accept the offer for ordinary shares.

3.3 LACK OF NEGATIVE CONTROL

We have been advised that the takeover notice to be issued by Logan Corporation will not be conditional upon acceptance of 90% or more of the voting rights in PRG. However if Logan Corporation is successful in acquiring 90% of the ordinary shares on issue it can move to compulsory acquisition of all the remaining ordinary shares and options in does not control.

The total number of options on issue represents 2.7% of the fully diluted capital of PRG.

The level of acceptance will be driven by the merits of the offer and the value of PRG, which is outside the scope of this report. However given that the number of options on issue represent only a small percentage of the fully diluted capital of PRG the option holders, as a single group, are unlikely to be able to exercise any effective negative control, therefore a premium price for the options would not appear to be justified.

FERRIER HODGSON

4. OPINION

We understand the offer from Logan Corporation for all the equity securities of PRG will be as follows:

for each ordinary share	\$1.76
for each December 2004 Option	\$0.293
for each 13 March 2005 Option	\$0.203
for each 22 March 2005 Option	\$0.203
for each July 2005 Option	\$0.370

Based on the exercise price for each class of share, and the existence in the Employee Share Option Plan of the right of all participants to exercise their options in the event of a takeover offer, Ferrier Hodgson is of the opinion that the offer for each class of non-voting security is fair and reasonable in comparison with the consideration and terms offered for voting securities and as between classes of non-voting securities.

Furthermore, if during the takeover proceedings Logan Corporation changes its offer for the voting securities and consequently changes its offer for each class of non-voting securities by the same nominal amount then the relativity of the offers between the different classes is maintained and the offer remains "fair and reasonable in comparison" between the classes.

For the avoidance of doubt, we advise that we have not undertaken a valuation of PRG and our opinion does not extend to the absolute merits of the offer.

FERRIER HODGSON

5. SOURCES OF INFORMATION

The statements and opinions expressed in this report are based on the following main sources of information.

During the course of preparing this report, Ferrier Hodgson has had discussions with and/or received information from Logan Corporation.

Documents relied upon include, but are not limited to, the following:

- Annual Report 2001
- Annual Report 2000
- Pacific Retail Group Limited Registered Prospectus for Employee Share Option Plan December 1999 and attachments
- Draft Takeover Notice
- PricewaterhouseCoopers letter to Logan Corporation dated 13 September 2001

Ferrier Hodgson has been provided with all the information believed necessary for the preparation of this report.

Ferrier Hodgson believes sufficient information has been provided to the option holders to enable them to understand all the relevant factors and reach an informed decision in respect of the comparison of the offers for the different classes of equity securities.

In forming our opinion we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was furnished to us by Logan Corporation and its advisers. We have no reason to believe any material facts have been withheld.

We have evaluated that information through analysis, enquiry and examination for the purposes of forming our opinion but we have not verified the accuracy or completeness of any such information. We have not carried out any form of due diligence or audit on the accounting or other material provided.

15/10/2001

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FERRIER HODGSON

6. QUALIFICATIONS, DECLARATIONS AND CONSENT

QUALIFICATIONS

Ferrier Hodgson is an independent New Zealand Chartered Accounting practice, internationally affiliated with the Ferrier Hodgson group that is represented in Australia, throughout Asia, North America, the United Kingdom and Europe. The firm has established its name nationally through its provision of professional financial consultancy services with a corporate advisory and insolvency emphasis, and because it has no business advisory, audit or tax divisions, avoids any potential conflicts of interest which may otherwise arise. This places the firm in a position to act as an independent adviser and prepare an independent report as required under Rule 22 of the Takeovers Code.

The persons responsible for preparing and issuing this report are Grant Graham BCom, CA and Stephen Panckhurst MBA, BMS. Both have significant experience in providing corporate finance advice on mergers, acquisitions and divestments, advising on the value of shares, undertaking financial investigations and providing expert evidence in litigation support.

DISCLAIMERS

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Ferrier Hodgson's opinion as to whether the offer is fair and reasonable in comparison to the consideration and terms offered for voting securities and as between classes of non-voting securities. This report is not a valuation of PRG or a valuation of the different classes of non-voting securities. Ferrier Hodgson expressly disclaims any liability to any equity security holder that relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose.

This report has been prepared by Ferrier Hodgson with care and diligence and the statements and opinions given by Ferrier Hodgson in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Ferrier Hodgson or any of its officers or employees for errors or omissions however arising (including as a result of negligence) in the preparation of this report, provided that this shall not absolve Ferrier Hodgson from liability arising from an opinion expressed recklessly or in bad faith.

INDEMNITY

Logan Corporation has agreed that to the extent permitted by law, it will indemnify Ferrier Hodgson and its partners, employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of this report. This indemnity does not apply in respect

