



ENZA FRUIT

ENZA FRUIT is the trading name of ENZA Limited

TARGET COMPANY STATEMENT BY ENZA LIMITED

PREPARED PURSUANT TO RULE 46 OF THE TAKEOVERS CODE IN RELATION TO A TAKEOVER OFFER FROM GPG ORCHARDS LIMITED

1. **Date**

The date of this target company statement (**Statement**) is 5 April 2002.

2. **Offer**

The offer (**the Offer**) is a full offer by GPG Orchards Limited (**GPG**), a subsidiary of Guinness Peat Group plc, to purchase all of the fully paid ordinary shares (**ENZA Shares**) in ENZA Limited (**ENZA**) not already held or controlled by GPG as at the date of the Offer. The terms of the Offer are set out in the offer document, dated 5 April 2002 which was sent to the shareholders of ENZA (**Shareholders**) by GPG on 5 April 2002.

3. **Target company**

The name of the target company is ENZA Limited.

4. **Directors of ENZA**

The names of the directors of ENZA are:

William N. Birnie (Chairman)
Brian M. D'Ath
Michael R. Dossor
Anthony I. Gibbs
Richard G. Hill
William J. E. Lynch
Stephen R. Norrie

5. **Ownership of equity securities of ENZA**

Schedule 1 to this Statement sets out the number, designation and percentage of the equity securities of ENZA held or controlled by each director of ENZA (**Director**) and their associates and any other person who, to the knowledge of ENZA, holds or controls more than 5% of any class of equity securities of ENZA (referred to in Schedule 1 as a "substantial security holder").

After due enquiry, no senior officer of ENZA (**Senior Officer**) or any of their associates holds or controls any equity securities of ENZA.

There are no equity securities of ENZA that have, during the 2 year period ending on the date of this Statement, been issued to Directors and Senior Officers or their associates or in which Directors and Senior Officers or their associates have, during the 2 year period ending on the date of this Statement, obtained a beneficial interest under any employee share scheme or other remuneration arrangement.

6. Trading in ENZA equity securities

Schedule 2 to this Statement sets out the number and designation of those equity securities of ENZA acquired or disposed of by each Director or Senior Officer and their associates during the 6 month period before 4 April 2002 (being the latest practicable date before the date of this Statement), including the consideration for, and the date of, each such transaction.

7. Acceptance of Offer

FRP Orchards Limited, an associate of Messrs Birnie and Norrie, has agreed to accept the Offer in respect of all the ENZA Shares it holds, subject to GPG being successful in acquiring ENZA Shares that, when taken together with the ENZA Shares already held by GPG, confer more than 50% of the voting rights in ENZA.

Messrs D'Ath, Hill, and Lynch have not as at the date of this Statement formed a view as to whether they or their associates referred to in Schedule 1 will accept the Offer for all or any of the ENZA Shares they hold. Shareholders are also referred to the statements at paragraph 15.

8. Ownership of equity securities of GPG

Neither ENZA, nor any Director or Senior Officer, nor any associate of a Director or Senior Officer, holds or controls any equity securities of GPG. All the shares in GPG are held by Ithaca (Custodians) Limited, which is ultimately owned by Guinness Peat Group plc.

9. Trading in equity securities of GPG

Neither ENZA, nor any Director or Senior Officer, nor any associate of a Director or Senior Officer, has acquired or disposed of any equity securities of GPG during the 6 month period before 4 April 2002 (being the latest practicable date before the date of this Statement).

10. Arrangements between GPG and ENZA

No agreements or arrangements (whether legally enforceable or not) have been made, or are proposed to be made, between GPG (or any associates of GPG, including Guinness Peat Group plc) and ENZA (or any related company of ENZA) in connection with, in anticipation of, or in response to, the Offer.

11. Relationship between GPG, and Directors and Senior Officers of ENZA

No agreements or arrangements (whether legally enforceable or not) have been made, or are proposed to be made, between GPG (or any associates of GPG, including Guinness Peat Group plc) and any Directors or Senior Officers (or any of the directors or senior officers of any related company of ENZA) in connection with, in anticipation of, or in response to, the Offer.

Mr Gibbs, a Director, is the sole director of GPG and a director and senior officer of Guinness Peat Group plc (the ultimate parent company of GPG) and a number of subsidiaries of Guinness Peat Group.

12. Agreement between ENZA, and Directors and Senior Officers

No agreements or arrangements (whether legally enforceable or not) have been made, or are proposed to be made, between ENZA (or any related company of ENZA) and any Directors or Senior Officers (or their associates) or any of the

directors or senior officers (or their associates) of any related company of ENZA, under which a payment or other benefit may be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office in connection with, in anticipation of, or in response to, the Offer.

ENZA's Constitution

ENZA's constitution does, however, provide that Directors may receive a lump sum payment or pension in connection with cessation of office. The total amount of the payment (or the base for the pension) must not exceed the total remuneration of the Director, in his or her capacity as a director, in any 3 years chosen by the board. Should any of the Directors cease to hold office as a result of the Offer succeeding, the board may, at its discretion, make such lump sum payments to such Directors.

Employment Contracts

Certain Senior Officers are employed by ENZA under employment contracts that provide for notice, of varying length, of termination and for additional compensation where those contracts are terminated as a result of redundancy. Neither the relevant provisions of ENZA's constitution, nor these employment contracts, were entered into in connection with, in anticipation of, or in response to, the Offer.

13. Interests of Directors and Senior Officers of ENZA in material contracts of GPG

Except as set out below, and to the extent that Mr Gibbs, a Director, is also a director and senior officer of GPG, Guinness Peat Group plc and a number of its subsidiaries, no Director or Senior Officer, or any of their associates, has any interest in any material contract to which GPG (or any related company of GPG, including Guinness Peat Group plc) is a party.

FRP Orchards Limited (which is the only person other than GPG, to the knowledge of the Directors and Senior Officers, that holds or controls more than 5% of any class of equity securities of ENZA) has entered into a deed with GPG dated 20 March 2002 under which FRP Orchards Limited has agreed to accept the Offer in respect of all its ENZA Shares, subject to GPG acquiring ENZA Shares that, when taken together with the ENZA Shares already held by GPG, confer more than 50% of the voting rights of ENZA.

14. Additional information

In the opinion of the Directors of ENZA and to the best of their knowledge, there is no information in the Offer document that is incorrect or misleading.

15. Recommendation

Independent Directors Responsible

The board of directors of ENZA has appointed a committee of independent directors to attend to all matters associated with the Offer not otherwise required to be dealt with by the whole board. This committee comprises Messrs D'Ath, Hill and Lynch (the **Independent Directors**).

Messrs Birnie and Norrie (being associated with FRP Orchards Limited), Mr Gibbs (being the sole director of GPG which has made the Offer) and Mr Dossor (being Managing Director of ENZA and a director of a company related to Guinness Peat Group plc) have actual or potential conflicts of interest in respect of the Offer. For that reason, they are not members of the committee and abstain from making any recommendation to Shareholders as to whether to accept or reject the Offer.

Independent Directors' Conclusions

The Independent Directors engaged Ferrier Hodgson as independent adviser, with the approval of the Takeovers Panel, and Ferrier Hodgson has prepared a report on the merits of the Offer as required by Rule 21 of the Takeovers Code (the **Ferrier Hodgson Report**). The Ferrier Hodgson Report accompanies this Statement.

In formulating their recommendation, the Independent Directors have given careful consideration to the Ferrier Hodgson Report, and refer Shareholders to their comments in paragraph 19 of this Statement.

The Independent Directors have decided to make a recommendation to Shareholders to accept the Offer.

In making this recommendation, the Independent Directors make the following observations:

- They consider the Offer to be fair, and note that it is within the range of values determined by the Ferrier Hodgson Report, although at the lower end.
- To their knowledge, ENZA Shares have not traded on the unlisted securities market at prices in excess of the \$1.20 offered by GPG.
- ENZA, together with the whole of the pipfruit industry, is entering a new deregulated trading environment which makes it difficult to predict with certainty the sustainability of the industry and its participants.
- The financial performance of ENZA is sensitive to product volume, sales price, foreign exchange and certain costs over which ENZA has limited control.
- While the Independent Directors are optimistic that the future for ENZA is bright, the uncertainties associated with the pipfruit industry and its participants are such that the individual circumstances of Shareholders will be a significant determinant of their decision whether to accept or reject the Offer and the extent to which they do so.
- They believe that Shareholders should carefully read the Ferrier Hodgson Report, consider the conclusions in that report, and consult with their own financial advisers before making a decision, as the individual circumstances of Shareholders will differ.

16. Actions of ENZA

No material agreements or arrangements (whether legally enforceable or not) of ENZA (or any related company of ENZA) have been entered into as a consequence of, in response to, or in connection with, the Offer.

No negotiations are underway as a consequence of, in response to, or in connection with, the Offer that relate to or could result in—

- an extraordinary transaction, such as a merger, amalgamation, or reorganisation, involving ENZA or any of its related companies; or
- the acquisition or disposition of material assets by ENZA or any of its related companies; or
- an acquisition of equity securities by, or of, ENZA or any related company of ENZA; or

- any material change in the equity securities on issue, or policy relating to distributions, of ENZA.

17. **Equity securities of ENZA**

ENZA has 60 million ordinary shares on issue, being the only class of equity securities ENZA has on issue.

The rights of holders of those shares in respect of capital, distributions and voting are as follows:

- the right to an equal share with other shareholders in dividends authorised by the board of directors of ENZA;
- the right to an equal share with other shareholders in the distribution of surplus assets on liquidation of ENZA; and
- subject to the prohibitions in ENZA's constitution, the right to cast one vote on a show of hands or the right to cast one vote for each share held on a poll, in each case in a meeting of shareholders on any resolution, including a resolution to:
 - appoint or remove a director or auditor;
 - alter ENZA's constitution;
 - approve a major transaction;
 - approve an amalgamation of ENZA; or
 - put ENZA into liquidation.

ENZA has not granted any options, or rights to acquire, any equity securities in ENZA.

18. **Financial information**

Shareholders should refer to ENZA's last annual report for the period ending 30 September 2001. Shareholders are entitled to obtain from ENZA a copy of ENZA's annual report by making a written request to ENZA at PO Box 279, Williams Street, Hastings.

Since 30 September 2001, being the date of the financial statements appearing in the last annual report sent to shareholders, there have been material changes in the financial and trading position of ENZA. These changes result from:

- the seasonal nature of ENZA's business;
- the deregulation of the pipfruit industry in New Zealand; and
- the change of balance date from 30 September to 31 December, with effect from 2002.

The Statement of Financial Position prepared as at 30 September 2001 set out in the annual report represents the financial position of ENZA at a point in its trading year which is materially different from that as at the date of this Statement. Since 30 September 2001 ENZA completed the 2001 season, and has now moved into the 2002 season. This has resulted in the drawdown of funds under ENZA's banking facilities to enable the purchase and export of fruit, and payment of the costs associated with the export or processing of such fruit.

As a consequence, there has been a significant increase in both the assets and liabilities of ENZA from 30 September 2001 to the date of this Statement. These increases are in line with ENZA's budgets and historical trends for movements over corresponding periods in previous years when taking into account levels of fruit procured, and are not considered to be adverse changes.

The annual report for the year ended 30 September 2001 emphasised that ENZA is now trading in a deregulated environment. This has had, and will continue to have, a material effect on the trading position and prospects of ENZA, when compared with the regulated monopsony and partial monopsony of previous years.

In particular ENZA no longer has any guarantee of supply, but equally no longer has some of the previous constraints on its operations. ENZA has assumed that it will secure approximately 60% of the export crop for 2002. However, the national crop size appears to be down on ENZA's initial expectations at the beginning of the season. No accurate prediction of supply volumes can be made at this point with respect to future years.

The deregulated environment has, however, forced ENZA to seek efficiencies in its cost structures and operations. While supply volumes and hence revenues are budgeted to decrease, ENZA is seeking to reduce costs. Cost savings were foreshadowed in the 2001 annual report, and are budgeted to further reduce in the 2002 year. The key to continued profitability and success, however, remains the ability of ENZA to continue to procure and sell fruit in foreign currencies at levels sufficient to meet suppliers' New Zealand dollar price expectations; to manage the costs associated with those activities; and to make an acceptable return on shareholders' investments.

Shareholders should also note that, like all exporters, ENZA's profitability is significantly influenced by the strength or weakness of the New Zealand dollar against foreign currencies (in particular the Euro, £ sterling and the US dollar). The Independent Directors note that the New Zealand dollar has strengthened in the past few weeks.

At the date of this Statement, the board has made no determination on its dividend policy.

ENZA has in recent years been active in developing exclusive new varieties, worldwide. Whilst no material return has occurred as yet (and none can be assured), the Independent Directors are of the view that the new varieties have the potential to produce positive returns in the future.

Shareholders need to take into account the implications for the change of balance date from 30 September to 31 December which will take effect from this year. The change is intended to ensure that ENZA's results better reflect the previous season. This year, however, the change will mean that the Statement of Financial Performance will be for a 15 month period to 31 December 2002. The final quarter running through to 31 December is one in which ENZA continues to incur costs but without significant revenue.

Other than as set out in this Statement, and the Independent Report, there is no other information about the assets, liabilities, profitability and financial affairs of ENZA that could reasonably be expected to be material in the making of a decision by Shareholders to accept or reject the Offer.

19. Independent advice on merits of offer

Ferrier Hodgson, as independent adviser, has prepared a report on the merits of the Offer as required by Rule 21 of the Takeovers Code. A copy of that report accompanies this Statement.

In arriving at the valuation range for the ENZA Shares Ferrier Hodgson has used ENZA's historical data and its current budget. Ferrier Hodgson has then constructed its own model and applied various sensitivity analyses to arrive at conclusions that it believes accurately represent its current view of ENZA's likely year end position. The adjustments made include foreign exchange forecasts, volume projections and in-market pricing assessments.

20. Asset valuation

No information is provided in this Statement as to the value of any assets of ENZA.

21. Prospective financial information

No prospective financial information is provided in this Statement.

22. Sales of unquoted equity securities under offer

The total number of equity securities that have been disposed of in the 12 months before 4 April 2002 (being the latest practicable date before the date of this Statement) is 6,728,787. In respect of those dispositions on which ENZA does have information on the consideration, the prices are set out in Schedule 3.

Although ENZA shares are not quoted on any formal stock exchange, ENZA shares have traded for some time on the "Unlisted Securities Market" (USM).

On 4 April 2002 (being the latest practicable working day before the date of this Statement), the ENZA shares traded at up to \$1.17.

On 19 March 2002, being the working day prior to the date on which ENZA received notice of GPG's intention to make the Offer, the reported closing price on the USM was \$1.10.

In the last 6 months prior to 20 March 2002, ENZA understands ENZA shares to have traded between \$0.43 and \$1.10, with the exception of three parcels of ENZA shares (ie. 100,000 ENZA shares at 5.5 cents; 7,013 ENZA shares at 11 cents; and 19,978 ENZA shares at \$5.05). The Directors consider these 3 trades to be aberrant and may not have been arms-length transactions.

There were no issues of securities or distributions in this time, but on 12 February 2002, ENZA adopted a new constitution which allowed persons other than pipfruit growers to hold ENZA shares, and removed the previous 20% cap on any shareholding of ENZA shares.

23. Market prices of quoted equity securities under offer

ENZA shares are not quoted on any formal stock exchange.

24. Other information

Shareholders, when making decisions as to whether to accept or reject the Offer, and at what point any acceptance should be given, should be aware that the terms of the Offer state that, once given, acceptances may not be withdrawn by acceptors unless GPG fails to pay acceptors in accordance with the Takeovers Code. This means that while the Offer remains open, Shareholders who have accepted the Offer cannot accept any other offer that is made and are not entitled to withdraw their acceptances of the Offer, whether or not the Offer is varied by GPG in accordance with the Takeovers Code.

Shareholders should also note that the Offer is conditional on GPG acquiring sufficient acceptances in respect of the ENZA Shares so that GPG will hold or control more than 50% of the voting rights in ENZA. GPG may not waive this condition.

25. **Approval of Statement**

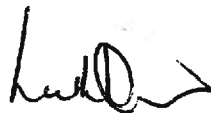
This Statement has been approved by the Directors of ENZA

26. **Certificate**

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by ENZA under the Takeovers Code.



B. M. D'Ath
Director



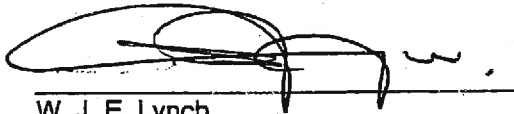
M. R. Dossor
Managing Director and
Chief Executive Officer



R. G. Hill
Director



L. J. Sowerby
Group Chief Financial Officer



W. J. E. Lynch
Director

Messrs D'Ath, Hill and Lynch sign this statement on behalf of the ENZA Board, having been authorised to do so by a resolution of ENZA's Board.

Interpretation

Words and expressions defined in the Takeovers Act or the Takeovers Code and not otherwise defined in this Statement have the same meaning when used in this Statement, and in this Statement:

\$ means New Zealand dollars;

Takeovers Act means the Takeovers Act 1993; and

Takeovers Code means the Takeovers Code approved by the Takeovers Code Approval Order 2000.

Where any information required by Schedule 2 of the Takeovers Code is not applicable, no statement is made regarding that information.

**Schedule 1: Ownership of equity securities in ENZA
(paragraph 5 of this Statement)**

Name	Number of equity securities held or controlled	Designation of equity security	Percentage of total number of equity securities
Directors			
1. Mr W. N. Birnie	Nil		
2. Mr B. M. D'Ath	353,613 ¹	ordinary shares	0.5893%
3. Mr M. R. Dossor	Nil		
4. Mr A. I. Gibbs	Nil		
5. Mr R. G. Hill	47,346 ²	ordinary shares	0.0789%
6. Mr W. J. E. Lynch	359,333	ordinary shares	0.5988%
7. Mr S. R. Norrie	Nil		
Substantial security holders			
8. GPG Orchards Limited	11,999,000 ³	ordinary shares	19.99%
9. FRP Orchards Limited	11,999,999 ⁴	ordinary shares	19.99%

- 1 These shares are held by Tollemache Orchards Limited, a company associated with Mr D'Ath.
- 2 These shares are held jointly by Mr R. G. and Mrs S. K. Hill.
- 3 Mr Gibbs is the sole director of GPG Orchards Limited and is thereby associated with that company.
- 4 Mr Birnie controls FRP Orchards Limited and Mr Norrie is associated with FRP Orchards Limited.

**Schedule 2: Trading in equity shares in ENZA
(paragraph 6 of this Statement)**

Name	Number of equity securities	Designation of equity security	Acquisition or disposal	Consideration per share (\$)	Date
Directors					
Mr W. J. E. Lynch	28,701	ordinary shares	Acquisition	0.45	5.11.01
	18,000	ordinary shares	Acquisition	0.45	14.11.01
	11,790	ordinary shares	Acquisition	0.43	22.11.01

**Schedule 3: Sales of ENZA Shares in last 12 months
(paragraph 22 of this Statement)**

PRICE	CONSIDERATION	SHARES
\$0.06	\$5,500.00	100,000
\$0.11	\$784.45	7,013
\$0.40	\$44,779.20	111,948
\$0.43	\$5,069.70	11,790
\$0.45	\$134,737.20	299,416
\$0.46	\$4,140.00	9,000
\$0.47	\$27,959.36	59,488
\$0.48	\$125,657.68	261,766
\$0.49	\$48,020.00	98,000
\$0.50	\$93,935.50	187,871
\$0.51	\$52,610.86	103,729
\$0.52	\$82,960.53	159,857
\$0.53	\$66,737.07	125,919
\$0.55	\$1,168,452.45	2,124,459
\$0.56	\$241,976.33	433,298
\$0.59	\$25,038.75	42,525
\$0.60	\$283,512.00	472,520
\$0.61	\$29,166.18	48,129
\$0.63	\$5,964.98	9,530
\$0.70	\$3,500.00	5,000
\$0.75	\$22,313.25	29,751
\$0.80	\$138,519.20	173,149
\$0.81	\$78,614.40	97,055
\$0.85	\$13,600.25	16,000
\$0.90	\$8,693.10	9,659
\$0.95	\$44,085.75	46,406
\$0.96	\$18,240.00	19,000
\$1.00	\$12,000.00	12,000
\$1.05	\$123,099.60	117,237
\$1.06	\$9,122.60	8,634
\$1.08	\$12,960.00	12,000
\$1.10	\$442,504.31	402,280
\$1.11	\$11,713.87	10,553
\$1.12	\$41,894.72	37,406
\$1.15	\$7,297.40	6,366
\$1.16	\$53,360.00	46,000
\$5.05	\$100,987.90	19,978