

**DISCLOSURE OF MOVEMENT OF 1% OR MORE IN SUBSTANTIAL HOLDING OR
CHANGE IN NATURE OF RELEVANT INTEREST OR BOTH**

(Sections 23 and 24, Securities Markets Act 1988)

Relevant event being disclosed: Movement of 1% or more in a substantial holding

Date of relevant event: 1 November 2013

To: NZX Limited

And: Mercer Group Limited ("**MGL**")

Date this disclosure made: 1 November 2013

Date last disclosure made: 8 February 2011

Substantial security holders giving disclosure

Name(s): Murray Capital Rakaia Fund Limited Partnership ("**Rakaia Fund**")

Contact details: Richard Rookes (03 336 5342) – richard@murrays.co.nz)

Summary of substantial holding to which disclosure relates

Class of listed voting securities: Ordinary shares in MGL

Summary for: **Rakaia Fund**

For **this** disclosure:

- (a) total number held in class: **100,000,000**;
- (b) total in class: 274,067,249;
- (c) total percentage held in class: **36.487%**

For **last** disclosure:

- (a) total number held in class: **65,628,467**;
- (b) total in class: 219,140,673;
- (c) total percentage held in class: **29.948%**

Details of transaction and events giving rise to relevant event

The Rakaia Fund exercised 34,371,533 warrants issued to it by MGL pursuant to a warrant subscription agreement dated 16 November 2010 and subscribed for **34,371,533** ordinary shares. The new ordinary shares were issued for \$0.05 per share for total consideration of **\$1,718,576.65**.

Details of relevant interests in substantial holding after relevant event

Details for: Rakaia Fund

Nature of relevant interest: Registered and beneficial holder.

For that relevant interest:

(a) number held in class: **100,000,000**;

(b) percentage held in class: **36.487%**

(c) current registered holder of securities: new issue

(d) registered holder of securities once transfers registered: Rakaia Fund

Additional information

Nature of connection between substantial security holders: N/A

Address of substantial security holder:

c/o BDO
30 Sir William Pickering Drive
Burnside
Christchurch, 8053

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Act in relation to the securities to which this disclosure relates: none.

Declaration

I, **Richard George Nelson Rookes**, declare that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.


