

GFNZ Group Limited

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30 April 2011

Dear Investor

Report to Investors of GFNZ Group Limited ("Company") pursuant to Section 54A of the Securities Act 1978 and Regulation 11 of the Securities (Moratorium) Regulations 2009

Reporting period: 6 months ending 31 March 2011

State of Affairs

The Company is listed on the New Zealand Alternative Stock Exchange (NZAX).

NZAX Listing Rule 10.1 requires an NZAX Issuer once it becomes aware of any Material Information concerning it, to immediately release the Material Information to the New Zealand Stock Exchange ("NZX"). On 4 February 2011 the Company published the attached press release on the NZX website. On 19 April 2011 the Directors' of the Company made the following statement:

"We refer to section 10.1.1 **Continuous Disclosure of Material Information** of the New Zealand Stock Exchange Listing Rules. The Directors are not aware of any information that should be disclosed under this section that has not already been disclosed."

All disclosures made to the NZX can be found under the Company's information on the NZX website: www.nzx.com

NZAX Listing Rule 10.4.1 requires each NZAX Issuer to make an announcement pursuant to the NZAX Listing Rule 10.4.2 through the New Zealand Stock Exchange for public release, in the manner prescribed by the NZAX Listing Rule 10.3 as soon as the Material Information is available, and in any event:

- (a) before the release of each annual report, and not later than 75 days after the end of the financial year to which that report relates; and
- (b) before the release of each half year report and not later than 75 days after the end of the financial half year to which that report relates.

The annual audit of the Company and its subsidiaries ("Charging Group") will be carried out during the month of May. A preliminary announcement under NZAX Listing Rule 10.4.1 will be made to the NZAX on or about 14 June 2011 and will be published under the Company's information on the NZX website.

On 18 March 2011 Standard & Poor's lowered GFNZ Group Limited's credit rating from CCC to CC with negative implications and Quest Insurance Group Limited's credit rating from CCC to CC with developing implications.

On 6 April 2011 Standard and Poor's lowered GFNZ Group Limited's Credit rating from CC to SD and removed the rating from Credit watch with negative implications. Quest Insurance Group rating was affirmed at CC and changed to a positive outlook.

Conduct of Moratorium

In the period under review, 2.5% of the original principal was to be repaid to Debenture Holders and the facility from BOS

International (Australia) Limited (BOSIAL) was to be reduced by \$2.5 on 31 March 2011. In addition monthly interest at contractual rates was to be paid on all outstanding debenture and subordinate notes ("sub notes"). The 2.5% repayment due on the 31 March 2011 was repaid early on 4 February 2011. At the same time the facility from BOSIAL was reduced by \$2.5m to \$25m. Monthly interest at contractual rates was paid as required.

Most recent audited annual financial statements: 31 March 2010

Most recent audited interim financial statements: 30 September 2010

The annual and interim financial statements are available for public inspection:

- at the Companies Office of the Ministry of Economic Development as addendums to the IBRP (including at www.companies.govt.nz);
- the New Zealand Stock Exchange website (www.nzx.com) under the Company's information; and
- the Company's website (www.genevafinance.co.nz).

Copies on the audited financial statements will be made available to investors on request, free of charge. Requests should be made to:

Managing Director

GFNZ Group Limited
Private Bag 14923
Panmure
Auckland, 1741
Phone: 0800 800 133

Disposal of Property

No property was disposed of during the reporting period.

Preferential Claims

There are no creditors with claims in preference to debenture holders.

Other amounts likely to be available at date of report for payment to creditors

There are no other amounts available at the date of the report for distribution to creditors.

Related Party Transaction

No related party transactions were entered into under the period of review outside of the charging group.

Prospective Financial Information about amounts to be received

No prospective financial information about amounts to be received was included in the Interest Bearing Repayment Plan for the period under review.

Trading Prospects

A preliminary announcement under NZAX Listing Rule 10.4.1 will be made to the NZAX on or about 14 June 2011 and will be published under the Company's information on the NZX website following the completion of the half year audit

Updated Forecasts

A preliminary announcement under NZAX Listing Rule 10.4.1 will be made to the NZAX on or about 14 June 2011 and will be published under the Company's information on the NZX website following the completion of the half year audit.

Milestones identified in the IBRP

The following milestones relating Debenture Holders and Sub Note Holders were identified in the IBRP:

Debenture Holders	%		Sub Note Holders	%
Conversion to shares	15.0		Conversion to shares	55.000
Principal cash payments before IBRP			Forecast principal repayments in the IBRP	
Up to 30-Sep-09	50.0		31 Mar 11	
Forecast principal repayments in the IBRP			Conversion to shares	45.000
31-Mar-10	5.0	Paid	Total	100.0
30-Sep-10	2.5	Paid: 29 Jun 10		
31-Mar-11	2.5	Paid: 4 Feb 11		
30-Sep-11	2.5			
31-Mar-12	2.5			
30-Sep-12	2.5			
31-Mar-13	2.5			
30-Sep-13	2.5			
31-Mar-14	2.5			
30-Sep-14	5.0			
31-Mar-15	5.0			
Total	100.0			

In addition the following milestones were also achieved:

- monthly interest payments to debenture holders and sub note holders; and
- the reduction of the BOSAIL facility.

Effects of Shareholder and Subordinated Noteholders meetings held on 31 March 2011

Name Change

- Geneva Finance Limited name changed to GFNZ Group Limited on 7 April 2011.

Financial Restructuring

On 31 March 2011, the Company's shareholders approved the restructuring of the Group into four operating subsidiaries, being:

- (i) Geneva Finance NZ Limited :- New business model.
- (ii) Quest Insurance Group Limited.
- (iii) Stellar Collections Limited (and its subsidiary Stellar Collections No 2 Limited): - Debt collection operation including responsibility for collection of the old ledger.
- (iv) Pacific Rise Limited: - Property owning company (owns Mt Wellington Head office).

This financial restructuring will improve transparency of reporting the Group's operating performance.

Conversion of outstanding Subordinated Notes into shares

On 31 March 2011, the Company's Subordinated Noteholders voted in favor of a resolution to convert their Subordinated Notes into shares in the Company. The conversion took effect on 31 March 2011. \$4.4 million of Subordinated Notes were converted into 88,747,934 new shares which were issued to the Subordinated Noteholders. There are no Subordinated Notes now on issue.

Also as a result of an offer made at the same time to Moratorium Stockholders, certain Moratorium Stockholders elected to convert their 31 March 2015 scheduled principal repayment into shares. 10,472,521 new shares have been issued under this offer.

Matter previously disclosed

The risks documented in the Investment Statement to the IBRP dated 5 March 2010 under "What are my risks?" on page 23 remain the key risks to the achievement of the outcome forecast in the IBRP.

Yours faithfully



David O'Connell

Managing Director

NZX Announcement – 4th February 2011

Geneva Finance announces Investors principal repayment due 31 Mar 11 will be paid out ahead of schedule.

The Geneva Board and Management are pleased to announce that the Company is now in a position to repay the 31 March 2011 Debenture Holders principal of \$2.5m and bring forward the scheduled BOS International (Australia) Ltd (BOSIAL) facility reduction of \$2.5m from 31 March 2011 to 4th February 2011.

This repayment is being made early as a result of positive cash position of the Group and the right under Resolution 1.4(b) of the Interest Bearing Repayment Plan to repay Moratorium Debenture holders and BOSIAL early, either in full or in part on a pro rata basis.

Inclusive of this payment, Geneva Finance has repaid \$111.3m of investor principal and interest payments since the Company entered moratorium in November 2007 owing a net \$132.4m to investors. These repayments are inclusive of interest payments to investors (including the company's bankers) of \$33.0m at an average interest rate of 10.75% and principal repayments to public debenture holders totalling \$59.4m