

# GFNZ Group Limited

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31 October 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 30 September 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 31 August 2011 the Company published the attached press release on the NZX website. On 20 October 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](http://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 that 75 days after the end of the financial half year to which that report relates.

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

### 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 30 September 2011. In addition monthly interest at contractual rates was to be paid on all outstanding debenture. The 2.5% repayment due on the 30 September 2011 was repaid early on 31 August 2011. At the same time the facility from BOSIAL was reduced by \$2.5m to \$22.5. Monthly interest at contractual rates was paid as required.

**Most recent audited annual financial statements:** 31 March 2011

**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](http://www.companies.govt.nz));
- the New Zealand Stock Exchange website ([www.nzx.com](http://www.nzx.com)) under the Company's information; and
- the Company's website ([www.genevafinance.co.nz](http://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  
Geneva Finance 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 December 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 December 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 Interest Bearing Repayment Plan

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

Debenture Holders	%
Conversion to shares	15.0
Principal cash payments before IBRP	
Up to 30-Sep-09	50.0
Forecast principal repayments in the IBRP	
31-Mar-10	5.0
30-Sep-10	2.5
31-Mar-11	2.5
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

Sub Note Holders	%
Conversion to shares	55
31 Mar 11	
Conversion to Shares	45
Total	100

**Paid**  
**\* Paid**  
**\*\* Paid**  
**\*\*\* Paid**

\* The 2.5% principal repayment due on 30 September 2010 was repaid early on 29 June 2010.

\*\* The 2.5% principal repayment due on 31 March 2011 was repaid early on 4 February 2011.

\*\*\* The 2.5% principal repayment due on 30 September 2011 was repaid early on 31 August 2011.

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.

## 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 – 31<sup>st</sup> August 2011**

**GFNZ Group Limited (previously known as Geneva Finance Limited) announces Investor's principal repayment due 30 September 2011 will be paid out ahead of schedule for the third consecutive time.**

Following on from the early repayment of the September 10 and March 11 scheduled debenture principal repayments, the Geneva Board and Management are pleased to announce that the Company is now in a position to repay the 30 September 2011 Debenture Holders principal of \$2.5m and bring forward the scheduled BOS International (Australia) Ltd (BOSIAL) facility reduction of \$2.5m from 30<sup>th</sup> September 2011 to 31<sup>st</sup> August 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 \$119.2m 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 \$35.9m at an average interest rate of 10.7% and principal repayments to public debenture holders totaling \$61.9m