

# GFNZ Group Limited

HEAD OFFICE  
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31 August 2011

Dear Investor

## Report to Investors of Geneva Finance Limited (“Company”) pursuant to Section 54A of the Securities Act 1978 and Regulation 12 of the Securities (Moratorium) Regulations 2009

**Reporting period:** 3 months ended 30 June 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”). The Directors’ of the Company made the following statement on 20 August 2011:

“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)

The Company’s Annual Report for the year ended 31 March 2011 was released on 28 July 2011

On 29 April 2011 Standard & Poor’s raised GFNZ Group Limited’s and Quest Insurance Group Limited’s credit rating to CCC, outlook negative.

### Conduct of Moratorium

In the period under review, monthly interest at contractual rates was to be paid on all outstanding debenture. This was achieved.

On the 14<sup>th</sup> June the Company announced to the NZX that it was in breach of “the Minimum New Lending Covenant” under its facility with its bankers (BOSIAL) and that a waiver had been requested. On the 15<sup>th</sup> June, the Financial Markets Authority(FMA) issued an interim order for the “GFNZ Group prospectus for debt securities dated 12<sup>th</sup> May 2011” prohibiting the allotment of securities under that prospectus. On receipt of this order the Company responded to the FMA, advising that the Company had voluntarily closed this prospectus and had not issued any debt securities under that prospectus. On the 30<sup>th</sup> June 2011 the Company announced to the NZX that BOSIAL had waived the breach of the banking covenant referred to above.

**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 of 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

### 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		%		Sub Note Holders		%
Conversion to shares		15.0		Conversion to shares		55
Principal cash payments before IBRP				31-Mar-11		
Up to 30-Sep-09		50.0		Conversion to Shares		45
Forecast principal repayments in the IBRP				Total		100
31-Mar-10		5.0	<b>Paid</b>			
30-Sep-10		2.5	<b>Paid*</b>			
31-Mar-11		2.5	<b>Paid**</b>			
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				

\* 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.

### 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**