



NZF  
26/06/2006  
Market Information

### **New Zealand Finance Holdings Limited (NZF) – Continuous Disclosure Notice**

New Zealand Finance Holdings Limited (**NZF**) announces that it has today entered into a 50/50 joint venture with Liberty Financial Limited (**Liberty**) to make a takeover offer for all of the equity securities in Mike Pero Mortgages Limited (**MPM**). Currently, NZF and Liberty, between them, hold or control 94.6% of the shares in MPM. Details of the transaction are as follows:

1. NZF and Liberty have entered into a joint venture agreement (**JVA**) pursuant to which:
  - (a) NZF and Liberty have incorporated MPMH Limited (**MPMH**). The shares in MPMH are owned 50/50 by NZF and Liberty; and
  - (b) it is proposed that MPMH will make a takeover offer (**Offer**) for all of the equity securities in MPM.
2. The JVA is subject to certain conditions (see paragraph 6 below).
3. Contemporaneously with the entry into the JVA, NZF has agreed the terms of a 3-way lock-up agreement (**Lock-up**) with Liberty and MPMH. Under the Lock-up it is proposed that:
  - (a) the Takeover Notice in respect of the Offer is to be sent to MPM within 14 days of the date of the Lock-up;
  - (b) the consideration payable under the Offer in respect of the ordinary shares in MPM will be \$1.10 per share and the consideration payable for the options on issue in MPM has yet to be determined, but in any event will be such amount as is determined fair and reasonable by the independent adviser engaged by MPMH to provide a report under Rule 22 of the Takeovers Code;
  - (c) Liberty and NZF are, subject to the terms of the Lock-up, required to accept the Offer no later than 5 days after the date that the Offer is despatched; and
  - (d) the Lock-up may be terminated by either NZF or Liberty if MPMH does not send the Offer to offerees within 44 days of the date of the Lock-up.
4. The proposed offer price for the MPM shares represents a 8c to 10c premium to the price the MPM shares have recently been trading at. It is proposed that the Offer will be subject to certain conditions, including a minimum acceptance condition of 90% which cannot be waived or varied.
5. Contemporaneously with the entry into the JVA, NZF has today also entered into a business co-operation agreement (**BCA**) with Liberty, pursuant to which, subject to certain conditions (see below), NZF and Liberty have agreed to implement various business arrangements which would see MPM establishing a securitisation structure to originate "Mike Pero" branded mortgages and, potentially, other "Mike Pero" branded financial products to be marketed through the MPM broker network.

6. Each of the BCA and the JVA are conditional upon:
- (a) the Offer being sent to offerees by 8 September 2006; and
  - (b) the Offer becoming unconditional by 10 November 2006.

ENDS

A handwritten signature in black ink, appearing to read 'M Lindeque', written in a cursive style.

**Malcolm Lindeque**  
Company Secretary