



22 November 2006

The Market Information Services Section  
New Zealand Stock Exchange  
Wellington

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**ISSUE OF SECURITIES BY NEW ZEALAND FINANCE HOLDINGS LIMITED**

New Zealand Finance Holdings Limited ("NZF") advises that it has today issued 20,050,000 new Capital Notes, as a new class of security, as follows:

**Class of Security:** Capital Notes (**NZF010**)

**ISIN:** **NZNZFD0001S6**

**Number issued:** 20,050,000 Capital Notes

**Payment:** The Capital Notes have been issued for cash at an issue price of \$1.00 per Capital Note

**Percentage of total Class of Securities issued:** 100.25% (of the total number of Capital Notes on issue post completion of the issue)

**Reason for the issue:** To meet the costs of the issue of the Capital Notes, partially repay a loan facility with Commonwealth Bank of Australia and to apply towards the Company's anticipated capital requirements.

**Authority of issue:** Director's Resolution.

**Terms of issue:** The principal terms of the Capital Notes are as per Annexure 1, and otherwise on the terms comprised and described in the Investment Statement and Prospectus dated 18 September 2006 issued by NZF.

**Total number of securities of the Class in existence after the issue:** 20,050,000

**Date of issue:** Progressively up to 17 November 2006

**NEW ZEALAND FINANCE HOLDINGS LIMITED**

**John Callaghan**  
Managing Director

## ANNEXURE 1

### Principal terms of the Capital Notes

#### **Type of Security**

The Capital Notes being offered are unsecured, subordinated fixed interest debt obligations of New Zealand Finance Holdings Limited.

#### **Fixed Interest Rate**

The Capital Notes will pay a fixed rate of interest of 9.75% per annum, subject to adjustment in limited circumstances.

#### **Quarterly Payments**

Interest will be paid quarterly in arrears, providing a fixed quarterly interest payment to investors, other than the first interest payment which will be calculated from allotment of each Capital Note until 15 December 2006. The first interest payment will be paid to the original subscribers of the Capital Notes (regardless of any subsequent transfers before the first interest payment date).

#### **Term**

The Capital Notes will mature on 15 March 2011. Prior to the Maturity Date, the Company may elect to offer Noteholders the option to renew the Capital Notes on new terms and conditions. Alternatively, the Company may elect to redeem the Capital Notes by issuing new Ordinary Shares in the Company to the Noteholders at a discount to the then current market price, or by redeeming the Capital Notes for cash.

The balance of the terms of the Capital Notes are comprised within the Investment Statement and Prospectus dated 18 September 2006 issued by NZF.