



NZF Group Limited (*formally New Zealand Finance Holdings Limited*)
March 2011 Capital Notes

What you need to do now

The NZF Group Limited (“NZF”) March 2011 unsecured and subordinated Capital Notes (“Capital Notes”), of which you are a holder matures on 15 March 2011 (“Maturity Date”). The Capital Notes have a Notification Date of 24 February 2011. This means you now need to make a decision in relation to your Capital Notes.

As advised to you in our letter, accompanying this Election Notice:

- NZF has elected to provide you, as a Noteholder, with the option to renew all of your Capital Notes on the New Conditions specified in this document and in the Election Notice (“Renewal Option”);
- If you do not elect to accept the Renewal Option, then NZF has elected that it will, on the Maturity Date, compulsorily redeem all of your Capital Notes by issuing new ordinary shares in NZF to you in accordance with the terms of the Trust Deed;
- NZF has elected to not redeem the Capital Notes for cash on the Maturity Date.

Election Notice

The Election Notice which is enclosed with this letter:

- (a) sets out the New Terms of the Capital Notes that will be available from 16 March 2011;
- (b) summarises your right to retain your Capital Notes; and
- (c) enables you to make your election to retain your Capital Notes on the New Conditions below.

New Conditions of the Capital Notes (“New Conditions”)

NZF is giving all Noteholders the opportunity to renew all (and not some) of their Capital Notes on the following New Conditions (“New Conditions”):

(a) New Maturity Date:	15 March 2016
(b) New Interest Rate:	6.00% per annum
(c) Interest Dates:	quarterly on 15 March, 15 June, 15 September and 15 December thereafter until, and including, the Final Interest Date
(d) Series known as:	March 2016 Capital Notes

Your decision

You now need to make a decision in relation to your Capital Notes and decide whether to renew all your Capital Notes on the New Conditions offered, or whether you wish to have them redeemed by being issued with new ordinary fully paid shares in NZF.



Action to be taken

If you wish to renew all of your Capital Notes on the New Conditions, you need to:

- Tick the box on the Election Notice;
- Sign the Election Notice in accordance with the instructions in the Election Notice;
- Return the Election Notice to the Capital Notes Registrar, Link Market Services Limited, so that it is received no later than 5pm on 24 February 2011.

If you do not elect to renew your Capital Notes on the New Conditions, or do not return your Election Notice within the prescribed timeframe, then NZF has elected to redeem your Capital Notes by issuing you with new ordinary fully paid shares in NZF in accordance with the provisions of the Trust Deed.

NZF has elected to not redeem the Capital Notes for cash on 15 March 2011.

If you have any doubts as to what you should do, please contact your share broker or financial advisor.

If you need assistance with completing the Election Notice, please contact the share registry (Link Market Services) or NZF on 0800 20 70 70.

Yours sincerely

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

Malcolm Lindeque
Chief Operating Officer



THIS IS AN IMPORTANT DOCUMENT
 YOU NEED TO FORWARD THIS TO LINK MARKET SERVICES LIMITED NO LATER THAN 5 PM ON 24
 FEBRUARY 2011

NZF GROUP LIMITED
MARCH 2011 CAPITAL NOTES – ELECTION NOTICE

Name & Address

CSN/Investor Number

Principle Amount

Name on Register

Election (Tick box and sign and date as appropriate)

I/we elect to renew my/our Capital Notes on the New Conditions stated on the reverse of this Notice.

Signed:..... Date.....

Signed:..... Date.....

COMPLETION INSTRUCTIONS – Please see the reverse of this document for further details

1. An election is irrevocable.
2. All joint holders should sign.
3. A company should sign in a manner permitted pursuant to the Companies Act 1993.
4. If signed by an attorney, the power of attorney and a completed certificate of non-revocation should be returned with this Election Notice, unless it has already been noted by the Registrar.
5. Please return this duly completed Election Notice in the reply paid envelope provided to Link Market Services Limited, P.O. BOX 91976, Auckland 1142, to arrive no later than 5pm on 24 February 2011.

If you have any doubt as to what you should do, you should seek advice from your broker, an NZX Firm or other financial adviser.

IMPORTANT INFORMATION

Application of New Conditions

If you elect to renew your Capital Notes on the New Conditions:

- Your Capital Notes will be varied as per the New Conditions stated below; and
- You will be bound by the New Conditions,

with effect from 15 March 2011.

(a) New Election Date:	15 March 2016
(b) New Interest Rate:	6.00% per annum
(d) Interest Dates:	quarterly on 15 March, 15 June, 15 September and 15 December thereafter until, and including, the Final Interest Date
(d) Series known as:	March 2016 Capital Notes

Irrevocable application

This Election Notice constitutes an irrevocable election by you to renew the Capital Notes on the New Conditions.

If this Election Notice is not completed correctly, it may still be treated as valid. NZF’s decision as to whether to treat an Election Notice as valid, and how to construe, amend or complete it, shall be final.

Defined terms

Expressions defined in the Trust Deed have the same meanings in this Election Notice.

CERTIFICATE OF NON-REVOCATION OR POWER OR ATTORNEY:

(Complete this section if you are acting on behalf of someone for whom you have Power of Attorney)

I,

(Name of Attorney)

of

(Address and Occupation of Attorney)

HEREBY CERTIFY:

1. THAT, by Power of Attorney dated the day of the ('Donor') appointed me his/her/its Attorney on the terms and conditions set out in the Power of Attorney.
2. THAT I have executed this Election Notice under the Power of Attorney and pursuant to the powers thereby conferred on me.
3. THAT at the date of this certificate I have not received any notice or information of the revocation of that Power of Attorney by death (or winding up) of the Donor or otherwise.

Signed atthis day of2011

Signature of Attorney