



Press Release

Rating On NZF Money Ltd. Lowered To 'CCC-' On Ongoing Liquidity Concerns; Remains On CreditWatch Neg

Melbourne, May 9, 2011—Standard & Poor's Ratings Services said today that it has lowered its long term issuer credit rating on New Zealand finance company NZF Money Ltd. (NZF) to 'CCC-' from 'CCC'. The short-term rating is affirmed at 'C'. The ratings remain on CreditWatch with negative implications, where they were placed on March 3, 2011.

"NZF's liquidity position remains delicately placed in our view, with the company's cash levels expected to be volatile and drop to very low levels through calendar 2011, absent a further cash injection into the business," Standard & Poor's credit analyst Nico De Lange said. "Of greatest concern is that failure to progress the repayment of past-due loans could result in NZF running short of cash in calendar 2011, particularly if debenture-reinvestment experience is weak."

NZF's on-balance sheet cash position has improved recently as a result of some successful loan repayments (net of a secured loan repaid to one of its directors) and a cash injection from NZF Group Ltd. However, anticipated loan repayments continue to be delayed and scheduled debenture maturities through calendar 2011 remain material when assessed against projected cash levels, in our view.

Standard & Poor's expects to resolve its CreditWatch in the next few months after assessing NZF's liquidity, funding, and business profiles, particularly its progress in exiting past-due loans and its debenture reinvestment experience. Rating stability will also factor in an assessment of NZF's efforts to re-establish its business viability. A CreditWatch negative listing by Standard & Poor's implies a one-in-two likelihood that the rating may be lowered within the next three months.

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