

# **BENEFICIAL FINANCE LIMITED**

## **Press Release - 3.00 p.m. – Thursday 25 October 2012**

On 21 September 2007 we wrote to all stockholders with a formal proposal to restructure investments in Beneficial following a number of receiverships in the industry, intense media speculation, and concern that a run on funds may cause a severe liquidity problem.

Beneficial was the first finance company to seek protection for its stockholders, with its formal proposal to restructure. This was subsequently referred to as a “moratorium”.

The initial restructure and revised restructure of 16 February 2009 were based on the premise that the Company would continue to trade profitably, and would commence regular quarterly payments of interest and principal to stockholders. The Board was of the view that this strategy would enhance asset value and assist the management of liquidity, whilst ensuring the Company continued as a going concern.

Both proposals were unanimously approved by stockholders. Secured debenture stock which totalled \$22,755,323 at 30 September 2007 has been reduced to \$8,839,710 and during the time, interest of some \$4,925,892 has also been paid or credited to stockholders investments.

It now gives the Board great pleasure to advise that as of Friday 30 November 2012 all stockholders secured debenture stock investments will be fully repaid, with accrued interest. The proceeds to enable full repayment of all investments will come from existing cash reserves together with funding lines the Company has secured from the ASB Bank Limited.

The lines of credit offered by ASB Bank are a huge endorsement of the strategy adopted by the Board, and supported by stockholders, and has ensured a positive outcome for all concerned. This debt restructure will terminate the moratorium arrangement.

The Company which is predominately owned by the Oldham Family will continue to trade in a private capacity. Furthermore the Board has no immediate plans to raise funds from the public in the foreseeable future under the current regulatory framework. Our view in this regard may however change should the authorities review and modify their various compliance requirements, particularly as they currently relate to small financial entities such as Beneficial Finance Limited.

**Mervyn Oldham**

**CHAIRMAN**