

**Media release**

14 October 2010

**Repayment date announced for South Canterbury Finance debenture and deposit holders**

The Trustee for South Canterbury Finance Limited advises that all SCF debenture and deposit holders will receive full repayment of their investment and applicable interest on 20 October.

"As we had indicated previously, the audit and transfer of the register from the Company to Computershare Investors Services (Computershare) - who are the paying agent, was a detailed and complex process. Now that the transfer is complete, we can confirm 20 October as the payment date," Yogesh Mody, Regional Manager for Trustees Executors said.

"Getting to this point has taken a few days longer than the 4 to 6 weeks initially estimated," Mr Mody said. "But we wanted to take a prudent approach to ensuring investor details were as up-to-date and accurate as possible."

When the receiver was appointed, the Government made a full settlement under the terms of its guarantee to the Company's depositors (which included debenture, deposit and bond holders) by paying the Trustee on 31 August. As a result, the Trustee has been holding money on behalf of some 35,000 investors since then. On 23 September some 7000 bond holders were repaid. The remaining debenture and deposit holders will be repaid next week.

Payments will be made either by direct credit for those investors where bank account details met the required audit standard or by cheque where this has been stipulated or where there was insufficient confidence in the bank account detail on hand to enable a direct credit payment.

Debenture and deposit holders are being repaid their principal and net interest up to 30 August 2010 at their specified interest rate plus an additional 3% interest - the current Official Cash Rate - from 31 August 2010 up to but not including repayment date of 20 October. Investors will receive a letter outlining repayment details as well as personalised remittance advice.

**Ends**

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## **Background**

Following a request by South Canterbury Finance Limited to appoint receivers on 31 August 2010, Trustees Executors Limited (the "Trustee") appointed Mr. Kerry Downey and Mr. William Black of McGrathNicol as receivers of the Company.

The Company was part of the Retail Deposit Guarantee Scheme when it was placed in receivership which meant eligible holders of debt securities like bonds, debentures and deposits would be repaid.

The Minister of Finance announced on 31 August 2010 that the Government had decided to repay all holders of debt securities of Crown guaranteed companies that default (excluding any securities that rank behind unsecured unsubordinated debt securities), regardless of any previous eligibility criteria relating to creditors that were in place for the Retail Deposit Guarantee Scheme.

The Crown made full and final settlement under the terms of its guarantee to SCF's depositors by paying the Trustee on 31 August in satisfaction of all outstanding bonds, debentures and deposits issued by the Company. As a result, the Trustee has been holding money on deposit with the Crown, on behalf of holders of these debt securities since then. Bond holders were repaid on 23 September.

These remaining debenture and deposit holders are being repaid their principal and interest (net of relevant withholding taxes) up to 30 August 2010 at their specified interest rate plus an additional 3% interest - the current Official Cash Rate - from 31 August 2010 until but not including 20 October.