



NZF
26/06/2006
Press Release

**New Zealand Finance Holdings Limited and Liberty Financial Limited –
Take over offer for Mike Pero Mortgages**

New Zealand Finance Holdings Limited (“NZF”) and Liberty Financial Limited, (“Liberty”) announced today (Monday 26 June) that they had entered into a 50/50 joint venture to make a takeover offer for all the equity securities of Mike Pero Mortgages Limited (“MPM”).

The new entity, MPMH Limited (“MPMH”) will be owned 50/50 by NZF and Liberty. NZF and Liberty and MPMH have also agreed the terms of a 3 way lock-up agreement pursuant to which NZF and Liberty will agree to accept an offer to be made by MPMH at \$1.10 per share. This is approx 8-10 cents higher than the price the shares have been recently trading at.

NZF currently has 74.7 per cent of the Mike Pero Mortgages, Liberty has 19.9 per cent. The remaining 5.6 per cent are owned by a few hundred investors.

NZF and Liberty have also entered into a business co-operation agreement to establish a securitisation vehicle so that Mike Pero branded mortgages and potentially other ‘Mike Pero’ branded financial products can be marketed through the existing franchise network.

Says John Callaghan, managing director, “Liberty and ourselves share the same vision for Mike Pero Mortgages. It’s an amazing brand and we can see the potential to increase the value of the business by developing a much broader financial services product range. NZF is looking forward to working with the team at Liberty to make MPM one of the most powerful brands in New Zealand.”

Says Sherman Ma, managing director of Liberty, “The joint venture will accelerate the continued growth of the Mike Pero network. NZF brings extensive local experience while Liberty brings world-class risk management and technology skills. We look forward to strengthening Mike Pero’s reputation as the champion of consumer choice and benefit.”

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Background Information

New Zealand Finance Holdings listed in October 2004. The Company is best described as an investor in the financial services sector. There are three prongs to the business: distribution (through Mike Pero Mortgages, NZ Mortgage Finance and approved mortgage brokers), NZ Finance and the securitisation side through NZF Mortgages.

NZF bought its first 55% stake in Mike Pero Mortgages Limited from Gould Holdings Limited late last year and increased this stake through a second takeover offer to 74.7%.

At the same time, **Liberty Financial Limited**, the NZ arm of Australasia’s leading specialist finance provider, Liberty Financial Pty Limited, acquired 19.9 % of Mike Pero Mortgages Limited.

Liberty Financial is Australasia’s leading independent speciality finance group. Its businesses include residential mortgages, auto loans and commercial mortgages in Australia and New Zealand. It employs over 330 staff and has raised over \$12 billion from domestic and international capital markets to help over 30,000 customers in the region.

Mike Pero Mortgages is the most well known mortgage broker with 60 % brand awareness according to a recent Colmar Brunton survey. Mike Pero is the most trusted mortgage broker to provide home loan advice.

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Malcolm Lindeque
Company Secretary