

NZF
26/11/2009
MARKET INFORMATION

(NZF) NZF Group Limited Announces Interim Result.

Interim Report

For the six month period ended 30 September 2009

The Group is pleased to announce its six monthly results to 30 September 2009 with a net operating profit before tax of \$2.877m which compares with a net loss before tax of \$4.834m for the full twelve months ended 31 March 2009.

Managing Director, John Callaghan said it is pleasing to announce the profit turnaround at a time when most others in the industry have only been able to disclose bad news. The result includes a write back of previously impaired loans and a net gain on interest rate swaps.

It is important to understand that the write back of impaired loans means that we took a very conservative view on the possible losses from impaired loans in March. However, we have been able to dispose of troublesome assets at much better prices resulting in a write back of some of the impairment allowance.

The gain on interest rate swap contracts relates to the Group's home loans which was signalled in the annual address to shareholders in August 2009 that a positive movement in financial instrument valuations had started to occur and this has in fact eventuated.

Although the overall result is a testament to the conservative approach the Group adopts, conditions still remain difficult and it will be a challenge to continue to produce consistent results.

Despite the difficult conditions, total assets increased by 6.9% to \$301.654m and the bulk of this growth have been achieved in the home loans division.

No dividend has been declared as it is considered more prudent to retain cash in the current market conditions.

ENDS

For more information please contact:

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