



Wednesday, 26 January 2011

To Investors in NZF010 Capital Notes

Dear Investor

NZF Group Limited (*formally New Zealand Finance Holdings Limited*) March 2011 Capital Notes

We wish to advise that the NZF Group Limited (“NZF”) March 2011 unsecured and subordinated Capital Notes mature on 15 March 2011 (“Maturity Date”).

An Election Notice, in terms of the Trust Deed establishing the Capital Notes (“Trust Deed”), accompanies this letter.

That Election Notice confirms that:

- NZF has elected to provide you, as a Noteholder, with the option to renew all of your Capital Notes on the terms specified in the Election Notice (“Renewal Option”);
- If you do not elect to accept the Renewal Option, then NZF has elected that it will, on the Maturity Date, compulsorily redeem all of your Capital Notes by issuing new ordinary shares in NZF to you in accordance with the terms of the Trust Deed;
- NZF has elected to not redeem the Capital Notes for cash on the Maturity Date.

You now need to make a decision as to whether to renew all your Capital Notes on the new terms offered, or have your Capital Notes redeemed by issuing of new ordinary shares in NZF.

We have also attached a “Frequently Asked Questions” schedule to this letter, to assist you in making your decision.

If you wish to accept the Renewal Options, you need to advise us of your decision by completing the Election Notice and sending it to the Capital Note Registrar, Link Market Services Limited, so that it is received by them no later than 5 pm on 24 February 2011.

If you do not return the Election Notice accepting the Renewal Option within the prescribed timeframes then your Capital Notes will be redeemed by NZF issuing ordinary fully paid NZF shares to you.

If you have any doubts as to what you should do, please contact your share broker or financial advisor.

If you need assistance with completing the Election Notice, please contact the share registry (Link Market Services) or NZF on 0800 20 70 70.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M Lindeque', written in a cursive style.

Malcolm Lindeque
Chief Operating Officer