

**GENEVA FINANCE ANNOUNCES SHARE AND DEBT PLACEMENT  
WITH CORNERSTONE SHAREHOLDER / INVESTOR**

NZX-listed auto loan provider GFNZ Group Ltd (Geneva) has announced the successful placement of 45 million additional ordinary shares to Federal Pacific Group Limited (FedPac), a financial services firm operating throughout the Pacific region. FedPac will become a cornerstone shareholder and has also arranged additional funding lines for Geneva to enable the group to expand its loan book growth and assist the ongoing refinancing of existing funders via a capital-insured professional investor scheme.

The ordinary share placement at 2.75 cents per share will result in FedPac taking a 19.9% stake in Geneva. As part of the agreement with Fed Pac, Geneva has also undertaken, subsequent to the placement, to make an offer of a pro rata rights issue to all shareholders, including Fed Pac, at the placement price of 2.75 cents per share.

Over the past four years Geneva has worked hard to reposition and rebuild its operations. Significant milestones include:

- Repayment of more than \$121m of debt funding to investors (including interest of 11.0% per annum to public debenture holders);
- Reduced operating costs by more than \$25m per annum;
- Acquisition of the Quest Insurance and Stellar debt collection operations to complement core financing activities;
- Implementation of online internet-based scorecards and loan application systems for introducers;
- Restructure of its operations to allow the new business model to focus on a market segment that offers attractive yields that carry considerably less risk.

Geneva Managing Director David O'Connell says:

"We see this transaction as a significant and positive development for the group. Fed Pac's support will enable us to fast-track the new business model expansion while maintaining our scheduled debt repayment program. Geneva is operating in a market that has seen many competitors fall away, and we see the expansion of the profitable new business model into this space as the key to putting the group onto a long term and sustainable, profitable platform."

### **About Geneva**

Geneva is a New Zealand-owned finance company that provides finance and financial services to the consumer credit and small to medium business markets. Geneva commenced business on 7 October 2002. Geneva's loans are originated through three distribution channels (Direct, Broker and Dealer), processed by the central sales desk then administered through a national operations centre located at Mt Wellington, Auckland.

The company borrows money by the issue of debenture stock. It also has a banking facility with BOS International (Australia) Limited.

Geneva (GFL) is listed on the NZAX. There are 179,759,631 issued shares held by 2,651 investors.

### **About Federal Pacific**

FedPac's operations throughout the Pacific region include investments in Banking, Personal and Business Finance, Money Transfer and Foreign Exchange Trading. The company was incorporated in 1993 and is based in Auckland, New Zealand.

### **For further information:**

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