

PricewaterhouseCoopers
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23 June 2006

**Provincial Finance Limited (In Receivership)
Investor Number**

Dear

As you will be aware, John Waller and Maurice Noone were appointed Receivers of Provincial Finance Limited (In Receivership) ("the Company") on 30 May 2006. Also placed into receivership at that time were the related entities, Consumer Credit Limited and South Auckland Cars Limited.

The purpose of this letter is to provide redeemable preference shareholders with an overview of the receivership, and detail as to the ranking of redeemable preference shares within the receivership. We note that a number of redeemable preference shareholders are also debenture holders. We wrote to debenture holders on 9 June 2006 outlining the position in respect of debentures in the company.

Your investment

The Company's records show that your total investment in redeemable preference shares is as follows:

If your investment differs from the amount and type of investment recorded by the Company as set out above, please advise us in writing the correct amount and type of investment.

With the appointment of receivers all dividend payments to redeemable preference shareholders have been suspended and the company is not accepting any redemptions.

Security position of preference shares

Redeemable preference shares rank behind all debts of the Company but ahead of the ordinary shares. The effect of this is that redeemable preference shareholders are entitled to a return of capital only after all debenture holders and other creditors, including unsecured creditors, of the Company have been repaid. Regrettably unless a restructuring is successful it is highly unlikely that redeemable preference shareholders will receive any return on their investment.

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Restructuring plan and potential outcomes

We are currently in discussions with ordinary shareholders and a number of industry participants about a proposed restructuring plan for the Company. This plan, if successful, will take time to develop. We will keep you informed of progress.

It is too early to advise potential outcomes. The final result is dependent on a number of factors, most importantly the quality of the loan book and its ultimate recovery.

As we investigate further the likely level of recovery from the loan book, the likely returns to debenture holders and redeemable preference shareholders will become clearer.

Future communication

Once we have fully assessed the financial position of the Company we will write to you again with an update of progress.

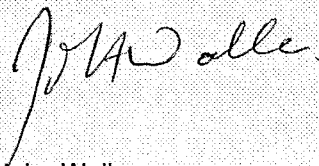
We have set up the following website as a way of making communication with investors, shareholders and other stakeholders. Copies of press releases will be available on the website as they are released.

<http://www.pwc.com/nz/ProvincialFinance>

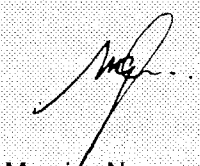
We appreciate this is a difficult time for you. We will endeavour to keep you fully informed on a regular basis. If you have any queries, please put these in writing to the following address:

PricewaterhouseCoopers
P O Box 13 244
CHRISTCHURCH

Yours faithfully
Provincial Finance Limited (In Receivership)



John Waller
Receiver



Maurice Noone
Receiver