

Media Release

Thursday 21 September 2006

Provincial Finance Receivers Make Interim Repayment to Investors

The receivers of Provincial Finance Ltd (“Provincial”), John Waller and Maurice Noone, partners at PricewaterhouseCoopers, today advised that a first interim principal repayment will be made to debenture stock holders on 29 September 2006.

This initial payment will see investors receive a better than expected payout of 25 cents in the dollar. This represents a higher payout than previously predicted as a result of better than expected recoveries, and some unexpected successes. In addition, with their previous estimates the receivers had been conservative in their forecasts in order to avoid unnecessarily raising investors’ hopes.

There are some 11,000 Provincial investors holding debenture stock of around \$300 million. The total value of repayments to be made by the receivers next Friday is \$74 million.

Receiver Maurice Noone said the work at Provincial was progressing well.

“We are pleased with the excellent support that we have received from the management and staff of Provincial, and we have enjoyed improved performance in the areas of consumer and commercial loan collections. In addition, asset sales and tax recoveries have boosted the amount available for distribution.

“We are planning to make future repayments quarterly, and if the receivership continues its successful progress, then we expect to make another repayment in December. However, such future payments are likely to be between five and ten cents in the dollar.

“We are still working with interested parties around restructuring plans, and potentially the sale of certain parts of the books. In the longer term we remain optimistic that debenture holders will get most – if not all – of their principal back.

“However, the forecast for preference shareholders remains bleak. In the absence of a successful restructure it is unlikely that preference shareholders will receive any return on their investment.”

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NOTES FOR EDITORS

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2. About PricewaterhouseCoopers:

PricewaterhouseCoopers (www.pwc.com) provides industry-focused assurance, tax and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 130,000 people in 148 countries work collaboratively using Connected Thinking to develop fresh perspectives and practical advice. (“PricewaterhouseCoopers” refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.)