



## **MARAC LAUNCHES INAUGURAL SECURED BOND OFFER**

**23 June 2008**

MARAC Finance Limited ("MARAC") is pleased to announce the launch of its inaugural offer of up to \$100 million of first ranking\* five-year, fixed rate, secured bonds ("Secured Bonds") with up to a further \$25 million of Secured Bonds available by way of oversubscriptions ("Offer").

Forsyth Barr Limited ("Forsyth Barr") has been appointed Arranger and Organising Participant, and Forsyth Barr and ANZ National Bank Limited have been appointed Joint Lead Managers to the Offer. The Offer is underwritten to \$100 million by Forsyth Barr Group Limited and ANZ National Bank Limited.

MARAC's Managing Director Brian Jolliffe said "This offer of up to \$125 million of Secured Bonds represents a further broadening of MARAC's funding base, which already consists of committed bank facilities, secured retail debenture stock and an ongoing securitisation programme."

"In the current market environment, liquidity is particularly important and the proceeds from this Offer will further enhance MARAC's already healthy liquidity reserves, which were \$141.5 million as at 31 May 2008. MARAC's secured retail debenture stock programme continues to attract increasing levels of new investments, with May 2008 seeing the highest inflows of new money since June 2007. In addition, reinvestment rates are continuing within MARAC's traditional reinvestment levels of 65%-75%."

Jolliffe also added "MARAC lends to thousands of small to medium sized New Zealand businesses that form the backbone of our country's economy and the proceeds from this Offer will allow MARAC to keep servicing this broad customer base. We expect that these organisations as well as individual investors will see value in our Secured Bond Offer and we anticipate that our Offer will be well supported."

The Secured Bonds have been rated BBB- (Stable) by Standard & Poor's, which is consistent with MARAC's rating of BBB- (Stable), and is a rating that is recognised by the international investment community as 'investment grade'.

Interest will be payable on the Secured Bonds at the higher of 10.50% per annum or a margin of 2.75% above the five-year swap rate and will be set following the closing of the Offer. The minimum investment amount is \$5,000.

Full details of MARAC's Secured Bonds and the terms of the Offer are set out in the combined Investment Statement and Prospectus, dated 18 June 2008, which can be found online at MARAC's website, [www.marac.co.nz](http://www.marac.co.nz).

The Offer is due to close on 18 July 2008.

\* Subject to permitted prior charges (currently none) and claims given priority by legislation.

\*\* Application has been made by MARAC Finance Limited for permission to list the securities and all requirements of New Zealand Exchange Limited ("NZX") relating thereto that can be complied with on or before the date of distribution of this advertisement have been duly complied with. However, NZX accepts no responsibility for any statement in this announcement.

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## **About MARAC**

MARAC is a wholly New Zealand owned and operated finance company that has been in business for more than 55 years, and today is one of the largest and most successful finance companies in the country. The company is owned by Pyne Gould Corporation Limited ("PGC"), a NZSX listed company that has a history stretching back more than 150 years. PGC does not guarantee the Offer or the Secured Bonds.

MARAC has a BBB- (Stable) credit rating from Standard & Poor's. This rating is recognised by the international investment community as 'investment grade'.

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