

22 July 2010

INSTANT FINANCE RESPONSE TO CAMPBELL LIVE FEATURE AIRED 20 JULY 2010

In this world of ours, many people believe that what they see on current affairs programmes is balanced, accurate and well researched. Unfortunately, this is sometimes not true.

Instant Finance was recently the target of what we believe was unbalanced and inaccurate reporting on TV3's Campbell Live show (20 July 2010).

At Instant Finance, we advocate transparency and full disclosure in our business. Therefore, we wanted to set the record straight.

Facts About Our Business

- Our association with Stacey Jones started on 1 April 2010..... thus the financial results for the year ended 31 March 2010 in no way reflect any association with Stacey Jones or the current advertising campaign.
- The increase in Instant Finance profits for the year ended 31 March 2010 represent a return to normalised profits after a very low profit result in the 2009 year attributable to the economic environment and the cost of establishing wholesale funding lines.
- Instant Finance's top interest rate is 29.95% and is fully disclosed to consumers along with all fees.
- The finance rate referred to on Campbell Live is NOT the interest rate that most people use and understand. In fact, the Credit Contracts and Consumer Finance Act 2003 (CCCFA) moved away from the finance rate some time ago, as it believed that customers found this confusing.
- The CCCFA is clear on the definition of an interest rate and our quoted rate clearly fits the CCCFA definition.
- Financiers are required to fully and separately disclose fees and charges. Moreover, the CCCFA requires fees and charges to be based on cost recovery and not profit lines. Instant Finance is compliant with all regulations and guidelines under the CCCFA.
- Both Stacey Jones and his management team conducted full due diligence with Instant Finance that included visits to the Head Office, meetings with the Chief Executive Officer and Senior Management team and a full information pack concerning our market, rates, code of conduct, governance and compliance.
- Instant Finance repaid all its debenture holders in full in August 2009, and the Company now funds its operations entirely from wholesale lines provided by American-based Fortress Credit Corp. Stacey Jones is not and never has represented or marketed debenture funding or investments on behalf of Instant Finance.
- Instant Finance takes a very responsible and ethical approach to lending, working closely with their customers to ensure that payments are affordable and closely matches their ability to pay. Our default fees (along with all our fees) are fully disclosed at point of sale, are compliant with CCCFA guidelines and are clearly set up to encourage repayment and compromise.

The impact of this unbalanced reporting on Stacey Jones, a person who Campbell Live rightly see as an iconic kiwi legend and someone for whom we have the utmost respect, has been very upsetting. In addition, the effect on the staff, friends, shareholders, customers and associates of Instant Finance (especially Stacey Jones) has been unfair and unwarranted.

Instant Finance offers a reputable, professional and credible option for many people who do not meet traditional lending criteria used by places such as banks.

We are proud of our business, our people and the service we offer.

ENDS

For more information, please contact James Grant, Chief Financial Officer, Instant Finance on 09 525 3600.