

NZX Announcement

22 October 2009

Funding partnership with Rural Livestock Finance

Allied Nationwide Finance Limited is pleased to announce that it has established a strategic funding arrangement with Rural Livestock Finance Limited, an existing rural finance business operating in the South Island.

Rural Livestock Finance was established in 2006 to provide funding support to the farmer customers of Rural Livestock Limited, a livestock agent network that has been operating in the Southland, Otago and Canterbury regions of the South Island for over 20 years.

Allied Nationwide Finance has an existing rural finance offering and a strategy to extend its rural finance business geographically. This initiative will enable the continued growth of the Rural Livestock Finance business and provide Allied Nationwide with further rural financing opportunities throughout the South Island.

The Rural Livestock Finance business is principally targeted at sheep and beef farmers, with minimal current exposure to the dairy sector.

John Mallon, Chief Executive of Allied Nationwide said, "We are delighted to have formed the funding relationship with Rural Livestock Finance. It provides us with access to an established network for our rural finance business in the South Island."

As part of the funding arrangement, Allied Nationwide has an option to take an equity interest in the business and Rural Livestock Finance will also gain access to the management and administration capability of Allied Nationwide through a management services agreement. The services of James Lang, the existing Manager of Rural Livestock Finance, have also been retained to continue to manage customer relationships.

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