

SOME IMPORTANT INFORMATION FOR SOUTH CANTERBURY FINANCE INVESTORS.

A message from South Canterbury Finance's Board and Management

South Canterbury Finance Limited has received its share of media coverage recently. We thought we should give you some more information on our progress. South Canterbury Finance remains confident that the steps we have already taken and the new strategies we are adopting will return the company to a strong position. We believe you will share our confidence when you consider the following:

Crown Guarantee

South Canterbury Finance has a guarantee under the New Zealand deposit guarantee scheme. The Company has recently been accepted into the Crown's extended guarantee scheme, which is a significant boost to the company, its plans and its management. Further information about the New Zealand retail deposit guarantee scheme is available, free of charge and at all reasonable times, on the Treasury website.

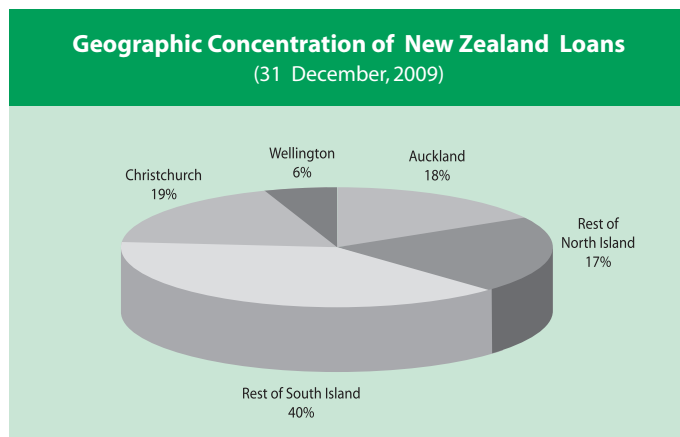
New Governance and Management

We have made substantial improvements to the governance and management of our company. In late 2009 we appointed three new independent directors and a new senior management team, including respected corporate restructuring specialist Sandy Maier as CEO. We have made significant progress but more work is needed. The management and board are committed and focused on continuing our restructuring and re-capitalisation process.

A Strong Core Business

Over the years, South Canterbury Finance has built a proud tradition of investing in grass roots New Zealand businesses. That tradition continues.

The chart below shows the sectors where we lend our support.



Finance Sector Opportunity

The finance sector remains critical to serve those not on the radar of trading banks, particularly with the recent credit crunch. There has been significant consolidation in the finance sector, and new Government regulations will be introduced which will raise the barriers to entry. We believe South Canterbury Finance is well positioned to take advantage of the demand for credit in the current market environment.

Competitive Debenture Rates

South Canterbury Finance's secured debentures* for longer dated maturities carry a competitive interest rate compared to the rates offered by other finance companies that have the benefit of the extended Crown guarantee.

Invest with us today
Secured Debenture Stock*

8%
p.a.

*First ranking subject to permitted prior charges and statutorily preferred claims.

** Minimum investment amount is \$100.

Applications for Secured Debenture Stock can only proceed with the application form issued with the current investment statement.

For a copy of the current investment statement please contact your investment advisor or South Canterbury Finance direct on 0800 808 117, enquiry@scf.co.nz or www.scf.co.nz



South Canterbury Finance