

**GENEVA FINANCE LTD (GENEVA) TO ACQUIRE A 60% SHAREHOLDING
IN PACIFIC ISLAND FINANCE COMPANY**

Geneva announces that it has reached agreement to acquire a 60% shareholding in Federal Pacific Finance Ltd, Tonga (FPFLT).

Geneva Managing Director David O'Connell says, "We see this as a strategic stake in a Pacific Island finance operation, offering medium and long term growth opportunities into the Pacific Rim. The purchase price of \$3.81m. represents, circa 3.5% of Geneva total assets, which is modest in terms of the Group's \$110m asset base. By limiting ourselves to a 60% stake, we will get the benefits of having local investors assisting in achieving our growth and expansion aspirations."

As the vendors are related parties, the independent directors, who have the responsibility of completing the necessary due diligence to ensure this transaction is in the best interest of all shareholders, in particular the minority shareholders, advise they are satisfied, subject to the completion of final documentation, that this transaction meets this standard.

Settlement of the purchase price is to be as follows:

- \$1.750m by way of the issue of 2,500,000 Geneva shares at 70 cents per share.
- \$1.410m in cash
- \$0.650m by way of Vendor finance with a 5 year term at an interest rate of 8.50% p.a.

David O'Connell says, "It is the view of the independent directors that the issue price of 70 cents per Geneva share, which is a premium of 13% over the current share price (62.0 cps) more accurately reflects Geneva's underlying value. In addition as the equity component of the acquisition equates to 46% of the total transaction value, the transaction enhances Geneva's current conservative Equity / Total Assets gearing ratio (28%), leaving the company in a strong position for further acquisitions."

ends

For more information:

Alexander PR

Kate Alexander

+64 (0)27 244 6094

kate@alexanderpr.co.nz

About Geneva Finance Limited

Geneva Finance is a New Zealand-owned finance company that provides finance and financial services to the consumer credit and small to medium business markets.

The company provides hire purchase finance, and personal loans secured by registered security interests over personal assets such as motor vehicles and household goods (e.g. furniture and appliances). Geneva Finance has been providing funding for family vehicles at competitive rates and a quick approvals process since 2002.

Geneva Finance Limited (GFL) is a listed company on the New Zealand Stock Exchange (NZX alternative market, NZAX).