

# NORTHERN CREST

## **Northern Crest Investment Limited**

### 2008 Annual General Meeting

Laurie Eakin, Executive Director

29 July 2009

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## Agenda

- Overview of 2008 15 month trading period
- 2008 Financial Results
- Demise of the New Zealand Franchisee
- Conclusion

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## Overview of the 2008 - 15 Month Trading Period

- Trading period changed to a 31 March financial year:
  - On 15 August 2007 the company announced to the ASX - that it had received approval from the New Zealand Inland Revenue Department to change the Annual Balance Date from 31 December to 31 March – effective from 31 March 2008
  - \* this was done to avoid the busiest trading period (November-December); and
  - \* to fall into line with the preferred balance dates of the New Zealand Inland Revenue Department
- February 2007 Group CEO appointed
  - responsible for company's operation in both Australia and New Zealand

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- August 2007 New Zealand subsidiaries sold to NZ Master Franchisee
  - some finance companies failed to meet their financial obligations to Franchisee
  - the franchisee did not have sufficient resources to meet all its working capital requirements
- October 2007 Group CEO resigned
  - company's founder, Mark Bryers invited to rejoin the Board as Executive Director
- February 2008 NOC suspended trading on ASX

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## Overview of the 2008 - 15 Month Trading Period (cont'd)

- March 2008 NZ Master Franchise cancelled
  - resulting from the liquidation of its primary operation in February 2008

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## Financial Results

- List price – N/A (shares not trading)
- Current price N/A (shares not trading)
- Market Capitalization N/A (shares not trading)
- Revenue - NZ\$7.2m (15 months to 31/3/08)
- Group Loss for Period -(NZ\$146.2m)  
(15 months to 31/3/08)

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## Demise of the New Zealand Franchisee

- Failure through a combination of factors
- Some former clients of Franchisee lost deposits

Northern Crest Board has considered a proposal developed by Mr Bryers to assist these former clients which has been forwarded to our lawyers and auditor for comment.

If the proposal proceeds, it will have **no** negative impact on Northern Crest shareholders, but will include the involvement and assistance of Northern Crest licensees.

There will also be **no** impact on Northern Crest's normal business operations.

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## Conclusion

- At the end of this very difficult and tumultuous period the conclusion reached by the Board at that time was in order to survive, radical and extensive surgery was required
- I will comment on that further in the 2009 presentation