

# BRIEFING NOTES



8 May 2009

Dear Investor

We would like to take this opportunity to report to you with regard your secured debenture stock investment with propertyfinance securities limited (PFSL).

## Payout

A further payout of 1¢ of principal has been credited to your nominated bank account on the evening of Friday, 8 May 2009. This brings the total to 11¢. As we have previously noted it is the Company's intention to distribute cash as quickly as possible. Over the coming months further payments will be made on an irregular basis as the Company's assets are realised. Unfortunately we are unable to predict with certainty when this will be however you can be assured that as soon as we receive excess cash we will distribute it to you.

## Statements

We have not included a revised Statement of your investment at this time, however it is the Company's intention to provide a further Statement to all stockholders after the next payment is made.

## Projects

Steady progress continues to be made on the three projects that we currently have before us. Whilst it is fair to say that progress has been slower than we had hoped for, all three projects are moving forward and nearing completion. A brief overview of each is:

Project	Status	Completed Value
Takapuna	All site works complete. New titles are expected within the next month. One of the four townhouses is unconditionally sold. Agents are receiving good enquiries and are looking to conclude the sale of the other three townhouses as soon as practical.	\$2.7m
Maymorn	All physical work completed on this subdivision. Titles have issued finally. First section has settled, another is unconditionally sold and a further conditional contract held. Marketing in progress. Expected sell-down over 24 months.	\$4.2m
Sunnyvale	All physical works complete. New titles have been issued in the past week. Now that titles have issued management can take a more active role with the borrower to have our loan repaid.	\$1.3m

## Outlook

Whilst the directors have a desire to conclude a Company restructuring, it is inappropriate to comment further at this time as the matter is being worked on with the trustee. The directors, having stabilised and put in place plans for the Company's on-balance sheet loans and properties, are now looking to increase involvement with the Company's loan securitisation programme which will be the key to the final outcome of the wind-down process.

We are happy to address any queries that you may have. Please feel free to call us on 03 379 9336 or if it is more convenient by email to [catherine@propertyfinance.co.nz](mailto:catherine@propertyfinance.co.nz).

Thank you.

**Darryl Queen**

Managing Director