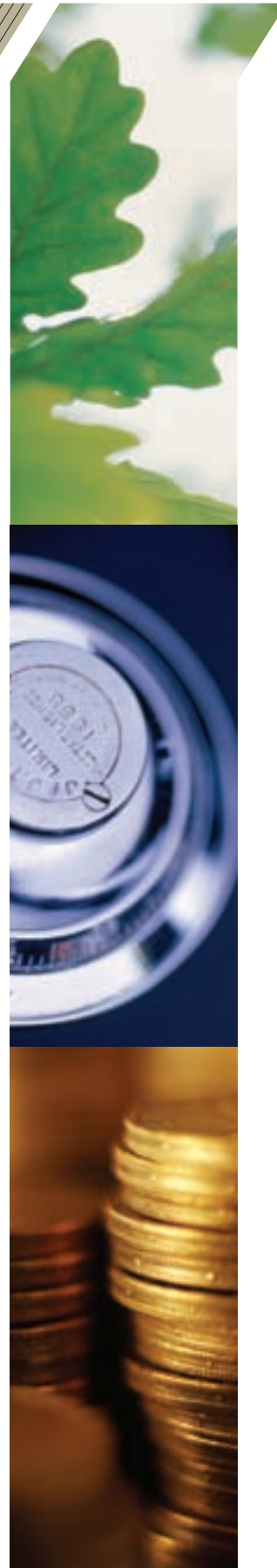


UDC INVESTMENT APPLICATION 30 May 2011

Secured Term Investment // Capital Drawdown Term Investment // UDC Telephone Call Account



APPLICATION



The team at UDC Investments understand deposits because it's all we do.

At UDC we specialise in offering investment products that are easy to understand and easy for you to use. Products that recognise your needs by offering flexibility, regular income and easy access.

It's important to have a financial services provider that has proven experience and integrity. For over 70 years UDC has offered clients just that.

We hold an AA long-term credit rating from International ratings agency, Standard & Poor's. This denotes a very strong capacity to meet financial commitments, an investment grade rating that's as strong as the main trading banks.

Our dedicated investments team are genuinely passionate about giving you the highest level of personal service. If you'd like more information about UDC Investments please call us during office hours on 0800 652 832, we'd love to hear from you.

HOW TO SET UP YOUR UDC INVESTMENT

For a copy of the UDC Finance Limited Prospectus, please contact us on **0800 652 832**. A copy of the UDC Finance Limited Investment Statement is attached to this Application form. UDC Secured Investments are secured by First Ranking Security Stock, subject to prior permitted charges (if any). ANZ National Bank Limited does not guarantee investments in UDC. A copy of a disclosure statement prepared under the Securities Markets Act 1988 is available on request from us up to and including 30 June 2011. The requirement to make such disclosure will be repealed and replaced by the Financial Advisors Act 2008 on 1 July 2011.

1 SELECT THE UDC SECURED INVESTMENT OPTION THAT BEST SUITS YOUR NEEDS

Read UDC's Investment Statement and Prospectus for UDC's Secured Investment Products. If you need more information on these options, you can call our Investor Services team on **0800 652 832**. Alternatively, you can contact your financial adviser or an ANZ branch staff member.

2 COMPLETE THE RELEVANT APPLICATION FORM

Applications can be made by completing the relevant application form in our application pack. You can download an application form from our website at www.udc.co.nz or call us on **0800 652 832** and we will send one to you by post. You can also pick up an application pack at your local ANZ branch or from your financial adviser.

3 LODGE YOUR APPLICATION AND FUNDS

Applications can be mailed directly to:

UDC Finance Limited, PO Box 91145, Victoria Street West, Auckland 1142

or placed through your broker or Financial Adviser

- Please sign the direct debit form and forward with your application. UDC will manage the rest.
- You can also lodge funds by direct credit using your on-line banking or over the counter at your own bank.
- Alternatively, you can lodge money over the counter at any ANZ branch, or by sending us a cheque.
- Please make your cheque payable to 'UDC Finance Limited' and cross it 'account payee only'.
- Please ensure that you enclose the relevant identification documents required for your application.

Identification documents and details required for your application

TYPE OF INVESTOR	IDENTIFICATION DOCUMENTS REQUIRED*
Individual & Joint Investors	A pre-printed bank deposit slip for the nominated account in the name of the investor(s) OR A certified copy of your passport/driving licence
Company/Partnership/Trust	a. A pre-printed bank deposit slip for the nominated account in the name of the organisation AND Personal identification for all directors/partners/individual trustees /beneficiaries AND b. A certified copy of the certificate of incorporation, partnership agreement or trust deed (as applicable) c. Complete the additional non-individual details section located after the application form.
Incorporated/ unincorporated Organisation	a. A copy of the minutes authorising the signatories and providing sample signatures AND b. Personal identification for all signatories c. Complete the additional non-individual details section located after the application form

* These are our basic identification requirements and we may request additional information

Application Form to UDC Finance Limited ("UDC") for: SECURED TERM INVESTMENT AND/OR CAPITAL DRAWDOWN TERM INVESTMENT



Application no.

INVESTOR DETAILS																					
Investor	Title	First Names																			
	Surname						Date of Birth		/	/	/										
Joint Investor	Title	First Names																			
	Surname						Date of Birth		/	/	/										
Company/Trust/Society/Club/Group/Partnership (if applicable)																					
Trustee Names (if applicable)																					
Address						Suburb															
City or Town						Postcode															
Email				Phone (day)				Mobile													
By entering your email address you consent to UDC sending you electronic communications in relation to your investment including disclosure statements. This consent may be withdrawn at any time by written notice to UDC.																					
TAX DETAILS																					
Investor IRD Number												Preferred withholding tax rate	10.5% <input type="radio"/>	17.5% <input type="radio"/>	28% <input type="radio"/>	30%* <input type="radio"/>	33% <input type="radio"/>	NRWT <input type="radio"/>	AIL 2% <input type="radio"/>	Exempt <input type="radio"/>	
Joint Investor IRD Number													10.5% <input type="radio"/>	17.5% <input type="radio"/>	28% <input type="radio"/>	30%* <input type="radio"/>	33% <input type="radio"/>	NRWT <input type="radio"/>	AIL 2% <input type="radio"/>	Exempt <input type="radio"/>	
Please note, if your IRD number and/or an election is not indicated, your investment will be taxed at 33% p.a. If you are a company and your IRD number is not indicated, your investment will be taxed at 33% p.a. If you are a company and you have indicated your IRD number but an election is not indicated, your investment will be taxed at 28% p.a. If exempt from resident withholding tax, please attach a copy of a Certificate of Exemption. If applying for an Approved Issuer Levy, please complete the Approved Issuer Levy section and read the AIL conditions overleaf. *Available for companies only.																					
INVESTMENT INSTRUCTIONS <small>Please select which products you would like to invest in</small>																					
Secured Term Investment <input type="radio"/>						Capital Drawdown Term Investment <input type="radio"/>															
Amount (minimum of \$5,000) \$						Amount (minimum of \$5,000) \$															
Interest rate (% per annum)*						Interest rate (% per annum)*						Payment amount \$									
Term	years	months	days	or to	/ /	Term	years	months	days	or to	/ /										
Interest paid as indicated:						With payments to be made by direct credit: quarterly <input type="radio"/> monthly <input type="radio"/>															
Compounded: at maturity <input type="radio"/> quarterly <input type="radio"/> annually <input type="radio"/>						First payment is to be made on / /															
By direct credit: at maturity <input type="radio"/> monthly <input type="radio"/> quarterly <input type="radio"/> annually <input type="radio"/>						(Not sooner than one month after investment date)															
* Indicative interest rates can be obtained from UDC's website www.udc.co.nz or by calling toll free on 0800 652 832. For Secured Term investments, special rates may apply for larger deposit amounts and the interest rate is fixed for the term of your investment.																					
MATURITY OPTIONS																					
1. Auto renewal <input type="radio"/> I/We wish for my/our investment to be automatically renewed on maturity for the same term, at the applicable interest rate. In choosing the automatic renewal option, I/we understand that I/we may alter my/our instructions without penalty within 14 days of the reinvestment date.																					
2. Maturity notice <input type="radio"/> Please send me/us notification just prior to maturity advising reinvestment and/or repayment options and applicable interest rates. I/We understand that if this option is chosen and instructions are not received by UDC by the maturity date, my/our investment will be held at the applicable 'on demand' rate as set out in the Investment Statement.																					
BANK ACCOUNT INSTRUCTIONS <small>Details of the nominated bank account into which all payments are to be made</small>																					
Bank				Branch				Account Name													
Account Number																					
-																					
DECLARATION AND SIGNATURE(S)																					
<p>Privacy Act 1993 Personal information in this application form and any further personal information which I/we may provide to UDC Finance Limited at any time may be disclosed to ANZ National Bank Limited and its related companies as defined in the Companies Act 1993 ("ANZ National Group"), my/our financial adviser whose stamp is affixed to the application form, or any other entity that provides services in relation to the UDC Secured Investments and may be used for the purpose of administering these products. UDC may disclose information from time to time relating to my/our investments for regulatory purposes or if required by law. UDC and the ANZ Group may use this information for the purpose of introducing other products or services to me/us.</p> <p>UDC may use my/our personal information for the purpose of data matching and in doing so may collect information about me/us. 'Data matching' is the process of comparing my/our personal information with publicly available information and/or with information held by a reputable entity UDC has an ongoing relationship with in order to better enable it to carry out any of the above purposes.</p> <p>UDC may disclose my/our information to carefully selected third parties for the purpose of data matching, providing those third parties are subject to an obligation of confidentiality. I/we understand that I/we can request access to and correction of any information held about me/us by UDC. I/we will inform UDC of any changes to the information provided by me/us to them.</p> <p>Disclaimer To the maximum extent permitted by law, UDC excludes liability for, and shall not be responsible for, any loss suffered by the investor, however arising. When investing with UDC through a financial adviser (stamped below as broker) your financial adviser is acting on your behalf and not as an agent for UDC. UDC is not liable for any delay or failure on the part of your financial adviser to deposit your investment funds with UDC.</p> <p>Applicants Signature(s) I/We acknowledge that I/we have received, read and understood a copy of the current Prospectus (available on request) and agree that the terms and conditions for the UDC Secured Term Investment as stated in the Trust Deed and Registered Prospectus will be binding on me/us.</p>																					
I/we request the above account(s) be operated as follows (choose one)																					
By any one authorised signature alone <input type="radio"/> By any two authorised signatures jointly <input type="radio"/> By all account holders/signatories to the application form <input type="radio"/>																					
Signature				Date / /				Signature				Date / /									
Signature				Date / /				Signature				Date / /									

NON-RESIDENT WITHHOLDING TAX RATE/APPROVED ISSUER LEVY

Non-Resident address (full overseas address must be provided if a non-resident tax rate or Approved Issuer Levy is required)

Please invest my/our funds as set out overleaf, subject to the terms and conditions of the Trust Deed and the current Prospectus. I/We understand that UDC reserves the right to decline any application. Please read the AIL conditions below before signing the application form. **I/we acknowledge that I/we have read the Approved Issuer Levy conditions set out below.**

Signature	Date / /	Signature	Date / /
Signature	Date / /	Signature	Date / /

If Approved Issuer Levy is sought, please read the following conditions:

APPLICATION FOR DEDUCTION OF COST OF APPROVED ISSUER LEVY ON NON-RESIDENT INCOME

By completing the Approved Issuer Levy section above, the investor authorises UDC to deduct the cost of the Approved Issuer Levy (currently 2%) from all payments of non-resident income made to the investor on registered securities held in the investor's name by UDC.

The investor authorises this deduction on the basis that Approved Issuer Levy will be paid by UDC to the Commissioner of Inland Revenue, as provided for in New Zealand law, in respect of the non-resident income payment from which the deduction has been made.

The authorisation may be revoked by the investor at any time, by notice in writing, which is received by UDC at the address below ten (10) or more days prior to a payment of non-resident income, at which time UDC will deduct any applicable withholding taxes from future payments.

DEPOSITS INTO YOUR TERM INVESTMENT MADE EASY

In addition to the payment methods set out in the Investment Statement and Registered Prospectus, you may also deposit funds into your term investment as follows:

Electronic transfer

All electronic transfers should be made to UDC's bank account **01 0505 0128966 00**. Please ensure you put your Inland Revenue number in the "payee reference".

Telephone and Internet Banking transfers

Telephone or Internet Banking transfers can be arranged through your bank as a bill payment option for immediate clearance of funds.

Cheque Deposits

Cheques can be affixed to this application form as indicated on the top left of the reverse. Cheque deposits may also be made at any ANZ branch of ANZ National Bank Limited. Please note, five working days clearance is required for cheques.

Cash Deposits

Cash deposits may be made at any ANZ branch of the ANZ National Bank to UDC's bank account **01 0505 0128966 00**. Remember to ensure that your deposit is referenced with either your investor or Inland Revenue number.

UDC FINANCE LIMITED
 PO BOX 91145, VICTORIA STREET WEST, AUCKLAND 1142
 TOLL FREE 0800 652 832 // FAX (09) 255 4903 // udcinv@anz.com // www.udc.co.nz

OFFICE USE ONLY	Investor No.	Search Key	Deposit Date	Broker No.	Brokerage	App. No.	STAMP Registered Broker or Financial Advisor
	ID	Desc.	Area	PIR Code	Cert. No.	Cert. To	

Application no:

THIS ADDITIONAL NON INDIVIDUAL INVESTOR DETAILS FORM IS PART OF THE RELEVANT APPLICATION FORM FOR YOUR UDC SECURED INVESTMENT PRODUCT.



ADDITIONAL NON INDIVIDUAL INVESTOR DETAILS

Please refer to the instructions box directly below on how to complete this section

THE FOLLOWING INVESTOR TYPES MUST COMPLETE THE INVESTOR DETAILS TABLE BELOW:	
Trusts	All trustees of trusts
Company	All signing company directors All signing persons that are not directors of company
Partnership	All signing partners of a partnership
Incorporated or unincorporated club or society	All signing board members of an incorporated or unincorporated club or society All signing persons of an incorporated or unincorporated club or society

INVESTOR DETAILS - Non Individual <small>Please select type below</small>				
Trustee <input type="radio"/>	Director <input type="radio"/>	Board <input type="radio"/>	Partner <input type="radio"/>	Authorised Signatory <input type="radio"/>
Name			Date of Birth / /	
Address			Signature	
Suburb	City or Town	Postcode	Date signed	

Trustee <input type="radio"/>	Director <input type="radio"/>	Board <input type="radio"/>	Partner <input type="radio"/>	Authorised Signatory <input type="radio"/>
Name			Date of Birth / /	
Address			Signature	
Suburb	City or Town	Postcode	Date signed	

Trustee <input type="radio"/>	Director <input type="radio"/>	Board <input type="radio"/>	Partner <input type="radio"/>	Authorised Signatory <input type="radio"/>
Name			Date of Birth / /	
Address			Signature	
Suburb	City or Town	Postcode	Date signed	

Trustee <input type="radio"/>	Director <input type="radio"/>	Board <input type="radio"/>	Partner <input type="radio"/>	Authorised Signatory <input type="radio"/>
Name			Date of Birth / /	
Address			Signature	
Suburb	City or Town	Postcode	Date signed	

Trustee <input type="radio"/>	Director <input type="radio"/>	Board <input type="radio"/>	Partner <input type="radio"/>	Authorised Signatory <input type="radio"/>
Name			Date of Birth / /	
Address			Signature	
Suburb	City or Town	Postcode	Date signed	

Trustee <input type="radio"/>	Director <input type="radio"/>	Board <input type="radio"/>	Partner <input type="radio"/>	Authorised Signatory <input type="radio"/>
Name			Date of Birth / /	
Address			Signature	
Suburb	City or Town	Postcode	Date signed	

Identification for each signatory must be provided as per 'Identification documents and details required for your application' section located on the inside cover of the UDC Investment Application booklet.

Application Form to UDC Finance Limited ("UDC") for: UDC TELEPHONE CALL ACCOUNT

Application no. **INVESTOR DETAILS**

Investor	Title	First Names	Date of Birth	/	/
	Surname				
Joint Investor	Title	First Names	Date of Birth	/	/
	Surname				
Company/Trust/Society/Club/Group/Partnership (if applicable)					
Trustee Names (if applicable)					
Address			Suburb		
City or Town			Postcode		
Email		Phone (day)		Mobile	
By entering your email address you consent to UDC sending you electronic communications in relation to your investment including disclosure statements. This consent may be withdrawn at any time by written notice to UDC.					

TAX DETAILS

Investor IRD No. <input type="text"/>	Please tick preferred Withholding Tax rate	<input type="radio"/> 10.5%	<input type="radio"/> 17.5%	<input type="radio"/> 28%*	<input type="radio"/> 30%	<input type="radio"/> 33%	<input type="radio"/> NRWT	<input type="radio"/> AIL 2%	<input type="radio"/> Exempt
Please note, if your IRD number and/or an election is not indicated, your investment will be taxed at 33% p.a. If you are a company and your IRD number is not indicated, your investment will be taxed at 33% p.a. If you are a company and you have indicated your IRD number but an election is not indicated, your investment will be taxed at 28% p.a. If exempt from resident withholding tax, please attach a copy of a Certificate of Exemption. If applying for an Approved Issuer Levy, please complete the Approved Issuer Levy section and read the AIL conditions overleaf. *Available for companies only.									

INVESTMENT INSTRUCTIONS

Amount (minimum \$5,000) \$ <input type="text"/>	Please refer to the 'Deposits Made Easy' section on the reverse to find out what options are available for future deposits.
Interest rates for the UDC Telephone Call Account are variable. Indicative interest rates are published on the first day of each calendar month and are available from UDC's website www.udc.co.nz or by calling toll free on 0800 652 832. Automatic payments can only be loaded to your UDC Telephone Call Account from your nominated bank account.	

PASSWORD IF DESIRED

Password: <input type="text"/>	Hint: <input type="text"/>
--------------------------------	----------------------------

BANK ACCOUNT INSTRUCTIONS PLEASE ENTER THE DETAILS OF THE NOMINATED BANK ACCOUNT INTO WHICH ALL PAYMENTS ARE TO BE MADE

Bank	Branch	Account Name
Bank Account Number	<input type="text"/>	<input type="text"/>

DECLARATION AND SIGNATURE(S)

Privacy Act 1993 Personal information in this application form and any further personal information which I/we may provide to UDC Finance Limited at any time may be disclosed to ANZ National Bank Limited and its related companies as defined in the Companies Act 1993 ("ANZ National Group"), my/our financial adviser whose stamp is affixed to the application form, or any other entity that provides services in relation to the UDC Secured Investments and may be used for the purpose of administering these products. UDC may disclose information from time to time relating to my/our investments for regulatory purposes or if required by law. UDC and the ANZ Group may use this information for the purpose of introducing other products or services to me/us.

UDC may use my/our personal information for the purpose of data matching and in doing so may collect information about me/us. 'Data matching' is the process of comparing my/our personal information with publicly available information and/or with information held by a reputable entity UDC has an ongoing relationship with in order to better enable it to carry out any of the above purposes.

UDC may disclose my/our information to carefully selected third parties for the purpose of data matching, providing those third parties are subject to an obligation of confidentiality. I/we understand that I/we can request access to and correction of any information held about me/us by UDC. I/we will inform UDC of any changes to the information provided by me/us to them.

Disclaimer To the maximum extent permitted by law, UDC excludes liability for, and shall not be responsible for, any loss suffered by the investor, however arising. When investing with UDC through a financial adviser (stamped below as broker) your financial adviser is acting on your behalf and not as an agent for UDC. UDC is not liable for any delay or failure on the part of your financial adviser to deposit your investment funds with UDC.

Applicants Signature(s) I/We acknowledge that I/we have received, read and understood a copy of the current Prospectus (available on request) and agree that the terms and conditions for the UDC Secured Term Investment as stated in the Trust Deed and Registered Prospectus will be binding on me/us.

Signature	Date / /	Signature	Date / /
Signature	Date / /	Signature	Date / /

DIRECT DEBIT

Please complete the direct debit form in this booklet to enable funds to be transferred from your nominated bank account to your UDC Telephone Call Account	STAMP Registered Broker or Financial Adviser
---	--

NON-RESIDENT WITHHOLDING TAX RATE/APPROVED ISSUER LEVY	
Non-Resident address (full overseas address must be provided if a non-resident tax rate or Approved Issuer Levy is required)	I acknowledge that I have read the Approved Issuer Levy Conditions set out below.
Please invest my/our funds as set out overleaf, subject to the terms and conditions of the Trust Deed and the current Prospectus. I/We understand that UDC reserves the right to decline any application. Please read the AIL conditions below before signing the application form.	Signature

If Approved Issuer Levy is sought, please read the following conditions:

APPLICATION FOR DEDUCTION OF COST OF APPROVED ISSUER LEVY ON NON-RESIDENT INCOME

By completing the Approved Issuer Levy section above, the investor authorises UDC to deduct the cost of the Approved Issuer Levy (currently 2%) from all payments of non-resident income made to the investor on registered securities held in the investor's name by UDC.

The investor authorises this deduction on the basis that Approved Issuer Levy will be paid by UDC to the Commissioner of Inland Revenue, as provided for in New Zealand law, in respect of the non-resident income payment from which the deduction has been made.

The authorisation may be revoked by the investor at any time, by notice in writing, which is received by UDC at the address below ten (10) or more days prior to a payment of non-resident income at which time UDC will deduct any applicable withholding taxes from future payments.

DEPOSITS INTO YOUR UDC TELEPHONE CALL ACCOUNT MADE EASY

In addition to the payment methods set out in the registered Prospectus, you may also make deposits into your UDC Telephone call account as follows:

Electronic transfer All electronic transfers should be made to UDC's bank account: **01-0564-0070266-00**. Make sure your UDC Telephone Call Account number is loaded as the "payee reference".

Telephone and Internet Banking transfers Telephone or internet banking transfers can be arranged through your bank as a bill payment option for immediate clearance of funds.

Direct Debits Once set up you can call us directly and ask for funds to be transferred from your nominated bank account to your UDC Telephone Call Account. Deposits require three working days clearance. Complete the direct debit form in this application booklet or call us on **0800 652 832** to request a direct debit form.

Automatic Payments Contact your bank to set up an automatic payment ensuring your UDC Telephone Call Account number is loaded as the "payee reference". Once your automatic payment is set up, three working days are required for clearance.

Cheque Deposits Cheques can be affixed to this application form as indicated on the top left of the reverse. Cheque deposits may also be made at any ANZ branch of ANZ National Bank Limited using a personalised deposit book. Simply request a deposit book from us to enable this option. Please note, five working days clearance is required for cheques.

Cash Deposits may be made at any ANZ branch of the ANZ National Bank to UDC's bank account **01-0564-0070266-00**. Remember to ensure that your UDC Telephone Call Account number is included to enable immediate clearance of funds.

UDC FINANCE LIMITED
 PO BOX 91145, VICTORIA STREET WEST, AUCKLAND 1142 // udcinv@anz.com
 TOLL FREE 0800 652 832 // FAX (09) 255 4903 // www.udc.co.nz

OFFICE USE ONLY					
Investor No.	Search Key	Deposit Date	Broker No.	Brokerage	
I.D	Desc.	Area	Tax Code	Cert No.	Cert To



DIRECT DEBIT FORM

For use with UDC Telephone Call Account and UDC Secured Term Debentures



Account Name												
Account Number												
TO: The Manager (Please print full postal address carefully for window envelope)												
Bank												
Branch												
Address												

AUTHORITY TO ACCEPT DIRECT DEBITS (Not to operate as an assignment or agreement)						
Authorisation code						
0	1	0	0	0	4	4
Date						

I/We authorise you until further notice in writing to debit my/our account with you all amounts which **UDC FINANCE LIMITED** (hereinafter referred to as the Initiator) the registered Initiator of the above Authorisation Code, may initiate by Direct Debit.

I/We acknowledge and accept that the bank accepts this authority only upon the conditions listed on this form.

Information to appear on my/our bank statement:		
Name of account (customer to complete)		
Authorised Signatures		
	Date	Date

Approved 0004	Bank Use Only	Date Received	Recorded by	Checked by	Bank Stamp
02	1994	Original - Retain at branch Duplicate - Forward to Initiator in postage prepaid and addressed envelope provided by the initiator			

CONDITIONS OF THIS AUTHORITY TO ACCEPT DIRECT DEBITS

1. The Initiator:

- (a) Has agreed to give written notice of the net amount of each Direct Debit no later than the day the Direct Debit is initiated. The notice will include the following message:
"The amount \$....., was direct debited to your Bank account on (initiating date)."
- (b) May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debits are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.

2. The Customer may:

- (a) At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator.
- (b) Stop payment of any Direct Debit to be initiated under this authority by the Initiator by giving written notice to the Bank prior to the Direct Debit being paid by the Bank.

3. The Customer acknowledges that:

- (a) This authority will remain in full force and effect in respect of all Direct Debits passed to my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of this authority until actual notice of such event is received by the Bank.

- (b) In any event this authority is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.
- (c) Any dispute as to the correctness or validity of an amount debited to my/our account shall not be the concern of the Bank except in so far as the Direct Debit has not been paid in accordance with this authority. Any other disputes lies between me/us and the Initiator.
- (d) The Bank accepts no responsibility or liability for the accuracy of information about Direct Debits on Bank Statements.
- (e) The bank is not responsible for, or under any liability in respect of:
 - any variations between notices given by the Initiator and the amounts of Direct Debits.
 - the Initiator's failure to give written advance notice correctly nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In any such situation the dispute lies between me/us and the Initiator.

4. The Bank may:

- (a) In its absolute discretion conclusively determine the order of priority of payment by it of any monies pursuant to this or any other authority, cheque or draft properly executed by me/us and given to or drawn on the Bank.
- (b) At any time terminate this authority as to future payments by notice in writing to me/us.
- (c) Charge its current fees for the service in force from time-to-time.

IF DEPOSITING IN AN ANZ BRANCH PLEASE USE THESE DEPOSIT SLIPS:

TOP SLIP: UDC TELEPHONE CALL ACCOUNT

BOTTOM SLIP: UDC Secured Term Investment or Capital Drawdown Term Investment

RECEIPT:
(tick appropriate)



TELEPHONE CALL ACCOUNT

DATE / /

NAME

AMOUNT \$

THANK YOU FOR INVESTING WITH UDC.
THIS IS AN INTERIM RECEIPT ONLY. A
CONFIRMATION WILL BE POSTED TO YOU.
PLEASE CALL OUR INVESTOR SERVICES
TEAM ON 0800 652 832 IF YOU HAVE ANY
QUESTIONS.



CALL

ANZ National Bank Limited,
215-229 Lambton Quay, Wellington, NZ

TELLER PAID IN BY (SIGNATURE)

DETAILS OF CHEQUE:- DRAWER	BANK	BRANCH

FOR THE CREDIT OF UDC FINANCE LIMITED TELEPHONE CALL ACCOUNT



Deposit

DATE / /

NOTES		
COINS		
CHEQUES		
TOTAL \$		

RECEIPT:
(tick appropriate)



SECURED TERM INVESTMENT
 CAPITAL DRAWDOWN
TERM INVESTMENT

DATE / /

NAME

AMOUNT \$

THANK YOU FOR INVESTING WITH UDC.
THIS IS AN INTERIM RECEIPT ONLY. A
CONFIRMATION WILL BE POSTED TO YOU.
PLEASE CALL OUR INVESTOR SERVICES
TEAM ON 0800 652 832 IF YOU HAVE ANY
QUESTIONS.



TERM

ANZ National Bank Limited,
215-229 Lambton Quay, Wellington, NZ

TELLER PAID IN BY (SIGNATURE)

DETAILS OF CHEQUE:- DRAWER	BANK	BRANCH

FOR THE CREDIT OF UDC FINANCE LIMITED (PLEASE CROSS OUT IF NOT APPLICABLE)
SECURED TERM INVESTMENT // CAPITAL DRAWDOWN OPTION



Deposit

DATE / /

NOTES		
COINS		
CHEQUES		
TOTAL \$		



INVESTMENT STATEMENT

The date of this Investment Statement is 30 May 2011.

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

Engaging an investment adviser	Page 1
What sort of investment is this?	Page 1
Who is involved in providing it for me?	Page 2
How much do I pay?	Page 2
What are the charges?	Page 2
What returns will I get?	Page 2
What are my risks?	Page 4
Can the investment be altered?	Page 7
How do I cash in my investment?	Page 8
Who do I contact with enquiries about my investment?	Page 8
Is there anyone to whom I can complain if I have problems with the investment?	Page 8
What other information can I obtain about the investment?	Page 9

In addition to the information in this document, important information can be found in the current registered Prospectus for the investment. You are entitled to a copy of that Prospectus on request.

Engaging an investment adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including-

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by one or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include-

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

The above statement is prescribed by the Securities Regulations 2009. As from 1 July 2011, financial advisers will be obliged to comply with the Financial Advisers Act 2008. The form of disclosure from that date will be as required by that Act and the Financial Advisers (Disclosure) Regulations 2010.

What sort of investment is this?

UDC Finance Limited ("UDC", "us", "we" or "our") offers the following Secured Term Investment products under this Investment Statement:

Term Investment: A Term Investment is a secured term deposit with a tiered interest rate, fixed for the investment term. A choice of deposit terms, interest rates and interest payment options are available.

Capital Drawdown: A Capital Drawdown Investment is a secured term deposit with a tiered interest rate, fixed for the investment term that enables you to receive regular payments of both the principal invested and interest payments.

All investments offered by us that are the subject of this Investment Statement are term debt securities which are secured as First Ranking Security Stock under the Trust Deed. The Trust Deed comprises what was originally two trust deeds, both between us, various of our then related companies and Trustees Executors Limited, one dated 3 September 1974 (as subsequently amended) which governed secured registered debenture stock; and the other dated 5 February 1979 (as subsequently amended), which governed unsecured notes. Together these deeds were combined and restated, in a document

entitled Debenture Stock and Unsecured Notes Trust Deed dated 1 April 1998 (as amended on 17 March 2006 and as further amended from time to time) (the "Trust Deed").

Who is involved in providing it for me?

The Issuer: UDC Finance Limited. Our principal place of business is UDC House, Level 2, 107 Carlton Gore Road, Newmarket, Auckland.

The names of the directors of the Issuer are:

- Graham David Turley;
- Penelope Jane Ford;
- Steven Montgomery Fyfe (resigned as a director with effect from 1 March 2011);
- Bruce William Anderson (appointed as a director with effect from 28 February 2011); and
- Richard Arthur Wilks.

The Trustee: Trustees Executors Limited, Level 5, 10 Customhouse Quay, Wellington.

We were established in 1938 as a finance company to provide financial services to our customers. Our core business is asset finance. During the past 5 years, our principal business activities have included providing the products listed below:

- secured investment products help New Zealand investors and savers earn a competitive return.
- asset finance products – including loans, leases and lines of credit – help New Zealand businesses buy or upgrade the vehicles, plant and equipment they need to grow and prosper.
- motor vehicle finance products (one of our asset finance specialities) – supplied directly or through a network of approved dealers – help New Zealand consumers and businesses get the cars, trucks, vans, motorbikes and trailers they want.
- asset insurance facilitated through third party insurers – helps customers to protect the vehicles and assets we've financed.

For more information about us, visit www.udc.co.nz

How much do I pay?

To subscribe for a Secured Term Investment, the minimum deposit required (payable in one lump sum) is \$5,000. You may select any amount in excess of \$5,000 to deposit into your Term Investment or Capital Drawdown Investment.

Applications can be made by completing the relevant application form. Payments may be made:

- by completing the direct debit form, or if you elect to pay by cheque, by making your cheque payable to "UDC Finance Limited", crossing it "account payee only", and forwarding it with your application to UDC Finance Limited, PO Box 91145, Victoria Street West, Auckland 1142;

- by electronic transfer to our bank account: 01-0505-0128966-00 with your application number or customer number loaded as the 'payee reference';
- through any ANZ branch of ANZ; or
- through any of our registered brokers or financial advisers.

By subscribing for a Secured Term Investment, you acknowledge and agree that:

- we may send you electronic communications in relation to your investment; and
- personal information about you provided to us may, in accordance with the Privacy Act 1993, be shared with ANZ National Bank Limited ("ANZ") and its related companies (as defined in the Companies Act 1993) ("ANZ Group"), your financial adviser or any other entity that provides services in relation to Secured Term Investments. Personal information may be used for the purpose of administering Secured Term Investments. We and the ANZ Group may use personal information for the purpose of introducing other products or services to you. We may disclose personal information from time to time for regulatory purposes or if required by law.

If we do not accept your application for any reason we will contact you to inform you of that reason. If new terms cannot be agreed with you we will, within 10 days, refund your application money. No interest is payable on your application money if we do not accept your application. There is no cancellation fee.

What are the charges?

We do not charge entry, exit or management fees on our Secured Term Investments. However, if we do permit early redemption of a Secured Term Investment, we may lower the interest rate on your investment and deduct this interest adjustment from the balance payable to you. This rate will be calculated at the time we agree to permit early redemption and will be based on prevailing market conditions, any costs associated with early repayment and any other relevant factors. We will advise you, if you ask us at any time, of the likely adjusted interest rate if early redemption is permitted.

What returns will I get?

You are entitled to:

- interest payments for both Term Investment and Capital Drawdown Investment products. The interest rate is fixed by us at the start of your investment. To determine the interest rate applicable to your Secured Term Investment we will consider:
 - the amount of your deposit;
 - whether you choose to have interest compounded; and
 - the term of your investment.

Interest is calculated daily on the balance of your investment and may be paid monthly, quarterly, annually or at maturity or compounded quarterly or annually according to the type of investment and payment option chosen by you (less any deduction for resident withholding tax (“RWT”), non-resident withholding tax or approved issuer levy, if applicable). Details of our current interest rates are available from our website www.udc.co.nz or by calling us on **0800 652 832**.

- repayment of the principal amount of your investment for both Term Investment and Capital Drawdown Investment products. For the Term Investment, the principal amount of your investment is repaid at the expiry of the term of your investment. For the Capital Drawdown Investment, you have the option of receiving interim instalments (monthly or quarterly) of principal as agreed with us in addition to repayment of the principal amount of your investment at the expiry of the term of your investment.

UDC Finance Limited is the person legally liable to pay returns on your Secured Term Investment.

The amount of your return cannot be determined as at the date of this Investment Statement. However, once you have agreed terms of your Secured Term Investment with us, including the principal amount, term of your investment and applicable interest rate, you may legally enforce the investment against us. We may withhold the repayment of principal and the payment of interest payable on your Secured Term Investment where we are required by law to do so.

You should seek independent, professional tax advice tailored to your circumstances before investing.

The following is a general summary of the New Zealand tax implications of a Secured Term Investment. It does not deal with all relevant considerations and possible situations.

The interest earned from Secured Term Investments is taxable.

Under current tax laws, interest (including compounded interest) paid to all New Zealand tax residents is subject to RWT, unless you provide us with a valid certificate of exemption. On the application form, you may elect a RWT rate when you provide us with your Inland Revenue Department (“IRD”) Number. Your RWT rate should be determined by the amount of your taxable income.

If you are an individual or a trustee and you do not provide us with your IRD number and/or elect an RWT rate, we are obliged to deduct RWT at the highest RWT rate (currently 33%). If you are a company and you do not provide us with your IRD number, we are obliged to deduct RWT at the highest RWT rate (currently 33%). If you are a company that has provided us with your IRD number but you do not elect an RWT rate, we are obliged to deduct RWT at 28%.

RWT RATES THAT INVESTORS CAN ELECT	
Type of investor	RWT rate
<ul style="list-style-type: none"> • An individual who has a reasonable expectation at the time of election that their income for the income year (usually the period from 1 April to 31 March) will not exceed \$14,000 • A trustee 	10.5%
<ul style="list-style-type: none"> • An individual • A trustee 	17.5%
<ul style="list-style-type: none"> • A company 	28%
<ul style="list-style-type: none"> • An individual • A trustee 	30%
<ul style="list-style-type: none"> • An individual • A trustee • A company 	33%

When you elect a RWT rate, that rate will only apply from the time you notify us. A higher RWT rate may be applied until you notify us of your RWT rate election. If you elect a lower RWT rate than applies to you, you may have a tax liability at the end of the tax year (1 April – 31 March). If you elect a higher RWT rate than applies to you, then you may be entitled to apply to the IRD to recover any overpaid RWT at the end of the tax year (1 April – 31 March).

If the IRD considers that you have elected an inconsistent RWT rate, they may instruct us to apply another RWT rate. We must use the RWT rate provided by the IRD, unless you tell us to apply a different RWT rate.

If you are an overseas resident and you are not engaged in business in New Zealand through a fixed establishment in New Zealand, non-resident withholding tax will be deducted from the interest earned. The rate of non-resident withholding tax applied depends on your country of residence and can be up to 15%.

If you are a non-resident you can agree to have deducted the cost of the approved issuer levy, which is 2% of the interest paid or credited. In this case, we will deduct the approved issuer levy from the interest to be paid or credited to you and non-resident withholding tax will not be deducted. As a non-resident investor, you are required to provide us with your overseas address and where applicable, to complete an approved issuer levy application, which is available on request from us.

Our obligations to you are not guaranteed by ANZ, the Trustee or by any other person.

What are my risks?

The principal risks of investing in Secured Term Investment products, the subject of this Investment Statement, are disclosed in this Investment Statement as at the date of this Investment Statement.

As an investor, the principal risks you could face are that we become insolvent or we fail to manage our liquidity. Insolvency risk is the risk that we become insolvent and do not have enough assets to meet all of our liabilities. Insolvency might mean that you are not able to recover all or part of the returns on your Secured Term Investment (i.e. the principal amount of your deposit and accrued unpaid interest). You will not be liable to pay us any additional money in relation to your Secured Investment if we become insolvent. Liquidity risk is the risk that we are not able to raise enough cash at short notice to meet our debts as they fall due, including repaying Secured Term Investments as they mature.

Our creditworthiness is rated by a ratings agency approved by the Reserve Bank under section 157J of the Reserve Bank of New Zealand Act 1989. The approved ratings agency is Standard & Poor's Ratings Services.

Our current long term Standard & Poor's credit rating is AA with outlook stable. Standard & Poor's Ratings Services defines its AA rating to mean the obligor 'has a very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree'. According to Standard & Poor's Ratings Services, an outlook of 'stable' indicates that our credit rating is not likely to change. We have held our credit rating since February 2007.

This is a local currency (New Zealand dollar), long-term issuer rating. This type of rating expresses an opinion about an issuer's overall capacity to meet its senior, unsecured financial obligations over a horizon which is not short-term.

Standard & Poor's Ratings Services bases this rating on an independent review and analysis, including a review of our ownership, management and governance structures, our loan book, our credit quality, our level of diversification, our competencies and our lending procedures.

Standard & Poor's Ratings Services' ratings range from AAA (extremely strong) to D (in default). The table sets out this scale, and the details of where we sit on that scale.

STANDARD & POOR'S RATINGS SCALE*

		Approximate probability of default (over 5 years)	
Investment Grade Ratings	AAA	Extremely Strong	1 in 600
	AA+		
	AA	Very Strong	1 in 300
	AA-		
	A+		
	A	Strong	1 in 150
	A-		
Speculative Grade Ratings	BBB+		
	BBB	Adequate	1 in 30
	BBB-		
	BB+		
	BB	Less Vulnerable	1 in 10
	BB-		
	B+		
B	More Vulnerable	1 in 5	
B-			
	CCC+		
	CCC	Currently Vulnerable	1 in 2
	CCC-		
	CC	Currently Highly Vulnerable	
	D	In Default	

UDC FINANCE

* Taken from Reserve Bank of New Zealand: Bulletin, Vol. 71, No. 3, September 2008

Credit ratings are statements of opinion issued by Standard & Poor's Ratings Services. A credit rating is not a statement of fact, an endorsement of the rated entity, or a recommendation to buy, hold, or sell securities. Further information is available on the website of Standard & Poor's Ratings Services at www.standardandpoors.com

Pursuant to the Trust Deed, your Secured Term Investment is secured as First Ranking Security Stock. Creditors secured by prior charges that are permitted under the Trust Deed rank ahead of your Secured Term Investment.

The Trust Deed provides for the concept of a Charging Group. However, as at the date of this Investment Statement, we are the only member of the Charging Group. Accordingly, references to “our”, “us”, or “we” in this section may reflect references in the Trust Deed to Charging Group.

The Trust Deed permits the prior charges listed below:

- the Trust Deed permits any charge granted to finance the cost of buying, building, developing, or improving any property or asset, as long as the amount secured is not more than two thirds of that cost, together with interest discounts and other financing charges and ancillary sums.
- the Trust Deed permits any charge granted before the date of the Trust Deed.
- the Trust Deed permits us to renew or extend the term, increase the interest rate, or vary or replace the provisions of any permitted prior charge, as long as the principal sum secured by the prior charge (or a prior charge given in replacement or renewal thereof) does not increase.
- the Trust Deed permits any charge granted to the Trustee to further secure Security Stock that ranks equally with the charges created by the Trust Deed.
- the Trust Deed permits any charge over a specifically charged asset to secure Money Market Secured Deposits, as long as the book value of the specifically charged asset does not at any time exceed 125% of the value of the monies secured, and as long as the Charge is given for, and in the normal course of business of, a money market dealer, merchant bank or other financial intermediary carrying on similar business in New Zealand. Money Market Secured Deposits are deposits or loans accepted by us at any time that are secured by such charges.
- the Trust Deed permits any charge that is a purchase money security interest we create in favour of a seller of goods to us, or a lease in favour of a lessor of goods to us, that does not in substance secure payment or performance of an obligation. In each case, the purchase money security interest must be created or provided for by a transaction that is in the ordinary course of business and for the purposes of carrying on the same.

Apart from operating leases in relation to cars for sales executives, there are no other prior charges at the date of this Investment Statement. Apart from further purchase money security interests granted in the ordinary course of our business, we do not intend to create any such other prior charges during the term of the current registered Prospectus.

In addition, in the event of our insolvency:

- any creditors with claims which are preferred by statute (such as employees’ costs, certain taxes and liquidator’s costs) will rank ahead of your Secured Term Investment;

- a claim to repayment of your Secured Term Investment will rank behind any claims in respect of Money Market Secured Deposits; and
- you would rank equally with other investors whose investments are also secured as First Ranking Security Stock under the Trust Deed (including all such existing investors as at the date of this Investment Statement and all such future investors).

The principal risks we face that could lead to our insolvency broadly fall into four categories – financial risk, operational risk, economic and regulatory risk, and related party risk.

Risk management is integral to the way we do business. We maintain a range of internal corporate governance procedures and risk management strategies and protocols to ensure that risks are actively managed and to the extent possible, mitigated. Our Risk Management Programme sets out our framework for managing risk. Our Board of Directors and management team are committed to ensuring that the highest levels of corporate governance are maintained. This section summarises our key corporate governance and risk management strategies.

(a) Financial Risk

(i) Credit Risk:

Our core business is asset financing. We lend the money you invest in our Secured Term Investments primarily to finance assets such as vehicles, plant, machinery, IT and telecommunications equipment, agricultural equipment, forestry equipment, light and heavy industrial equipment, printing equipment, aircraft and boats, and other plant and equipment. We are therefore exposed to credit risks that:

- our borrowing customers default on their repayment and other obligations owed to us;
- the realisable value of security that we have taken to secure such obligations is not enough to repay amounts owing to us; and
- a guarantor is unable or does not have enough assets to meet the obligations of the principal debtor to us.

We reduce these credit risks by following established credit methodology and policies. All applications for credit are assessed and recorded in writing, and we use our internal credit policy and statistical risk-rating tools to assess each application.

At the heart of our credit policy are ‘the 5 Cs of credit’:

- capacity (whether a borrower is able to repay the finance);
- character (whether a borrower is willing to repay the finance);
- conditions (the conditions and stability of the industry in which a borrower operates);

- capital (how much of a borrower's capital is at risk in the transaction); and
- collateral (if a borrower is unable to repay the finance, what recourse we have by way of security or guarantees).

We use these five qualities to determine the value of assets, the creditworthiness of a borrower, and the extent of appropriate financing.

We use credit risk-rating tools to help assess credit applications. These tools use sophisticated statistical techniques to determine creditworthiness, and comply with the rigorous standards prescribed in the Basel II banking accords. Further information can be obtained from www.udcinvestment.co.nz

We require the assets we finance to be fully insured and our interest must be noted on the insurance certificate. Borrowers must notify us when their insurance policies lapse.

For each borrower, we will decide (based on our credit assessment of the borrower) whether we require a guarantor. We do not require guarantees for all credit applications.

We monitor changing credit risk, and our Risk Committee is given monthly reports on portfolio credit risk rating, high risk accounts and delinquencies.

We also have a robust framework for dealing with delinquent, high risk or impaired loans. Our collections team actively manages delinquent loans under \$250,000, while high risk or impaired loans over \$250,000 are managed by our specialist Asset Management and Recoveries teams. The Asset Management and Recoveries teams work with customers to manage our risk and maximise returns. External solicitors, accountants, insolvency firms and collections agencies provide specialist advice and services if we need them.

We are also exposed to credit risk on our deposits. ANZ Treasury (as our agent) makes these deposits with ANZ.

(ii) Liquidity Risk:

Liquidity risk is the risk that we are not able to raise enough cash at short notice to meet our debts as they fall due, including repaying Secured Term Investments as they mature.

We closely monitor and forecast our liquidity risk. We also maintain a number of banking facilities with ANZ including an \$NZ 800,000,000 committed facility, to assist in managing our liquidity profile. See under "Related Party Risk" for more information.

(iii) Interest Rate Risk:

Interest rate risk is the risk associated with fluctuations in interest rates. For example, we may be exposed to an interest rate risk if there is a mismatch between the fixed interest rates we offer investors and the interest rates we charge to borrowers.

We closely monitor and forecast changes in interest rates. ANZ regularly informs us of current and forecast changes to market interest rates.

(b) Operational Risk:

Operational risks are risks that we are exposed to as part of conducting our business. Operational risk includes risks associated with:

- a failure of internal processes and procedures,
- fraud;
- litigation;
- disruption to business caused by industrial disputes;
- competition;
- systems failures;
- pandemics;
- natural disasters; and
- other unforeseen external events that affect our business operations.

We have sound policies and procedures for managing risk. These policies and procedures follow applicable ANZ policies and comply with the requirements laid out in the Basel II banking accords. Our policies include a comprehensive Business Continuity Plan to minimise the effect of any interruption to business that affects personnel, premises, or technology. As part of the plan, we have processes for keeping key elements of the IT infrastructure working, and we have an alternative operating site.

Our Risk Committee monitors and manages our exposure to operational risk.

We are a wholly-owned subsidiary of ANZ and have a Board of Directors which meets at least four times a year.

The Board of Directors delegates authorities to the Chief Executive Officer who further delegates certain authorities to his senior staff, as set out in our delegations manual.

(c) Economic and Regulatory Risk

(i) Economic Risk:

An economic downturn might expose us to risk, particularly if it negatively affected industries to which we have extended considerable credit. To reduce this risk, we keep our lending portfolio diverse in terms of assets financed, and the regions and industries in which our customers are active.

At 30 September 2010, our diversified lending portfolio was split between the following industries:

Transport & Storage	18.76%
Agriculture, Forestry & Fishing	15.34%
Personal & Other Services	14.31%
Retail & Wholesale Trade	10.27%
Construction	9.68%
Manufacturing	8.73%
Finance, Investment & Insurance	6.86%
Business Services	6.57%
Education	3.92%
Entertainment, Leisure & Tourism	1.62%
Communications	1.13%
Health & Community Services	1.11%
Mining	0.58%
Accommodation, Cafes & Restaurants	0.58%
Government Administration & Defence	0.39%
Electricity, Gas & Water Supply	0.15%
Total	100.00%

We monitor how these industries are performing, and our Risk Committee monitors the concentration of risk in particular industries. We actively manage accounts in sectors suffering economic downturn.

(ii) Regulatory Risk:

A change in the regulatory environment in which we operate may expose us to risk and/or increased compliance costs. We closely monitor our regulatory environment, and we are in contact with our industry regulators.

We are a deposit taker for the purposes of the Non Bank Deposit Taker Regime implemented under the Reserve Bank of New Zealand Amendment Act 2008.

As a deposit taker, we are required to comply with certain requirements under the Non Bank Deposit Taker Regime. These requirements include:

- having a risk management programme;
- having an independent credit rating;
- meeting minimum capital requirements;
- limiting related party exposures;
- meeting governance requirements; and
- meeting liquidity requirements.

The Reserve Bank has granted us part exemptions from the minimum capital and related-party exposure requirements. These exemptions apply from 1 June 2011 until the close of 1 December 2015, and provide that:

- our total exposure to related parties may be up to and including 75% of our capital; and
- we may use ANZ's capital calculation model approved by the Reserve Bank, for the purposes of calculating our risk-weighted amount for credit risk purposes.

The Reserve Bank has granted us these part exemptions on the basis that we are already subject to regulation as a consequence of being owned by ANZ, a registered bank regulated by the Reserve Bank.

(d) Related Party Risk

Our cash deposits are held from time to time by ANZ Treasury as our agent pursuant to an agency agreement dated 23 September 2000 (as subsequently amended). The aggregate amount of those cash deposits as at 30 September 2010 was \$135,518,000. Though we remain the legal owner of those cash deposits, they are exposed to the credit risk of ANZ meaning that if ANZ became insolvent, those amounts may not be repaid. In addition, as ANZ is our sole shareholder, we could also be at risk if ANZ were to become insolvent. However, the risk that ANZ would become insolvent is remote. ANZ is a registered bank, and as such is regulated by the Reserve Bank. ANZ is subject to (amongst other matters) capital adequacy requirements and also has an AA long-term credit rating from Standard & Poor's.

Can the investment be altered?

The nature of your Secured Term Investment is that it is a fixed investment – for a fixed term at a fixed interest rate.

We retain a residual power under our Trust Deed to, on prior arrangement with you, change the terms of your Secured Term Investment including in relation to the maturity date, the applicable interest rate, the payment of a premium on the redemption of your investment or any of the other terms and conditions in respect of your investment. However, no such alteration may be inconsistent with any provisions of the Trust Deed.

We set our fixed interest rates on the assumption that your invested funds will remain with us until the maturity date of your Secured Term Investment. For this reason you are not able to withdraw your invested funds prior to maturity. However, in certain circumstances, such as the death of the investor or financial hardship, we may consider written applications for early redemption. Please note that if we do permit early redemption, we have the right to lower the interest rate on your Secured Term Investment and deduct this interest adjustment from the balance payable to you. We will advise you, if you ask us at any time, of the likely adjusted interest rate if early redemption is permitted.

How do I cash in my investment?

The maturity date for your Secured Term Investment will be the date on which your chosen investment term expires. You can tell us how you would like to deal with your Secured Term Investment on its maturity, or we will advise you in writing of the pending maturity date and offer you the options listed below:

- you can reinvest your Secured Term Investment for a further investment term at the applicable interest rates available at that time.
- you can reinvest the principal amount of your Secured Term Investment, and have the accrued unpaid interest (less any deduction for resident withholding tax, non-resident withholding tax, or approved issuer levy, if applicable) paid to your nominated bank account.

- you can transfer your Secured Term Investment to another person or investment.
- you can reinvest part of your Secured Term Investment and have the remainder repaid.
- you can have the principal amount plus any accrued unpaid interest (less any deduction for resident withholding tax, non-resident withholding tax, or approved issuer levy, if applicable), repaid to your nominated bank account.

If you do not advise us of your preferred option before the maturity date, we will place your investment on call at the 'on demand' interest rate applicable on the date of reinvestment.

If you choose on your application form to automatically reinvest your Secured Term Investment on the maturity date, we will automatically reinvest it for the same term at the interest rate applicable on the reinvestment date.

We will notify you when you reinvest your funds, confirming:

- the amount reinvested;
- the applicable interest rate; and
- the new maturity date, and any change to our auto-renewal conditions for the new investment term (if it has been reinvested into a Secured Term Investment).

We retain a residual power under our Trust Deed to, on prior arrangement with you, alter the terms of your Secured Term Investment, including:

- the maturity date;
- the applicable interest rate;
- the payment of a premium on the redemption of your investment; or
- any of the other terms and conditions in respect of your investment. However, no such alteration may be inconsistent with any provisions of the Trust Deed.

(a) Early repayment

We set our fixed interest rates on the assumption that your invested funds will remain with us until the maturity date of your Secured Term Investment. For this reason you are not able to withdraw your invested funds prior to maturity. However, in certain circumstances, such as the death of the investor or financial hardship, we may consider written applications for early redemption. Please note that if we do permit redemption, we have the right to lower the interest rate on your Secured Term Investment and deduct this interest adjustment from the balance payable to you. Any such interest adjustment will be deducted from the balance of the investment as at the date it is repaid.

(b) Transferring your investment

You can transfer your Secured Term Investment to another person using the form in Schedule 1 of the Securities Transfer Act 1991. The transfer becomes valid

when it is registered in accordance with our Trust Deed. In addition, we do not believe that there is an established market for the re-sale of such investments.

Who do I contact with enquiries about my investment?

Enquiries should be directed to:

UDC Finance Limited

PO Box 91145

Victoria Street West

Auckland 1142

(Attention: UDC Investor Services)

Telephone: 0800 652 832 or 09 359 5030

Alternatively, you may direct your inquiries to the financial adviser or investment broker through whom your investment was arranged.

Is there anyone to whom I can complain if I have problems with the investment?

You can refer complaints to:

- UDC Finance Limited, PO Box 91145, Victoria Street West, Auckland 1142, Attention: UDC Investor Services or 0800 652 832
- The Trustee - Trustees Executors Limited, Level 5, 10 Customhouse Quay, Wellington, Attention: Luiza Moran or 04 495 0999
- the dispute resolution service to which we belong - Financial Services Complaints Limited, PO Box 5967, Lambton Quay, Wellington 6145, telephone 0800 347 257.

There is no ombudsman to whom complaints can be made.

What other information can I obtain about the investment?

This Investment Statement provides a brief summary of key information to potential investors about our Secured Term Investments. More comprehensive information about these investment products and us is available in our registered Prospectus and financial statements. Capitalised terms in this Investment Statement have the meanings as prescribed to them in the registered Prospectus.

Our current registered Prospectus is available online to download from www.udc.co.nz. Alternatively, a copy of our current registered Prospectus, the Trust Deed (incorporating all amendments) and our most recent financial statements (together with a copy of the auditor's report) can be requested and obtained free of charge from our address listed above. Requests for any of the information referred to in the section "Who do I contact with inquiries about my investment" should be in writing, identifying the document you require, and including your return address.

The current registered Prospectus, Trust Deed, financial statements and our other constitutional documents are filed on a public register at the Companies Office of the Ministry of Economic Development and are available for public inspection. You can request copies online at www.business.govt.nz/companies by searching for 'UDC Finance Limited' or '3580'.

We will provide you with statements of interest and showing the balance of your Secured Term Investment either when interest is paid or compounded, or, if interest is paid or compounded more frequently than once a quarter, we will send you a statement monthly.

We will send you an annual tax deduction certificate detailing the resident withholding tax or non-resident withholding tax (excluding approved issuer levy) that we have deducted from interest earned on your Secured Term Investment.

In addition, you can call us on 0800 652 832 and request, free of charge, an interim statement of your Secured Term Investment, an additional copy of this Investment Statement and/or a copy of our registered Prospectus.



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