



NZX Release

\$2.2 BILLION MERGER PROPOSAL – SIX DOWN ONE TO GO

8 December 2010

MARAC Finance Limited (MARAC) stockholders today gave their support to the \$2.2 billion merger proposal with Canterbury Building Society (CBS Canterbury) and Southern Cross Building Society (SCBS).

This leaves just CBS Canterbury depositors to vote on Friday to complete a process that has seen the shareholders and stockholders/depositors of the merging parties who voted cast their resounding support for the merger.

At its stockholder meeting in Auckland MARAC required approval by at least 75% of the votes cast.

96.29% of the votes cast at the adjourned meeting of stockholders were in favour of the resolution.

The Chief Executive of MARAC, Jeff Greenslade, said: "This is a very pleasing result and brings us now in reach of completing the merger which is a precursor to our goal of creating a New Zealand owned listed banking⁽¹⁾ and financial services group through the merger between ourselves, CBS Canterbury and SCBS. Should CBS Canterbury depositors give their approval then we are down to regulatory approvals for the merger to take effect. It is our current expectation that should those approvals be given then the key merger conditions would be satisfied on the 16th of December following the granting of final Court orders, with the merger date expected to be completed early in the new year. Listing of Building Society Holdings Limited on the NZSX is anticipated to occur on 31 January 2011."

- Ends -

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⁽¹⁾ None of Combined Building Society, Building Society Holdings Limited, CBS Canterbury, SCBS, PGC or MARAC is a registered bank under the Reserve Bank Act 1989. The ultimate intention of the merger parties is that Combined Building Society will become a registered bank. Obtaining bank registration is subject to satisfaction of the Reserve Bank's registration requirements.

An application has been made to NZX Limited for permission to list the shares in Building Society Holdings Limited, and all requirements of NZX Limited that can be complied with on or before 8 December 2010 have been duly complied with. However, NZX Limited accepts no responsibility for any statement in this announcement. NZX Limited is a registered exchange regulated under the Securities Markets Act 1988.