

31 March 2008

<Name>  
<Street>  
<Suburb>  
<City>  
<Postcode>  
<country>

Dear <salutation>

**Five Star Consumer Finance Limited (In Receivership); Vintage Finance Limited (In Receivership); Vintage Rentals Limited (In Receivership); Beverage Rentals Limited (In Receivership); together – “the Companies”**

Investor number <client no>

### **1. Introduction**

We last wrote to you on 10 December 2007 to provide you with an update as to the receiverships of the Companies. We now take this opportunity to update you on various matters, including our proposed first distribution to secured debenture investors.

### **2. Amount and Timing of Dividend Payment to Secured Debenture Investors**

We are pleased to advise that we are in a position to make a pro rata principal repayment of 17.5 cents in the dollar, to be paid on or around 15 April 2008. The funds to make this distribution come primarily from the daily collections, since the date of receivership, of amounts owing by customers in relation to the various loan books, proceeds from the sale of the vineyard loan book which was completed in late December 2007 and proceeds from the recent sale of the consumer loan book.

In your case this pro rata principal repayment will mean a payment of \$[ ], representing 17.5 cents in the dollar on \$[ ] (being the total amount that you have confirmed to us is owed to you as at 29 August 2007 and includes accrued interest to that date).

This amount will be direct credited to your bank account on or around 15 April 2008. If you have not provided your bank account details then a non transferable cheque will be issued in the name of the investment holder.

### **3. Estimated Recovery Range**

In our first report to you dated 4 October 2007 we advised that our preliminary estimate indicated that secured debenture investors could receive 26% to 40% of their outstanding investment.

Unfortunately we now estimate that secured debenture investors can only expect to receive 20% to 25% of their outstanding investment, excluding recoveries from any legal action, which we discuss further on in this report.

The main reasons for the decline in the estimated recovery range relate to a decrease in the estimated realisations from the commercial loan book, the consumer loan book and the inter-group advances as summarised below:

- Commercial loan book

As previously advised, the majority of the commercial loans were outside normal commercial lending practices and made either without any security or satisfactory security. As a result, recovery of the commercial loans has been difficult with minimal realisations to date or expected.

- Consumer loan book

The sale of this loan book earlier this month was at a significant discount to its face value due to its distressed nature (i.e. a significant portion of the borrowers were in arrears and had a history of defaulting on their payments). The sale value of the loan book represented the best possible value obtainable via a transparent and competitive sale process in a difficult market. The sale was favourable when compared to the potential value that could be achieved if the loan book was managed, and collections of principal and interest were collected, by us over time.

- Inter-group advances

The unsecured intergroup advances made to Antares Finance Holdings Limited, the parent of the Companies, and to Five Star Finance Limited, now in receivership, are not collectable due to the insolvent nature of these companies.

#### **4. Investigations**

We continue our investigation into the affairs of the Companies prior to our appointment and continue to liaise with regulatory bodies and our legal advisors regarding possible actions and who is best placed to bring these actions. We have engaged the services of a Queen's Counsel to assist in this process.

Such actions will only be pursued with ongoing assessment of the legal position and available remedies, including (but not limited to) any potential recoveries for secured debenture investors through court action. Potential quantum of litigation costs, risks and timeframes will also be assessed.

#### **5. Other Matters**

Now that the consumer loan book has been sold, the Companies no longer require offices. Therefore from Monday 31 March 2008, the Companies will no longer operate from their existing premises. The last two remaining employees will be relocated to alternative premises.

We will continue to keep you updated on a regular basis. Should you wish to contact us please do so via our website, telephone, facsimile, or private bag address, as follows:

Five Star Consumer Finance Limited (In Receivership)  
c/- PricewaterhouseCoopers  
Private Bag 92-162, AUCKLAND  
Telephone: +64 9 355 8855  
Facsimile: +64 9 355 8013  
Website: [www.pwc.com/nz/fivestarfinance](http://www.pwc.com/nz/fivestarfinance)

Yours faithfully



R D Agnew  
Receiver



A D K Boswell  
Receiver