

**TCNZ Finance Limited**  
**Results for Announcement to the Market**

**Reporting Period:** 12 months to 30 June 2011  
**Previous Reporting period:** 12 months to 30 June 2010

	<b>Year ended 30 June 2011 NZ\$000</b>	<b>Movement</b>
<b>Revenue from ordinary activities</b>	902,000	Up 1.1%
<b>Profit/(Loss) from ordinary activities after tax attributable to members</b>	303,000	Up 118.0%
<b>Net profit attributable to members</b>	303,000	Up 118.0%

	<b>Amount per security</b>	<b>Imputed amount per security</b>
<b>Interim/Final dividend</b>	Nil. TCNZ Finance does not propose to pay any dividend in respect of the Reporting Period.	Nil

<b>Record date</b>	Not Applicable
<b>Dividend payment date</b>	Not Applicable

**1 Net Tangible Assets Per Security**

	<b>As at 30 June 2011</b>	<b>As at 30 June 2010</b>
Net tangible assets per security	NZ\$2.05	NZ\$1.73

# **TCNZ Finance Limited**

## **Supplementary Appendix 1 Information**

The information below supplements the information disclosed in the attached condensed financial statements.

### **2 Results Commentary**

TCNZ Finance recorded a net profit after tax for the year ended 30 June 2011 of \$303 million compared to a net profit after tax for the year ended 30 June 2010 of \$139 million. Net earnings increased compared to the prior year principally due to favourable movements in foreign currency rates that resulted in a net foreign exchange gain of \$115 million (30 June 2010: net foreign exchange loss \$13 million).

Shareholders' equity at 30 June 2011 totalled \$1,808 million.

### **3 Basis of Report**

This report is based on financial statements that have been audited and the auditors have issued an unqualified opinion.

### **4 Control Over Entities Gained or Lost**

TCNZ Finance gained or lost no subsidiaries, associates or joint venture entities in the financial years ended 30 June 2011 and 2010.

### **5 Critical Accounting Policies**

The accounting policies utilised in compiling TCNZ Finance's financial statements are set out in note 1 to the condensed financial statements. The principal areas of judgement in preparing TCNZ Finance's financial statements are set out below.

#### *Valuation of investments*

Management performs an assessment of the carrying value of long-term investments at least annually. In assessing whether there has been impairment, consideration is given to the financial performance of the investee and other factors that impact management's expectation of recovering the value of the investment. This assessment also requires management to make judgements about the expected future performance and cash flows of the investee in order to determine the fair value of investments.