

Market release

22 June 2017

Notice pursuant to clause 68 of schedule 2 to the Financial Markets Conduct Regulations 2014

This notice is given in relation to all products that have been issued by UDC Finance Limited's ("UDC") and referred to in the relevant offer document as "Secured Investments".

UDC gives notice under clause 68 of schedule 2 to the Financial Markets Conduct Regulations 2014 that one of the credit ratings of its holding company, ANZ Bank New Zealand Limited ("ANZ"), has changed. ANZ's credit rating is relevant to a consideration of UDC's related party risk (see page 24 of the PDS).

ANZ has credit ratings from three rating agencies. The table below sets out ANZ's rating as at the date of this notice:

Rating Agency	Current credit rating	Qualification
Standard & Poor's (Australia) Pty Limited	AA-	Outlook negative
Moody's Investors Service Pty Limited	A1 (Equivalent to a Standard & Poor's rating of A+)	Outlook stable
Fitch Australia Pty Limited	AA- (Equivalent to a Standard & Poor's rating of AA-)	Outlook stable

The credit rating that changed as at the date of this notice is the credit rating given by Moody's and the change was to downgrade ANZ's credit rating from Aa3, outlook negative (which is equivalent to ANZ's current Standard & Poor's rating) to A1, outlook stable. This follows Moody's revision of Australia's macro credit profile that has resulted in a downgrading of the Baseline Credit Assessments of the four major New Zealand banks.

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). A credit rating should be considered alongside all other relevant information when making an investment decision.

For further information, please contact: 0800 652 832 or visit our website www.udc.co.nz/investing for more details.