



## **Announcement – MARAC Finance Limited**

Pyne Gould Corporation's finance subsidiary, MARAC Finance Limited (MARAC) continues to perform well in current conditions and provides the following update for the market.

After MARAC's successful bank syndication which increased bank funding lines by \$80m to \$480m in March this year, the company has continued to build liquidity levels and now holds in excess of \$140m of cash and undrawn funding lines.

MARAC's retail funded, secured debenture programme remains at circa \$560m with reinvestment rates within the normal 65-75% range. An increased level of new fund inflows have been noted with new fund inflows for May 2008 at the highest levels since June 2007.

Pyne Gould Corporation also announced this week its intention to offer \$100m of first ranking, five year, fixed rate secured bonds with up to a further \$25m of secured bonds available by way of oversubscriptions. The funds raised by MARAC from the issue of secured bonds under this offer will be used to finance MARAC's ongoing lending activity, diversify its funding sources and add to its current liquidity position. The offer is expected to be underwritten to \$100m of secured bonds by Forsyth Barr Group Limited and ANZ National Bank Limited.

While asset growth in the second half of the financial year has slowed, MARAC's asset quality remains strong and instalment arrears remain at normal levels of circa 0.5% of receivables.

MARAC's directors remain confident the Net Profit After Tax for the year ended June 2008 will be an improvement on the \$24.7m achieved in the previous financial year.

10 June 2008