

**PYNE GOULD CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006**

| Table of Contents | Page |
|--|---------------|
| Directors' Responsibility Statement | 2 |
| Statement of Financial Performance | 3 |
| Statement of Financial Position | 4 |
| Statement of Movements in Equity | 5 |
| Statement of Cash Flows | 6 - 7 |
| Notes to the Financial Statements | 8 - 10 |

**PYNE GOULD CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006**

**DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2006**

The directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the group as at 31 December 2006 and their financial performance and cash flows for the year ended on that date.

The directors consider that the financial statements of the group have been prepared using appropriate accounting policies consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Board of Directors of Pyne Gould Corporation Limited authorise the financial statements set out on pages 3 to 10 for issue on 27 February 2007.

For and on behalf of the Board.

S R Maling,
Chairman

B J Jolliffe,
Managing Director

27 February 2007

PYNE GOULD CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2006

| | Note | 6 months to 31 Dec 2006 Unaudited \$000 | 6 months to 31 Dec 2005 Unaudited \$000 | 12 months to 30 Jun 2006 Audited \$000 |
|---|------|--|--|---|
| Total operating revenue | 2 | 93,051 | 198,950 | 291,973 |
| Operating surplus before taxation | | 21,511 | 58,787 | 81,686 |
| Taxation | | 6,962 | 7,351 | 14,199 |
| Operating surplus after taxation | | 14,549 | 51,436 | 67,487 |
| Minority interest | | (30) | (1,065) | (1,171) |
| Net profit after taxation | | 14,519 | 50,371 | 66,316 |

| | 6 months to 31 Dec 2006 Unaudited \$000 | 6 months to 31 Dec 2005 Unaudited \$000 | 12 months to 30 Jun 2006 Audited \$000 |
|---|--|--|---|
| Net profit after taxation | | | |
| Financial Services | 12,576 | 11,444 | 24,171 |
| Trustee Services | 1,414 | 1,455 | 2,623 |
| Rural Services | 2,864 | 2,275 | 6,693 |
| Other Operations | (2,335) | (2,132) | (4,500) |
| Net profit after taxation before abnormal gain | 14,519 | 13,042 | 28,987 |
| Abnormal gain | - | 37,329 | 37,329 |
| Net profit after taxation | 14,519 | 50,371 | 66,316 |

PYNE GOULD CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2006

| | As at 31 Dec 2006 Unaudited \$000 | As at 31 Dec 2005 Unaudited \$000 | As at 30 Jun 2006 Audited \$000 |
|-------------------------------------|--|--|--|
| Assets | | | |
| Current assets | 12,659 | 5,713 | 7,827 |
| Finance receivables | 1,132,180 | 1,051,609 | 1,092,802 |
| Operating lease vehicles | 68,913 | 68,733 | 68,908 |
| Non current assets | 1,447 | 826 | 1,375 |
| Investment in associate | 88,779 | 87,742 | 89,662 |
| Intangible assets | 18,272 | 22,996 | 21,351 |
| Property, plant and equipment | 5,155 | 5,133 | 4,644 |
| Total assets | 1,327,405 | 1,242,752 | 1,286,569 |
| Liabilities | | | |
| Current liabilities | 31,592 | 32,477 | 36,562 |
| Borrowings | 1,071,660 | 996,855 | 1,029,353 |
| Total liabilities | 1,103,252 | 1,029,332 | 1,065,915 |
| Equity | | | |
| Share capital | 85,373 | 85,130 | 85,130 |
| Retained earnings | 138,780 | 127,911 | 135,039 |
| Shareholders' equity | 224,153 | 213,041 | 220,169 |
| Minority interests | - | 379 | 485 |
| Total equity | 224,153 | 213,420 | 220,654 |
| Total equity and liabilities | 1,327,405 | 1,242,752 | 1,286,569 |

PYNE GOULD CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2006

| | 6 months to 31 Dec 2006 Unaudited \$000 | 6 months to 31 Dec 2005 Unaudited \$000 | 12 months to 30 Jun 2006 Audited \$000 |
|--|--|--|---|
| Equity at beginning of period | 220,654 | 225,025 | 225,025 |
| Net profit after taxation: | | | |
| Attributable to parent shareholders | 14,519 | 50,371 | 66,316 |
| Minority interests | 30 | 1,065 | 1,171 |
| Total recognised revenues and expenses for the period | 14,549 | 51,436 | 67,487 |
| Contribution from owners: | | | |
| Share capital issued | 243 | 164 | 164 |
| Total contribution from owners | 243 | 164 | 164 |
| Distribution to owners: | | | |
| Movements in minority interest (excluding deconsolidation) | - | (103) | (103) |
| Dividends paid | (10,778) | (11,752) | (20,569) |
| Total distribution to owners | (10,778) | (11,855) | (20,672) |
| Deconsolidation of subsidiary | (515) | (51,350) | (51,350) |
| Equity at end of period | 224,153 | 213,420 | 220,654 |

PYNE GOULD CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2006

| | Note | 6 months to 31 Dec 2006 Unaudited \$000 | 6 months to 31 Dec 2005 Unaudited \$000 | 12 months to 30 Jun 2006 Audited \$000 |
|--|------|--|--|---|
| Cash flows from operating activities | | | | |
| Cash was provided from: | | | | |
| Receipts from customers | | 7,693 | 65,573 | 76,209 |
| Interest received | | 62,577 | 57,581 | 118,259 |
| Operating lease revenue received | | 11,827 | 11,596 | 22,551 |
| Fees and other income received | | 8,638 | 7,662 | 16,364 |
| Net GST received | | 498 | - | - |
| Tax refunded | | 176 | - | 1,273 |
| Dividends received from associate | | 3,747 | - | 2,498 |
| Total cash provided from operating activities | | 95,156 | 142,412 | 237,154 |
| Cash was applied to: | | | | |
| Payments to suppliers and employees | | 18,928 | 80,088 | 99,317 |
| Interest paid | | 40,290 | 37,576 | 76,706 |
| Net GST paid | | 292 | 258 | 897 |
| Taxation paid | | 6,166 | 5,337 | 14,575 |
| Total cash applied to operating activities | | 65,676 | 123,259 | 191,495 |
| Net cash flows from operating activities | 5 | 29,480 | 19,153 | 45,659 |
| Cash flows from investing activities | | | | |
| Cash was provided from: | | | | |
| Proceeds from sale of property, plant and equipment | | 1 | 6 | 13 |
| Proceeds from sale of operating lease vehicles | | 6,668 | 5,478 | 11,629 |
| Proceeds from sale of investments | | 374 | - | - |
| Effect of Pyne Gould Guinness Ltd deconsolidation | | - | 83,317 | 83,317 |
| Effect of Mortgage Express deconsolidation | | 337 | - | - |
| Total cash provided from investing activities | | 7,380 | 88,801 | 94,959 |
| Cash was applied to: | | | | |
| Increase in finance receivables | | 41,145 | 88,939 | 131,832 |
| Increase in investments | | 105 | 16,673 | 17,710 |
| Purchase of property, plant and equipment | | 1,083 | 7,788 | 7,914 |
| Purchase of operating lease vehicles | | 15,100 | 19,062 | 33,005 |
| Advance to employee share purchase scheme | | 214 | 127 | 104 |
| Total cash applied to investing activities | | 57,647 | 132,589 | 190,565 |
| Net cash flows from / (applied to) investing activities | | (50,267) | (43,788) | (95,606) |

PYNE GOULD CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

| | 6 months to 31 Dec 2006 Unaudited \$000 | 6 months to 31 Dec 2005 Unaudited \$000 | 12 months to 30 Jun 2006 Audited \$000 |
|--|--|--|---|
| Cash flows from financing activities | | | |
| Cash was provided from: | | | |
| Increase / (decrease) in borrowings | 39,404 | 84,291 | 116,678 |
| Increase in share capital | 243 | 164 | 164 |
| Total cash provided from financing activities | 39,647 | 84,455 | 116,842 |
| Cash was applied to: | | | |
| Dividends paid to minorities | - | 4,339 | 4,339 |
| Dividends paid | 10,778 | 11,752 | 20,569 |
| Total cash applied to financing activities | 10,778 | 16,091 | 24,908 |
| Net cash flows from financing activities | 28,869 | 68,364 | 91,934 |
| Net decrease in cash held | 8,082 | 43,729 | 41,987 |
| Opening cash balance | (4,756) | (46,743) | (46,743) |
| Closing cash balance | 3,326 | (3,014) | (4,756) |
| Represented by: | | | |
| Cash and bank balances | 3,326 | (3,014) | (4,756) |
| Closing cash balance | 3,326 | (3,014) | (4,756) |