

INVESTOR PRESENTATION

September 2009



Pyne Gould Corporation

IMPORTANT NOTICE

PGC has registered a combined short form Prospectus and Investment Statement (dated 23 September 2009) in respect of its Rights Offer (the Offer Document)

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CONTENTS

1. Chairman's Introduction
2. PGC Group Information and Strategy
3. Prospective Financial Information
4. Use of Proceeds
5. Details of the Capital Raising
6. Capital Raising Timetable

CHAIRMAN'S INTRODUCTION



INTRODUCTION

1. PGC is proud to invite investors to participate in the Company's fully underwritten pro rata renounceable offer of new shares
2. Shareholders are entitled to purchase 6 new shares for every share held at 5pm on 30 September 2009, at an application price of \$0.40 per new share
3. Following the rights offer, PGC intends to place between \$15 - \$30m of additional new shares to institutional shareholders, including participating sub-underwriters of the rights offer, and will also enable all shareholders (as at the record date of the rights offer) to purchase additional shares through the implementation of a Share Purchase Plan (SPP)
4. In total, the rights offer, placement and SPP are expected to raise \$252 - \$270m
5. This capital raising is central to PGC's medium term goal of becoming a publicly listed banking¹ and asset management company
6. Specific initiatives already undertaken to secure this strategic direction include:
 - Key management changes
 - MARAC refocused
 - EPAM purchase
7. Cornerstone shareholder support

(1) Neither PGC nor MARAC is a registered bank under the Reserve Bank of New Zealand Act 1989

PGC GROUP INFORMATION AND STRATEGY



PGC GROUP

- PGC: Financial Services
 - MARAC based in Auckland, operates New Zealand wide
 - Perpetual¹ based in Christchurch and Auckland
- “Banking and Asset Management”²



- MARAC customers are predominantly:
 - Individuals in early 40s and SMEs
 - MARAC’s products are mainly motor vehicle loans to individuals and plant & equipment loans and working capital facilities to SMEs
 - The assets financed are either essential or generate cash
 - Behaviourally the customers are similar to those of Banks
- Perpetual customers and MARAC depositors are investors
 - Retirees, estates and individuals with available net worth to invest
 - These customers are similar to those to be found in NZ private banks
 - Perpetual offers wills, trust management and investment funds

(1) *Perpetual Group includes Perpetual Trust and Perpetual Asset Management*

(2) *Neither PGC nor MARAC is a registered bank under the Reserve Bank of New Zealand Act 1989*

GROWTH DRIVERS

Horizontal Integration: Financial Services through the life cycle of “Heartland” New Zealand

1 MARAC Organic Growth Drivers

- Funding costs
- Impairments
- Costs
- Lending rates
- Balance sheet growth
- Capital

2 Perpetual

- Ageing population
- “Best of breed” specialist funds – establish market position
- Market leadership in estate and trust management
- Enhanced distribution in financial advisory services

3 Valuable Combined Customer Base

- Build on MARAC & Perpetual synergies
- MARAC is the pipeline for Perpetual

4 Consolidation Opportunities

- Take advantage of consolidation opportunities if/when they become available

PROPERTY LOANS TRANSFER - RATIONALE

WHY?

1. MARAC, like others, strayed into property development to source profits and enhance dividends
2. Limit of 20% but insufficient guidelines or constraints within this resulted in an excess of second mortgage and capitalising interest loans
3. Insufficient portfolio information provided to board to enable them to monitor the situation
4. Insufficient division of responsibilities with respect to risk at a senior level
5. Lending discretion given to relationship managers with growth targets

SOLUTION

- ✓ No new property lending¹
- ✓ Improved portfolio information
- ✓ New Risk Committee planned along with a dedicated Chief Risk Officer with independent accountabilities
- ✓ Lending delegations at relationship level withdrawn

(1) Other than to existing customers of MARAC whose principal business is not property development or leasing

PROPERTY LOANS TRANSFER - PROCESS

MARAC will sell a group of property development loans to another Group company, at face value (as at the date of sale – including accrued interest) of approximately \$175m

1. Property loans sold by MARAC to MARAC Financial Services, a wholly- owned subsidiary of PGC, for face value (as at the date of sale – including accrued interest) of approximately \$175m to be satisfied in cash (approximately \$125m) and by issue of a loan note (approximately \$50m);
2. MARAC Financial Services writes down loans by \$85m (pre tax). This write-down was realised in PGC's FY2009 profit & loss
3. MARAC Financial Services transfers the loans to Real Estate Credit (REC), a wholly-owned subsidiary of Perpetual Asset Management Limited (PAM), for \$90m of equity in REC;
4. Some or all of these loans may then be transferred to Torchlight Credit Fund when established

Property development loans carry a 300% risk weighting under the current draft Non-Bank Deposit Taker capital adequacy regulations, meaning that the transfer of these loans will greatly assist MARAC from a regulatory capital viewpoint

PROSPECTIVE FINANCIAL INFORMATION



GROUP FY2010 OVERVIEW¹

Consolidated Income Statement Summary	FY2010 Forecast (NZ\$m)	FY2009 Actual (NZ\$m)	FY2008 Actual (NZ\$m)
Operating Revenue	188.7	198.1	239.1
Direct Expenses	(98.7)	(128.2)	(132.5)
Net Operating Income	90.0	69.9	106.6
Other Expenses	(60.6)	(141.9)	(47.6)
Profit / (Loss) Before Tax	29.4	(72.0)	59.0
Income Tax Benefit / (Expense)	(7.2)	17.6	(14.2)
Net (Loss) / Profit for the Year	22.2	(54.4)	44.8

(1) Forecasts are subject to detailed assumptions, qualifications and Risk Factors set out in the Offer Document

DIVISIONAL EARNINGS BREAKDOWN¹

	FY2010 Forecast (NZ\$m)	FY2009 Actual (NZ\$m)	FY2008 Actual (NZ\$m)
MARAC	19.6	27.2	38.6
Perpetual Group ²	7.5	4.7	5.5
PGG Wrightson	5.3	(13.8)	15.8
Corporate & Minor Entities	(3.0)	(90.0)	(0.9)
Profit Before Tax⁴	29.4³	(72.0)	59.0
Income Tax Benefit / (Expense)	(7.2)	17.6	(14.2)
Net Profit After Tax⁴	22.2	(54.4)	44.8

(1) Forecasts are subject to detailed assumptions, qualifications and Risk Factors set out in the Offer Document

(2) Perpetual Group includes Perpetual Trust and Perpetual Asset Management

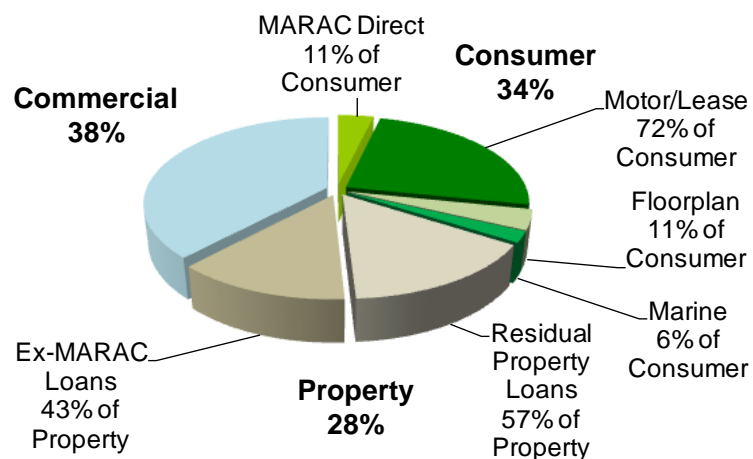
(3) Includes gain on property sale of \$3.6m

(4) Any difference between the value of the profit lines and the sum of the individual values is due to rounding error

MARAC RECEIVABLES¹

All values in \$m	FY2010 Forecast (NZ\$m)	FY2009 Actual (NZ\$m)	Movement
Consumer	468.3	419.5	+48.8
Commercial	550.6	511.3	+39.3
Property	145.4	374.6	(229.2)
Receivables	1,164.3	1,305.4	(141.1)

MARAC Receivables as at 30 June 2009



(1) Forecasts are subject to detailed assumptions, qualifications and Risk Factors set out in the Offer Document

MARAC BANK FACILITIES PACKAGE AGREED

MARAC has agreed amendments to its existing banking arrangements with a syndicate of banks, comprising ANZ, BNZ, CBA, Westpac and HSBC

- The syndicated bank facility is currently available in two tranches, being:
 - A tranche of \$45 million repayable on 31 March 2010; and
 - A tranche of \$155 million repayable on 31 March 2011
- The syndicated bank facility is secured by first ranking secured bank stock, which ranks equally with all first ranking secured debenture stock and secured bonds issued by MARAC
- Post raising MARAC will have approximately \$200m of liquidity – approximately \$150m of available bank facilities and approximately \$50m cash



USE OF PROCEEDS



USE OF PROCEEDS

- **Net proceeds raised will be applied as follows:**
 - Approximately \$50m will be retained by the Company for investment in existing activities, including the asset management strategy and to position the Group to capitalise on any value-enhancing consolidation opportunities that may arise in the finance sector, in each case, as and when the Directors consider it appropriate
 - \$35m equity injection into MARAC to ensure MARAC complies with proposed Non-Bank Deposit Taker regulations and to position MARAC to meet the requirements to become a registered bank
 - Approximately \$35m to be applied to reduce debt at PGC parent company level to zero
 - Partially fund approximately \$125m of the sale of certain MARAC property loans to MARAC Financial Services
 - \$4.5m used to enable EPAM to subscribe for new shares under the rights issue conducted by EPIC
 - \$13m applied to payment of capital raising transaction fees

Based on the current outlook for PGC, the Board is confident that the proceeds of the capital raising will be sufficient to meet the Group's foreseeable capital requirements in light of the challenges facing it

DETAILS OF THE CAPITAL RAISING



RIGHTS ISSUE TERMS¹

Size	NZ\$237m
Entitlement ratio	6-for-1
Issue price per share	NZ\$0.40
Discount to TERP²	20%
New shares issued under rights issue	591,577,740
Underwriting	Fully underwritten by First NZ Capital Securities Limited
Broker stamping fee	0.5% (cap of NZ\$300 per subscription) for all stamped acceptance forms from NZX Primary Market Participants
Eligible shareholders	Shareholders with a registered address in New Zealand at 5pm (NZT) on 30 September 2009
Lead manager	First NZ Capital Securities Limited

- (1) Application has been made to NZX for permission to list the rights and all the requirements of NZX that can be complied with on or before the date of the Investment Statement and Short Form Prospectus for the rights issue have been complied with. The new shares have been accepted for listing by NZX and will be quoted on the NZSX on completion of allotment procedures. However, NZX does not accept responsibility for any statement in this presentation or the Investment Statement and Short Form Prospectus relating to the Rights Offer
- (2) TERP is calculated as the weighted average of 98,596,290 existing shares at NZ\$1.08 (closing price on Friday 18 September) and 591,577,740 rights issue shares at NZ\$0.40

PLACEMENT

Following the Rights Issue, the Company will endeavour to place a minimum of 5% and a maximum of 10% of the Company's shares on issue

Placement price	Set by a competitive bookbuild process PFHL will pay the higher of \$0.49 (being the theoretical ex-rights price) or the bookbuild price
Eligible investors	Institutional investors, habitual investors and sub-underwriters of the rights offer, at the discretion of the Company and the Lead Manager ¹ PFHL will be limited, in terms of participation in the Placement, to 21.5% of placement shares issued
Gross proceeds	\$15 - 30m
Underwriting	Not underwritten

(1) First NZ Capital, as Lead Manager and Underwriter, will not participate in the top-up placement

SHARE PURCHASE PLAN

Following the Placement, the Company will introduce a Share Purchase Plan (SPP), which will enable existing shareholders as at the Rights Offer Record Date to purchase additional shares in PGC

SPP price	Set at the lower of the bookbuild price which is paid by institutions participating in the top-up placement and a volume-weighted average price set during the SPP period
Eligible investors	Shareholders with a registered address in New Zealand at 5pm (NZT) on 30 September 2009, being the record date for the rights issue
Entitlement	Each eligible investor will be able to purchase up to \$5,000 worth of shares at the above price
Gross proceeds	Estimated to be \$3m
Underwriting	Not underwritten

CAPITAL RAISING TIMETABLE



TIMETABLE¹

Announcement of Equity Raising	Wednesday, 23 September 2009
Record Date for determining entitlements under Rights Offer and SPP, 5.00 pm NZT	Wednesday, 30 September 2009
Existing Shares quoted ex-entitlements on the NZSX	Thursday, 1 October 2009
Rights trading commences on NZSX	Thursday, 1 October 2009
Offer document and entitlement and acceptance form mailed to eligible shareholders	By Thursday, 1 October 2009
Rights trading ceases on NZSX, 5.00 pm NZT	Thursday, 15 October 2009
Offer closes (last day for receipt of acceptances and renunciations), 5.00 pm NZT	Monday, 19 October 2009
Allotment of New Shares under the Offer	By Tuesday, 27 October 2009
Expected despatch of shareholding statements for New Shares	Wednesday, 28 October 2009

(1) *These dates and any references to them throughout this Investor Presentation are subject to change and are indicative only. The Company, in consultation with the Lead Manager, reserves the right to amend the dates and times without prior notice*