



Media Release  
16 December 2010

## **\$2.2 BILLION MERGER HAS COURT APPROVAL**

The \$2.2 billion merger proposal to create a New Zealand controlled listed banking<sup>(1)</sup> and financial services group moved another big step forward when final court orders were granted today.

The court orders help pave the way for the merger to be implemented in early January and shares in the merged group holding company, Building Society Holdings Limited (BSHL), to be issued to shareholders of CBS Canterbury (13.04%) and Southern Cross Building Society (14.75%) on the 7<sup>th</sup> of January. As of the close of business today CBS Canterbury shares will delist from the NZAX and trading in Southern Cross shares will cease.

The balance of the holding in BSHL (72.21%) is held by Pyne Gould Corporation (PGC), which is a separately listed company on the NZSX.

Listing on the NZSX of BSHL is expected to take place on the 31<sup>st</sup> of January 2011. PGC has communicated its intention to distribute to its shareholders the majority of its holding in BSHL and place the balance. The distribution is expected to take place in the first half of 2011 and will remove PGC as a dominant shareholder and broaden BSHL's shareholder base. It will put ownership directly in the hands of PGC shareholders and investors and will promote liquidity and price discovery and assist in achieving NZX50 index inclusion for BSHL.

The Managing Director of BSHL, Jeff Greenslade, said that the journey to get to this stage had been a long one but it was worth it. "Staff and boards of all three organisations have worked tirelessly to get this merger across the line. It has been heartening that our respective shareholders and investors have given their resounding thumbs up to our vision to create a new stronger organisation that can better service the needs of our target market – namely the banking market for SMEs, rural businesses and NZ individuals and families.

"The merger brings us scale through a nationwide presence and establishes a platform for growth. It allows us to play to our regional strengths and pick the markets where we have expertise and to adopt a 'customer first' focus. It also improves our chances of an investment grade credit rating and to successfully gain banking registration from the Reserve Bank.

"Whilst it is business as usual for our customers, it is full steam ahead in terms of the integration process. We have in place a strong executive team with banking experience to drive the business forward and to ensure that we deliver on the opportunities that are before us.

"It is our belief that the benefits of scale, access to cheaper sources of funding and the ability to promote asset growth will drive increased profitability and superior shareholder returns."

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- (1) None of Combined Building Society, Building Society Holdings Limited, CBS Canterbury, SCBS, PGC or MARAC is a registered bank under the Reserve Bank Act 1989. The ultimate intention of the merger parties is that Combined Building Society will become a registered bank. Obtaining bank registration is subject to satisfaction of the Reserve Bank's registration requirements.

An application has been made to NZX Limited for permission to list Building Society Holdings Limited, and all requirements of NZX Limited that can be complied with on or before 16 December 2010 have been duly complied with. However, NZX Limited accepts no responsibility for any statement in this announcement. NZX Limited is a registered exchange regulated under the Securities Markets Act 1988.