

MEDIA & BROKER PRESENTATION

26 August 2008

Annual Results to 30 June 2008



Pyne Gould Corporation

AGENDA

- **PGC Performance and Highlights**
 - Sam Maling (Chairman)
- **Individual Business Performance**
 - Brian Jolliffe (Managing Director) and Alan Williams
- **Financials**
 - Alan Williams (Chief Financial Officer)
- **Summary and Outlook**
 - Sam Maling
- **Questions**

PGC PERFORMANCE AND HIGHLIGHTS



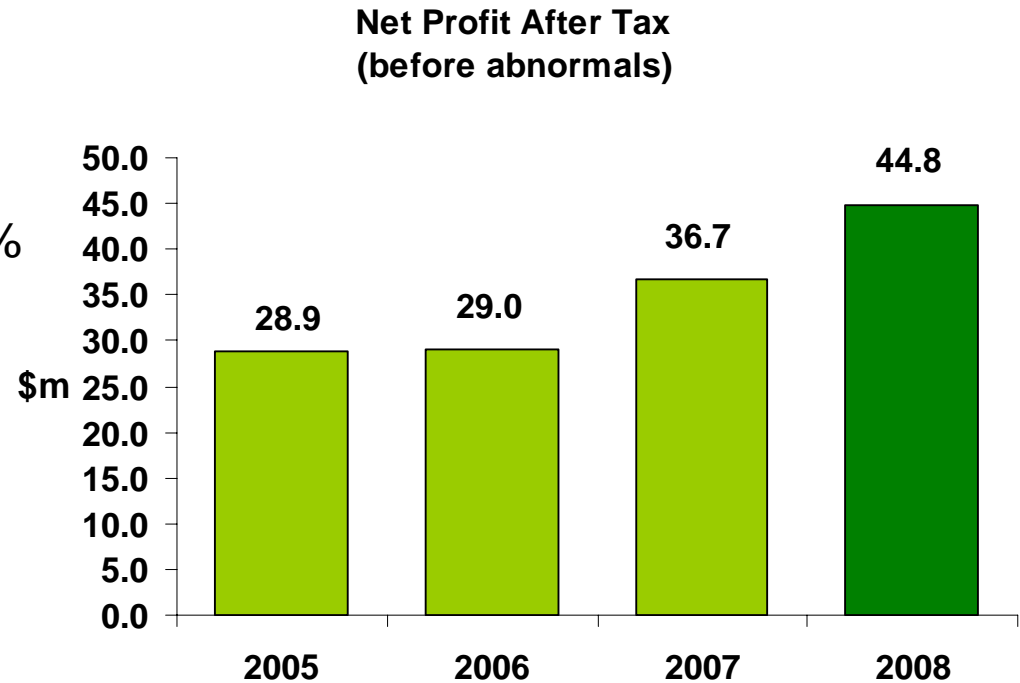
Pyne Gould Corporation

ANNUAL HIGHLIGHTS

- Group net profit after tax of \$44.8m
- Dividend increased to 23 cents per share
- Record results from all three businesses
 - Net profit for MARAC of \$27.9m
 - Net profit for Perpetual Trust of \$3.7m
 - Contribution from PGG Wrightson of \$15.8m

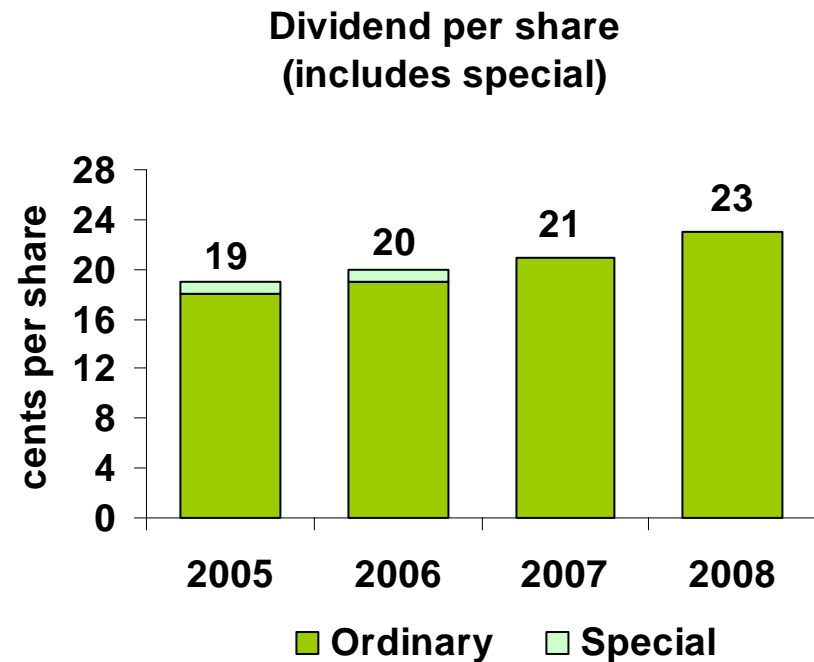
FINANCIAL RESULTS

- Net profit after tax of \$44.8m (\$36.7m), an increase of 22%
- There were no abnormal items



DIVIDEND

- Total dividend of 23 cents
- Interim dividend of 10 cps
Final dividend of 13 cps
- All fully imputed for tax



INDIVIDUAL BUSINESSES PERFORMANCE

Brian Jolliffe



Pyne Gould Corporation

MARAC'S BUSINESS PERFORMANCE



MARAC


Pyne Gould Corporation

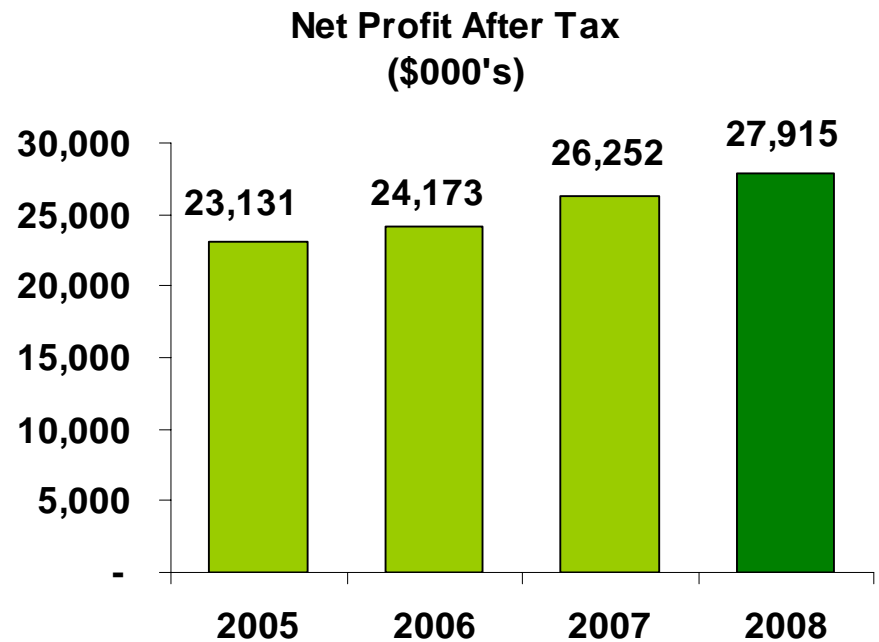
MARAC

(Includes MARAC Finance Limited, MARAC Insurance Limited, MARAC Securities Limited, MARAC Investments Limited and Nissan Finance Limited)

- Net profit after tax up 6.3% from \$26.2m to \$27.9m
- Finance assets up 7.8% to \$1.4bn
- Ascend Finance exceeds expectations
- Credit quality remains sound
- Funding sources strengthened and broadened further

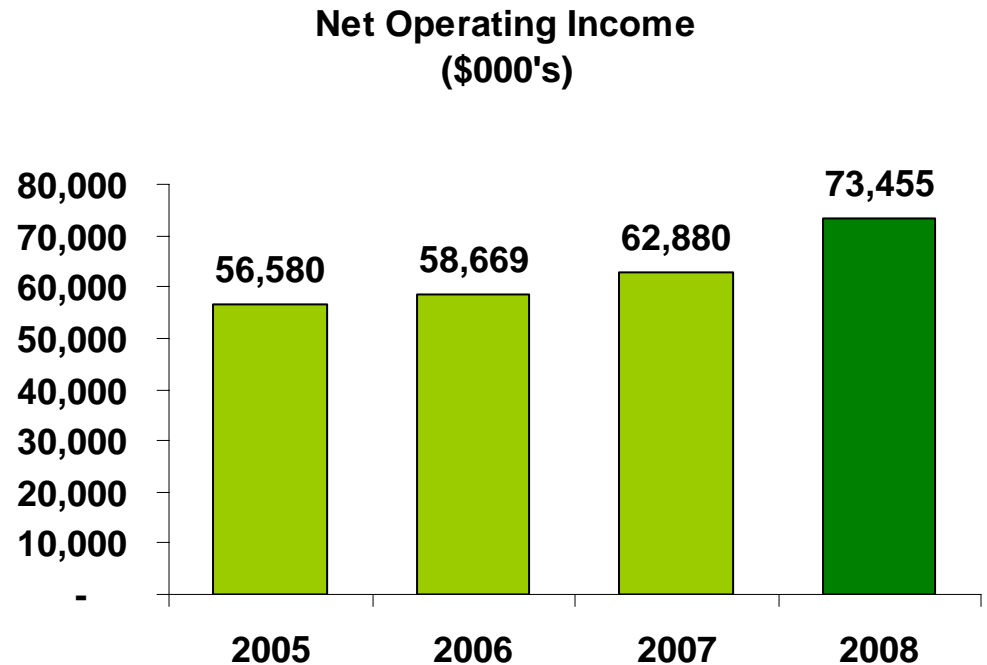
NET PROFIT AFTER TAX

- Up 6.3% to \$27.9m
- Net operating revenue up 16.8%
- Funding costs up but assets repriced upwards also
- Efficiency maintained
- Impaired asset expense increased through provisioning



NET OPERATING INCOME

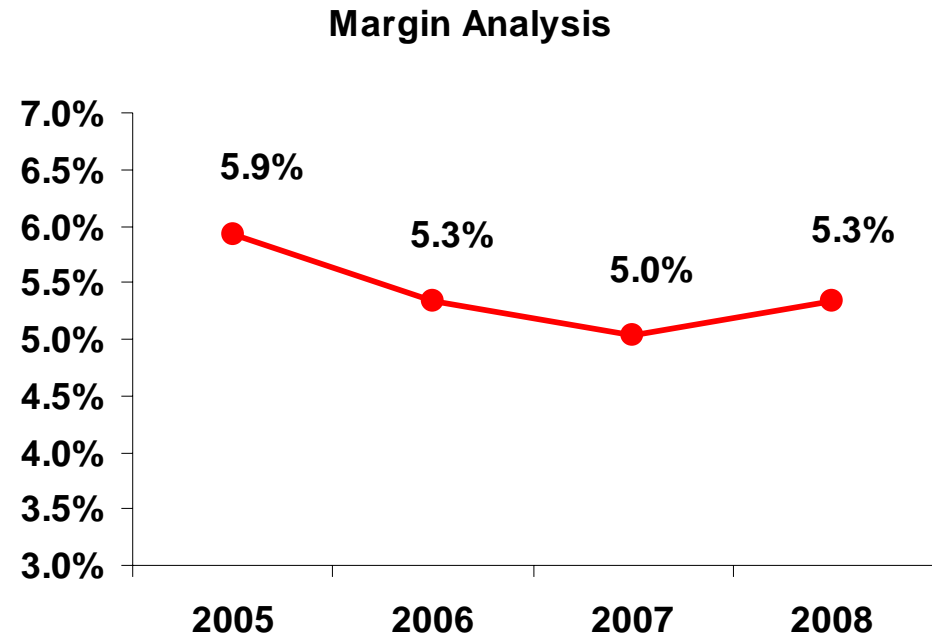
- Up 17% to \$73.5m
- Margin improved to 5.3% from 5.0% last year



MARGIN ANALYSIS

(Net Operating Income / Ave Finance Assets)

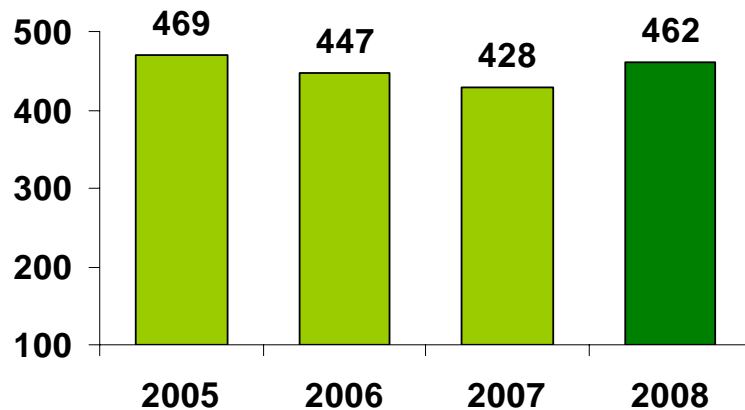
- Margin up slightly to 5.3%
- Driven by:
 - Strategic growth in quality segments at better prices
 - Strong fee based revenue
 - Increased funding costs – matched by asset repricing



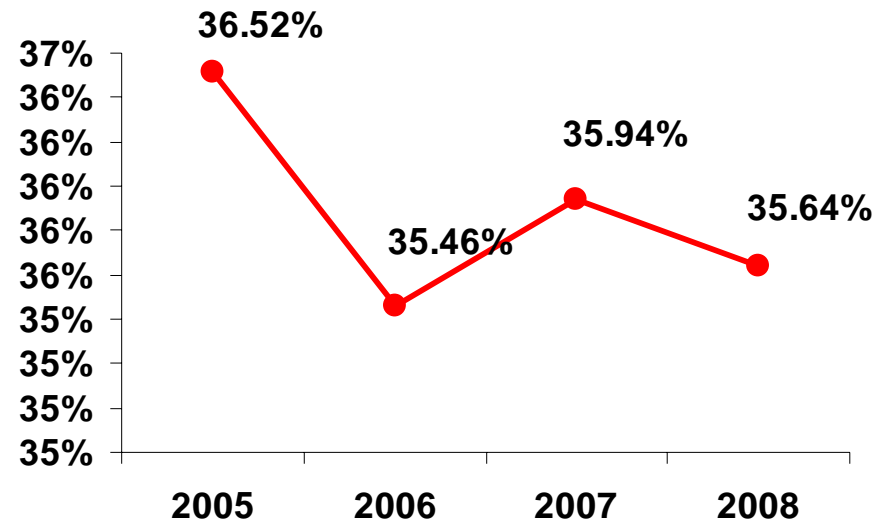
EFFICIENCY

- Efficiency essentially maintained
- Ascend business investment fully absorbed into results

Average Operating Income per Employee
(\$000's)

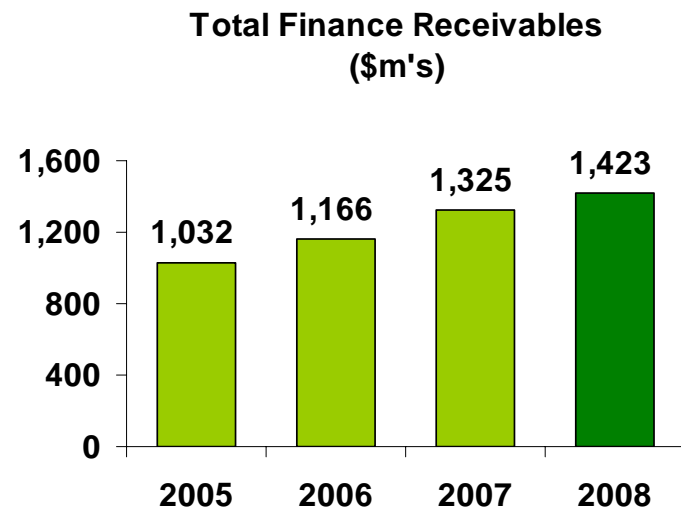
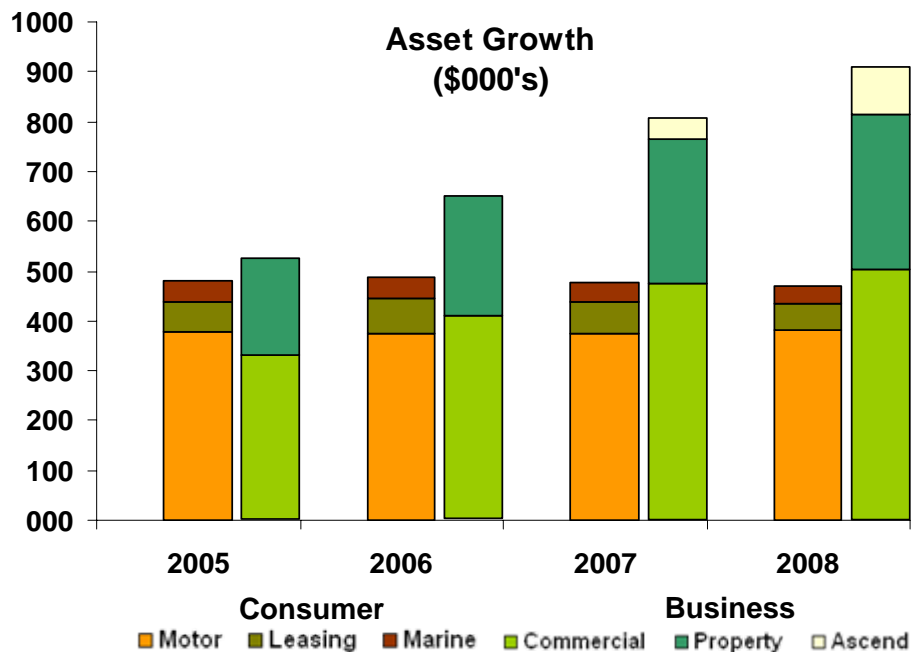


Operating Costs to Operating Income



FINANCE RECEIVABLES

- Up 8% to \$1.4bn
- Significant growth in the first half (to \$1.477m), flat in the second half



ASCEND

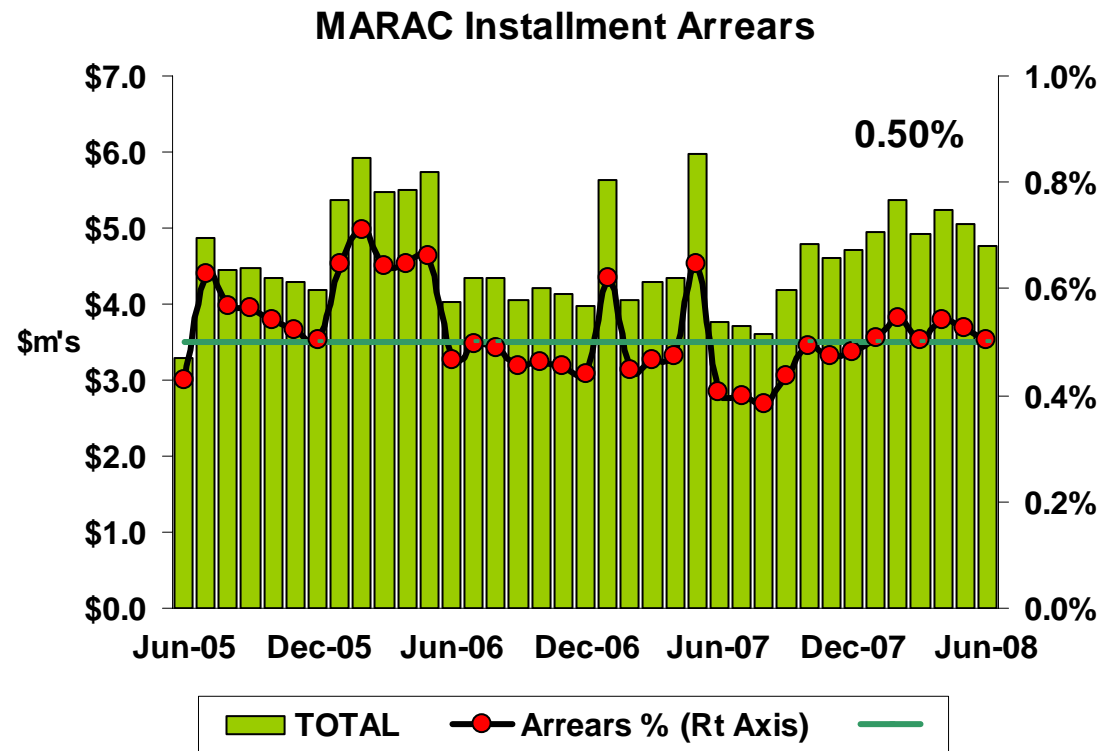


- First full year of operation
- Exceeded performance targets
- Focused on different markets than traditional MARAC
- Finance receivables above \$100m
- Further expansion expected

CREDIT ARREARS – ALL DIVISIONS

(Installment Loans)

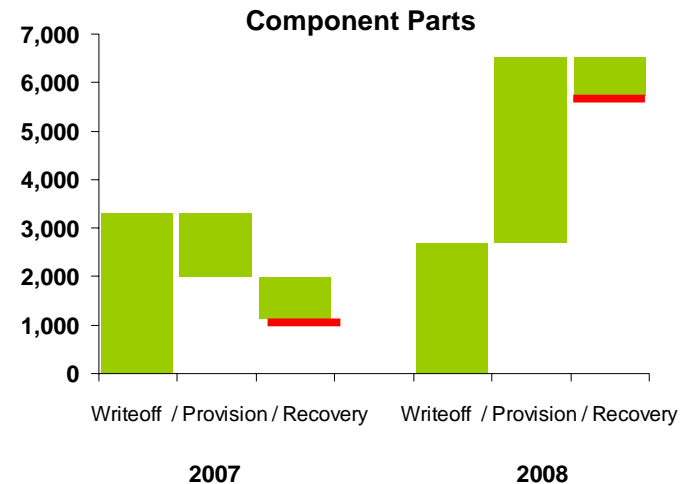
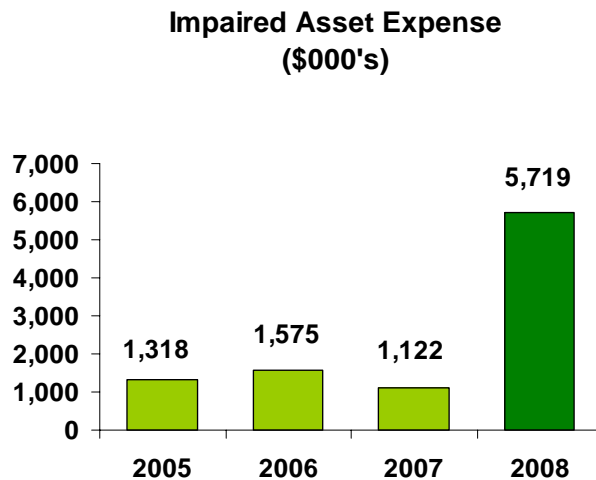
- Focus on credit quality continues – additional resources added
- All ledgers below 1% arrears
- Some challenges expected next year



IMPAIRED ASSET EXPENSES

(Bad debts, recoveries, provisions)

- Credit quality focus
- Impaired asset expense at 0.42% of average finance receivables
- Increased provisions a feature of market conditions
- Actual bad debts written off lower than 2007



FUNDING

Alan Williams



MARAC

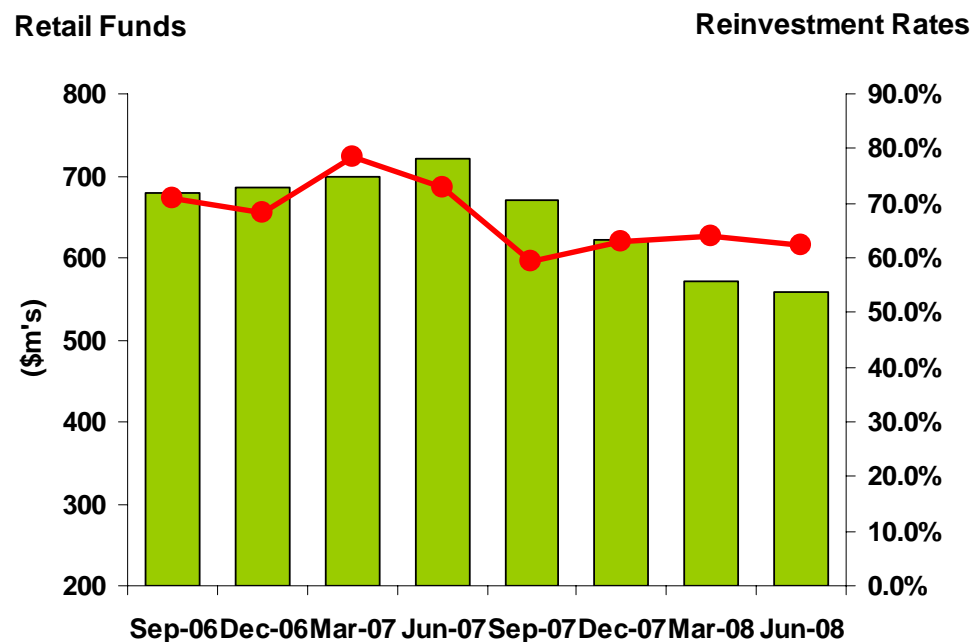

Pyne Gould Corporation

FUNDING THE BUSINESS

- MARAC continues to receive strong support from investors
- “Investment Grade Rating” from Standard & Poor’s affirmed on 31 March 2008
- Significant diversification of funding derisks the MARAC business
- Market begins to recognise the MARAC quality story

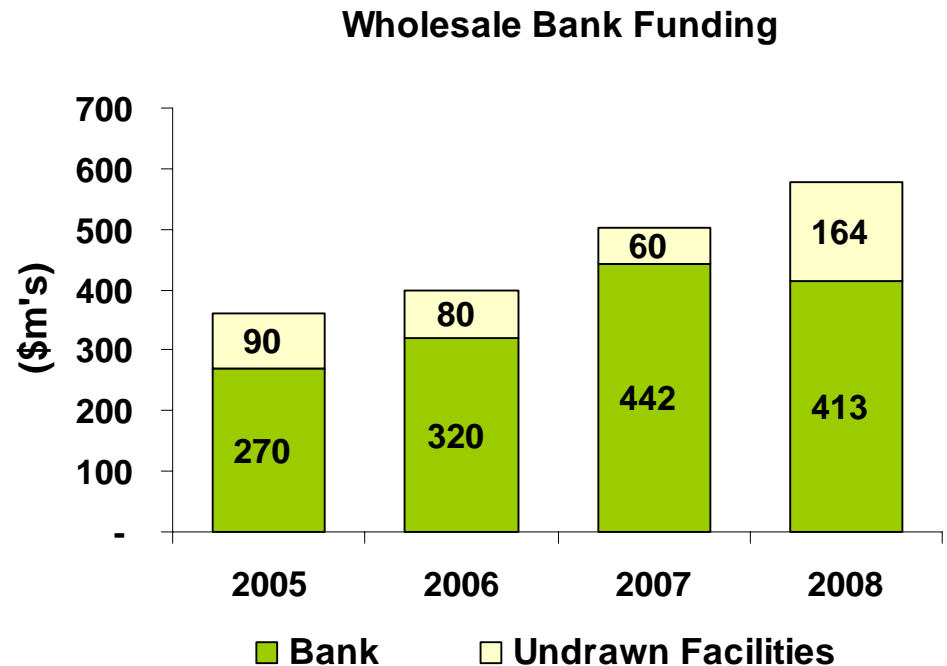
RETAIL INVESTMENTS

- Early retraction of retail book planned pre securitisation
- Slide halted in third quarter
- Reinvestment rates remain at lower end of normal range
- New money flows reflect a flight to quality
- Retail debenture funding will remain a key funding vehicle



BANK SUPPORT

- Syndication of banks provide:
 - Introduction of a new bank
 - Additional funding
 - Long term certainty of supply
 - Consistent terms and conditions
 - A unified support for MARAC in the market



SECURITISATION

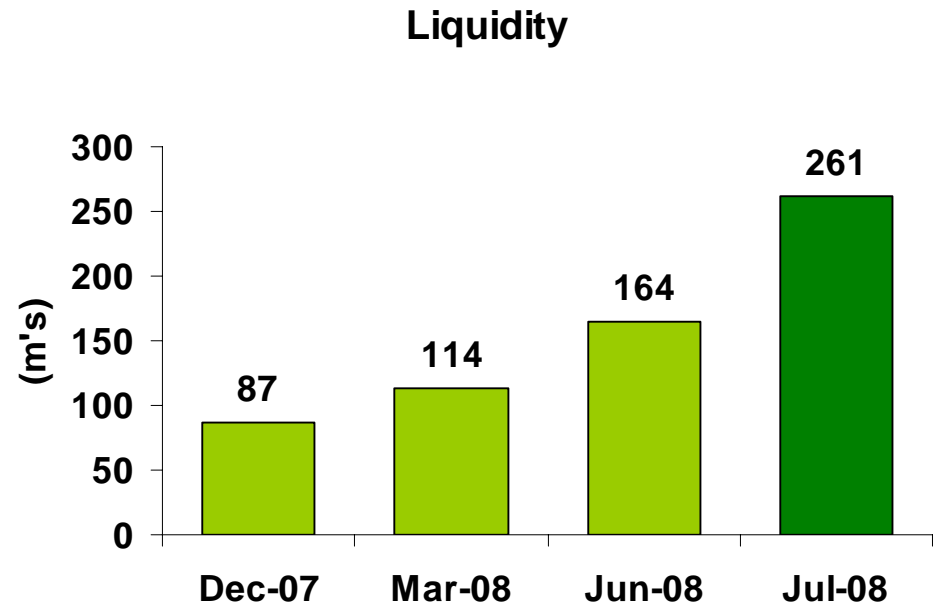
- Securitisation of \$300m completed 17 August 2007
- Developed in association with Westpac Institutional Bank
- Established to enable additional funding diversification
- Cross section of assets included
- Term out into Medium Term Note programme to provide long term certainty planned

FUNDING ACTIVITY

- New funding sources:
 - Securitisation August 2007
 - Syndication of banks March 2008
 - Retail Bond July 2008
 - Medium Term Note September 2008
- Gained confidence of our investors – Retail, Institutional, Banks
- Active treasury management of interest rate and asset & liability exposure
- Strong liquidity a key focus, providing protection from market changes

LIQUIDITY

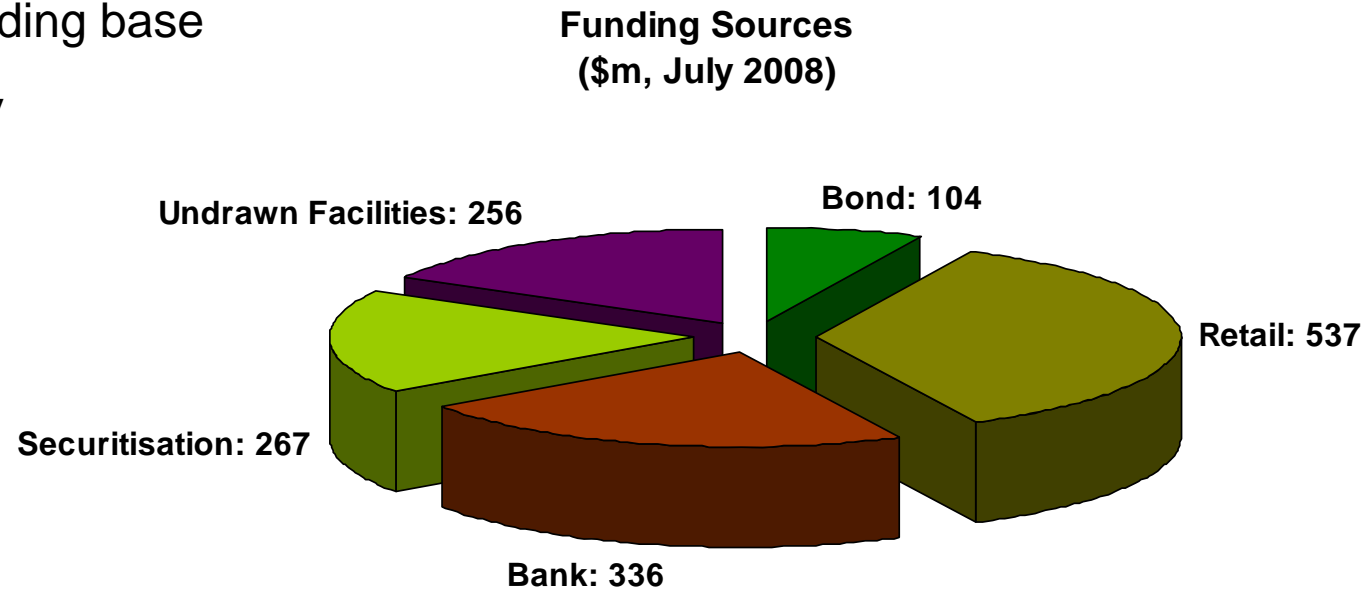
- Cash and undrawn committed bank lines of \$164m as at 30 June 2008
- Treasury processes match the timing of assets and liabilities
- Majority of loans on principal and interest basis provides
 - Monthly cash inflow of circa \$70m
 - Excellent ability to manage liquidity



FUNDING SUMMARY

(Post retail bond July 08)

- Diversified funding base
- Sound liquidity



MARAC SUMMARY

Brian Jolliffe



MARAC


Pyne Gould Corporation

BUSINESS DIVISION SUMMARY

(Includes Commercial, Plant & Equipment, Property Finance and Ascend Finance Division)

- Asset growth of 12% to \$957m achieved, all in the first six months
- Asset repricing was a key achievement

Strategy and Outlook

- Existing customer focus
- Modest growth only expected in the current year, on the back of expected business tightening and further depreciation of the NZD

CONSUMER DIVISION SUMMARY

(Includes Motor Vehicle, Leasing, Marine & Leisure and Insurance)

- Assets reasonably flat overall, with Lease and Marine & Leisure down and Motor Vehicle slightly up
- Significant slowdown in business opportunities evident in past quarter

Strategy

- Pricing for risk and overall margin enhancement
- New technology to improve efficiency and cross sell

MARAC BUSINESS SUMMARY

- Industry issues have continued in the market throughout the year
- MARAC has not been significantly affected and has responded:
 - Further diversified funding – securitisation, bank facilities, retail bond
 - Increased liquidity levels further
 - Increased focus and resource to maintain high credit standards

MARAC OUTLOOK

- Asset growth is unlikely until the second half of the year and then only modest
- Credit quality focus will continue throughout the business
- Margin pressure will remain
- Additional funding diversification and higher historical liquidity levels will be maintained

Overall Outlook – Little growth in the first half and profits are expected to be constrained in current economic climate

PERPETUAL TRUST



Perpetual Trust

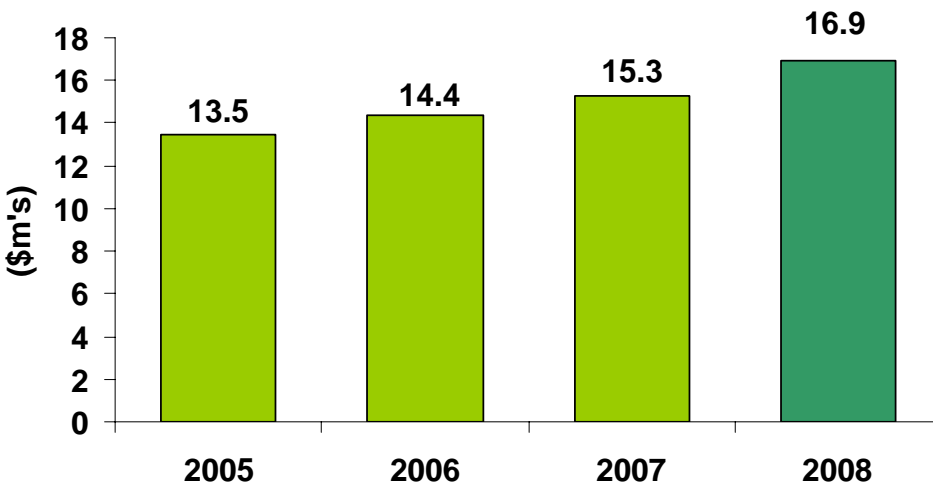


Pyne Gould Corporation

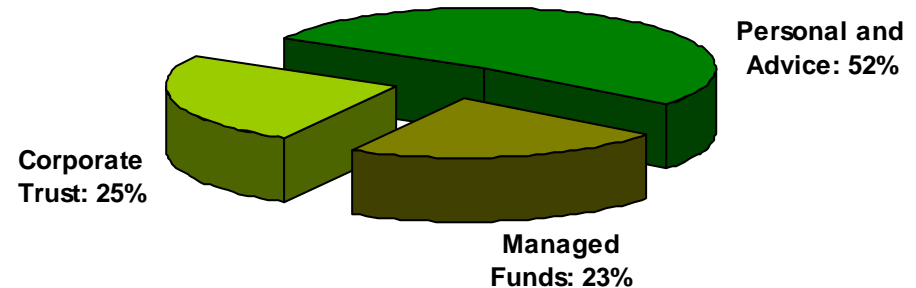
PERPETUAL

- Net operating profit of \$3.7m, up 26% on last year
- Revenue growth of 10% to \$16.9m
- Revenue growth across most divisions

Total Revenue



Revenue Breakdown



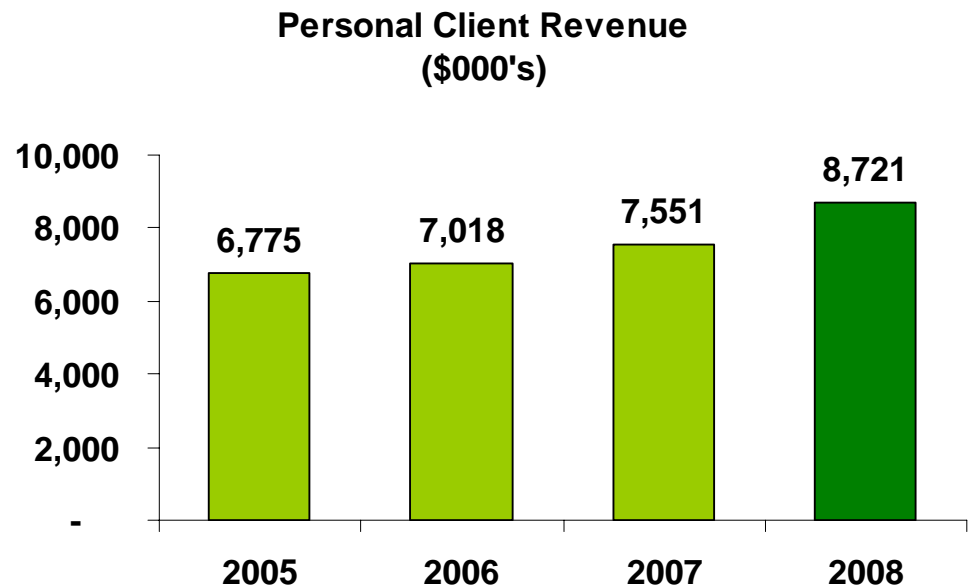
Perpetual Trust



Pyne Gould Corporation

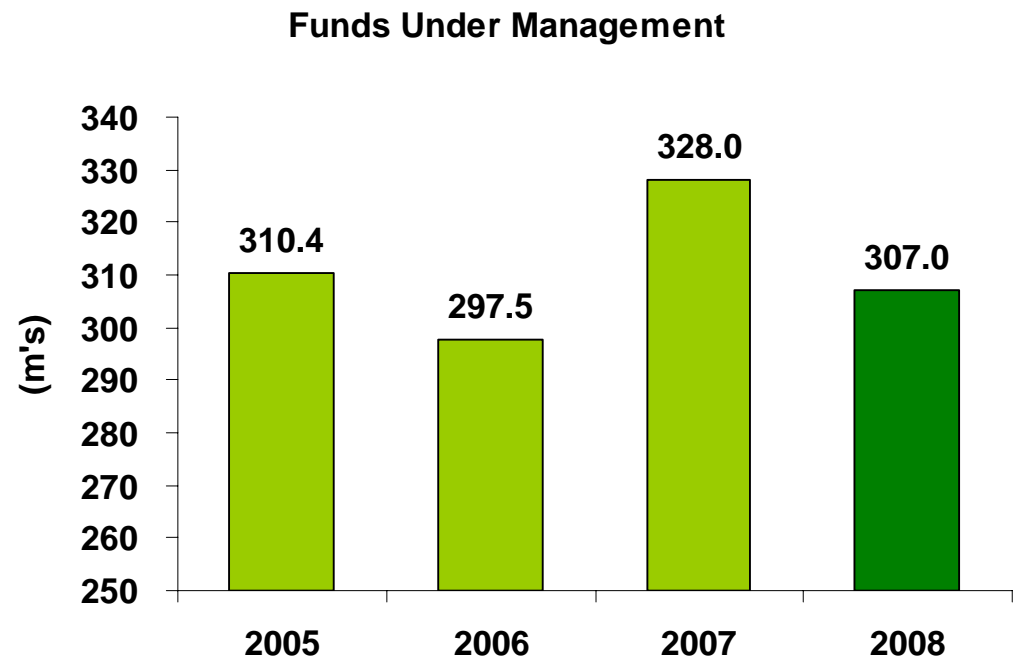
PERSONAL WEALTH MANAGEMENT AND ADVICE

- Revenue growth up 15% to \$8.7m
- Personal funds under advice 11% growth to \$980m
- New trusts up 13%, new wills up 16% and will revisions steady
- Focus remains on service excellence and referral relationships



MANAGED FUNDS

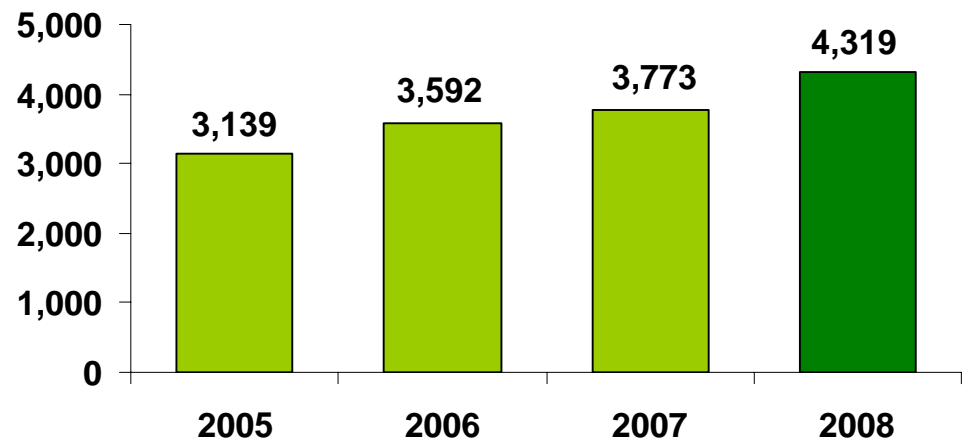
- Funds under management decreased 6% to \$307m
- Growth in Pegasus Investment, NZ/Australia Share and Aria Funds, offset by a decline in the Mortgage Fund
- Moorhouse Property Fund single asset sold and relaunched as diversified Pegasus Property Income Fund



CORPORATE TRUST

- Revenue up 15% over last year
- Funds under supervision over \$19bn
- Strong growth in new business from managed funds (particularly offshore domiciled investment banks) and retirement village sector

Corporate Trust Revenue
(\$000's)



Perpetual Trust



Pyne Gould Corporation

PERPETUAL BUSINESS SUMMARY

Current Business Position

- Strong and growing client base
- Steady revenue growth
- Focus on quality service and building strong referral relationships

Outlook

- Financial markets and local economy are unlikely to assist growth
- Expectation is for a performance in line with last year



PGG WRIGHTSON



PGG WRIGHTSON

PGG Wrightson announced their annual results on 19th August 2008

- Company achieved an audited net profit after tax of \$73.2m up 80%
- NOPAT* was \$39.2, up 35%
- Contributed \$15.8m to the PGC result, compared to \$9.0m last year
- Strong improvement across all divisions
- Strategic investment and growth
- All achieved against a background of mixed operating conditions

* NOPAT excludes performance fee, share appreciation, capital gains and one offs

FINANCIALS

Alan Williams



Pyne Gould Corporation

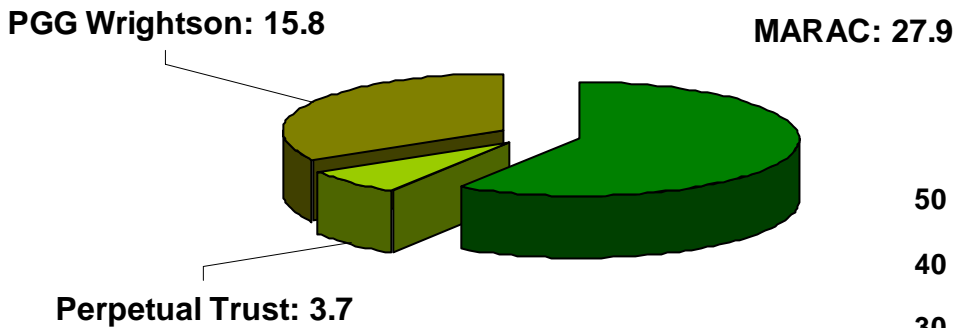
PGC RESULT SUMMARY

Net Profit After Taxation	2008	2007	2006
	\$000	\$000	\$000
MARAC	27.9	26.2	24.2
Perpetual Trust	3.7	2.9	2.6
PGG Wrightson	15.8	9.0	6.7
Other Operations	-2.6	-1.4	-4.5
NPAT before Abnormals	<u>44.8</u>	<u>36.7</u>	<u>29.0</u>
Abnormal Gain	0.0	0.0	37.3
Net Profit After Taxation	<u>44.8</u>	<u>36.7</u>	<u>66.3</u>

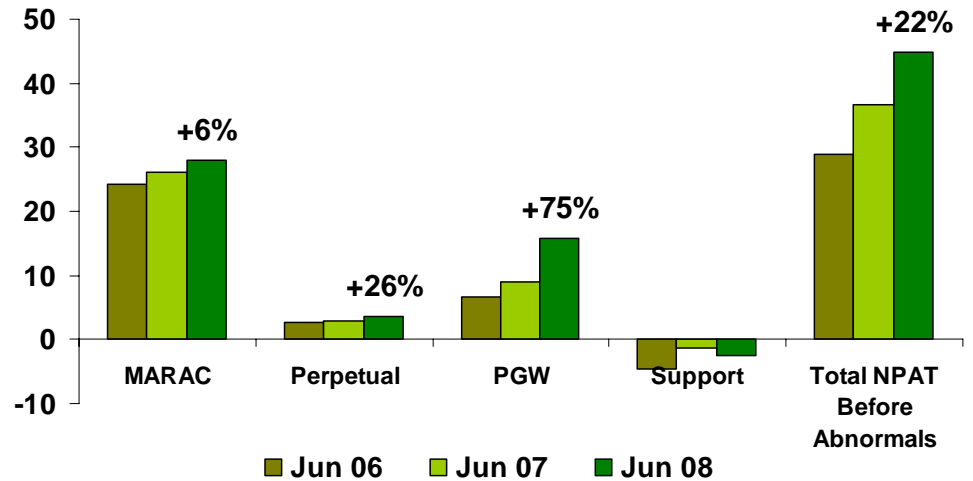
NET CONTRIBUTION

(excluding abnormal items)

Net Contribution to PGC



Business Contributions



PGC RESULT SUMMARY

Consolidated Balance Sheet	2008	2007	2006
	\$000	\$000	\$000
Current Assets	1419.6	1317.4	1169.6
Non Current Assets	152.5	132.9	116.9
Total assets	1572.1	1450.3	1286.5
Total liabilities	1311.2	1211.2	1065.9
Total equity	261.0	239.0	220.6

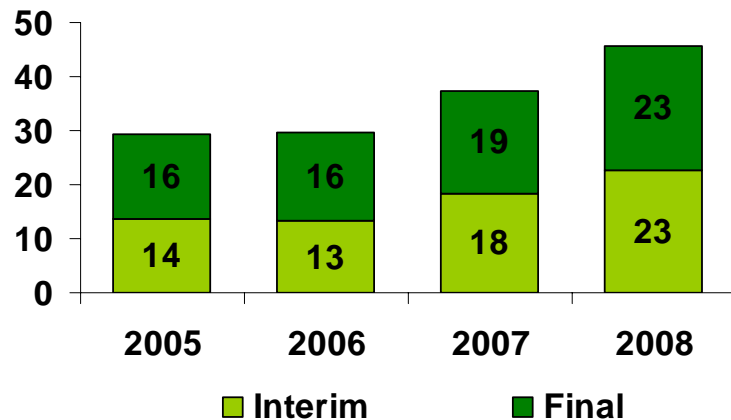
PGC PARENT

Parent Balance Sheet	2008	2007	2006
	\$000	\$000	\$000
Investment in Subs	110.0	110.0	110.0
Investment in PGW	86.6	86.6	89.7
Building & Other	3.7	4.0	3.8
Total assets	200.3	200.6	203.5
Bank Debt	23.0	17.5	17.5
Other Debt	1.7	2.0	2.0
Total liabilities	24.7	19.5	19.5
Total equity	175.6	181.1	184.0

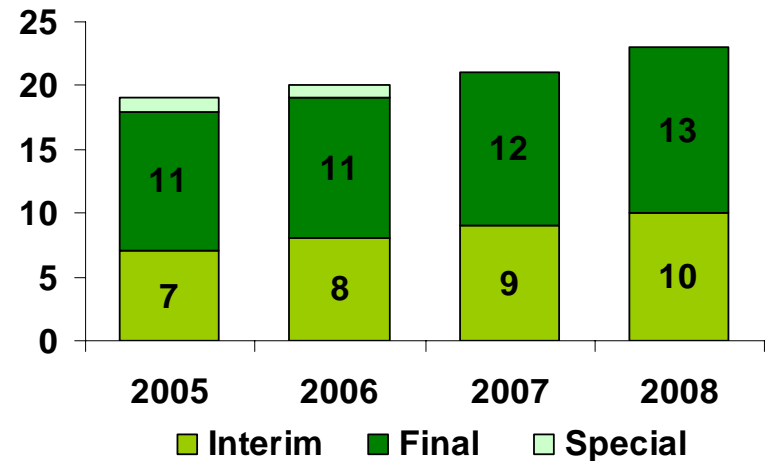
INVESTMENT TRACK RECORD

- Earnings per share
- Dividend per share

Earnings per Share



Dividend per share (includes special)



SUMMARY AND OUTLOOK

Sam Maling



Pyne Gould Corporation

NEW PGC DIRECTOR

George Kerr appointed at this morning's Board Meeting

- Broad financial services expertise
- Family association
- Major shareholder

SUMMARY AND OUTLOOK

MARAC

- Global credit and local economic issues will impact growth opportunities
- Credit and funding will again be the key business priorities
- Focus will remain on existing customers

Perpetual

- Quality service and broader referral relationships expected
- Modest growth expected

PGG Wrightson

- Broad improvement expected across the business
- Market guidance above expectations has been given (\$50-55m)

OVERALL OUTLOOK – a performance in line with last year

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