
PYNE GOULD CORPORATION LIMITED

Shareholders Meeting – 4 March 2010




Pyne Gould Corporation

Sam Maling

Chairman, Pyne Gould Corporation




Pyne Gould Corporation

AGENDA

- Introductions Sam Maling, Chairman
- Meeting Formalities
- Half Year Highlights
- MARAC Jeff Greenslade, Managing Director
- PGG Wrightson
- Perpetual Group John Duncan, Chief Executive Officer
- Financial Performance Sean Kam, Chief Financial Officer
- Looking Ahead Sam Maling, Chairman
- Board Appointments

MEETING FORMALITIES

- Notice of Meeting
- Quorum
- Apologies
- Proxies

HALF YEAR HIGHLIGHTS

- PGC back on track with profit of \$10.1m for the half year
- Solid underlying performance from MARAC despite one-off provision
- Strong start from Perpetual Asset Management
- Capital raising successfully executed
- Board review complete
- PGW recapitalised, performing in line with expectations and new Board representative

Jeff Greenslade

Managing Director, Pyne Gould Corporation

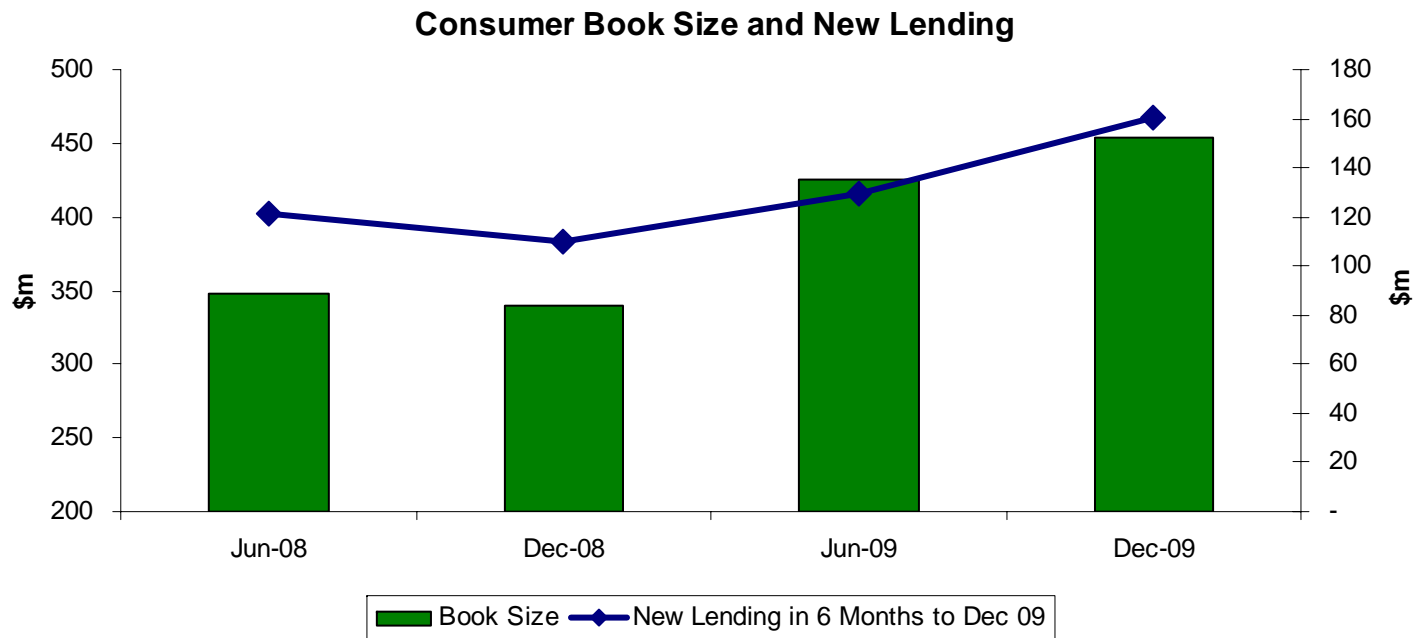


MARAC



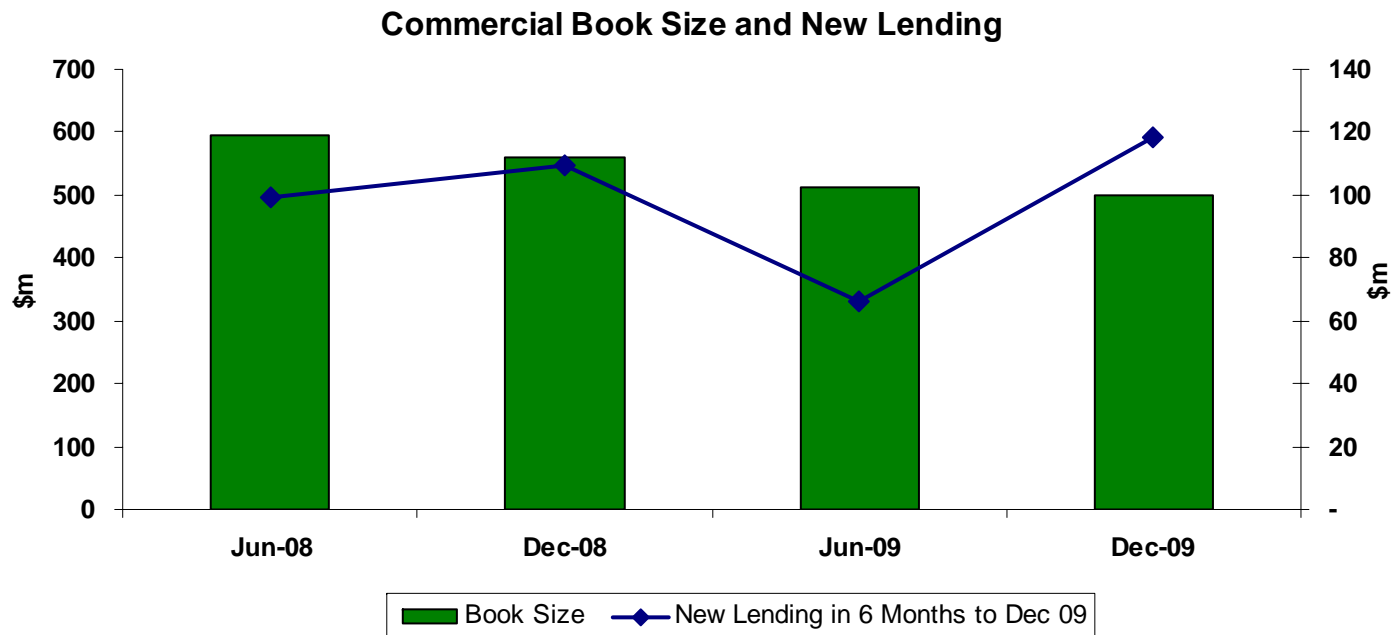
CONSUMER

- Market share gains resulted in a 27% (year on year) increase in motor vehicle lending and earnings are on budget
- MARAC Insurance gaining market share in the motor vehicle market
- Strategic partnerships with AA and Kiwibank continue to grow distribution base



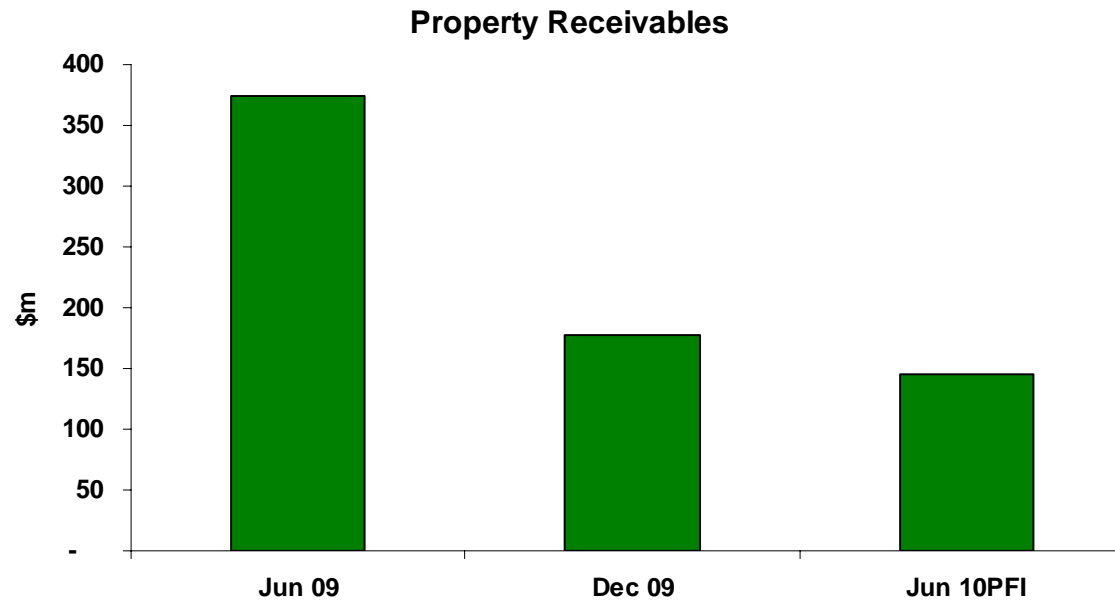
COMMERCIAL

- Reduced outstandings due to lower SME capital investment and de-risking of book
- Improving trend in lending volumes in second half
- Well positioned for recovery in business spending through expanded distribution

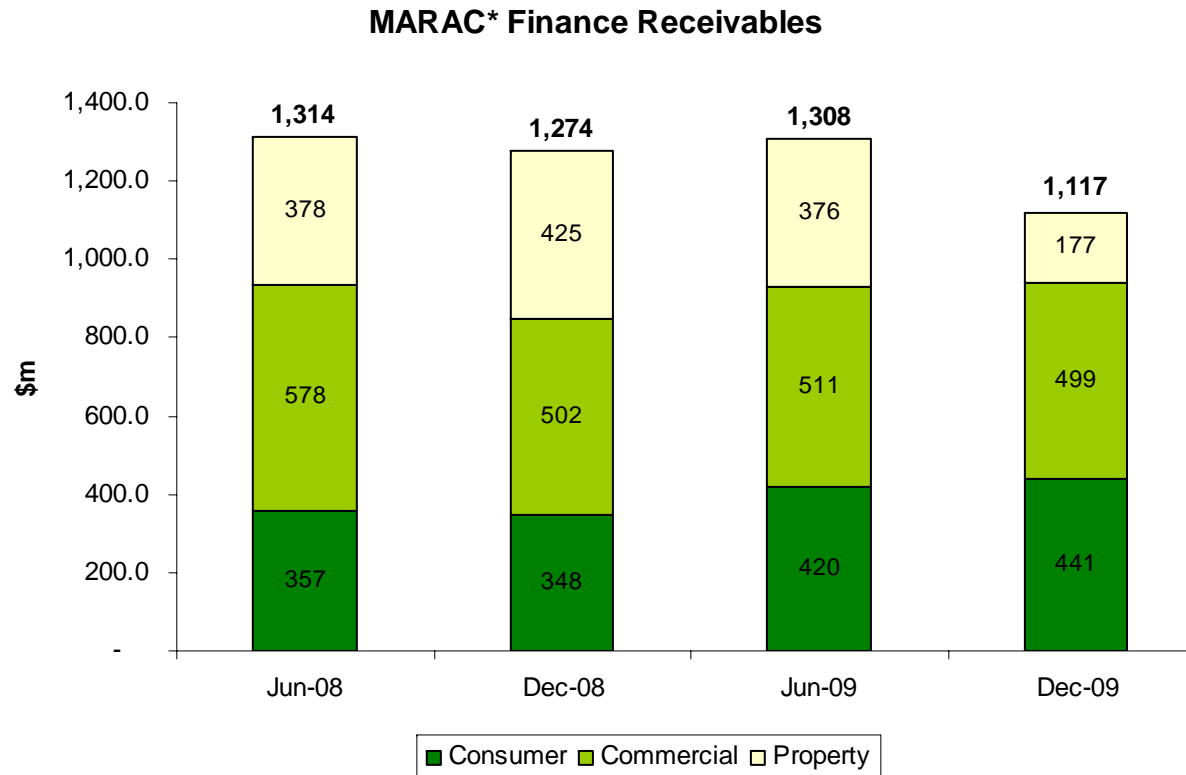


PROPERTY

- Property division receivables reduced
 - Receivables as at 30 Jun 09 \$374m
 - Transferred to RECL \$175m
 - Principal repaid \$ 37m
 - Receivables as at 31 Dec 09 \$177m
- Portfolio closely managed on line by line basis



MARAC FINANCE RECEIVABLES

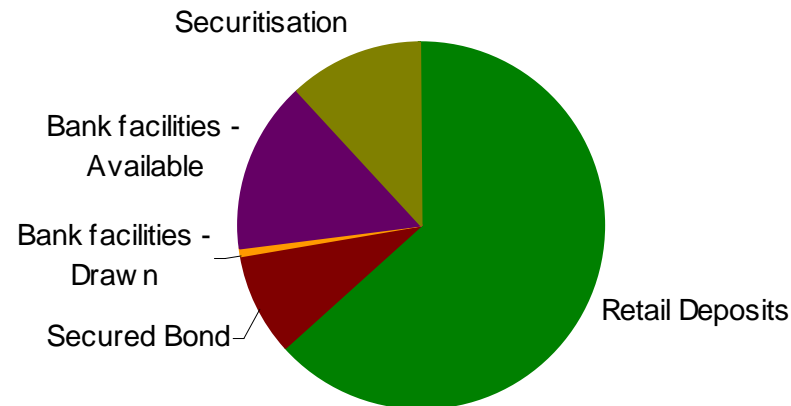


**MARAC Finance Limited only (excludes MARAC Insurance, MARAC Investments, MARAC Securities, MARAC Financial Services, Nissan Finance)*

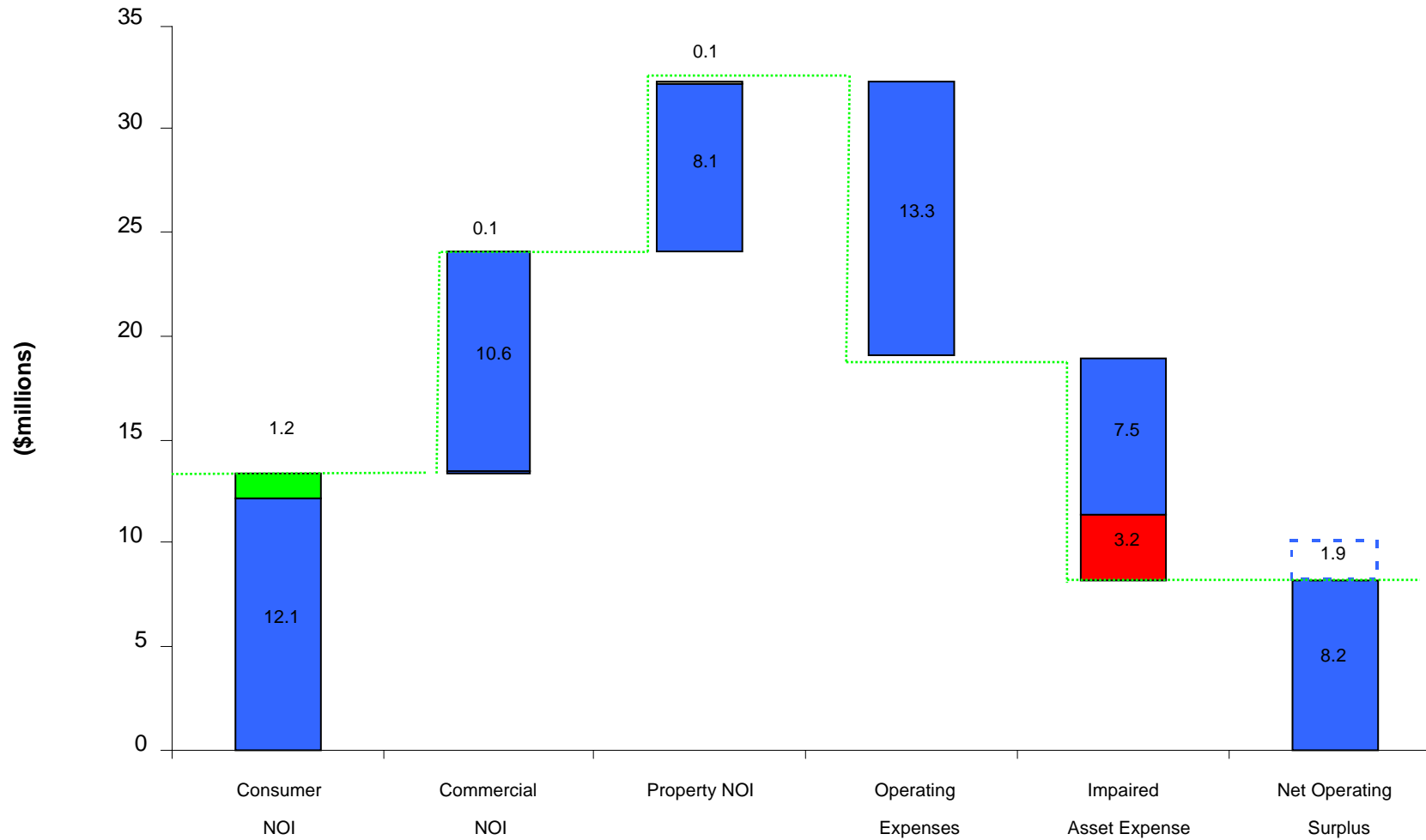
FUNDING

- Funding diversity maintained
- Excess liquidity held – \$277m or 25% of financial receivables as at 31 December 2009
- Retail funds stable during period
- Non-Guaranteed Deposits launch

Funding Mix as at 31 Dec 09



MARAC Financial Performance 6 Months to December 2009



PGG WRIGHTSON



PGG WRIGHTSON

- NPAT was \$4.1m, compared to a loss of \$32.8m last year
- Contribution at half year (net of dilution) is \$0.4m as expected
- Agria placement diluted holding from 20.7% to 18.3% and results in a reduction in carrying value of \$0.4m
- Offset by \$1m fee paid by Agria for termination of Shareholder's Agreement with RPI
- Rights taken up \$33m to maintain 18.3%
- Contribution to PGC 2010 full year in PFI is \$4m
- George Gould appointed to Board

John Duncan

Chief Executive Officer, Perpetual Group

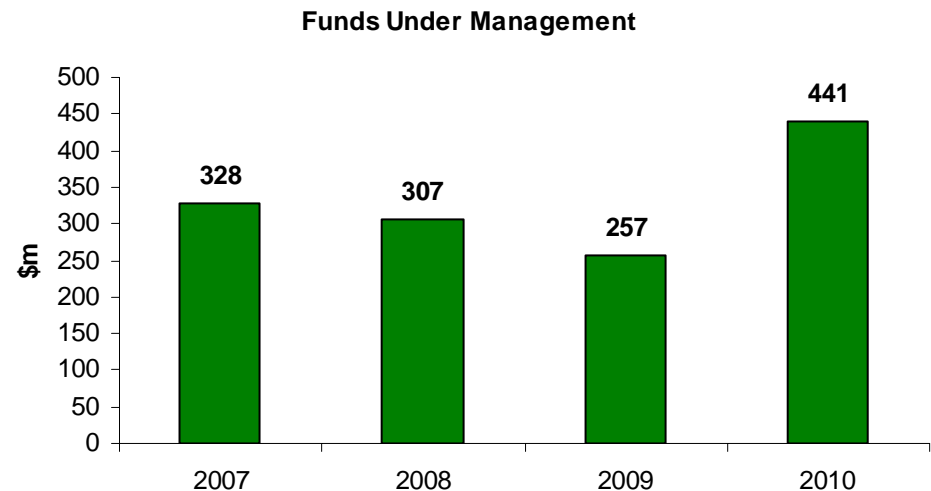


PERPETUAL TRUST

- Growth in personal client business (3% revenue increase) – increased client numbers
- Corporate Trust revenue increased 3% due to special fees

PERPETUAL ASSET MANAGEMENT

- Successful capital raising for EPIC
- Torchlight Fund launched and capital raising in progress
- MARAC impaired assets sold to RECL and managed by Torchlight



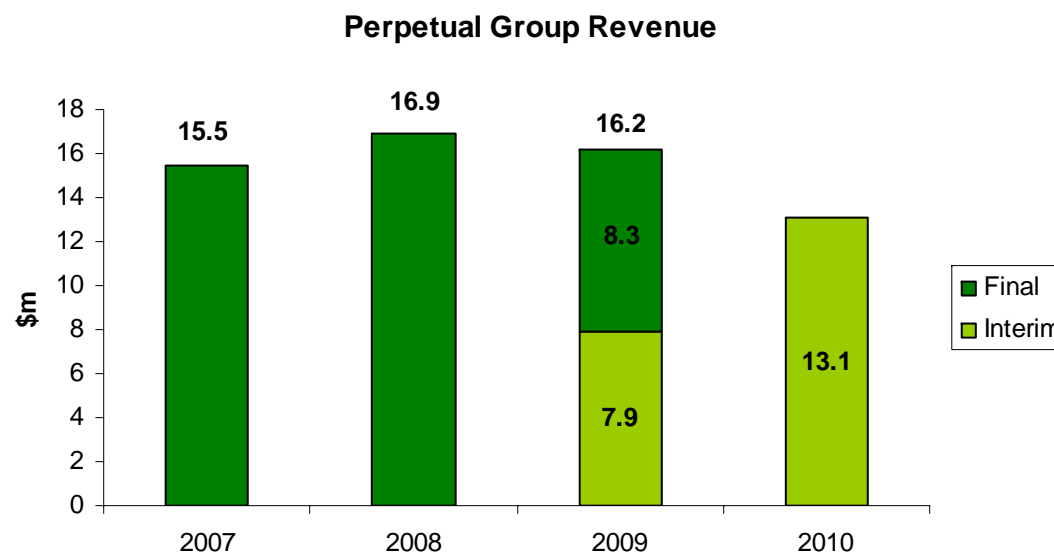
*Note: FUM in 2010 includes Perpetual Asset Management Funds
Previous years are only Perpetual Trust*

PERPETUAL PORTFOLIO MANAGEMENT

- The strategy is to provide Financial Advisory services to the retail wealth management market providing diversified investment portfolios through our own Adviser channel
- Key senior management in place and on track to expand Adviser network and deliver FUA/FUM

PERPETUAL GROUP SUMMARY

- Half year results tracking favourably against PFI
- Perpetual Trust results offset by higher Perpetual Asset Management revenues (Torchlight)
- Development of integrated Wealth Management business



Note: Revenue in 2010 includes Perpetual Asset Management. Previous years are only Perpetual Trust

Sean Kam

Chief Financial Officer, Pyne Gould Corporation



PGC FINANCIAL RESULTS



PGC GROUP YTD2010 OVERVIEW

| Consolidated Income Statement Summary | 6 Months Dec 2009 Actual (NZ\$m) | 6 Months Dec 2009 Budget (NZ\$m) | 6 Months Dec 2008 Actual (NZ\$m) | 12 Months ⁽¹⁾ June 2010 PFI (NZ\$m) |
|--|---|---|---|---|
| Net interest income | 28.7 | 27.0 | 28.5 | 58.1 |
| Other Net operating income | 20.9 | 18.3 | 12.5 | 26.6 |
| Net Operating Income | 49.6 | 45.3 | 41.0 | 84.7 |
| Other expenses | 24.5 | 25.9 | 21.2 | 46.6 |
| Impaired asset expense | 12.5 | 7.4 | 34.3 | 14.4 |
| Operating Profit/(loss) | 12.6 | 12.0 | (14.5) | 23.7 |
| Share of Associate company's profit ⁽²⁾ | 0.7 | 0.6 | (6.9) | 4.4 |
| Profit/(loss) before income tax | 13.3 | 12.6 | (21.4) | 28.1 |
| Income tax expense/(benefit) | 3.2 | 3.7 | (4.4) | 7.2 |
| Net profit/(loss) for the year | 10.1 | 8.9 | (17.0) | 20.9 |

(1) Forecasts are subject to detailed assumptions, qualifications and Risk Factors set out in the Rights Issue Offer Document. Total forecast as per Offer Document adjusted for Agria dilution and PGGW PFI announcement. Forecast not updated further.

(2) Excludes impact of Agria dilution.

(3) Result includes \$4.1m profit on sale of Christchurch Building.

DIVISIONAL EARNINGS BREAKDOWN

| | 6 Months Dec 2009 Actual (NZ\$m) | 6 Months Dec 2009 Budget (NZ\$m) | 6 Months Dec 2008 Actual (NZ\$m) | 12 Months ⁽⁶⁾ June 2010 PFI (NZ\$m) |
|---|---|---|---|---|
| MARAC ⁽¹⁾ | 8.2 | 10.1 | 10.0 | 19.6 |
| Perpetual Group ⁽²⁾ | 3.7 | 3.3 | 2.4 | 7.5 |
| PGG Wrightson ⁽³⁾ | 0.4 | 0.2 | (6.9) | 4.0 |
| Corporate & Minor Entities ⁽⁴⁾ | 1.0 | (1.0) | (26.9) | (3.0) |
| Profit Before Tax⁽⁵⁾ | 13.3 | 12.6 | (21.4) | 28.1 |
| Income Tax expense/(benefit) | 3.2 | 3.7 | (4.4) | 7.2 |
| Net Profit After Tax⁽⁵⁾ | 10.1 | 8.9 | (17.0) | 20.9 |

(1) MARAC Finance Limited. MARAC includes one off \$3.3m pre tax provision for loan irregularity.

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

(3) Including Agria dilution \$0.4m.

(4) Corporate and minor entities includes Pyne Gould Corporation, MARAC Insurance, MARAC Investments, MARAC Securities and MARAC Financial Services.

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

(6) Forecasts are subject to detailed assumptions, qualifications and Risk Factors set out in the Rights Issue Offer Document. Forecast as per Offer Document adjusted for Agria dilution and PGGW PFI announcement. Divisional forecasts have not been updated further.

CONSOLIDATED IMPAIRMENT CHARGE

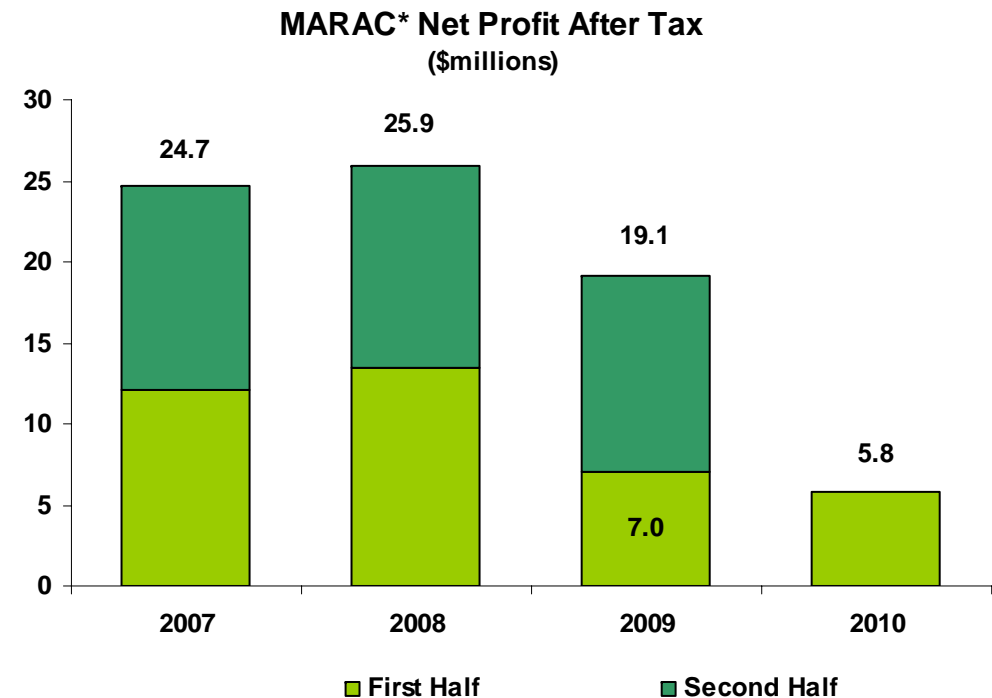
| | 6 Months Dec 2009 Actual (NZ\$m) | 6 Months Dec 2009 Budget (NZ\$m) | 6 Months Dec 2008 Actual (NZ\$m) | 12 Months June 2010 PFI (NZ\$m) |
|------------------------|---|---|---|--|
| Consumer | 1.3 | 2.8 | 2.4 | } 9.1 |
| Commercial | 2.8 | 2.0 | 1.3 | |
| Property | 3.4 | 2.6 | 5.7 | 5.3 |
| Other | 3.3 | - | - | - |
| Total MARAC | 10.8 | 7.4 | 9.3 | 14.4 |
| PGC Underwrite | - | - | 25.0 | - |
| RECL ⁽²⁾ | 1.7 | - | - | - |
| Total PGC Group | 12.5 | 7.4 | 34.3 | 14.4 |

(1) Analysis is by Operating Division not Industry Segment.

(2) Provision relates to release of IFRS discount interest not principal.

MARAC NET PROFIT AFTER TAX

- NPAT \$5.8m vs \$7.0m December 2008
- Underlying performance tracking well
- Reduction due to one off loan irregularity \$2.3m after tax impairment

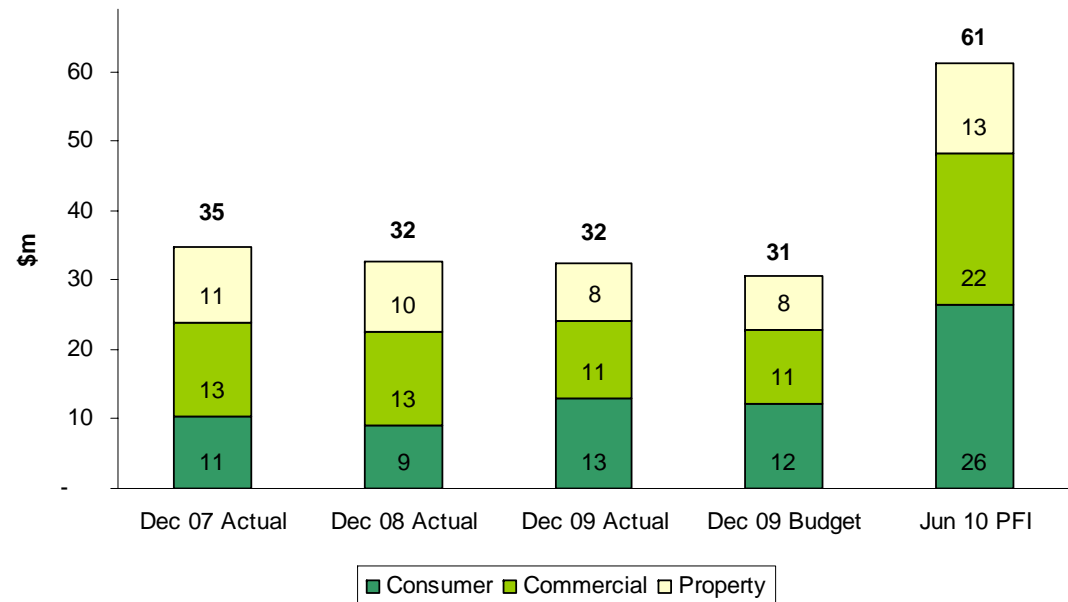


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MARAC NET OPERATING INCOME

- Ahead of Budget by \$1.1m
- NOI similar level to Dec 2008 despite reduced book size
- Strong underlying performance
- Shift to better quality asset income

MARAC Net Operating Income by Business Unit



**MARAC Finance Limited only (excludes MARAC Insurance, MARAC Investments, MARAC Securities, MARAC Financial Services, Nissan Finance)*

Sam Maling

Chairman, Pyne Gould Corporation



LOOKING AHEAD

- PGC on track to meet PFI – targeting net profit after tax of \$21m for the full year
- MARAC continues to grow in core areas and explore consolidation prospects
- Perpetual continuing to roll out best of breed Funds Management and client Financial Advisory Services
- Phase 1 is complete with recapitalisation and recruitment of key people; now in Phase 2 - regaining Investment Grade Rating and Bank Licence

QUESTIONS



BOARD APPOINTMENTS

PGC Board

(Subject to confirmation
at SGM)

Bruce Irvine (Chair)

Bryan Mogridge

George Kerr

George Gould

Jeff Greenslade (MD)

MARAC Board

Bruce Irvine (Chair)

Bryan Mogridge

John Harvey

Michelle Smith

Jeff Greenslade (MD)

Perpetual Group Board

Bryan Mogridge (Chair)

George Kerr

Bruce Irvine

Jeff Greenslade

John Duncan (CEO)

POLL VOTING



GENERAL BUSINESS

