

NZX ANNOUNCEMENT

Friday 27 February 2015

Pyne Gould Corporation Interim Result to 31 December 2014

Pyne Gould Corporation (“PGC”) recorded an (unaudited) interim loss of GBP3.36m (NZD6.7m) for the half year to 31 December 2014, in line with the same period last year (a loss of GBP3.36m restated from NZD6.6m). After other comprehensive income the PGC Net Tangible Asset per share at 31 December 2014 was 35 pence (NZD0.68), up from 29 pence (NZD0.58) the previous year.

The core operating business of PGC contributed a cash profit of circa GBP850k (NZD1.7m). After allowing for higher transitional administrative costs (legal, accounting and compliance) and non-cash accounting charges (principally GBP1.0m of foreign exchange adjustments), the NPAT was a loss of GBP3.36m.

As previously advised, PGC held 25.33% of Torchlight Fund LP as at 31 March 2014 – which through one of its subsidiaries had experienced delay in closing its 31 March 2014 audit. This was due to a requirement by the auditor to fully value at 31 March 2014 the real estate assets – a process that has only just been completed. The net impact on PGC of this is minimal and is reflected in the associate’s equity accounting. In short, the negative impact of valuations as at 31 March 2014 has been offset by, principally, RCL cash profit received between 31 March 2014 and 31 December 2014. This was due to stronger than expected performance from RCL, a major beneficiary of lower interest rates in Australia.

Other Comprehensive Income

The largest other item was a non-cash charge of GBP1.4m (NZD2.9m) relating to the Perpetual Trust Limited receivable – which PGC has changed accounting treatment to a financial asset – held available for sale. This (as previously advised to the market) is required to be valued by an independent valuer. It was previously held at NZD22.2m, and after independent valuation by Grant Thornton, PGC expects to fully recover the NZD22.2m. However it has been revalued to NZD19.3m, to reflect uncertainty around timing of receipt.

UK Listing, Buy backs and Dividends

PGC is continuing to prepare for a London Stock Exchange listing – and as such has now changed its reporting currency to GBP.

PGC will continue to buy back shares as per previous announcements. We will report back to the market once a final decision on a dividend is confirmed.

George Kerr, Managing Director, Pyne Gould Corporation.

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Name of Listed Issuer:

Pyne Gould Corporation Limited

Preliminary unaudited results for announcement to the market

Reporting Period

6 months to 31 December 2014

Previous Reporting Period

6 months to 31 December 2013

	Amount £'000	Percentage change favourable / (unfavourable)
Revenue from ordinary activities (including interest income)	1,425	(44%)
Profit/(loss) from ordinary activities after tax attributable to security holders (excludes discontinued operations and non-controlling interests)	(3,357)	0%
Net Profit /(loss) attributable to security holders (excludes non-controlling interests)	(3,357)	0%

Final Dividend - The Company does not propose to pay an interim dividend.	Nil
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These are unaudited results.

STATEMENT OF FINANCIAL PERFORMANCE

	Unaudited 6 months to December 2014 £'000	Unaudited 6 months to December 2013 (restated)* £'000	Percentage change favourable / (unfavourable)
Continuing operations			
Management fees revenue	1,147	1,532	(25%)
Other income	14	20	(30%)
Total fees and other income	1,161	1,552	(25%)
Interest income	264	999	(74%)
Interest expense	(21)	(54)	61%
Net interest income / (expense)	243	945	(74%)
Investment income	476	-	N/A
Net operating income	1,880	2,497	(25%)
Selling and administration expenses	(3,396)	(4,708)	28%
Operating profit/ (loss)	(1,516)	(2,211)	31%
Foreign exchange losses	(1,003)	-	N/A
Impairment of loan receivable	(445)	2	N/A
Share of equity accounted investees' profit / (loss)	(393)	(1,154)	66%
Other income recognised from equity accounting	-	-	N/A
Profit / (loss) from continuing operations before income tax	(3,357)	(3,363)	0%
Income tax benefit	-	-	N/A
Profit / (loss) from continuing operations	(3,357)	(3,363)	0%
Discontinued operations			
Gain / (loss) on disposal of discontinued operations	-	-	N/A
Profit / (loss) from discontinued operations	(3,357)	(3,363)	0%
Income tax expense	-	-	N/A
Profit / (loss) for the year	(3,357)	(3,363)	0%
Other comprehensive income			
Change in fair value of available for sale financial asset	(1,439)	-	N/A
Foreign currency translation reserves	(378)	(3,134)	88%
Total comprehensive (loss) / income for the year	(5,174)	(6,497)	20%
Earnings per share			
Basic and diluted earnings per share	Pence (0.02)	Pence 1.6	

* Restated to Sterling from New Zealand Dollar

STATEMENT OF FINANCIAL POSITION

	Unaudited 6 months to December 2014 £'000	Unaudited 6 months to December 2013 (restated)* £'000
ASSETS		
Current assets		
Cash and cash equivalents	5,818	189
Advances to associate	9,525	5,820
Finance receivables- Other	1,282	1,319
Current tax asset	6	8
Assets held for sale	2,956	1,692
Prepayments	442	131
Available for sale financial assets	9,726	-
Trade and other receivables	800	3,086
Total current assets	30,555	12,245
Non-current assets		
Advances to associate	-	603
Finance receivables- Co-investment with RCL	14,787	16,807
Investment property	-	2,389
Property, plant and equipment	7	908
Investment in associate	29,902	32,204
Investments - Available for sale financial assets	-	3
Investments - Loans and receivables	-	176
Investments - Fair value through profit or loss	-	3,019
Total non-current assets	44,696	56,109
Total assets	75,251	68,354
LIABILITIES		
Current liabilities		
Bank overdrafts	60	49
Borrowings	81	210
Advances from associate	-	492
Other liabilities	2,599	5,349
Total current liabilities	2,740	6,100
Total liabilities	2,740	6,100
EQUITY		
Share capital	180,799	176,232
Accumulated losses and reserves	(108,288)	(113,978)
Total equity	72,511	62,254
Total equity and liabilities	75,251	68,354
Net tangible assets per share	35 pence	29 pence

* Restated to Sterling from New Zealand Dollar

STATEMENT OF MOVEMENTS IN EQUITY

	Unaudited 6 months to December 2014 £'000	Unaudited 6 months to December 2013 (restated)* £'000
Equity at the beginning of the period	77,801	70,304
Profit / (loss) for the year	(3,357)	(3,363)
Other comprehensive income	(1,817)	(3,134)
Buy back of share capital	(116)	(1,553)
Equity at the end of the period	72,511	62,254

STATEMENT OF CASH FLOWS

	Unaudited 6 months to December 2014 £'000	Unaudited 6 months to December 2013 (restated)* £'000
Cash at the beginning of the period	35	70
Net cash (applied to) / from operating activities	(2,368)	(1,791)
Net cash (applied to) / from investing activities	8,684	3,477
Net cash (applied to) / from financing activities	(497)	(1,616)
Foreign exchange differences	(96)	-
Total cash inflow / (outflow) for the period	5,723	70
Cash at the end of the period	5,758	140

DETAILS OF ASSOCIATE:

Name	% owned
Torchlight Fund LP	27.75%

* Restated to Sterling from New Zealand Dollar