

Annual General Meeting

27th October 2006



Pyne Gould Corporation

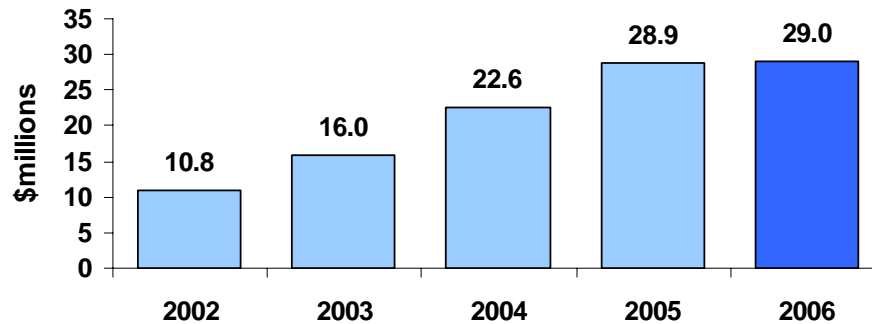
Annual Highlights

- **Group Net Profit after tax of \$66.3m**
- **Net Profit after tax, before abnormals \$29.0m**
- **Dividend increased to 20 cents per share**
- **A 5% increase in net profit by MARAC to \$24.2m**
- **A 32% increase in net profit for Perpetual Trust to \$3.0m**
- **A contribution of \$6.7m from PGG Wrightson (\$9.5m last year)**
- **MARAC received an “Investment Grade” rating from Standard and Poor’s**
- **Merger of Pyne Gould Guinness with Wrightson to form PGG Wrightson completed**

Financial Result

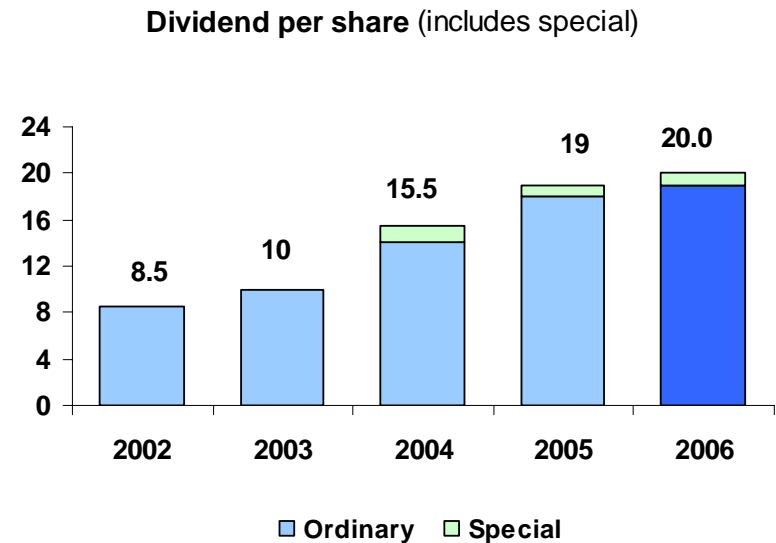
- Net profit after tax of \$66.3m (\$30.2m), an increase of 120%
- Result includes \$37.3m (\$1.3m) of abnormal items
- Operating profit before abnormals \$29.0m

Net Profit After Tax (before abnormals)



Dividend

- **Special dividend of 1 cps**
- **Interim dividend of 8 cps**
- **Final dividend of 11 cps**
- **Total dividend of 20 cents**
- **All fully imputed for tax**



Individual Business Performances and Outlook



Pyne Gould Corporation



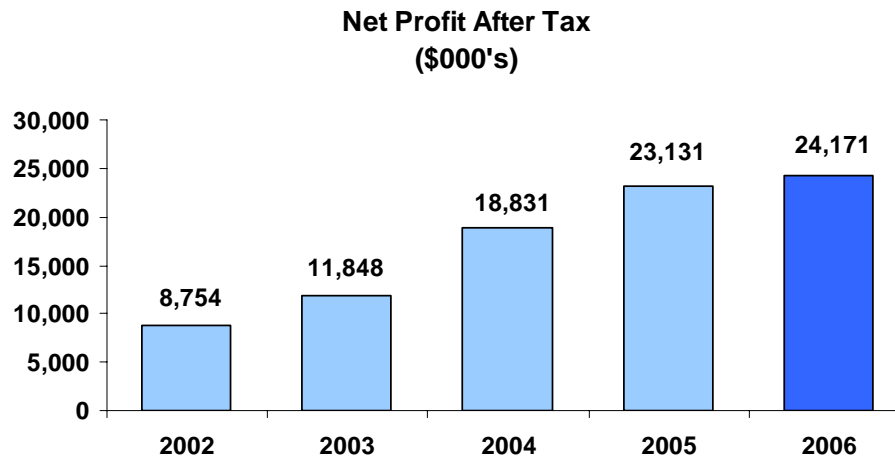
MARAC[®]
MEANS FINANCE

MARAC

- **Net profit after tax up 5% from \$23.1m to \$24.2m**
- **Finance assets up 13% to \$1.165bn**
- **“Investment Grade” Standard and Poor’s rating received**

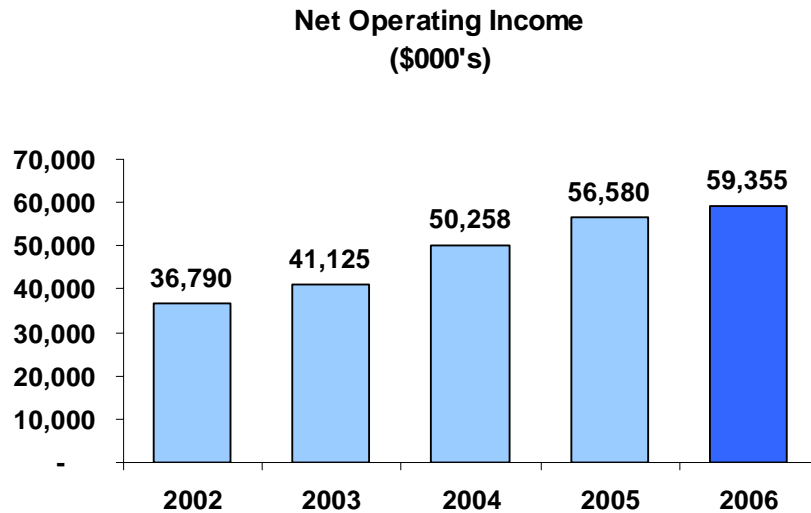
Net Profit After Tax

- Up 5% to \$24.2m
- Revenue growth up 5% to \$59m
- Target segment growth in Commercial
- Impaired asset expense remains low



Net Operating Income

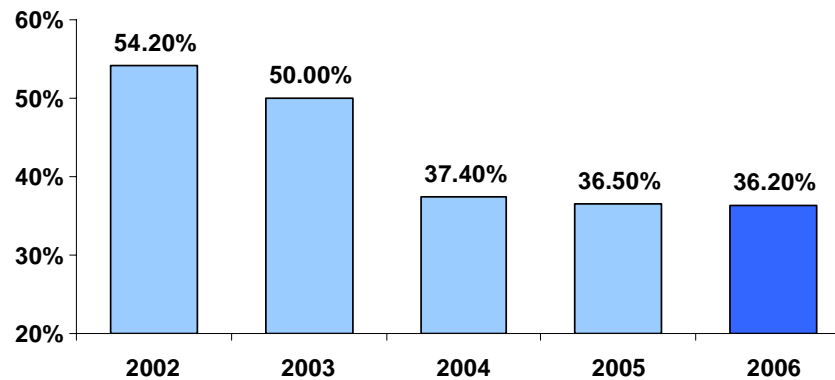
- Up 5% to \$59.4m
- Strong contribution from fee income continues



Efficiency

- Improved efficiency to new benchmarks
- New businesses - MARAC Invoice Finance
 - MARAC Insurance

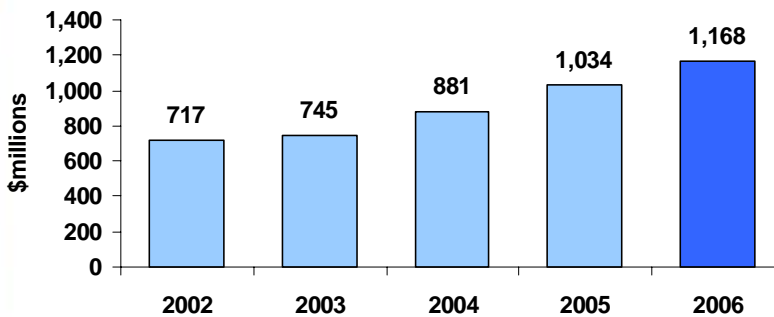
Operating Costs to Operating Income



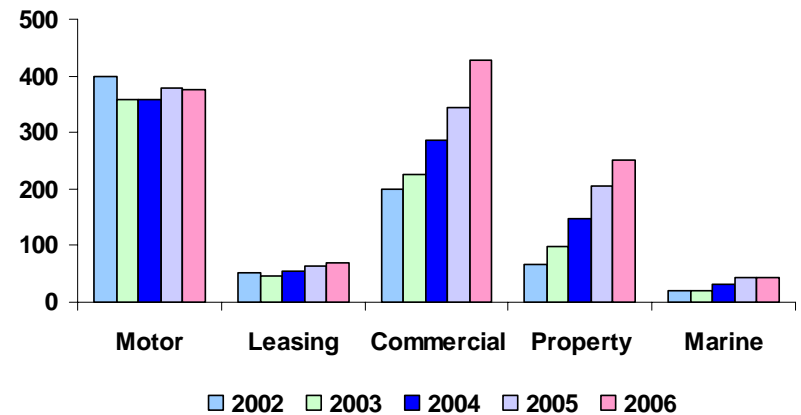
MARAC Finance Receivables

- Up 13% to \$1.168bn
- Commercial growth strategy continues

Total Finance Receivables

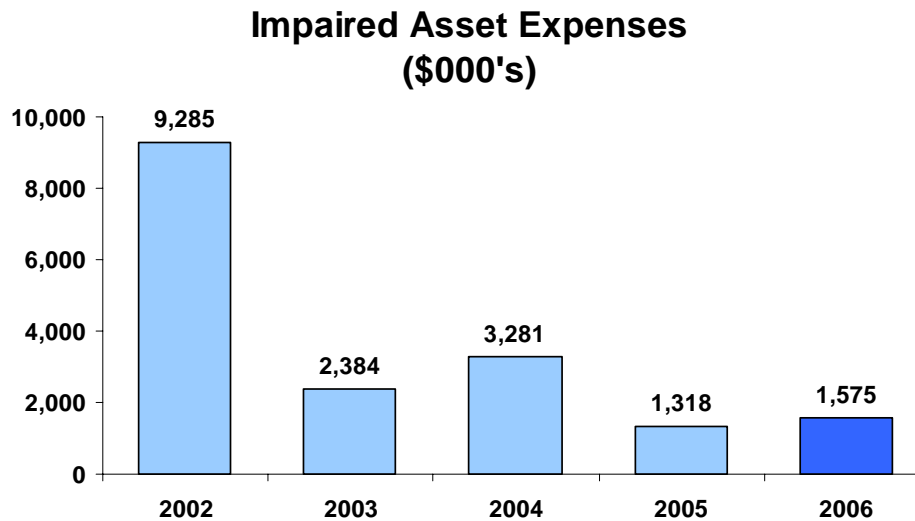


Asset Growth



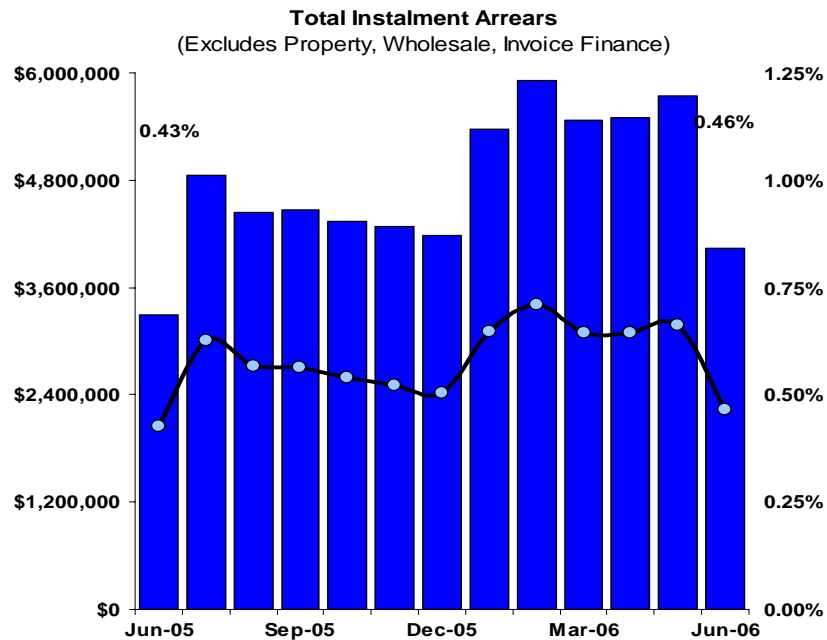
Impaired Asset Expenses

- Credit quality focus
- Arrears position maintained within benchmarks



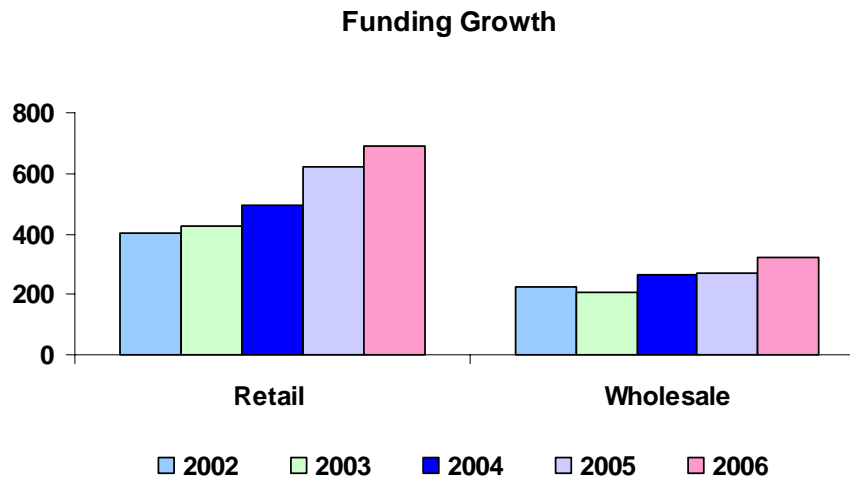
Credit Arrears – All Divisions

- Significant focus on credit quality continues
- A feature of quality business writings



Funding the Business

- “Investment Grade” Rating from Standard and Poor’s
- Reinvestment rates continue at historical highs
- New investor groups now evident



Commercial

“Asset growth of 24% to \$428m”

Strategy

- **Broadening business through new relationships and new dealers**
- **Regional expansion to gain further traction**
- **Wider product offerings**

Motor

“Continues at quality end of market”

Strategy

- **Diversify distribution to new customers and dealers**
- **Further develop direct financing**
- **Lease business**
 - **a focus on residual values**
- **Cross sell of insurance products**

Property

“ Strong growth up 22% to \$251m”

Strategy

- Existing relationship focused
- Concentrating on quality opportunities
- NZ wide expansion

Marine and Leisure

“ Subdued market – Assets up 5% at \$45m

Strategy

- Development of our Campervan business
- Cementing of relationships in a challenging market

Kiwibank / MARAC Partnership

“Announced 29th August 2006”

Motor

- Agreed to provide “Kiwibank Vehicle finance” product for Kiwibank
 - MARAC expertise
 - Kiwibank branded, marketed and promoted

Commercial

- Commercial plant and equipment finance for business
 - Referral of business to MARAC

“Autotrader” Partnership with MARAC

“Announced 4th September 2006”

Motor Dealer

- On line finance and insurance for the Autotrader website
- New brands *i-finance* and *i-insurance*
- Over 36,000 vehicles from dealers on line
- 66% of New Zealands’ Dealers online



i

finance

ONLINE FINANCE

i

insurance

ONLINE INSURANCE

MARAC Current Business Position

- **Growth still evident**
- **Excellent credit position in cycle**
- **Distribution channel development focus**
- **Leverage Standard and Poor's Rating**
- **Sound business strategies to develop the business further**



Perpetual Trust

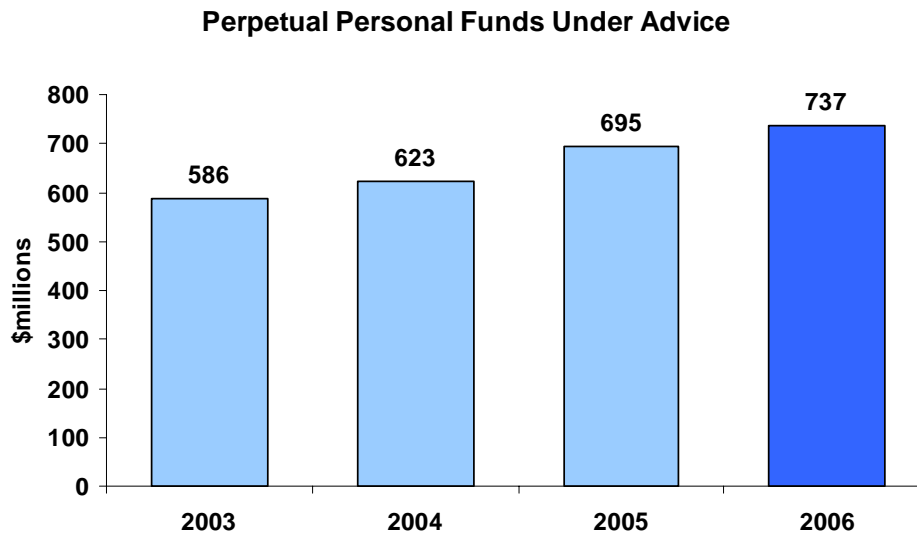
Perpetual

- Net operating profit of \$3.0m, 32% up on last year
- Operating costs contained
- Revenue grew by 16% to \$19.8m
- Two new funds launched



Personal Wealth Management and Advice

- Focus on quality service and referral relationships
- 6% growth in funds under advice



Managed Funds

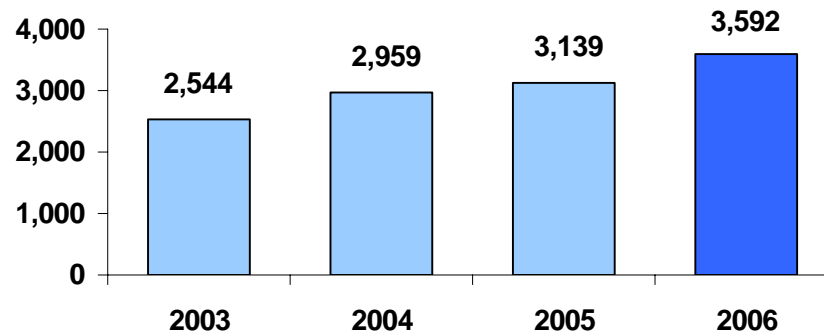
- Funds under management at similar levels
- Funds rationalised for 2007 tax changes (closed 7, launched 2)
- Aria Fund and NZ/Australian Share Fund launched
- Focus on distribution



Corporate Trust

- Revenue up 14% over last year and up 67% since 2002
- Funds under supervision over \$18bn
- Focus on competitive service and new business

Perpetual Corporate Trusts Revenue
(\$000's)



Perpetual

Current Business Position

- **Growing revenue and costs controlled**
- **Valuable satisfied client base**
 - **Personal clients 94% would recommend to others**
 - **Corporate clients 98% would recommend to others**
- **Improved offering – service levels and new products**
- **Growth in managed funds post tax changes**
- **New CEO, Louise Edwards, part of the turnaround team**



The logo for PGG Wrightson features a stylized graphic of two curved lines, one dark blue and one green, positioned above the company name. The name "PGG Wrightson" is written in a bold, italicized, dark blue sans-serif font.

PGG Wrightson

PGG Wrightson

- Company achieved an audited net profit of \$27.0m
- Contributed \$6.7m to the PGC result, compared to \$9.5m last year
- Merger completed
- Trading conditions deteriorated during latter months

Merger

- Merger completed and behind us
- Two key objectives delivered
 - Implement quickly
 - Maintain business as usual

Tougher Trading Conditions

Rural Services Division

- Farm incomes were down
 - NZ\$ and commodities
- Reduced demand for farm inputs
- Lower sheep and beef tallies

Finance Division

- Asset growth and extension of services across the country

Seeds & Grain

- Domestic targets achieved
- International sales reduced
 - Australian drought



Pyne Gould Corporation