



7 January 2011

SHARES ISSUED AND MERGER COMPLETE

Shares in Building Society Holdings Limited (BSHL) were today allotted, completing the legal merger of CBS Canterbury, Southern Cross Building Society and MARAC.

Though the shares are transferable as of today, they are not expected to list on the NZSX until the 31st of January 2011.⁽¹⁾

The chief executive of BSHL, Jeff Greenslade, said that today's share issue was the final step in what had been a long and complex journey for all the parties involved – CBS Canterbury, Southern Cross Building Society and Pyne Gould Corporation as the owner of MARAC. "We started talking in early 2010 so it has been a long journey particularly for the staff and boards of the three organisations who have worked tirelessly to get this merger across the line. But there has been strong support for this all the way along – not only from shareholders and investors but also from a much broader cross section – businesses, community leaders, politicians and others – all of whom want to see us succeed in our aspiration of becoming a bank."

"Our aspiration to become a bank⁽²⁾ was given a significant boost this week with the announcement from Standard & Poor's of an Investment Grade credit rating for Combined Building Society. We believe that getting an Investment Grade credit rating is a pre-requisite to a bank registration application and we remain committed to the objective of becoming a bank."

The shares in BSHL are now held by former CBS Canterbury shareholders (13.04%) and former Southern Cross Building Society shareholders (14.75%). The balance of the holding in BSHL (72.21%) is held by MARAC Financial Services Limited, a subsidiary of Pyne Gould Corporation (PGC), which is a separately listed company on the NZSX.

PGC has communicated its intention to distribute to its shareholders the majority of its holding in BSHL and place the balance.

- Ends -

(1) 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 7 January 2011 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.

(2) None of Combined Building Society, Building Society Holdings Limited, CBS Canterbury, Southern Cross Building Society, Pyne Gould Corporation Limited or MARAC Finance Limited 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.