

**PYNE GOULD CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006**

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**PYNE GOULD CORPORATION LIMITED
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**DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2006**

The directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the group as at 31 December 2006 and their financial performance and cash flows for the year ended on that date.

The directors consider that the financial statements of the group have been prepared using appropriate accounting policies consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Board of Directors of Pyne Gould Corporation Limited authorise the financial statements set out on pages 3 to 10 for issue on 27 February 2007.

For and on behalf of the Board.

S R Maling,
Chairman

B J Jolliffe,
Managing Director

27 February 2007

PYNE GOULD CORPORATION LIMITED
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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 DECEMBER 2006

	Note	6 months to 31 Dec 2006 Unaudited \$000	6 months to 31 Dec 2005 Unaudited \$000	12 months to 30 Jun 2006 Audited \$000
Total operating revenue	2	93,051	198,950	291,973
Operating surplus before taxation		21,511	58,787	81,686
Taxation		6,962	7,351	14,199
Operating surplus after taxation		14,549	51,436	67,487
Minority interest		(30)	(1,065)	(1,171)
Net profit after taxation		14,519	50,371	66,316

	6 months to 31 Dec 2006 Unaudited \$000	6 months to 31 Dec 2005 Unaudited \$000	12 months to 30 Jun 2006 Audited \$000
Net profit after taxation			
Financial Services	12,576	11,444	24,171
Trustee Services	1,414	1,455	2,623
Rural Services	2,864	2,275	6,693
Other Operations	(2,335)	(2,132)	(4,500)
Net profit after taxation before abnormal gain	14,519	13,042	28,987
Abnormal gain	-	37,329	37,329
Net profit after taxation	14,519	50,371	66,316

PYNE GOULD CORPORATION LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2006

	As at 31 Dec 2006 Unaudited \$000	As at 31 Dec 2005 Unaudited \$000	As at 30 Jun 2006 Audited \$000
Assets			
Current assets	12,659	5,713	7,827
Finance receivables	1,132,180	1,051,609	1,092,802
Operating lease vehicles	68,913	68,733	68,908
Non current assets	1,447	826	1,375
Investment in associate	88,779	87,742	89,662
Intangible assets	18,272	22,996	21,351
Property, plant and equipment	5,155	5,133	4,644
Total assets	1,327,405	1,242,752	1,286,569
Liabilities			
Current liabilities	31,592	32,477	36,562
Borrowings	1,071,660	996,855	1,029,353
Total liabilities	1,103,252	1,029,332	1,065,915
Equity			
Share capital	85,373	85,130	85,130
Retained earnings	138,780	127,911	135,039
Shareholders' equity	224,153	213,041	220,169
Minority interests	-	379	485
Total equity	224,153	213,420	220,654
Total equity and liabilities	1,327,405	1,242,752	1,286,569

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STATEMENT OF MOVEMENTS IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2006

	6 months to 31 Dec 2006 Unaudited \$000	6 months to 31 Dec 2005 Unaudited \$000	12 months to 30 Jun 2006 Audited \$000
Equity at beginning of period	220,654	225,025	225,025
Net profit after taxation:			
Attributable to parent shareholders	14,519	50,371	66,316
Minority interests	30	1,065	1,171
Total recognised revenues and expenses for the period	14,549	51,436	67,487
Contribution from owners:			
Share capital issued	243	164	164
Total contribution from owners	243	164	164
Distribution to owners:			
Movements in minority interest (excluding deconsolidation)	-	(103)	(103)
Dividends paid	(10,778)	(11,752)	(20,569)
Total distribution to owners	(10,778)	(11,855)	(20,672)
Deconsolidation of subsidiary	(515)	(51,350)	(51,350)
Equity at end of period	224,153	213,420	220,654

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STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2006

	Note	6 months to 31 Dec 2006 Unaudited \$000	6 months to 31 Dec 2005 Unaudited \$000	12 months to 30 Jun 2006 Audited \$000
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		7,693	65,573	76,209
Interest received		62,577	57,581	118,259
Operating lease revenue received		11,827	11,596	22,551
Fees and other income received		8,638	7,662	16,364
Net GST received		498	-	-
Tax refunded		176	-	1,273
Dividends received from associate		3,747	-	2,498
Total cash provided from operating activities		95,156	142,412	237,154
Cash was applied to:				
Payments to suppliers and employees		18,928	80,088	99,317
Interest paid		40,290	37,576	76,706
Net GST paid		292	258	897
Taxation paid		6,166	5,337	14,575
Total cash applied to operating activities		65,676	123,259	191,495
Net cash flows from operating activities	5	29,480	19,153	45,659
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment		1	6	13
Proceeds from sale of operating lease vehicles		6,668	5,478	11,629
Proceeds from sale of investments		374	-	-
Effect of Pyne Gould Guinness Ltd deconsolidation		-	83,317	83,317
Effect of Mortgage Express deconsolidation		337	-	-
Total cash provided from investing activities		7,380	88,801	94,959
Cash was applied to:				
Increase in finance receivables		41,145	88,939	131,832
Increase in investments		105	16,673	17,710
Purchase of property, plant and equipment		1,083	7,788	7,914
Purchase of operating lease vehicles		15,100	19,062	33,005
Advance to employee share purchase scheme		214	127	104
Total cash applied to investing activities		57,647	132,589	190,565
Net cash flows from / (applied to) investing activities		(50,267)	(43,788)	(95,606)

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	6 months to 31 Dec 2006 Unaudited \$000	6 months to 31 Dec 2005 Unaudited \$000	12 months to 30 Jun 2006 Audited \$000
Cash flows from financing activities			
Cash was provided from:			
Increase / (decrease) in borrowings	39,404	84,291	116,678
Increase in share capital	243	164	164
Total cash provided from financing activities	39,647	84,455	116,842
Cash was applied to:			
Dividends paid to minorities	-	4,339	4,339
Dividends paid	10,778	11,752	20,569
Total cash applied to financing activities	10,778	16,091	24,908
Net cash flows from financing activities	28,869	68,364	91,934
Net decrease in cash held	8,082	43,729	41,987
Opening cash balance	(4,756)	(46,743)	(46,743)
Closing cash balance	3,326	(3,014)	(4,756)
Represented by:			
Cash and bank balances	3,326	(3,014)	(4,756)
Closing cash balance	3,326	(3,014)	(4,756)