

Viewpoint

Pyne Gould Corporation Limited Newsletter

September 2008

- Record net profit after tax of \$44.8m
- Dividend increase from 21c to 23c

Your directors are pleased to report that Pyne Gould Corporation Limited has achieved another record net profit after tax for the year ended 30 June 2008 of \$44.8m, up 22% on the \$36.7m achieved last year.

All three businesses produced record results with MARAC Finance Group up 6% to \$27.9m, Perpetual Trust up 26% to \$3.7m and PGG Wrightson's contribution up 75% to \$15.8m.

The directors have declared a fully imputed final dividend of 13 cents per share. This will be paid on 3 October 2008.

Following the interim dividend of 10 cents paid in March, this takes the annual dividend to 23 cents per share, an increase of 2 cents over last year.

The significant improvement in profitability by all of our businesses in the current environment is a testament to the way the company operates, its prudent business strategies, strong corporate governance, and experienced Boards and management.



Sam Maling
Chairman
Pyne Gould Corporation



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Financial calendar

Year-end	30 June 2008
Year-end results announcement	26 August 2008
Dividend Reinvestment Plan (DRP) booklet and Participation Form posted	29 August 2008
Advice of strike price for DRP for final dividend for 2008	24 September 2008
Record date for final dividend for 2008 and DRP Participation Form required to Share Registrar	26 September 2008
Annual report and final dividend advice posted	1 October 2008
Final dividend paid	3 October 2008

PGC update

Annual Meeting – new venue

The Pyne Gould Corporation Annual Meeting of Shareholders will be held at 4.00pm on Friday 31 October 2008.

This year the meeting will be held in the Showgate Room at Riccarton Racecourse in Christchurch.

We have changed to a bigger venue, which has ample adjacent car parking, so that everybody can be comfortably seated.

Further details on the Annual Meeting will be sent to you with your copy of PGC's Annual Report.

Dividend Reinvestment Plan (DRP)

Over recent years PGC's businesses have grown, and this is expected to continue. Shareholders can participate in PGC's growth by investing in new shares issued by the company through PGC's new Dividend Reinvestment Plan, rather than having their dividend paid out in cash.

How the DRP works

Participation in the DRP is completely optional. If you wish to receive your dividends in cash as you have in the past, then no action is required.

However, if you would like to participate in the DRP, there are two options you can choose from:

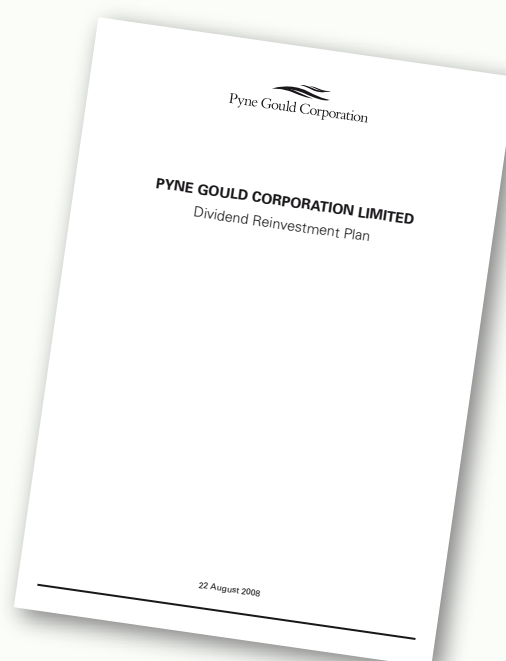
1. Full Reinvestment, which means you can elect to have all of your dividend entitlement used to invest in new shares issued by PGC; or

2. Partial Reinvestment, where you elect a specified portion of your dividend entitlement to be invested in new shares issued by PGC, with the remaining portion paid as a cash dividend.

The enclosed DRP booklet contains details of the offer. If you would like to participate in the DRP, please complete the enclosed DRP Participation Form and return it to the Share Registrar, Link Market Services, in the reply paid envelope provided.

If after reading the DRP booklet you have further questions, please contact me on colin.hair@pgc.co.nz or 03-363 6219.

Colin Hair
Company
Secretary



PGC posts another record result

PGC's Board is pleased to report another record net profit after tax result of \$44.8m, up 22% on last year's \$36.7m, for the year ended 30 June 2008. A particular highlight of this result was all three of Pyne Gould Corporation's businesses producing record results: MARAC Finance Group, up 6% at \$27.9m, Perpetual Trust up 26% at \$3.7m, and PGG Wrightson's contribution up 75% at \$15.8m. Below is an overview on each of the businesses.

MARAC

The MARAC Finance Group achieved a net profit after tax of \$27.9m, an increase of 6%, and total finance receivables increased 8% to \$1.4bn. These results were particularly pleasing given the performance of the wider finance sector, and global and local credit market conditions.

On the funding side, the focus was on continuing to strengthen and diversify MARAC Finance Limited's funding sources and increase liquidity. The securitisation programme, which commenced in August 2007, has provided a new funding facility of \$300m. A new syndicated bank facility of \$480m, with all of New Zealand's major banks, was finalised in April 2008, and provided an increase of \$80m on previous individual facilities. After the balance date, a five-year secured bond programme raised \$104.2m.

MARAC Finance Limited's reinvestment rate was maintained at normal historical levels at around 63% in the year under review. MARAC's investors remain loyal, and the MARAC brand remains strong.

Perpetual Trust

Revenue grew by over 10% to \$16.9m. Operating expenses also increased by 9% giving an overall net profit after tax of \$3.7m, up 26% on last year.

Perpetual Trust's corporate trust division continued its strong performance with a 15% increase in revenue for the year.

The personal wealth management division experienced growth with record numbers of wills written and new trusts established. Total funds under advice increased 11% to \$980m at year end.

PGG Wrightson

PGG Wrightson (PGW) made a net profit after tax of \$73.2m, compared to \$40.6m in the same period last year. This resulted in a contribution to PGC of \$15.8m compared to \$9.0m last year, an increase of 75%.

On a more comparative basis, excluding capital gains, other one-off items and the earnings from NZ Farming Systems Uruguay, net profit after tax was \$39.2m, up 35% on last year. The company's performance showed the benefits of the merger between Wrightson and Pyne Gould Guinness, even though conditions were not entirely favourable during the year.

Further information

Fuller details and financials will be included in PGC's Annual Report; we will mail your personal copy on 1 October. We will also explain the annual results in more detail at the Annual Meeting.

In the meantime, if you would like more information, a copy of the announcement made to the NZX, or a copy of the supporting presentation given to the news media and analysts, they are available on our website at www.pgc.co.nz

Sam Maling

Chairman

PGC's five-year summary

Key financial results	2008	2007	2006	2005	2004
Net operating profit	\$44.8m	\$36.7m	\$29.0m	\$28.9	\$22.6m
Abnormal items	\$0m	\$0m	\$37.3m	\$1.3m	\$3.4m
Net profit after tax	\$44.8m	\$30.6m	\$66.3m	\$30.2m	\$26.0m
Total assets	\$1,572m	\$1,450m	\$1,287m	\$1,421m	\$1,243m
Shareholders' funds	\$261m	\$239m	\$220m	\$174m	\$161m
Dividend	23.0c	21.0c	20.0c	19.0c	15.5c
Return on shareholders' funds	17.8%	16%	14.7%	17.2%	14.7%

A new director for PGC

We are pleased to announce the appointment of George Kerr as a new director to the Board of Pyne Gould Corporation Limited and its subsidiary companies, MARAC and Perpetual Trust.

The Board had been keen to acquire specific skills in the broader financial services area and George clearly fits this criteria. In addition, he has a real affinity with the business through family association and is also one of the company's major shareholders.

As required by the company's constitution, George will be retiring and standing for re-election at the Annual Meeting on Friday 31 October 2008.

Please join me in welcoming George to the Board.

Sam Maling
Chairman

Special offer for PGC Shareholders

Two great rates.

10.00% p.a.
FOR 90 DAYS WITH INTEREST ON MATURITY.

10.25% p.a.
FOR 12 MONTHS WITH INTEREST QUARTERLY.

These rates are exclusive to PGC Shareholders and are 0.5% higher than the rate available to the public. Minimum investment \$1,000.

Phone MARAC on 0800 26 27 22 for your First Ranking Secured* Debenture Stock Investment Statement.



MARAC

* Subject to permitted prior charges (currently none) and claims given priority by legislation. Rates are subject to change. Pyne Gould Corporation nor any other entity guarantees any securities offered or the return payable thereon by MARAC Finance Limited.



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1. to seek specific advice on any particular matter from a qualified professional person and
2. not to rely solely on this text.



Pyne Gould Corporation