

NZX ANNOUNCEMENT

Thursday 22 October 2014

PGC sells shares in EPIC

Pyne Gould Corporation Limited (“PGC”) today announced it has sold its entire 41.89 million shares in Equity Partners Infrastructure Company No.1 Limited (“EPIC”) for GBP0.30 per share or GBP12.6m. This is approximately equivalent to 60 cents a share or NZD25.4m.

The price of 60 cents is ahead of PGC’s carrying value and the gain on sale will be reflected in the results to June 30 2014.

PGC Managing Director George Kerr said that following the recent takeover of EPIC by United Kingdom interests, PGC no longer has the opportunity to control EPIC and, therefore, made a pragmatic decision to would sell its stake to those interests associated with EPIC Investor LLP.

PGC has also agreed a settlement deed with EPIC to create a clean break between the companies and put to an end the litigation between the two firms. The key terms of the Deed are that PGC has been repaid the GBP525,000 advance previously made to EPIC, and EPIC has waived its claim for NZD2.6m. In addition, PGC has paid NZD380,000 to EPIC, which is the amount PGC had previously accrued for legal costs in litigation. These terms are consistent with provisions made in PGC’s preliminary annual accounts.

PGC plans to update the market regarding its audited annual results by the end of this week.

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