

Dear Shareholders : Acquisition of EPIC's manager by Pyne Gould Corporation

Posted: 29 July 2009

Equity Partners Asset Management Limited ("EPAM"), the parent company of Equity Partners Infrastructure Management Limited ("EPIM") who is the investment manager of Equity Partners Infrastructure Company No 1 Limited ("EPIC"), has been acquired by NZX listed company Pyne Gould Corporation ("PGC").

George Kerr, who is the owner and Chairman of EPAM, is a Director of PGC and, through Pyne Family Holdings, is PGC's largest shareholder.

EPAM and EPIM will become part of a new PGC group company, Perpetual Asset Management Limited, to be chaired by George Kerr. This company will both manage and own cornerstone shareholdings in major funds, initially focussed on infrastructure and real estate credit assets and, in time, other asset classes.

What does this mean for EPIC shareholders?

- Fundamentally, nothing has changed for EPIC shareholders.
- The independent board of EPIC remains the same.
- The investment process remains the same.
- The current fee structure payable under the management agreement remains the same.
- The investment philosophy of EPIM – "anchored to shareholder returns as part of a client's long-term investment portfolio" remains the same.
- The current executive team of EPAM is transferred to Perpetual Asset Management Limited.
- EPIM believes there are clear benefits in the additional resources available to EPIM from the larger PGC Group, and considers that EPIM can leverage off these when undertaking its role as EPIC's investment manager.

Next Steps

The acquisition of EPAM represents a “change of control” of EPIM and requires the consent of EPIC under the terms of the management agreement between EPIC and EPIM. Currently, having regard to all relevant factors, we see no reason why this consent should not be granted. However, please be assured your board will consider all the issues carefully, and will be seeking independent advice prior to granting this consent.

Yours Sincerely,

Don Walker

Chairman