

*NZX & Media Release  
13 February 2009*

## **Market Update**

Pyne Gould Corporation Limited (PGC) last advised the market in December 2008 of its outlook for the half year.

### **MARAC**

As previously advised MARAC's core business continues to perform well with strong liquidity and solid margins. Comment was also included covering the credit situation flowing from the deepening recession.

Specifically we announced that PGC had agreed to provide an underwriting facility to MARAC to allow it to manage difficult property assets in a timely way. The property market has continued to deteriorate with added uncertainty as to outcomes. The Board met yesterday and decided it was prudent to utilise the underwrite to \$25m, for impaired property loans, at 31 December. This is a conservative approach at this time, but one which the Directors consider justified given the extraordinary market conditions.

MARAC still expects to report a half year result before tax in the range of \$9m - \$11m.

### **Pyne Gould Corporation**

PGC's strong balance sheet means it is well placed to support MARAC's property book through the underwrite facility. Although in the nature of a "one off", utilisation of the underwrite will affect the half year result, and PGC now expects to report a half year loss after tax in the range of \$13m - \$15m.

Further guidance in regard to dividend will be provided when the full interim result is announced on 27 February 2009

**Brian Jolliffe**  
Managing Director

**Sam Maling**  
Chairman