

PGC to raise \$30 million in Placement

Pyne Gould Corporation Limited advises that it has successfully raised \$30 million through a placement of shares to institutions and habitual investors.

The placement completes the second leg of PGC's recapitalisation process and follows the completion this week of its rights issue which raised \$237 million.

PGC Chairman Sam Maling said: "We are delighted with the support shown from the market for the placement. This represents a strong endorsement of PGC and its strategy to become a New Zealand publicly listed banking and asset management company.

"The placement amount is the maximum that was sought and brings the total capital raised by PGC to \$267 million. Demand for shares in the placement was also driven by the strong level of take-up under the rights offer."

The \$30 million placement of new capital will see 68,627,907 shares being placed to institutional and habitual investors, including non-broker sub-underwriters of the recently closed PGC rights offer, at a price of NZ\$0.43 per share and 1,000,000 shares being placed to Pyne Family Holdings Limited (a company associated with George Kerr, a director of PGC) at a price of NZ\$0.49 per share, resulting in total proceeds of NZ\$30 million.

The placement shares are expected to be allotted on Wednesday, 28 October 2009.

SR Maling

Chairman