Pyne Gould Corporation

New Zealand Exchange Announcement and Media Release

PGC posts another top half year result

Highlights for the six months to 31 December 2006

- **Net profit before abnormal items up 11.3% to $14.5 million**
- **Fully imputed interim dividend of 9 cents per share**
- **Another record profit for MARAC**
- **Perpetual Trust's recent profit improvement maintained.**

Financial Performance

The directors of Pyne Gould Corporation (PGC) today announced a net profit before abnormal items of $14.5m, up 11.3% from the $13.0m for the same six month period last year.

No abnormal items occurred in the current period. Last year an abnormal gain of $37.3m resulting from the merger of Pyne Gould Guinness with Wrightson to form PGG Wrightson lifted the net profit after tax for the six months to 31 December 2005 to $50.3m.

PGC Chairman Sam Maling said the company continued to enhance and expand its businesses during the period.

"Once again, MARAC reported record operating profit and finance receivables; Perpetual Trust produced a satisfactory result; and PGG Wrightson was up significantly over the comparable period last year.

MARAC entered into new relationships with Kiwibank and Auto Trader and established a new division Ascend Finance. Perpetual Trust concentrated on its managed funds business establishing two new funds – the Aria Fund and the Perpetual Trust New Zealand/Australia Share Fund. PGG Wrightson successfully promoted the establishment of a Uruguay farming company".

Interim Dividend

The directors have declared a fully imputed interim dividend of 9 cents per share.

This compares with the interim dividend of 8 cents per share paid last year, plus a 1 cent per share special dividend, derived from the special dividend paid by Pyne Gould Guinness just prior to its merger with Wrightson to form PGG Wrightson.

MARAC

“The MARAC Finance group secured its record half-year result of $12.6m on the back of a 5% growth in net operating revenue and a continuing low impaired asset expense,” said Managing Director Brian Jolliffe.

“The result achieved was pleasing and a testament to MARAC’s overall value for money and service proposition, notwithstanding continuing margin pressure,” he said.

MARAC’s divisions performed strongly, including as follows:

Commercial, whose primary focus remains the financing of plant and equipment to NZ businesses, recorded finance receivables growth of 12%. Growth continues to be well spread throughout New Zealand and, despite some evidence of capital expenditure intentions easing, we remain confident that Commercial will achieve its full year targets. The Kiwibank partnership for Commercial is meeting early expectations with a number of quality transactions settled.

Property has continued to perform strongly. The investment loan portfolio is showing steady growth.

The **motor** market remains difficult as the number of vehicles sold by dealers continues to reduce. The value of secondhand vehicles in particular has suffered, as an over supply of New Zealand new and imported cars has led to price reductions. Our credit quality remains in excellent shape but pressure on residual values in our leasing business has occurred.

The relationships established with Kiwibank and ACP Media continue to develop strongly and provide a diversified strategy for MARAC’s motor finance business. Although both relationships are in their formative stages, they will play an increasingly important role as the way New Zealanders buy vehicles continues to change.

Ascend Finance is a newly formed MARAC division commencing operations this month. Ascend will be targeting higher return commercial, consumer and property business and currently has bases in Whangarei, Auckland, Waikato, Bay of Plenty, Palmerston North and Dunedin.

Perpetual Trust

“Perpetual Trust had a satisfactory half year, with net profit of $1.4m slightly down on last year’s record interim result of $1.5m”, Brian Jolliffe said**.**

“After a significant 32% increase in net profit last year, this year has been an opportunity to consolidate the higher result. Revenue continues at a steady increase of 5% against last year, but increases in operating expenses resulted in net profit being down marginally on last year. The operating expense increases were budgeted in order to position the company for continued growth in key areas.”

There were strong increases in revenue from the corporate trust business as well as the personal client division, in particular legal and trust fees. Fund management fees are slightly down on the same period last year, as Opio Forestry Fund and a number of smaller group investment funds were closed as part of a strategic review of this part of the business. The Perpetual Trust Mortgage Fund is the largest fund managed by Perpetual Trust, and it has grown steadily since December 2005. The two new funds, Aria and the New Zealand/Australia Share Fund, are building Perpetual’s funds under management capability further and Perpetual Trust will be well positioned to take advantage of tax changes in late 2007.

Our 60% investment in Mortgage Express was sold during the period at slightly above book value.

PGG Wrightson (PGC owns 22% of PGG Wrightson)

PGG Wrightson had an encouraging result given the more difficult trading environment experienced in the six months, with the high New Zealand dollar and lower farmer confidence impacting on performance.

PGG Wrightson made a net profit of $12.9m, compared to $5.0m in the same six month period last year. Rural services contributed $2.9m to PGC, compared to $2.3m last year.

“Although profits have increased, the growth has been slower than we would have liked. Management is fully focused on performance improvement and growth notwithstanding the high dollar and confidence issues. We are confident of an improvement,” Brian Jolliffe said.

During the period the company successfully launched NZ Farming Systems Uruguay, a company set up to acquire and develop Uruguayan farmland by applying intensive pasture-based farm management systems developed in New Zealand.

Full-year Outlook

In looking ahead to the full year result, Mr. Maling said at this stage we are confident that in the full year the company will achieve a net profit before abnormal items in line with last years'.

"The current focus of the PGC group is to enhance and expand our financial services businesses and to build on the new initiatives implemented in the first half. These initiatives have all required additional investment, which is having some detrimental effect on profit.

However, the Board is confident that in the medium term the strategy will deliver a broader business, and enhance shareholder value. We are also expecting an improved result from PGG Wrightson".

Ends
27 February 2007

Dividend
Record date 17 March 2007
Payment date 30 March 2007

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ABOUT PYNE GOULD CORPORATION

Pyne Gould Corporation is a holding company for three separate businesses: MARAC and Perpetual, which are 100% owned subsidiaries, and PGG Wrightson, a 22% owned associate. Pyne Gould Corporation also owns its head office building in Christchurch. For more information, please visit www.pgc.co.nz

MARAC consists of:

- MARAC Financial Services Ltd, which is the umbrella company for all the MARAC companies:
  - MARAC Finance Ltd – a motor vehicle, business, plant and equipment (commercial), marine and leisure, and property lending finance company
  - MARAC Securities Ltd – an arranger of structured finance solutions
  - MARAC Investments Ltd – a specialised niche investment company
  - MARAC Insurance Ltd – a provider of insurance products to MARAC clients.
- Nissan Finance New Zealand Ltd – a lender to the Nissan dealer network.

For more information, please visit www.marac.co.nz

Perpetual Trust
Perpetual is a nationwide trustee company operating under its own Act of Parliament, passed in 1884. The company specialises in financial planning, managing investments, and providing professional trustee services to personal and corporate clients.

For more information, please visit www.perpetualtrust.co.nz

PGG Wrightson is New Zealand's leading rural services group, with national and international operations serving clients in agriculture, horticulture and other sectors. The group has 130 branches, under the *PGG Wrightson*, *Williams & Kettle* and *Fruitfed Supplies* brands.

PGG Wrightson is a leader in forage plant breeding for pastoral farming, with seed research and marketing operations in New Zealand, Australia and Uruguay.

Nationwide businesses comprise livestock and wool broking, farm input supplies, real estate, rural finance and farm insurance services.

The group also includes businesses in farm consulting and training; irrigation and pumping systems; and feed supplement supply to dairy producers.

For more information, please visit www.pggwrightson.co.nz