

Viewpoint

Pyne Gould Corporation Limited Newsletter

July 2008

Financial Year Ends on a High

2008 is flying by and, as we settle into winter, we have already reached the end of the financial year. All of the PGC group companies are continuing to trade well and we expect to have strong results to announce on 26 August for the year ended 30 June 2008. In other news, we have developed a dividend reinvestment plan which is outlined on page 4 and PGG Wrightson has announced an investment in Silver Fern Farms (formerly PPCS). This is discussed further on page 4.

Enjoy this issue of *Viewpoint*.



Sam Maling
Chairman
Pyne Gould Corporation



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Financial Calendar

Year-end	30 June 2008
Year-end results announcement	26 August 2008
Share register closes for final dividend	15 September 2008
Annual report mailed	22 September 2008
Final dividend payment	26 September 2008
Annual meeting	31 October 2008

Looking back at PGC's history

This article is the first in an occasional series that will dig into the archives for some interesting snippets about PGC's history.



George Gould



Fred Pyne



E. R. Guinness

The people behind the name

Many businesses take the name of their founders, and PGC's forerunner, Pyne Gould Guinness, was no exception. So who were these three men?

In 1851, George Gould placed an advertisement in the Lyttleton Times, offering for sale

"... groceries and provisions of all kinds... Men's, women's and children's boots... 30,000 totara shingles, palings and a quantity of window sashings."

Mr Gould was obviously well ahead of his time in understanding the importance of diversification! Within a few months he had doubled his business, Gould, Beaumont & Co., and even extended it to include real estate and a letting agency.

Fred Pyne, by 1887, was well known as a man who knew his horses. From this grew his business Pyne & Co. He was an outstanding bloodstock auctioneer who could quote from memory the extended breeding and performance of any horse under the hammer. He also gained fame for his immaculate suits and polished shoes, even maintaining his spotless appearance at the saleyards.

The third character was of course Frank Guinness, who began his business life running a horse repository but quickly diversified to become a land sales auctioneer

and commission agent. He traded under the company name Guinness & Le Cren Ltd. Frank also served as the Inspector of Police, the Akaroa Postmaster and the receiver of gold revenue.

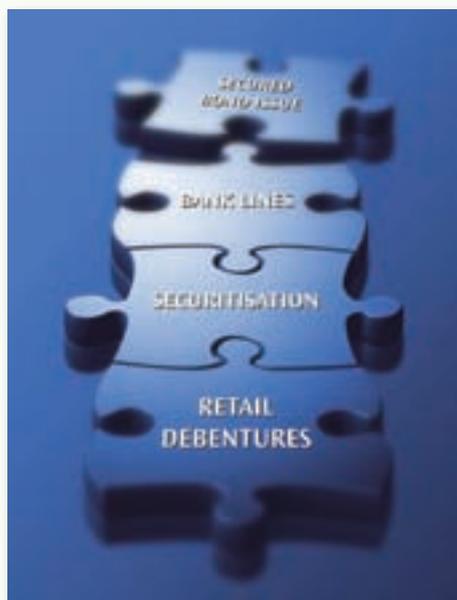
On the evening of 28 March 1919, nine men representing the respective three businesses, Pyne & Co., Gould, Beaumont & Co., both of Christchurch, and Guinness & Le Cren Ltd of Timaru, sat around the home of Alexander Boyle in Christchurch. The nine men at the meeting were J. Beswick, who presided, Alexander Boyle, B.L. Lane, R.L.M. Kitto, George Gould, F.M. Warren, E.R. Guinness, T.J. Maling and Norton Francis.

As a result of that meeting, it was decided that it was time to merge the interests and resources of the three respective businesses, and Pyne, Gould, Guinness Ltd was formed.

They could never have envisaged how their business venture would turn out nearly a century later, but at PGC we like to think they would be proud of our achievements, as well as the continuing strong family ties through a number of the directors and the shareholders.

Colin Hair
Company Secretary

MARAC launches \$100m Secured Bond Offer



MARAC has recently announced the opening of its Offer of up to \$100 million of first ranking*, five-year, fixed rate Secured Bonds (with up to a further \$25 million of Secured Bonds available by way of oversubscriptions) to New Zealand investors.

MARAC's Secured Bond Offer has been rated BBB- by international credit ratings agency Standard & Poor's. BBB- is deemed 'investment grade' by the international investment community.

The Secured Bond Offer is jointly underwritten by Forsyth Barr Group Limited and ANZ National Bank Limited. The Secured Bonds will return the greater of 10.50% p.a. or 2.75% above the five-year swap rate and the minimum investment amount is \$5,000. The Secured Bonds will be listed on the NZDX**, which will allow investors to buy and sell the Secured Bonds.

This offer of Secured Bonds represents a further diversification of MARAC's funding base which already consists of committed bank facilities, secured debenture stock (retail deposits) and securitisation. The Secured Bonds will add a fourth stream of funding to the business. Liquidity is particularly relevant and the proceeds from this offer will further enhance MARAC's already healthy liquidity reserves, which were \$160 million as at 30 June 2008.

We expect MARAC's Secured Bond Offer to fill quickly, so if you're interested in this quality investment opportunity, please be in early. Offer closes 18 July 2008.

For a copy of MARAC's Secured Bond investment statement and prospectus or for further information, please contact one of MARAC's investment team on **0800 26 27 22** or talk to your financial adviser.

Alan Williams
Chief Financial Officer

* Subject to permitted prior charges (currently none) and claims given priority by legislation.

** Application has been made by MARAC Finance Limited for permission to list the securities and all requirements of New Zealand Exchange Limited (NZX) relating thereto that can be complied with on or before the date of distribution of the advertisement have been duly complied with. However, NZX accepts no responsibility for any statement in this advertisement.

Announcing our new dividend reinvestment plan

Your PGC Board is delighted to be able to announce the forthcoming opportunity to increase your investment in PGC. With our proposed dividend reinvestment plan you will be able to use some or all of your dividends to subscribe for additional PGC shares to be issued to you*.

It's your choice as to whether to be part of our dividend reinvestment plan. If you want to keep receiving your dividends in cash you don't need to do anything – we will carry on paying your dividends in the usual way.

Further information will be sent to you on our dividend reinvestment plan very soon.

Sam Maling
Chairman

*This isn't a new share offer and we are not seeking any additional funds. We will only accept applications for securities from subscribers who have received and read our Investment Statement.

PGG Wrightson's Investment in Silver Fern Farms

PGG Wrightson, in which PGC holds a 22% shareholding has recently announced that it is proposing to invest \$220m in Silver Fern Farms (formerly PPCS) to obtain a 50% shareholding.

PGC, which through our joint shareholder agreement with Rural Portfolio Investments, controls PGW, strongly supports this proposal and voted in favour of the transaction at PGW's recent board meeting.

The proposal is essentially for a partnership between PGW's livestock procurement business and Silver Fern Farm's processing and marketing business. This will result in an integrated supply chain model that will be able to deliver enhanced returns to farmers.

At the heart of this is change to the purchasing dynamics of the red meat market and an evolution to a more ordered and co-ordinated approach to procurement.

We also expect it to be a catalyst to further consolidation in the industry.

There will be plenty of opinions about all of this and lots of free advice I'm sure.

But the bottom line from PGC's perspective is that we expect this transaction will add value to our investment in PGW.

The proposal is subject to the approval of SFF's shareholders and meetings are being held through the country to explain the proposal to farmers.



Sam Maling
Chairman
Pyne Gould Corporation



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Readers are urged:
1. to seek specific advice on any particular matter from a qualified professional person and
2. not to rely solely on this text.

Exclusive offer for PGC shareholders

10.50% p.a.

for 18 months with interest quarterly.

These rates are 0.5% higher than the rate available to the public and are exclusive to PGC shareholders.

Minimum investment \$1,000.

Phone MARAC Finance Limited on 0800 26 27 22 for your First Ranking Secured* Debenture Stock Investment Statement.



* Deposits are secured by first ranking debenture stock, subject to permitted prior charges (currently none) and claims given priority by legislation. Neither Pyne Gould Corporation nor any other entity guarantees any securities offered or the return payable by MARAC Finance Limited. Rates subject to change.



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