MARCH 2004

Pyne Gould Corporation

NZSX LISTING **PROFILE**

Financial Adviser
Antipodes

Organising Broker
FORSYTH BARR

MARAC MEANS FINANCE

NISSAN FINANCE

Perpetual Trust

PGG Pyne Gould Guinness

PYNE GOULD CORPORATION LIMITED

NZSX LISTING **PROFILE**

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This Profile is dated 9 March 2004. The Profile is not a registered prospectus under the Securities Act 1978. It has been prepared in connection with the proposed listing of Pyne Gould Corporation on the New Zealand Exchange main board equities market, the NZSX. It is proposed that Pyne Gould Corporation's shares will be listed and quoted on the NZSX from 30 March 2004.

Pyne Gould Corporation

Pyne Gould Corporation

9 March 2004

Dear Investor

The Directors of Pyne Gould Corporation Limited welcome the opportunity to present this Profile.

We are a long established public company with a proud record in providing both rural and financial services. Our rural services business separately lists as Pyne Gould Guinness Limited and our financial services businesses are possibly better known to you through the MARAC and Perpetual Trust brands.

The listing of Pyne Gould Corporation brings you the opportunity to invest with these leading providers of financial and rural services in New Zealand. We have a proven track record in these businesses and the mix has served us well in the past.

Over the last 10 years we have steadily lifted both earnings and dividend and the share price has responded accordingly. Over the last 3 years in particular, the dividends and the increase in share price combined have achieved a compounded annual return of 20% for our shareholders.

The outlook for our business overall remains positive and we believe we are well positioned to achieve further growth.

This listing provides access to a more sophisticated market for our shares, it opens the door to new investors, and it gives the Company options for capital raising in the future.

I hope that the material we have put together for this Profile will be informative and of interest.

If you would like to invest in Pyne Gould Corporation Limited shares, you should contact your local broker or financial adviser.

Yours sincerely,

Sam Maling
Chairman

Pyne Gould Corporation Limited
233 Cambridge Terrace, P.O. Box 167, Christchurch, New Zealand, Telephone 03 365 0000, Facsimile 03 379 8616

AN INTRODUCTION TO PYNE GOULD CORPORATION

Group Introduction
Since completing a comprehensive strategic review in 2000, Pyne Gould Corporation has substantially reshaped and refocussed its business. Today Pyne Gould Corporation concentrates its efforts on the active management of its financial services businesses and on directing and managing its rural services investment. These comprise;

- MARAC – one of New Zealand's largest finance companies with $835 million of finance receivables. MARAC contributes approximately 63% of group earnings.

- Perpetual Trust - corporate trust and personal client financial services businesses generating solid earnings from a modest investment base. Perpetual Trust contributes approximately 6% of group earnings.

- Pyne Gould Guinness (PGG) – a 55% stake in the South Island's leading rural service provider contributing approximately 31% of group earnings.

Financial services represent a common thread across the group as PGG has a substantial rural finance business. Consolidated financial services comprise 78% of group earnings.

Based upon trades of Pyne Gould Corporation shares on the Unlisted Securities Market (USM) the Company's market capitalization as at the date of this Profile is $254 million. Pyne Gould Corporation has in excess of 1,700 shareholders.

Brief History
Pyne Gould Corporation's origins can be traced back to 1851 when the founders of PGG commenced business in Christchurch. Major milestones in the period up to the formation of Pyne Gould Corporation in 1987 include;

- Formation of PGG in 1919

- Establishment of PGG's Trust Department in 1934 to accommodate the needs of farmer clients and shareholders

- Expansion in financial services through the 1959 acquisition of Finance and Discounts, a South Island motor vehicle financier

- Acquisition of a controlling stake in the Christchurch Press in 1985

- Sale of the Christchurch Press shareholding in 1987 enabling a large return of capital and creating substantial cash reserves within the Company.

The sale of the Christchurch Press investment led to a group restructure in 1987 from which Pyne Gould Corporation was established as a holding company to direct and manage its investments. The new company embarked upon a two-pronged investment strategy;

- Further expansion of core financial and rural services
- Investment in areas unrelated to the Company's core activities to promote diversity in its portfolio

Expansion of the core business was achieved by a series of acquisitions and investments;

- A 40% shareholding in rural services company Reid Farmers in 1988
- 100% of Allied Finance, an Auckland motor vehicle financier in 1992
- 100% of AMP Perpetual Trustee Company in 1994, subsequently merged with PGG Trust to form Perpetual Trust.

Diversified investments made in the same period included a 26% shareholding in Amuri Corporation in 1987, a 28% shareholding in Apple Fields in 1989 and further investment in Amuri to take a majority shareholding in 1994. Poor performing investments within Amuri were rationalised during 1992 to 1996 and the Apple Fields investment was exited in 1994.

As part of an investment into the formative stages of electricity industry de-regulation, Amuri was renamed South Eastern Utilities (SEU). Pyne Gould Corporation held a 51% shareholding in the company. In 1999 SEU cashed up its electricity investments, and set out to explore other opportunities.

Leveraging Core Strengths

In 2000 Pyne Gould Corporation undertook a strategic review of its activities. This review proved to be the catalyst for the substantial reshaping of the Company. The diversified investment strategy that had delivered good shareholder returns since Pyne Gould Corporation's inception was put aside as the Board resolved to refocus its resources on leveraging its competencies in financial and rural services.

The principal thrusts of this new strategy were to pursue;

- Increased scale and breadth in financial services
- Consolidation in rural servicing

A period of intensive activity followed as Pyne Gould Corporation executed its strategy. In relation to financial services;

- Frontline Finance, MARAC Finance and MARAC Securities were acquired in late 2000 more than doubling the size of Pyne Gould Corporation's finance business
- The integration of Frontline and MARAC with Pyne Gould Corporation's existing finance businesses commenced. This involved combining the front and back offices of four separate businesses operating on different systems and under different brands
- The integration was successfully completed resulting in a single business trading under the MARAC brand.

The takeover of cashed-up SEU by Pyne Gould Corporation was completed in March 2001 returning $32 million to the Company. This cash was applied to retire debt raised by Pyne Gould Corporation to fund its finance company acquisitions.

In rural services;

- Consolidation was achieved through the merger of PGG and Reid Farmers in September 2001

- The integration of the two businesses focussed on removal of cost duplications and achieving "best of breed" practices across all areas as the businesses came together. The integration was completed in June 2002 with gains exceeding expectations

- Following the sale of 13 million shares, Pyne Gould Corporation reduced its shareholding in the enlarged PGG to 55.5%.

As part of this substantial re-shaping of its business Pyne Gould Corporation also streamlined and improved governance capability and performance effectiveness by integrating its subsidiary company boards into a single board overseeing its wholly owned MARAC and Perpetual Trust businesses. Board composition and size has been refined to ensure an effective mix of skills and experience.

Investment Track Record
Since its formation in 1987 Pyne Gould Corporation's track record of shareholder returns has consisted of regular and steadily growing dividends and an increase in share value. To illustrate;

- In the last 10 years dividends have always been paid and have never reduced

- In 9 of the last 10 years dividends have increased. A further increase is anticipated in 2004 on the 20 cents per share paid in 2003

- In the last 3 years Pyne Gould Corporation's share price has increased from $3.35 at the start of 2001 to $5.20 at the date of this profile, while paying out 54 cents in fully imputed dividends.

Combining gross dividends and share price appreciation and assuming reinvestment of dividends, Pyne Gould Corporation's shares produced a compounded annual return of 20% for the three years to 31 December 2003. This compares to a return of 13% for the NZSX 40 Gross index calculated on the same basis over the same period.

Core Values
Pyne Gould Corporation has a history of understanding and successfully developing service-based businesses. The values which have underpinned and shaped its culture since the establishment of PGG in 1919 remain central to its future. The Company believes that reliability, prudence, trust, stability and a strong customer focus remain key foundation stones in the Pyne Gould Corporation culture. Directors and management are committed to preserving these values while growing dividend income to shareholders and building long-term capital value in its businesses.

Current Investment Strategy
Pyne Gould Corporation's history demonstrates a long term commitment to its core businesses and the Company remains focused on the further development of its financial and rural services businesses.

Pyne Gould Corporation's current investment strategy is;

- To focus on maximising opportunities to grow its financial and rural services business
- To retain control over the capital expansion and dividend policy in each primary investment area
- To support the profitable expansion of MARAC with the provision of additional capital
- To support PGG's strategy of expanding services to its rural clients
- To complete the re-positioning of Perpetual Trust in a manner which builds on its current market position and customer base and provides growth in the future.

Outlook - Investment Mix and Structure
At this time Pyne Gould Corporation has no initiatives planned that would require the raising of additional capital. Directors consider that the current level of parent company debt relative to the investment assets held by the parent company is appropriate and provides sufficient headroom to fund further growth in MARAC and other investment or acquisition activities whilst maintaining the current dividend policy.

Should a sufficiently compelling acquisition or investment opportunity arise in the finance or rural services industries, Directors would consider all available funding options to optimise the Company's overall cost of funds and maximise shareholder value. It is anticipated that the move to full NZSX listing will broaden the Company's funding options, both in relation to equity and quasi-equity or subordinated debt type instruments.

Pyne Gould Corporation's existing investment and governance structures work effectively. The Board has demonstrated a capacity to develop and effectively execute fundamental changes to investment mix and structure where it believes long-term value growth for shareholders is best served. It also recognises that as the Company's subsidiaries continue to grow and evolve, further changes may be initiated to best meet the requirements of these businesses and the Company's shareholders.

Outlook – Business Growth
While the potential exists for a slowdown in business and consumer spending, and trading conditions in the rural sector will clearly be more difficult in the near term, Pyne Gould Corporation is well positioned to deliver further earnings growth over time. Each of its businesses have opportunities and strategies to improve financial performance;

- MARAC expects to continue its growth in earnings primarily driven by;
  - further performance improvements from the business model and integrated resources created by the merging of Pyne Gould Corporation's four finance businesses
  - market share gains in commercial plant, equipment and business financing where it currently holds a smaller market share and further expansion and diversification of its other businesses
  - integration having created additional capacity within the business to manage increased receivables without the need to increase costs
- Perpetual Trust is focused on building on its stable earnings base through an improved product offering and expanded distribution
- PGG continues to pursue its successful strategy of diversifying its earnings away from direct commodity exposures. This strategy, combined with continued improvement in business unit operations, has the potential to deliver solid growth going forward.

Dividend Policy

Pyne Gould Corporation has demonstrated a long run commitment to increasing dividend income for its shareholders. The Company has increased its dividend in 9 of the last 10 years and on average has paid out 60% of its reported net surplus (before unusual and non-recurring items) during this period.

This commitment to maintaining and growing dividend income for shareholders is balanced against;

- Ensuring that the Company's subsidiaries, MARAC in particular, have sufficient capital to support their continued growth

- Preserving the underlying strength of Pyne Gould Corporation's balance sheet.

Consistent with these objectives, and subject to the Company's financial position and performance, Directors aim to distribute 55% to 65% of reported net surplus (before unusual and non-recurring items). This policy will allow the continued growth of MARAC. Should other compelling opportunities to grow value present themselves, or the capital requirements of subsidiaries change, Directors may re-visit the level of dividend pay out.

Directors intend to attach full imputation credits to the extent that they are available. It is anticipated that the Company will be able to fully impute dividends for the foreseeable future. Dividends will be paid twice yearly, an interim dividend in March and a final dividend in September.

In February 2004, with the announcement of its result for the half year to 31 December 2003, Pyne Gould Corporation declared a fully imputed interim dividend of 11 cents per share. Based on forecast performance for the remainder of the 2004 financial year, Directors anticipate paying a final dividend of 14 cents per share, bringing the total dividend to 25 cents per share, a 25% increase on last year.

The Directors give no assurances that the current dividend policy and indicated level of imputation credits will be maintained. In addition, while the earnings track records of Pyne Gould Corporation's subsidiaries indicate strong, profitable growth in financial services and, in recent years, relatively stable earnings in rural services, shareholders should be aware that changes in the performance of subsidiaries could impact the level of dividend paid and, in extreme circumstances, the Company's ability to pay dividends.

Reasons for Listing

Pyne Gould Corporation shares have been traded on the Unlisted Securities Market (USM) since the mid 1990's. From the Company's formation in 1987, the shares also traded through a Company managed Quarterly Exchange (QE). This trading mechanism was terminated in early 2001 due to the price differential between the USM and QE and the lack of liquidity provided by the QE.

Since the cessation of the QE, the Company has examined a number of different trading options and decided to pursue a full NZSX listing. The main drivers for moving to list on the NZSX are;

- To encourage greater liquidity in the Company's shares through increased market awareness and wider geographic and investor type spread

- To enable more transparent market based price setting

- To facilitate improved access to capital should it be required in the future.

In recent years there has been increasing trading activity in Pyne Gould Corporation's shares with annual traded volumes doubling between 2001 and 2003. Directors anticipate that further increases in trading levels can reasonably be expected as a result of the NZSX listing.

PYNE GOULD CORPORATION LIMITED

FINANCIAL PERFORMANCE **HIGHLIGHTS**

HISTORIC FINANCIAL PERFORMANCE

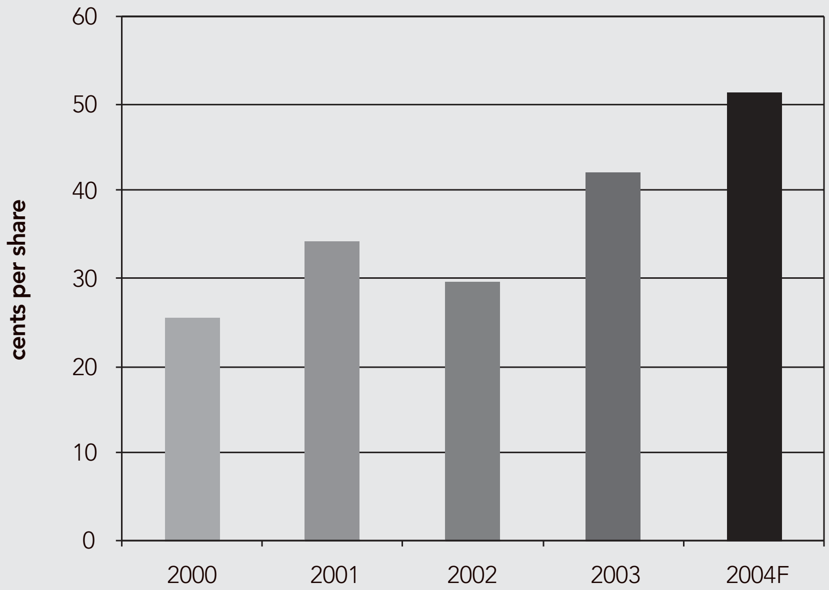
	2003 $000	2002 $000	2001 $000	2000 $000	1999 $000
Total operating revenue	414,412	398,928	258,035	210,567	236,991
Net surplus before taxation and minority interests	34,314	24,076	19,828	23,841	36,153
Net surplus	16,048	13,171	15,505	17,219	19,661
Adjusted net surplus[1]	20,292	14,430	16,724	12,436	10,352
Dividend per share	20c	17c	17c	16c	14.2c[2]
Net asset backing per share	$2.97	$2.82	$2.72	$2.57	$2.38[2]

2004 INTERIM AND FORECAST FINANCIAL PERFORMANCE

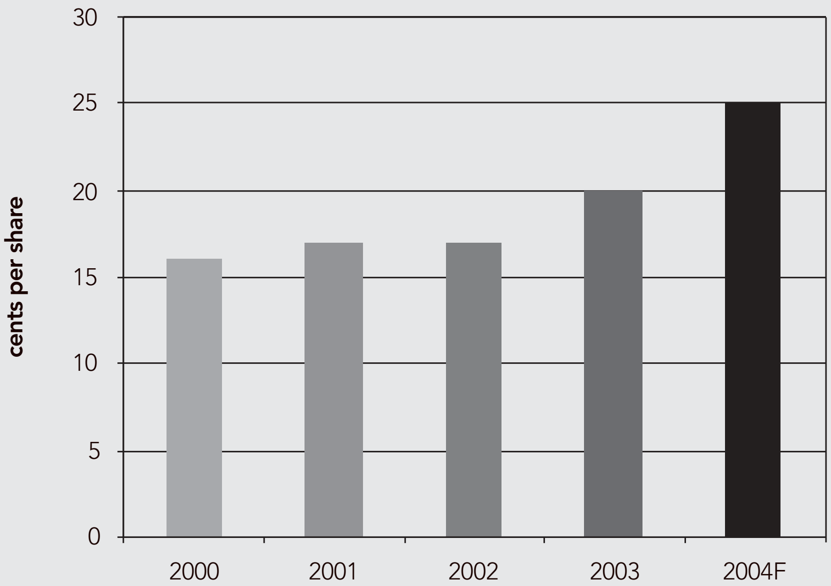
	Forecast[3] 12 months to 30/6/04 $000	Actual 6 months to 31/12/2003 $000	Actual 6 months to 31/12/2002 $000
Total operating revenue	422,114	219,166	193,085
Net surplus before taxation and minority interests	42,107	21,468	15,346
Net surplus	21,098	10,772	6,889
Adjusted net surplus[1]	25,376	12,901	9,079
Dividend per share	25c		
Net asset backing per share	$3.20	$3.08	$2.87

[1] Adjusted for unusual and non-recurring items and amortisation of intangibles as per note 2 on page 32
[2] Adjusted for 1 for 5 bonus issue in 2000
[3] The assumptions underlying the 2004 forecast are expanded upon in the Prospects and Forecasts section on page 34.

Adjusted Earnings Per Share[1]



Dividend Per Share



PYNE GOULD CORPORATION LIMITED

SNAPSHOT OF **THE BUSINESSES**

Full descriptions of MARAC, Perpetual Trust and PGG are set out in the section entitled Profile of the Businesses on pages 25 to 31 of this Profile.

FINANCIAL SERVICES – MARAC

Overview
MARAC's financing activities are focused on three main market segments;

- Motor vehicle financing for both dealers and end purchasers
- Plant, equipment and business financing direct to small and medium businesses and through dealers
- Property financing, predominantly for development.

Of smaller size, but growing strongly, is marine and leisure asset financing for consumers.

MARAC funds its finance lending through a combination of retail term deposits and wholesale bank facilities.

High Quality Portfolio and People
MARAC operates at the quality end of New Zealand's non-bank finance market. Quality in a finance company primarily equates to the quality of its loan book, which is a direct function of;

- Credit process and approval criteria
- The application of these processes and criteria by finance company personnel.

Well constructed credit processes and approval criteria accurately applied by employees should translate to a lending book characterised by;

- Quality borrowers and assets
- Robust security positions
- Low levels of impaired loan write-offs.

MARAC recognises that people are the key element in this equation. Within MARAC there is a pool of experience and specialist knowledge in the industries and of the assets which it finances. MARAC's stated mission is "to be New Zealand's leading financial services people, rated best in all we do."

Financial Performance
The acquisitions of Frontline Finance and MARAC Finance at the end of 2000 were followed by a period of internal focus as the acquired businesses were integrated with Pyne Gould Corporation's existing finance businesses. Despite this focus, MARAC grew its total receivables by $37 million and $29 million in the years to 30 June 2002 and 2003 respectively.

With the integration complete and its business processes, systems and cost structures in order, MARAC has pursued controlled growth in its key markets in the 2004 financial year;

- Finance and lease receivables grew by $79 million or 11% to $817 million in the 6 months to 31 December 2003
- Total receivables are forecast to grow by $41 million to reach $858 million by 30 June 2004 (an annual increase of 16.3%).

The combination of increased receivables and substantial integration cost savings translated to strong earnings growth in the 2003 financial year, with further significant gains forecast for the year to 30 June 2004. The 2002 result was negatively impacted by two significant doubtful debt provisions. While the inherent nature of finance company business means that there will always be unrecoverable loans to write off, the two large provisions made in 2002 were the result of specific incidents, the causes of which have been addressed.

Year Ended 30 June ($millions)	**Forecast 2004**	**Actual 2003**	**Actual 2002**
Total receivables	858	738	709
Adjusted net surplus *	17.0	11.9	7.4

* Adjusted for unusual and non-recurring items as per note 2 on page 32

MARAC contributes approximately 63% of Pyne Gould Corporation's group earnings.

Business Outlook

The forecast performance for MARAC to 30 June 2004 reflects another strong half year and positive conditions in all of MARAC's markets through to June. However the growth in receivables is not expected to match that of the first six months of the year.

In the near term and into the following year the prospect of rising interest rates and a slowdown in consumer and business spending have potentially inhibiting implications for receivables growth rates however if the New Zealand dollar continues to be strong, this will have some offsetting implications. Also offsetting the potential for lower growth rates, the outlook for asset financing in MARAC's key markets remains positive as businesses and consumers seek to utilise their capital invested in assets more efficiently.

In motor vehicle financing;

- A reduction in new vehicle sales from recent record levels is anticipated as higher interest rates impact on disposable income

- Balancing this, the strong New Zealand dollar will hold down the price of vehicles for consumers and there will continue to be a need for imported used vehicle replacements

- A new focus on gaining a greater share of business from existing dealer relationships and plans for geographic expansion in areas where MARAC currently has low representation are expected to add further growth.

Commercial plant, equipment and business financing is currently the fastest growing sector for MARAC as it benefits from the integrated business' ability to now focus on external opportunities in this substantial market segment. It is anticipated that this positive trend will continue, assisted by;

- Lower prices for imports supporting continued growth in commercial plant and equipment lending

- Replacement policies for the types of assets financed by MARAC underpinning future demand for finance

- Geographic expansion outside the three main metropolitan centres which dominate the existing business.

Property development activity is expected to slow, however while there may be fewer financing opportunities to consider in MARAC's target market, repeat business from MARAC's client base of successful property developers will continue.

MARAC expects continued strong growth in its newer marine and leisure financing business through market share gains.

FINANCIAL SERVICES – PERPETUAL TRUST

Overview
Perpetual Trust operates under its own Act of Parliament and has been providing financial advice and assistance to New Zealanders since 1884.

Following the reorganisation of its personal client services business into one operating unit, Perpetual Trust comprises three main business units;

- Personal Client Services

- Managed Funds

- Corporate Trust.

Perpetual Trust's personal client business is the provider of a comprehensive range of wealth management services to clients and their families across the generations.

The managed funds business focuses on a small number of targeted product offerings, including mortgage and cash management funds.

In corporate trust, Perpetual Trust is one of four large players providing trustee and statutory supervisor services in the debt and equity capital markets. The business has a stable base of customers and has in excess of $10 billion of assets under its supervision.

In addition to its three main areas of activity, Perpetual Trust has a 50% holding in Mortgage Express, one of New Zealand's larger residential mortgage brokers.

Perpetual Trust also operates a small accounting practice which it has decided to exit. The sale of this business will not have a material impact upon the company's net surplus.

Financial Performance
Perpetual Trust has a long-term track record of reliable profitability but with little growth in recent years.

The 2002 result was adversely impacted by additional costs associated with the strategic realignment of the personal client services business and reduced fee revenues from estate administration. Earnings returned to acceptable levels in the 2003 financial year but the 2004 financial year is forecast to again deliver reduced earnings.

Year Ended 30 June ($millions)	**Forecast 2004**	**Actual 2003**	**Actual 2002**	**Actual 2001**
Adjusted net surplus *	1.7	2.1	1.6	2.3

* Adjusted for unusual and non-recurring items and amortisation of intangibles as per note 2 on page 32

Perpetual Trust contributes approximately 6% of Pyne Gould Corporation's group earnings.

Business Outlook
The underlying nature of Perpetual Trust's corporate trust and personal client businesses means that they enjoy a high level of business continuity. This on-going business provides relatively stable base revenues.

Looking forward, Perpetual Trust recognises that the relevance and quality of its product offering will be a key success factor in a competitive and rapidly changing market place. The repositioning of its personal client services business to build on its strong client base and to also better meet clients' requirements continues.

In general, the outlook for Perpetual Trust's business units is favourable because;

- The market for financial products and offerings requiring corporate trustee supervision remains strong
- Heightened awareness of the requirement to save, the ageing profile of New Zealand's population and strongly performing financial markets are positive for both the personal client and managed funds businesses.

In addition, the investment in Mortgage Express is expected to provide a growing contribution.

RURAL SERVICES – PYNE GOULD GUINNESS

Overview
Pyne Gould Guinness is an NZSX listed company with a market capitalisation at the date of this profile of $125 million.

PGG has its origins in rural services companies established in Southland, Otago and Canterbury in the second half of the 19th century and continues to operate primarily in the South Island, where it has a market leading position. It is New Zealand's second largest rural servicing company.

PGG provides a full rural servicing product offering including;

- Finance
- Livestock
- Farm supplies
- Irrigation and pumping

- Rural real estate
- Seeds
- Wool
- Insurance

Merger With Reid Farmers
PGG in its current form was created through the 2001 merger of Reid Farmers and PGG.

The rationale for the merger of the two companies included significant cost savings and a number of longer term strategic benefits and revenue enhancing opportunities. The businesses were highly complementary with limited overlap in their market territories. To date the merger benefits realised have exceeded expectations.

Prior to the merger Pyne Gould Corporation owned 100% of PGG and 44% of Reid Farmers. As a result of the merger Pyne Gould Corporation held 68% of the enlarged PGG. The sell-down of 13 million shares immediately following the merger left Pyne Gould Corporation with a controlling 55.5% stake in the enlarged PGG.

Business Mix
Fluctuations in farm incomes are inevitably felt by PGG. The Company has actively worked to diversify its earnings base away from reliance upon traditional commission businesses and thereby insulate it from commodity price volatility.

The success of this strategy has been a major factor in the relative stability of PGG's earnings since the merger in 2001. The impact of declining farm incomes since the high point in 2001 has been offset by strong performances in PGG's less cyclical businesses, in particular seeds, rural finance and insurance which together comprised 56% of divisional contribution in the 2003 financial year.

The irrigation and pumping business acquired in February 2003 is expected to contribute strongly going forward, providing further insulation against cyclical downturns.

Financial Performance
In the two completed years since the merger with Reid Farmers, PGG has achieved after tax surpluses of $12.4 million for the 2002 financial year and $12.7 million for 2003. The after tax surplus for the six months to 31 December 2003 was $6.4 million, an increase of 10.6% on the equivalent period in the previous year.

This is considered to be a strong performance in light of less favourable market conditions for the rural sector over the last two years and the resulting decline in farm incomes.

PGG contributes approximately 31% of Pyne Gould Corporation's group earnings.

Business Outlook
Trading conditions are expected to become more difficult in the immediate future as the drought in parts of the South Island, the stronger New Zealand dollar and the likely increase in interest rates impact upon the rural economy. This will inevitably result in lower earnings in some areas of PGG's business however there remains considerable scope for further offsetting improvements in financial performance within the business over time. The main drivers of this will be: -

- Increased contribution from Irrigation and Pumping and further growth in earnings from business units which are not impacted by agricultural commodity prices

- Continued diversification into growth areas which form a logical fit with PGG and are less exposed to the volatility that typically faces the agricultural sector

- Enhancing PGG's competitive advantage in people and infrastructure to improve and extend its product offering
- Achieving further efficiencies across operations.

Because PGG is a NZSX listed company it complies with the reporting requirements under the continuous disclosure provisions of the Securities Markets Act 1988. Under those provisions all financial and other information relevant to the market is publicly disclosed as it becomes available. Because of the availability of all material information in the public domain it has not been necessary for Pyne Gould Corporation to independently review PGG as part of the preparation of this Profile.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PYNE GOULD CORPORATION LIMITED

BOARD OF **DIRECTORS**

1. S R Maling, Chairman
2. R F Elworthy, Managing Director
3. G A C Gould

4 B R Irvine

5. B W Mogridge
6. S C Montgomery
7. T E C Saunders
8. W J Steel

Pyne Gould Corporation

PYNE GOULD CORPORATION LIMITED

DIRECTORS & MANAGEMENT

DIRECTORS

All Directors of Pyne Gould Corporation are also Directors of the subsidiary companies MARAC Finance and Perpetual Trust.

Sam Maling
Chairman

Qualifications: LLB
Address: 11 Braco Place, Christchurch

Sam Maling was appointed to the Board in 1996 and has been Chairman since 1999. He is Chairman of the Remuneration Committee and a member of the Audit Committee. He was appointed to the Pyne Gould Guinness Limited board in 1996 and to the Perpetual Trust board in 1997.

Sam is a Christchurch-based barrister and was a partner with Lane Neave for over 25 years, including four years as Executive Chairman. He specialises in litigation, arbitration and corporate and commercial work.

Previous appointments include director of Aspinall (NZ) Limited and Chairman of the Broadcasting Standards Authority. Sam has also served terms as President of the Canterbury District Law Society and Vice-President of the New Zealand Law Society.

Richard Elworthy
Managing Director

Qualifications: BCom
Address: 50 Wroxton Terrace, Christchurch

Richard Elworthy was appointed to the Board in 1991. He is chairman of the Credit Committee and a member of the Audit Committee.

Richard originally joined PGG in 1969. In 1987 he was appointed Group Financial Controller of Pyne Gould Corporation and was appointed Managing Director in 1991. He is executive chairman of MARAC Finance, MARAC Securities, Nissan Finance and Perpetual Trust and a non-executive director of Pyne Gould Guinness.

As Managing Director of Pyne Gould Corporation, Richard's role has included the executive chairmanship of Allied Finance, Finance and Discounts and Pyne Gould Guinness in addition to those currently held. Previous directorships include Amuri Corporation/South Eastern Utilities , Apple Fields, Reid Farmers and Royal & SunAlliance Insurance (New Zealand) Limited.

George Gould

Qualifications: LLB
Address: 20 Desmond Street, Christchurch

George Gould has been a Director of Pyne Gould Corporation since 1990. He was a director of Pyne Gould Guinness from 1997 to 2001.

George has a background in investment banking and was Chief Executive and then Managing Director of Amuri, which became South Eastern Utilities, from 1992 to 2001. He was appointed Chief Executive of PGG following its merger with Reid Farmers in 2001, and held that position until 2003.

George is currently Chairman and major shareholder of private investment company Gould Holdings Limited. This company is a substantial shareholder in NZSX listed companies Designer Textiles Limited and Vertex Group Holdings Limited. George is Chairman of both companies. He is also currently a director of Orion Group Limited.

Previous directorships include MainPower New Zealand Limited, Port of Timaru Limited and Wairarapa Electricity Limited.

Bruce Irvine

Qualifications: BCom, LLB
Address: 167 Heaton Street, Christchurch

Bruce Irvine was appointed to the Board in 2003 having been a director of Perpetual Trust since 1996. He is Chairman of the Audit Committee.

Bruce has been a partner of Deloitte for the past 16 years, the last eight as managing partner of the Christchurch office. He specialises in corporate finance, including valuations, financing, organisational structures, treasury management, business sale and purchase, due diligence and risk management.

Bruce is Chairman of Jade Stadium Limited and holds numerous other directorships including Christchurch City Holdings Limited, Godfrey Hirst Limited, House of Travel Group Limited and Market Gardeners Limited.

Bryan Mogridge

Qualifications: BSc
Address: 326 Seaview Road, Waiheke Island, Auckland

Bryan Mogridge was appointed to the Board in 2003 having been a director of Allied Finance, and later MARAC Finance, since 1992. He is a member of the Credit Committee.

Bryan has had twenty years experience as a chief executive and senior manager along with governance experience as a director of NZSX listed companies since 1984. He was Managing Director of Montana Wines Limited and then Chief Executive and a director of Corporate Investments Limited before moving to roles with private equity companies New Zealand Fund Limited and Jump Capital Limited.

Bryan is currently Chairman of Designworks Limited and Harbourside Group Holdings Limited, and is a director of Mainfreight Limited and Waitakere City Holdings Limited.

Stephen Montgomery

Qualifications: BA
Address: 2 Hawthornden Road, Christchurch

Stephen Montgomery was appointed to the Board in 1998 and is a member of the Remuneration Committee. He was a director of Perpetual Trust from 1999 to 2001.

Stephen is currently the Equity Manager for Accident Compensation Commission, a position he has held since 1992. The appointment to ACC followed a 15 year career in a variety of fixed interest, futures and equity securities roles within the New Zealand and Australian financial markets.

Tim Saunders

Qualifications: MBA, BCom
Address: Pimlico, No 1 RD, Auckland

Tim Saunders was appointed to the Board in 1987 having been a director of Pyne Gould Guinness since 1983. He is a member of the Remuneration Committee and has been a director of Allied Finance, and later MARAC Finance, since 1992.

Tim is a partner with Auckland based investment bank Northington Partners. He has a background in the finance industry, including a chief executive role for Chase NBA Group NZ Limited. Public sector experience includes acting as an adviser to the New Zealand Treasury and Ministry of Health, membership of the Ministry of Commerce Advisory Board and chairing the Electricity Reform Transition Unit.

Tim is currently Chairman of Feltex Carpets Limited and Solid Energy (NZ) Limited and a director of Calan Healthcare Limited, Capital Properties (NZ) Limited, Contact Energy Limited and New Zealand Exchange Limited. Previous directorships include AFFCO Holdings Limited, Bayer New Zealand Limited, Challenger Financial Services Limited and The Christchurch Press Company Limited.

Warwick Steel

Qualifications: BAgSc, MSc
Address: 138 Bleakhouse Road, Auckland

Warwick Steel was appointed to the Board in 2003 having been a director of Allied Finance, and later MARAC Finance, since 1992. He is a member of the Credit Committee.

Warwick has experience in the finance industry and financial markets. This experience includes five years as a manager with Chase NBA NZ Limited and eleven years with stock brokers and investment bankers Buttle Wilson Limited, the last six of which he was an executive director.

Previous directorships include Housing Corporation of New Zealand, NZ Futures and Options Exchange Limited and Seddon Vineyards of Marlborough Limited.

MANAGEMENT

Richard Elworthy, Managing Director – Pyne Gould Corporation

Richard's background is described in the Directors section above.

Colin Hair, Group Financial Controller – Pyne Gould Corporation

Colin Hair has held senior finance and accounting positions for over twenty years. Prior to joining Pyne Gould Corporation in 1994 he was Chief Financial Officer with DB Group, Group Financial Controller with Magnum Corporation and Financial Controller of Ballin Rattray.

Brian Jolliffe, Chief Executive – MARAC

Brian Jolliffe has worked in the finance industry since 1972. Up until 2000, he was with the ANZ Bank holding a number of senior positions covering a wide range of management and banking roles and responsibilities. Immediately prior to leaving ANZ to join MARAC, Brian was General Manager of Corporate and Institutional Banking for ANZ in New Zealand and sat on the boards of ANZ Banking Group (New Zealand), UDC Finance and Esanda Fleet.

Peter Baynes, Chief Executive – Perpetual Trust

Peter Baynes was appointed Chief Executive of Perpetual Trust in 2004. He has had considerable experience in the financial service sector having held Chief Executive positions at Jacques Matin New Zealand and Tower Trust Services.

Hugh Martyn, Chief Executive – Pyne Gould Guinness

Hugh Martyn was appointed Chief Executive of Pyne Gould Guinness in 2003. Prior to joining Pyne Gould Guinness he held chief executive and management roles in the electronics, healthcare equipment and agricultural distribution sectors.

PYNE GOULD CORPORATION LIMITED

CORPORATE **GOVERNANCE**

Role of the Board

The Board is responsible to shareholders for the performance of the Company, including the setting of objectives and the strategies for achieving those objectives, identifying significant areas of business risk and implementing policies to deal with those risks, setting the overall policy framework and monitoring the continuing performance of the Company and its management. The Board also ensures that procedures are in place to provide effective internal financial control. Responsibility for the day to day management of Pyne Gould Corporation is delegated by the Board to the Managing Director.

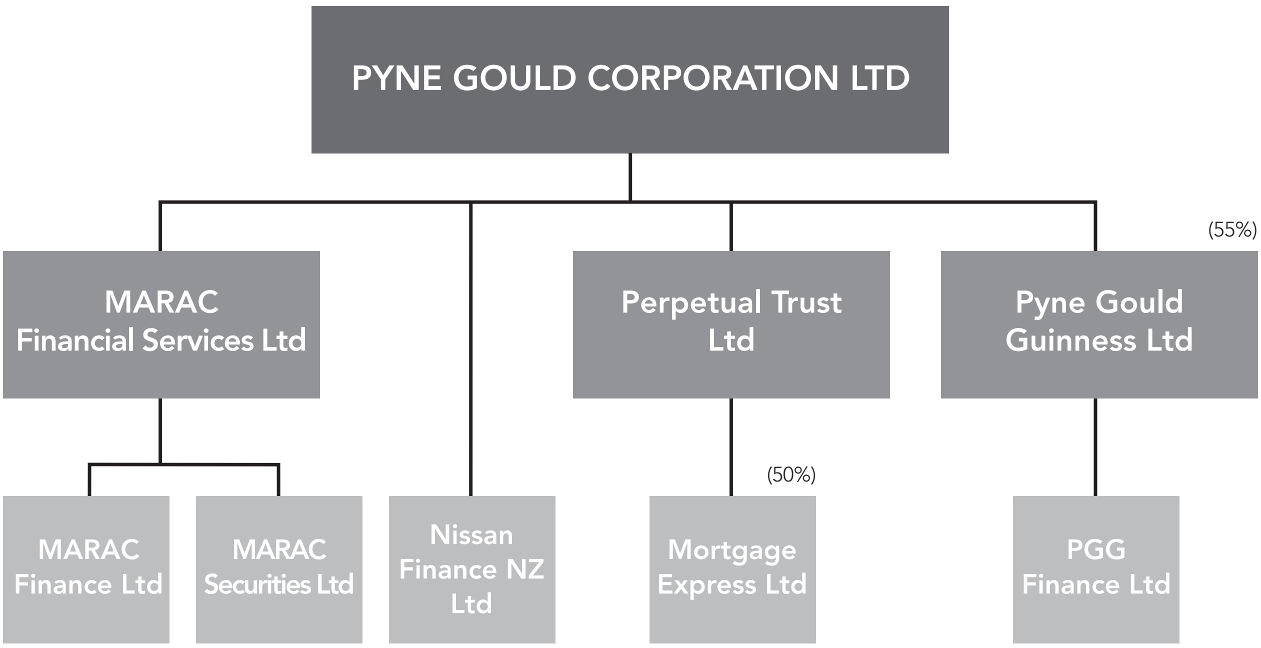
Board membership

The Board comprises eight Directors being a non-executive Chairman, the Managing Director and six non-executive Directors.

The Board meets eleven times during the year for scheduled meetings, with additional meetings held as required to consider critical issues.

Within its Board of Directors Pyne Gould Corporation has a broad mix of skills and experience relevant to the guidance of its financial and rural servicing businesses.

Company structure



Subsidiary company boards
The wholly owned subsidiaries MARAC and Perpetual Trust, operate as autonomous companies with their own boards. The boards of these companies comprise the same directors as Pyne Gould Corporation. The wholly owned subsidiary company boards are chaired by the Pyne Gould Corporation Managing Director and the Chief Executives of MARAC and Perpetual Trust report directly to those boards.

Benefits of board structure
Separate boards and a direct reporting line from the MARAC and Perpetual Trust Chief Executives to those boards enables the Directors to focus closely on the business activities of each subsidiary company and to direct and oversee each company and the management of that company.

The Pyne Gould Corporation Board addresses the strategic direction of the group and monitors the performance of each subsidiary from an investment perspective.

Board committees
The Board has three constituted committees, an Audit Committee, a Credit Committee and a Remuneration Committee.

The Audit Committee is responsible for overseeing compliance with statutory financial and related responsibilities, ensuring that effective systems of accounting and internal control are established and maintained, overseeing internal and external audit, liaison with the Company's independent auditors and making recommendations to the board as to their appointment and remuneration.

MARAC has a Credit Committee which is responsible for monitoring credit quality, risk and policies and for approving loan proposals which exceed management discretions.

The Remuneration Committee is responsible for recommending to the Board the remuneration of the Managing Director and the MARAC and Perpetual Trust Chief Executives, determining the remuneration of executives who report to them and recommending the remuneration of Directors.

Perpetual Trust also has an independent corporate trust board established under the Trustee Companies Act which is responsible for discharging that company's fiduciary obligations and duties in respect of its corporate trust business. The corporate trust boards comprise independent members, none of whom are Directors of Pyne Gould Corporation or any of its subsidiary companies.

PYNE GOULD CORPORATION LIMITED

PROFILE OF **THE BUSINESSES**

Pyne Gould Corporation's financial and rural services are delivered by three separate operating units. A description of these businesses is presented below.

FINANCIAL SERVICES – MARAC

Business Activities

1. **Motor Vehicle**
   MARAC has been providing finance solutions to the motor vehicle industry for over 50 years. In that time it has built an extensive dealer network covering all of New Zealand. MARAC offers a comprehensive range of finance, leasing and insurance packages for the funding of new and used vehicles. MARAC's motor business sits in three categories;

   - Floorplan, bailment, branded finance and vehicle purchase finance facilities for selected motor vehicle dealers
   - Finance and insurance packages provided directly to purchasers of motor vehicles
   - Executive and European motor vehicle leases.

   Included in MARAC's motor vehicle business is Nissan Finance, a motor vehicle finance company providing wholesale finance, vehicle purchase finance and fleet lease facilities to the Nissan dealer network.

   At 31 December 2003, finance and lease receivables for motor vehicles totaled $397 million, or 48% of MARAC's total finance receivables.

2. **Commercial Plant, Equipment and Business**
   MARAC provides asset financing for New Zealand businesses across a wide diversity of industries.

   Two key streams have been developed within the business;

   - Plant, equipment, machinery, transport and business financing directly to businesses through a network of specialized MARAC people, tailoring financial solutions for the particular business need
   - Specific asset financing through selected business to business dealers. Typically, MARAC offers finance on a non-recourse basis with the security for each contract being the equipment that is being purchased or leased.

   MARAC's commercial book has grown strongly and at 31 December 2003 comprised receivables of $267 million or 33% of total receivables.

3. **Marine and Leisure**
   MARAC caters for the needs of the pleasure boating public via boat dealers, marine brokers and directly. As a member of the Boating Industries Association MARAC has worked to tailor products specifically designed for the marine industry.

   Leisure finance packages target the financing of motor homes or caravans through accredited MARAC dealers or directly.

4. **Property**
MARAC has a long involvement in the property development and investment market. Its staff has considerable experience in this specialised area of finance and a proven track record of providing tailored solutions for customers.

MARAC's property financing activities are predominantly in development financing which has an average duration of approximately 9 months. In addition MARAC has a small amount of term property lending.

The last 3 years has witnessed strong growth in property values. This rapid value growth has translated to high levels of development activity in most market segments.

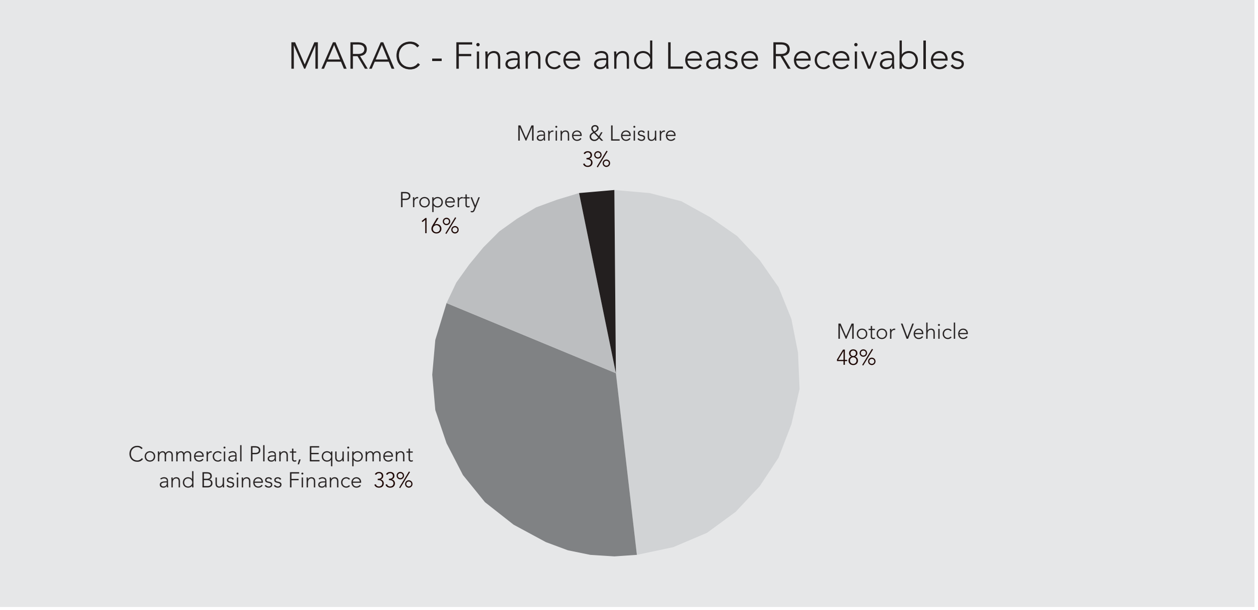
In capitalising on these buoyant conditions MARAC has remained disciplined in applying credit processes and criteria. This approach to growth is key to maintaining the quality of the property lending book and controlling bad debt risk.

At 31 December 2003, MARAC's property lending totalled $127 million (16% of total receivables) of which over 90% is in short-term development loans.

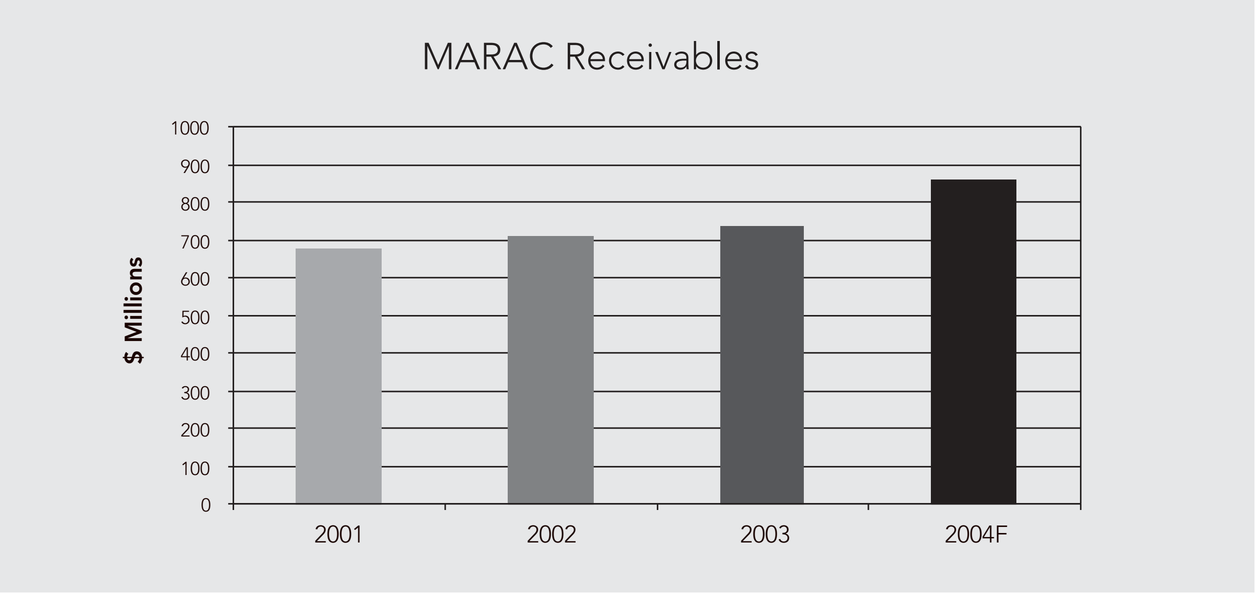
5. **MARAC Securities**
MARAC Securities was formed in 1983 to act as a financial intermediary. Since then this business has built a reputation for developing innovative and cost effective funding facilities for both property development projects and investment property transactions. These facilities are arranged with a wide range of property finance providers, including MARAC Finance.

MARAC Management Team *clockwise from top left:* Chris Wilkinson, Property Finance Manager; Chris Flood, GM Motor; David Battersby, GM Commercial; Alan Williams, GM Finance & Treasury; Brian Jolliffe, Chief Executive; Grant Atkinson GM Credit

Loan Portfolio Characteristics
MARAC had total finance and lease receivables of $817 million at 31 December 2003. This total is broken down as follows;



Total receivables are forecast to reach $858 million by 30 June 2004. The graph below shows receivables growth from June 2001 to the forecast position at 30 June 2004.



Following the acquisitions completed in late 2000, MARAC has managed its receivables mix with the intention of;

- Maintaining motor vehicle receivables while improving overall book quality by shedding lower quality receivables acquired with Frontline Finance
- Growing plant and equipment and property receivables
- Establishing itself in the marine and leisure area.

The company has successfully implemented these objectives during the past 3 years. Over the 3 years to 31 December 2003;

- Motor vehicle receivables have grown in dollar terms but have reduced from 61% to 48% of total receivables
- Commercial plant, equipment and business receivables have grown by more than $80 million and now comprise 33% of the total
- Controlled growth in property financing has been achieved, increasing property receivables from 6% to 16% of total receivables
- Recently commenced marine and leisure financing has grown to 3%.

Liabilities
MARAC funds its loan book through a combination of retail deposits and wholesale bank facilities. At 31 December 2003, liabilities comprised;

- $457 million of retail funding
- $249 million of bank debt.

MARAC has a strong investor base which has grown rapidly with the business over the last 3 years. The recognition and quality association of the MARAC brand strongly supports this source of funding.

The company is exploring additional funding options to provide greater flexibility for its continued growth while optimising its cost of funds.

FINANCIAL SERVICES - PERPETUAL TRUST

Business Activities

1. **Personal Client Services**
   Perpetual Trust's personal client business provides wealth management solutions to its clients.

   The business was formed through the merging of PGG Trust and AMP Perpetual Trust, both long established trust businesses. This history combined with the inter-generational nature of its trust and estate management business means Perpetual Trust has a solid core of long-term client relationships. In the modern financial services market, Perpetual Trust is building on this traditional business by providing a package of services which assist clients build, manage and protect their wealth. Services provided include;

   - Financial planning and advice
   - Investment portfolio management
   - Establishment of trusts and writing of wills
   - Administration of trusts and estates
   - Acting as agent in managing clients' affairs under enduring powers of attorney
   - Insurance products.

   Perpetual Trust operates from 8 offices, each of which is resourced to provide a full portfolio of services. While being predominantly South Island based, offices in Auckland and Wellington are positioned to leverage off the Perpetual Trust brand in these growth markets.

2. **Managed Funds**
   Perpetual Trust's managed funds division has in excess of $300 million under management in a number of unitised funds. The primary funds are;

- Mortgage Fund;
  - secured lending on first mortgages, predominantly on commercial and rural properties, with a small amount of residential lending
  - approximately $165 million under management
  - rated New Zealand mortgage fund of the year for 2003 by FundSource
- Cash Management Fund;
  - approximately $75 million under management
  - placed predominantly in short term yield instruments
- NZSX listed Nuhaka and Opio forestry funds;
  - closed end, unitised group investment funds
  - forestry assets managed by Perpetual Trust
- Pegasus Investment Funds;
  - a superannuation product which utilises a unique sub-fund structure allowing investors to retain their own separate assets within the one superannuation structure
- Closed end, unitised single property funds promoted, established and managed by Perpetual Trust.

3. **Corporate Trust**
   In the corporate trust market Perpetual Trust is one of four large players providing trustee and statutory supervisor services for debt securities, unit trusts, securitisations, superannuation schemes, special partnerships and retirement villages.

   The corporate trustee undertakes a monitoring and risk management role on behalf of investors in such structures to ensure compliance with the relevant deeds, issuing documents and regulatory requirements. In addition, Perpetual Trust actively works with its clients to assist them in the development of products and structures which will enhance their business.

   Perpetual Trust's corporate trust business has a national presence with professional and experienced staff located in Auckland, Wellington and Christchurch. Extensive internal processes ensure a robust approach to meeting the company's obligations.

Perpetual Trust Management Team *from left:* John Burnell, GM Personal Client Services; Shari Carter, Finance Manager; Richard Austin, GM Managed Funds & Strategic Relationships; Peter Baynes, Chief Executive

Perpetual Trust's corporate trust activities are overseen by an independent corporate trust board comprising experienced, high calibre, legal and audit practitioners. In addition to enhancing the Company's monitoring and risk management role, the corporate trust board adds value to the client offering which Perpetual Trust brings to the market.

4. **Mortgage Express**
Perpetual Trust has a 50% shareholding in Mortgage Express, one of New Zealand's larger mortgage brokers. The business sources residential mortgages from banks and other providers for property purchasers.

Product distribution is through mobile mortgage managers based predominantly at Harcourts real estate offices. The other 50% shareholding in Mortgage Express is held by Harcourts with whom Perpetual Trust has developed a wider strategic relationship.

RURAL SERVICES - PYNE GOULD GUINNESS

Overview
Pyne Gould Guinness offers a comprehensive range of rural services throughout the South Island. PGG employs approximately 550 full time staff operating from 43 stores and branches located from Blenheim to Invercargill. The business also employs staff in Auckland, Hawkes Bay and Australia.

PGG is the market leader in the South Island where it leverages its competitive advantage of comprehensive distribution infrastructure, quality personnel and long standing customer relationships.

Business Activities
Following the divestment of its loss making wool processing operation in 2002 and the acquisition of an irrigation and pumping business in early 2003, PGG has eight business units;

1. **Livestock**
PGG Livestock acts as agent for the buying, selling and auctioning of all classes of livestock including the specialist areas such as deer, dairy, stud stock and standardbred horses. The division also procures livestock for export and meat processing companies.

Customer relationships and the confidence farmers have in PGG personnel are the key success factors of the livestock business which has gained market share in recent years on the back of high service levels.

2. **Financial Services**
PGG Finance provides a comprehensive range of finance products tailored to the needs of its farmer clients. These include;

- Seasonal finance and term loans
- Livestock trading accounts
- Wool and crop advances
- Machinery finance
- Investments and deposits.

PGG has a strong and stable team of personnel working in each of its branches across the South Island and is focussed on the consistency and quality of its service. Recent developments include the introduction of eftpos cards.

2. **Real Estate**
PGG Real Estate is focussed on its traditional pastoral, arable and dairy client base, with a growing presence in the horticulture and lifestyle areas.

4. **Farm Supplies**
PGG Farm Supplies was formed from the PGG/Reid Farmers merger to bring together PGG Country and Reid Farmers Trading. PGG Farm Supplies provides;

- Agricultural chemicals
- Animal health products
- Seeds
- Other inputs required by the arable, pastoral and horticultural industries.

The division also acts as an agent for the direct sales of fertiliser and other products.

5. **Wool**
PGG's wool business is a wool marketing business focussed primarily on effectively presenting clients' wool for auction. Activities include wool selling, marketing and warehousing.

6. **Insurance**
PGG Insurance provides specialist rural and general insurance services to its farmer clients. The division has a longstanding attorneyship agreement with Vero Insurance, previously Royal & SunAlliance Insurance, and acts as an agency for other insurers.

7. **Seeds**
PGG's Seeds business is involved in the production and marketing of cereals and seed cultivars for cereals, turf grasses and forage products.

The division consists of five broad groups;

- Proprietary product marketing of cereal, turf, pasture, and forage seed
- Research and development based at the Ceres Research centre in Christchurch
- Trading of seeds and grains and integrated cereal supply
- Seed production, linked with agronomy advice, through clients in New Zealand and Australia.
- Processing in its plants at Ashburton and Timaru.

PGG seeds enjoys a strong market share in the South Island due to a number of factors including the expertise of its staff, commitment to research and development and possession of strong proprietary brands.

To support its offshore activities the Seeds division has an office in Australia and an international distributor network.

8. **Irrigation and Pumping**
This business was acquired in February 2003 having established itself in the South Island over a number of years.

Activities fall into three main areas;

- Agency operations comprising a number of prime agencies covering equipment for the irrigation and pumping markets
- The design and installation of turnkey irrigation, pumping and related projects
- Full service and repair support for the agency products it markets and for irrigation and pumping installations in general.

The business has excellent growth prospects in targeting an increasingly important input into modern agri-business, in particular the dairy, viticulture, horticulture and arable sectors.

PYNE GOULD CORPORATION LIMITED

SUMMARY OF FINANCIAL **STATEMENTS**

Audited consolidated financial statements for Pyne Gould Corporation and its subsidiaries for the year ended 30 June 2003 and unaudited consolidated financial statements for the six months ended 31 December 2003 are set out on pages 43 to 64 of this Profile. The historical financial information summarised below is extracted from the audited financial statements for the years ended 30 June 1999 to 30 June 2003 and the unaudited financial statements for the six months ended 31 December 2003.

PYNE GOULD CORPORATION LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF FINANCIAL PERFORMANCE

	6 Months 31 December	Year Ended 30 June				
	2003	**2003**	**2002**	**2001**	**2000**	**1999**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
	Unaudited	**Audited**	**Audited**	**Audited**	**Audited**	**Audited**
Total operating revenue	219,166	414,412	398,928	258,035	210,567	236,991
Earnings before interest and taxation	48,496	87,174	72,888	56,309	41,587	56,749
Interest expense	27,028	52,860	48,812	36,481	17,746	20,596
Operating surplus before taxation	21,468	34,314	24,076	19,828	23,841	36,153
Taxation	7,781	12,581	6,176	7,784	6,138	6,320
Operating surplus after taxation	13,687	21,733	17,900	12,044	17,703	29,833
Share of associates	-	-	396	3,319	789	631
Minority interests	2,915	5,685	5,125	(142)	1,273	10,803
Net surplus	10,772	16,048	13,171	15,505	17,219	19,661
Dividends	5,627	8,564	8,316	3,913	7,823	6,926
Net surplus retained in the group	5,145	7,484	4,855	11,592	9,396	12,735
Adjusted net surplus [2]	12,901	20,292	14,430	16,724	12,436	10,352

Note 1
Dividends shown are the amounts taken from the consolidated financial statements. Following a change in financial reporting standards in 2001, dividends reported in the financial statements do not include dividends declared in respect of a financial year after the end of that year, such dividends being reported in the financial statements for the next accounting period.

Note 2
Adjusted net surplus has been arrived at by adjusting the net surplus taken from the financial statements for amortisation of intangibles and unusual and non-recurring items. The adjustments made have been as follows: -

Amortisation of intangibles	2,129	4,244	3,670	2,181	170	170
Restructuring costs	-	-	1,794	-	-	-
Gain on sale of shares in PGG	-	-	(1,596)	-	-	-
Gain on sale of property	-	-	-	-	(2,066)	-
Gain on sale of electricity assets	-	-	-	-	-	(8,655)
Gain on sale of investment	-	-	-	-	-	(824)
Change in accounting policy for deferred taxation	-	-	(2,609)	-	-	-
Change in accounting policy for dealer fees on hire purchase contracts	-	-	-	(962)	(2,887)	-
Total net increase (decrease) adjustment to net surplus	2,129	4,244	1,259	1,219	(4,783)	(9,309)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	6 Months 31 December 2003 $000 Unaudited	Year Ended 30 June 2003 $000 Audited	2002 $000 Audited	2001 $000 Audited	2000 $000 Audited	1999 $000 Audited
Assets						
Current assets	101,484	93,938	88,446	61,120	108,700	128,145
Finance receivables	944,462	863,258	834,288	666,214	299,752	223,053
Lease vehicles	47,780	47,226	51,812	51,213	40,195	38,506
Non-current assets	1,408	1,379	916	19,971	17,085	24,100
Property, plant and equipment	31,307	29,984	30,675	20,258	19,723	19,850
Total tangible assets	1,126,441	1,035,785	1,006,137	818,776	485,455	433,654
Intangible assets	43,577	47,559	50,049	39,380	4,054	3,869
Total assets	1,170,018	1,083,344	1,056,186	858,156	489,509	437,523
Liabilities						
Current liabilities	91,804	81,626	74,313	41,185	31,577	67,060
Borrowings	882,577	810,256	799,446	683,688	303,045	225,686
Total liabilities	974,381	891,882	873,759	724,873	334,622	292,746
Equity						
Share capital	84,758	84,758	84,758	84,705	84,666	62,502
Reserves	5,912	5,912	5,323	4,898	5,051	5,694
Retained earnings	60,039	54,894	47,996	43,566	31,847	43,931
Shareholders' equity	150,709	145,564	138,077	133,169	121,564	112,127
Minority interests	45,928	45,898	44,350	114	33,323	32,650
Total equity	195,637	191,462	182,427	133,283	154,887	144,777
Total equity and liabilities	1,170,018	1,083,344	1,056,186	858,156	489,509	437,523
Ratios						
Earnings per share		32.8c	26.9c	31.7c	35.2c	40.2c*
Adjusted earnings per share – refer note 2		41.5c	29.5c	34.2c	25.4c	21.2c*
Dividend per share		17.5c	17c	8c	16c	14.2c
Re-stated dividend per share – refer note 1		20c	17c	17c	16c	14.2c
Net tangible asset backing per share	$ 2.19	$2.00	$1.80	$1.92	$2.40	$2.66

*Adjusted for 1 for 5 bonus in 2000

PYNE GOULD CORPORATION LIMITED

PROSPECTS AND **FORECASTS**

TRADING PROSPECTS AND RISKS

Special trade factors and risks that could materially affect the prospects of the Group include;

- **General Economic Conditions**
  The trading and financial performance of the Group is influenced by a variety of general economic and business conditions affecting the New Zealand economy including interest rates, exchange rates, commodity prices, inflation, government fiscal, monetary and regulatory policies, consumer spending and changes in consumer and business confidence.

- **Competition**
  MARAC, Perpetual Trust and PGG compete with other finance companies and trading banks, other trust companies and providers of personal financial services and other rural servicing companies respectively. Changes in the composition and extent of competition has the potential to present opportunities to the Group, impact on the Group's market share or cause the Group to respond in a manner that will impact on profitability.

- **Climatic Conditions**
  Unfavourable weather conditions such as drought can lead to a reduction in rural confidence and spending which may reduce the volume of PGG's activities and the level of deposit funds placed with PGG.

- **Bank Funding Risk**
  Bank funding may not be obtained on terms and conditions as favourable as those currently in place. Banking facilities are subject to certain prudential ratios. Any material change in the profitability of the Group may impact on the ability of the Group to refinance its banking facilities on similar terms and conditions.

- **Retail Funding Risk**
  Retail deposits placed with MARAC may not be obtained on terms as favourable as those currently prevailing and the level of those funds may not be maintained resulting in MARAC needing to reduce the level of its lending.

- **Interest Rate Risk**
  Actual interest rates may change. Changes in interest rates may reduce or increase the demand for finance, impact on margins and Group profitability which may in turn impact on the projected distributions to shareholders.

- **Unrecoverable Loans**
  The inherent nature of MARAC's finance company and PGG's financial services businesses means that there will always be unrecoverable loans to write off. General and specific provisioning for bad and doubtful debts may not be sufficient to provide for all loans that are not repaid resulting in a reduction in the Group's profitability.

- **Rural Sector Trading Conditions**
  PGG's financial performance is sensitive, both directly and indirectly, to changes in global commodity prices, particularly meat and wool, and in exchange rates. Such changes, together with trading conditions in the rural sector in general, will influence rural spending and confidence which in turn will impact upon earnings in some parts of PGG's business.

- **International Financial Reporting Standards (IFRS)**
  The adoption of IFRS is likely to result in changes to the Group's reported net surplus and financial position. In particular the Group may no longer be required to amortise its goodwill and other intangible assets.

- **Other Factors**
  Other factors that may affect the Group are adverse changes in:

  - World economic conditions
  - World political events
  - Government legislation, intervention or level of taxation
  - Accounting policies or treatments arising generally
  - Natural disasters, social upheaval, terrorism or war in New Zealand or overseas.

- **Market Risk**
  The liquidity of the NZSX at any point in time may have an impact on the ability to, and the price at which shares may be transferred.

In the event that one or more of the factors outlined above or any other unforeseen factors have a detrimental effect on the value of the ordinary shares of the Company, it is reasonably foreseeable that, if an investor sells their ordinary shares, the investor may receive less than the amount paid. Alternatively, such factors may impact on the ability of the Company to make distributions.

PROSPECTIVE FINANCIAL INFORMATION

Basis of Preparation
The forecast financial statements for the year ended 30 June 2004 summarised on page 37 comprise forecasts based on assumptions as to future trading and events that the Directors reasonably expect to occur. These forecasts incorporate the actual trading results to 31 December 2003 and the Directors' expectations of results for the second six months of the financial year.

The forecasts are prepared solely for the purpose of this Profile and it is not intended that the forecasts will be updated subsequent to the issue of the Profile. The forecasts have been prepared on a consistent basis with the 30 June 2003 audited financial statements and the accounting policies set out in the notes to those financial statements.

The prospective financial information for the year ending 30 June 2004 presented on page 35 to 37 constitutes a forecast as defined in New Zealand Financial Reporting Standard No. 29, "Prospective Financial Information".

In adopting these forecasts the Directors are satisfied that the assumptions underlying the forecasts are in line with the actions they intend to take and what they reasonably expect to occur. However, forecasts by their very nature involve risks and uncertainties, many of which are beyond the control of the Company and its Directors. Accordingly actual results may well vary from the forecasts and these variations could be material. Therefore, the Directors cannot and do not guarantee the achievement of their financial forecasts.

General Assumptions
- There will be no change in accounting policies from those set out on pages 47 to 49 of this Profile
- There will be no material changes in the existing financial and economic conditions that may materially affect the Group
- There will be no change in current taxation legislation or in other legislation that regulates the activities of the Group
- There will be no material disruptions from abnormal weather patterns, earthquakes or fire.
- Interest rates will not change materially from current levels
- Demand for the Group's products and services and the availability of deposit funds will continue at current levels.

Specific Assumptions

In relation to MARAC;

- Continued growth in finance receivables, but at a slower rate than that achieved in the six months to 31 December 2003
- Bad and doubtful debt provisioning and write-offs will continue at current levels, with appropriate specific provisioning made at 31 December 2003 and no significant additional specific provisioning required for the remainder of the forecast period
- Interest rates are anticipated to rise by approximately 0.5% over the next six months
- No significant change in staff levels and staff costs
- No major capital expenditure is expected.

In relation to Perpetual Trust;

- Revenue will remain at current levels
- Accounting fees will decline following the withdrawal of Perpetual Trust from the provision of external accounting services and the sale of this business
- No significant change in staff levels and staff costs
- No major capital expenditure is expected.

In relation to PGG;

- Forecast financial statements provided by PGG have been incorporated into the consolidated forecast financial statements. Pyne Gould Corporation has not independently reviewed the forecast financial statements provided by PGG.

PYNE GOULD CORPORATION LIMITED AND ITS SUBSIDIARY COMPANIES

FORECAST FINANCIAL STATEMENTS

For the year ending 30 June 2004

	Forecast 12 Months 30.6.04 (Unaudited) $000	Actual 12 Months 30.6.03 (Audited) $000
STATEMENT OF FINANCIAL PERFORMANCE		
Total operating revenue	422,114	414,412
Operating surplus before taxation	42,107	34,314
Taxation charge	15,027	12,581
Operating surplus after taxation	27,080	21,733
Minority interests	(5,982)	(5,685)
Net surplus after taxation	**21,098**	**16,048**
STATEMENT OF MOVEMENTS IN EQUITY		
Equity at beginning of the period	191,462	182,427
Net surplus after taxation	21,098	16,048
Movements in minority interests and reserves	(272)	1,551
Dividends paid	(10,020)	(8,564)
Equity at end of the period	**202,268**	**191,462**
STATEMENT OF FINANCIAL POSITION		
Current assets	81,085	93,938
Financial assets	1,035,316	910,484
Non current assets	31,793	31,363
Intangible assets	40,718	47,559
Total assets	**1,188,912**	**1,083,344**
Current liabilities	63,254	81,626
Borrowings	923,390	810,256
Shareholders' equity	156,055	145,564
Minority interests	46,213	45,898
Total equity and liabilities	**1,188,912**	**1,083,344**
STATEMENT OF CASH FLOWS		
Net cash flows from operating activities	46,644	50,540
Net cash flows used in investing activities	(145,551)	(49,161)
Net cash flows from/(used in) financing activities	98,582	(22,565)
Increase/(decrease) in cash held	**(325)**	**(21,186)**
Opening cash balance	(25,006)	(3,901)
Acquired on acquisition of subsidiaries	-	81
Closing cash balance	**(25,331)**	**(25,006)**

PYNE GOULD CORPORATION LIMITED

ADDITIONAL **INFORMATION**

1. Notice

This Profile is not a registered prospectus under the Securities Act 1978 and no offer of shares is being made to the public. It has been prepared in connection with the proposed listing of the Company on the NZSX and is being distributed by the Company in accordance with the requirements of the NZX. In this regard, an application has been made to the NZX for permission to list the ordinary shares of the Company and all of the requirements of the NZX relating to that listing that can be complied with on or before the date of this Profile have been duly complied with. However, the NZX accepts no responsibility for any statement in this Profile.

No person or entity undertakes any liability in respect of, or guarantees, the shares of the Company described in this Profile.

2. Main terms of quotation

The Company is seeking quotation on the NZSX of its 48,933,376 fully paid ordinary shares currently on issue. No new securities are being offered by the Company.

If the Company's application for quotation of the shares and listing of the Company on the NZSX is accepted, shareholders will be bound by the minimum holding requirements set out in the NZSX listing rules.

Every issued and paid up share in the Company is entitled to one vote and the right to an equal share in dividends authorised by the Board and any distribution of the surplus assets of the Company.

3. Name and address of company seeking quotation

The Company seeking quotation is;
Pyne Gould Corporation Limited
233 Cambridge Terrace
PO Box 167
Christchurch

4. Details of incorporation of issuer

The Company was incorporated under the Companies Act 1955 on 14 May 1987 and re-registered under the Companies Act 1993 on 9 December 1996. The Company number is CH345624. The Company's public file can be accessed from the Companies Office website at www.companies.govt.nz. Documents not viewable on that website can be obtained from Searchlink Limited by calling 0800 767778. A fee may apply.

5. Principal subsidiaries of the Company

The principal subsidiaries of the Company are as follows:

	% Held within the company group
MARAC Finance Limited	100
MARAC Securities Limited	100
Nissan Finance New Zealand Limited	100
Perpetual Trust Limited	100
Pyne Gould Guinness Limited	55
PGG Finance Limited *	55
Mortgage Express Limited	50

* 100% owned by Pyne Gould Guinness Limited

6. Directorate and advisers

The names, addresses and technical or professional qualifications of the Directors of the Company are set out in the Directors and Management section on page 18 of this Profile.

Richard Elworthy is a Director and an employee of the Company, holding the position of Managing Director. There are no other Directors who are also employees of the Company or any of its subsidiaries.

No Director of the Company has been adjudged bankrupt during the five years preceding the date of this Profile.

The names of the auditors, securities registrar and organising broker, solicitors and advisors who have been involved in the preparation of this Profile are set out on page 68 of this Profile.

7. Restrictions on Directors' powers

The Companies Act 1993 and the Company's constitution do not impose any modifications, exceptions or limitations on the powers of the Board to manage, or supervise or direct the management of the business and affairs of the Company other than the modifications, exceptions or limitations which are required to be imposed on all companies generally by the Companies Act 1993 or under the listing rules of the NZSX.

8. Substantial equity security holders of the Company

The persons who are the registered holders of the ten largest holdings of shares in the Company at 29 February 2004 are:

	Number of shares	% of issued capital
Perpetual Trust Ltd, GA & JBL Savill	1,484,475	3.0
Perpetual Trust Ltd & JC Brown	1,354,642	2.8
Halcyon Investments Ltd	1,334,203	2.7
Perpetual Trust Ltd & AH Young	1,152,301	2.4
YA Blackburne & JA Denton	1,129,392	2.3
PRR Mulligan & G Fitzgerald	1,126,496	2.3
AJ & MJ Hubbard	1,095,314	2.2
Custodial Nominees Ltd	983,410	2.0
Perpetual Trust Ltd & PM Chapman	960,000	2.0
SD Martin & Perpetual Trust Ltd	922,296	1.9
	11,542,529	23.6

The distribution of shareholders and shareholdings as at 29 February 2004

	Number of holders	% of issued capital
1 – 5,000	950	4.2
5,001 – 10,000	305	4.7
10,001 – 100,000	441	26.2
100,001 +	82	64.9
	1,778	100.0
North Island	234	12.1
Canterbury	1,193	73.3
Rest of South Island	319	11.5
Overseas	32	3.1
	1,778	100.0

None of the shareholders of the Company undertakes any liability in respect of the Company's shares.

9. Description of activities of the Company and its subsidiaries

A description of the activities of the Company and its subsidiaries during the last five years preceding the date of this Profile is set out on pages 4 to 17 and 25 to 31.

The principal fixed assets held by the Company and its subsidiaries are land and buildings, plant and equipment, motor vehicles and computer and office equipment. These assets are either owned by the Company and its subsidiaries or held under lease. The assets are all used to conduct the business activities described in this Profile.

10. Summary of financial statements

The financial statements of the Company and its subsidiaries in summary form for the five accounting periods preceding 30 June 2003 and for the six month period ended 31 December 2003 are set out on pages 32 and 33. The amounts stated for the five accounting periods to 30 June 2003 have been taken from audited financial statements while the amounts stated for the six month period ended 31 December 2003 have been taken from unaudited financial statements.

11. Prospects and forecasts

Information on the business outlook and trading prospects of the Company and its subsidiaries, together with material information that may be relevant to those prospects, is set out in pages 8, 13, 15 and 16, and in the section entitled Prospects and Forecasts on pages 34 to 37 of this Profile.

12. Acquisition of business or subsidiary

The Company and its subsidiaries have not acquired any business, subsidiary or body corporate from any person at any time in the period of two years immediately preceding the date of this Profile, where the consideration paid or payable for that business, subsidiary or body corporate was more than one-fifth of the amount of the total tangible assets of the Company and its subsidiaries as at 30 June 2003.

13. Securities paid up otherwise than in cash

The Company issued fully paid ordinary shares to all shareholders by way of a one for five taxable bonus share issue on 15 March 2000.

No other equity or participating securities have been allotted as fully or partly paid up otherwise than in cash by the Company in the five years preceding the date of this Profile.

14. Options to subscribe for securities of the Company or its subsidiaries

At the date of this Profile no options to subscribe for securities in the Company or any of its subsidiaries have been granted, or are currently proposed to be granted, to any person by or on behalf of the Company or its subsidiaries.

15. Appointment and retirement of Directors

None of the existing Directors of the Company has been appointed in a manner that is materially different from that specified in sections 153 and 155 of the Companies Act 1993. A Director must retire as a Director at the next annual meeting of the Company after the Director has obtained the age of 70 years. No person has any right to appoint any person as a Director of the Company other than the members of the Company in general meeting and the Directors of the Company acting as a board.

Each Director of the Company may from time to time appoint any person who is not already a Director of the Company and who is approved by a majority of the other Directors of the Company to be that Director's alternate Director.

16. Directors' interests

None of the Directors of the Company is entitled to any other remuneration from the Company or any of its subsidiaries other than by way of Directors' fees and reasonable travelling, accommodation and other expenses incurred by a Director in connection with the Director's attendance at meetings or otherwise in connection with the Company's business.

Subject to clause 27.7 of the Company's constitution, the Board may authorise special remuneration to any Director of the Company who is or has been engaged by the Company to carry out any work or perform any service which is not in the capacity of a Director.

The Company's constitution provides for the Company to make a payment of a lump sum or pension upon or in connection with the retirement or cessation of office of that Director, only if;

- The total amount of the payment (or the base of the pension) does not exceed the total remuneration of the Director in his or her capacity as a Director in any three years chosen by the Board; or

- The payment is authorised by an ordinary resolution.

Any amounts payable by the Company in this regard will not affect any amount paid to an executive Director in connection with the termination of his or her employment with the Company or the payment of any amount attributable to the contribution (or any normal subsidy related thereto) made by a Director to a superannuation scheme.

The Company's current policy in respect of retirement allowances is that such allowances are paid to non-executive Directors who have held office for at least five years. The amount paid is equal to the total of directors' fees paid in respect of the last three full financial years prior to retirement, reduced by 1/10th for each year a director has not held office during the ten years prior to retirement. The Directors intend to review this policy in the coming year.

All Directors have provided a general notice that they may from time to time transact personal business affairs with the Company or its subsidiaries including placing funds on deposit, borrowing monies or the receipt of goods and services. All such transactions are carried out in accordance with the normal business criteria of the Company and its subsidiaries for those types of transactions. There have been no transactions of this type of a material nature entered into by any Director in the five years preceding the date of this Profile.

17. Material contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by PGG in respect of (a) and (b), PGG Finance Limited in respect of (c) and Perpetual Trust in respect of (d) during the period two years preceding the date of this Profile:

(a) An agreement dated 26 June 2002 between Wards Horticulture Limited (as vendor), PGG (as purchaser) and JKR Limited (as covenantor) for the purchase of the business of Wards Horticulture Limited.

(b) An agreement dated 18 December 2002 between Irrigation and Pumping Services Limited (as vendor), PGG (as purchaser) and DR Dalley, RG Dalley, DS Hunt and MD Loffhagen (as covenantors) for the purchase of the business of Irrigation and Pumping Services Limited.

(c) A deed dated 14 August 2002 between PGG Finance Limited, Perpetual Trust and Trustee Executors Limited recording the retirement of Perpetual Trust as trustee under PGG Finance's trust deed and the appointment of Trustee Executors Limited as trustee.

(d) An agreement dated 18 June 2002 between Harcourts International Limited (as vendor) and Perpetual Trust (as purchaser) and SJ Collins, MBC Green and PB Wright (as covenantors) for the purchase of 50% of the shares of Mortgage Express.

Other than the above the Company and its subsidiaries have not entered into any material contracts (not being contracts entered into in the ordinary course of business) in the two years preceding the date of this Profile.

18. Pending proceedings

There are no legal proceedings or arbitrations pending at the date of this Profile that may have a material adverse effect on the Company or any of its subsidiaries.

19. Restriction on the Company or its subsidiaries

There are restrictions in the form of financial covenants in the Company's bank borrowing facilities. These are set out below;

- Shareholders' equity must not be less than 70% of total tangible assets
- Earnings before interest and taxation must not be less than 3 times interest and financing costs
- Shareholders' equity must not be less than $120m.

MARAC Finance borrows from retail investors and under wholesale bank facilities subject to the terms of a trust deed dated 9 March 1984. The maximum level of liabilities is 91% of adjusted total tangible assets plus a further 4% of authorised investments. MARAC Finance may not borrow any money on the security of a prior charge if the monies owing on existing prior charges and the proposed prior charge would exceed 10% of adjusted total tangible assets. Nissan Finance also has wholesale bank facilities with similar financial covenants.

20. Financial Statements

The consolidated financial statements of Pyne Gould Corporation and its subsidiaries for the accounting period to 30 June 2003 and for the six month period to 31 December 2003 are set out on pages 43 to page 64 of this Profile.

21. Places of inspection of documents

A copy of the Company's constitution and its most recent annual report and financial statements may be inspected at no charge during normal business hours at the registered office of the Company at 233 Cambridge Terrace, Christchurch.

22. Other material matters

There are no material matters relating to the Company or its subsidiaries other than the matters elsewhere set out in this Profile and contracts entered into in the ordinary course of business of the Company or its subsidiaries.

23. Directors' Statement

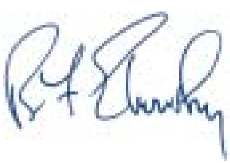
The Directors of the Company, after due enquiry by them in relation to the period between 31 December 2003 and the date of this Profile, are of the opinion that no circumstances have arisen that materially adversely affect the trading or profitability of the Company or its subsidiaries, the value of the assets of the Company or its subsidiaries or the ability of the Company or its subsidiaries to pay its debts due within the next 12 months.

24. Auditor's Report

The auditor's report is set out on pages 65 to 66 of this Profile

Signed for and on behalf of
PYNE GOULD CORPORATION LIMITED
by:

Samuel Richard Maling
Chairman



Richard Frank Elworthy
Managing Director

PYNE GOULD CORPORATION LIMITED

HISTORICAL **FINANCIAL STATEMENTS**

The consolidated financial statements for Pyne Gould Corporation and its subsidiaries for the most recently completed accounting period are the financial statements for the year ended 30 June 2003. These, together with interim financial statements for the six months ended 31 December 2003 are set out below.

PYNE GOULD CORPORATION LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENT OF FINANCIAL PERFORMANCE

	6 Months 31 December 2003 (Unaudited) $000	Note	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Operating revenue				
Sales revenue	148,533	4	282,346	278,767
Interest revenue	55,505	5	102,637	88,285
Other revenue	15,128	6	29,429	31,480
Share of net surplus retained by associate companies	0	7	0	396
Total operating revenue	**219,166**		**414,412**	**398,928**
Costs and expenses				
Depreciation - buildings	368		650	712
Depreciation - plant and equipment	1,467		3,286	4,837
Depreciation - lease vehicles	6,203		14,294	14,097
Amortisation of intangibles	2,331		4,573	3,808
Interest paid	27,028	8	52,860	48,812
Selling and administration expenses	160,301	9	304,435	302,190
Total costs and expenses	**197,698**		**380,098**	**374,456**
Operating surplus before taxation	21,468		34,314	24,472
Taxation charge	7,781	10	12,581	6,176
Operating surplus after taxation	13,687		21,733	18,296
Minority interests	(2,915)		(5,685)	(5,125)
Net surplus after taxation	**10,772**	11	**16,048**	**13,171**

STATEMENT OF MOVEMENTS IN EQUITY

	6 Months 31 December 2003 (Unaudited) $000	Note	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Equity at beginning of period	**191,462**		**182,427**	**133,283**
Net surplus after taxation	10,772		16,048	13,171
Total recognised revenues and expenses for the period	**10,772**		**16,048**	**13,171**
Other movements				
Increase in share capital	0		0	53
Movements in minority interests	(970)		1,551	44,236
Dividends paid	(5,627)		(8,564)	(8,316)
Total other movements	**(6,597)**		**(7,013)**	**35,973**
Equity at end of period	**195,637**		**191,462**	**182,427**

STATEMENT OF FINANCIAL POSITION

	6 Months 31 December 2003 (Unaudited) $000	Note	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Assets				
Cash and bank balances	1,390		407	6,950
Trade receivables	56,985		53,497	44,173
Inventories	42,910		35,707	33,874
Other current assets	199	12	4,327	3,449
Finance receivables	944,462	13	863,258	834,288
Lease vehicles	47,780	14	47,226	51,812
Non-current assets	6,288	15	7,924	9,656
Intangible assets	38,697	16	41,014	41,309
Property, plant and equipment	31,307	17	29,984	30,675
Total assets	**1,170,018**		**1,083,344**	**1,056,186**
Liabilities				
Bank overdrafts (secured)	36,213		25,413	10,851
Trade creditors	49,849		48,642	54,662
Other current liabilities	5,742	18	7,571	8,800
Borrowings	882,577	19	810,256	799,446
Total liabilities	**974,381**		**891,882**	**873,759**
Equity				
Share capital	84,758	20	84,758	84,758
Reserves	5,912	21	5,912	5,323
Retained earnings	60,039	22	54,894	47,996
Shareholders' equity	**150,709**		**145,564**	**138,077**
Minority interests	44,928		45,898	44,350
Total equity	**195,637**		**191,462**	**182,427**
Total equity and liabilities	**1,170,018**		**1,083,344**	**1,056,186**

STATEMENT OF CASH FLOWS

	6 Months 31 December 2003 (Unaudited) $000	Note	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers	152,829		297,912	261,854
Interest received	54,222		103,954	87,257
Lease revenue received	8,474		18,682	19,935
Fees and other income received	5,915		4,640	89
Net GST received	576		1,557	1,147
Total cash provided from operating activities	**222,016**		**426,745**	**370,282**
Cash was applied to:				
Payments to suppliers and employees	172,976		318,126	269,194
Interest paid	27,439		51,919	47,565
Taxation paid	1,758		6,160	11,557
Total cash applied to operating activities	**202,173**		**376,205**	**328,316**
Net cash flows from operating activities	**19,843**	23	**50,540**	**41,966**
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of property, plant and equipment	148		4,409	313
Proceeds from sale of lease vehicles	13,180		21,220	19,991
Proceeds from sale of investments	100		30	14,254
Total cash provided from investing activities	**13,428**		**25,659**	**34,558**
Cash was applied to:				
Increase in investment in subsidiaries	0		2,097	0
Increase in finance receivables	83,744		34,633	89,263
Purchase of property, plant and equipment	3,262		9,178	3,502
Purchase of lease vehicles	19,506		28,412	34,458
Purchase of investments	0		500	145
Total cash applied to investing activities	**106,512**		**74,820**	**127,368**
Net cash flows used in investing activities	**(93,084)**		**(49,161)**	**(92,810)**
Cash flows used in financing activities				
Cash was provided from:				
Issue of shares	0		0	53
Increase/(decrease) in borrowings	72,940		(9,973)	55,673
Total cash provided from financing activities	**72,940**		**(9,973)**	**55,726**
Cash was applied to:				
Dividends paid to minorities	3,888		4,029	2,386
Dividends paid	5,627		8,563	8,316
Total cash applied to financing activities	**9,515**		**12,592**	**10,702**
Net cash flows from/(used in) financing activities	**63,425**		**(22,565)**	**45,024**
Net decrease in cash held	(9,816)		(21,186)	(5,820)
Opening cash balance	(25,006)		(3,901)	3,280
Acquired on acquisition of subsidiaries	0		81	(1,361)
Closing cash balance	**(34,822)**	24	**(25,006)**	**(3,901)**

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies

The financial statements presented are the consolidated financial statements of the group comprising Pyne Gould Corporation Ltd and its subsidiaries and associates.

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. Four members of the reporting entity are issuers under the Financial Reporting Act 1993.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise.

(a) Principles of consolidation

The group financial statements include those of the holding company and its subsidiaries accounted for using the purchase method. All inter-company balances and gains and losses on transactions between group companies have been eliminated.

(b) Associate companies

These are companies in which the company has a substantial long term investment and has a significant influence on their commercial and financial decisions. Associate companies are accounted for using the equity method.

(c) Investments

Investments in companies are recorded at cost. All other investments are stated at the lower of cost and net realisable value.

(d) Property, plant, equipment and depreciation

Land and buildings are recorded at cost or at directors' valuations prior to 1991, less accumulated depreciation. Properties held for resale are recorded at the lower of cost or net realisable value. Plant and equipment is recorded at cost less depreciation.

Property, plant and equipment other than land are depreciated on a straight line basis, at rates which will write off cost and any subsequent revaluations less estimated residual values over their estimated economic lives as follows:

Buildings	50 years
Motor vehicles	3 - 5 years
Plant	8 - 13 years
Office furniture & equipment	1 - 10 years
Computer equipment	1 - 3 years

(e) Inventory

Inventory is valued at the lower of cost or realisable value. Cost is determined on a first in, first out basis. Due allowance has been made for obsolete and slow moving inventory.

(f) Finance and trade receivables

Finance and trade receivables are stated at their estimated realisable value. Bad debts are written off against income in the year in which they become evident. An estimate based on the experience of each company in the group is also made for doubtful debts.

(g) Lease vehicles

Lease vehicles are stated at cost less accumulated depreciation. Current period depreciation, profits or losses on the sale of lease vehicles are included as part of the operating surplus. Lease vehicles are depreciated on a straight line basis over their expected life after allowing for any residual values.

(h) Income recognition

The income on the yet to mature portion of finance charges under instalment credit receivables is calculated by using the actuarial method. Income from lease receivables is apportioned over the term of the lease by the straight line method.

(i) Research and development expenditure

All research and development expenditure is written off in the year incurred.

(j) Intangible assets

(i) Goodwill

Goodwill arising on the acquisition of subsidiary and associate companies is amortised over the years of expected benefit. Any discount on acquisition is applied in the reduction of the fair values of the non-monetary assets of the company acquired.

(ii) Perpetual Trust - Statutory right and brand

The Perpetual Trust statutory right and brand is stated at cost less amortisation to date. The statutory right and brand is amortised over 20 years.

(iii) MARAC brand

The MARAC brand is stated at cost less amortisation to date, with the cost being amortised over 20 years.

(k) Taxation

The income taxation expense recognised for the period is based on the accounting surplus, adjusted for permanent differences between accounting and taxation rules.

The group follows the liability method of accounting for deferred taxation making allowance for permanent differences. This is the comprehensive basis for the calculation of deferred taxation. Future income taxation benefits attributable to timing differences are recognised in the financial statements only when there is virtual certainty of realisation.

(l) GST

As the company is predominantly involved in providing financial services, only a proportion of GST paid on inputs is recoverable. The non-recoverable proportion of GST is treated as an expense.

(m) Foreign currencies

Transactions in foreign currencies are converted at the rates of exchange applying at the date of the transaction or under forward exchange contracts. At balance date, foreign currency balances are recorded at the rates of exchange ruling at that date.

(n) Statement of cash flows

The statement of cash flows has been prepared using the direct method modified by the netting of certain cash flows.

Cash and cash equivalents consist of cash and liquid assets used in the day to day cash management of the group.

Cash flows from operating activities: Receipts from customers and payments to suppliers and employees include sales and purchases to and from clients who operate advance and credit current accounts with the group, the movements in which have been treated as investing activities and financing activities respectively.

(o) Financial instruments

Off-balance sheet financial instruments are entered into to reduce exposure to fluctuations in foreign currency exchange and interest rates. The financial instruments are subject to the risk that market values may change subsequent to their acquisition however such changes would be offset by corresponding, but opposite, effects on the physical items being hedged. Gains and losses on foreign currency and interest rate risk instruments used to hedge assets and liabilities are brought into account on an accrual basis over the life of the underlying hedged asset or liability.

(p) Impaired assets and past due assets

Impaired assets consist of non-accrual assets and restructured assets. Non-accrual assets are any assets where there is a significant doubt about the collectability of the amounts owing and that income is no longer accruing. Restructured assets are any assets where the original terms have been changed due to the counterparty's difficulty in complying with the original terms of the contract and the amended terms are not comparable with similar new lending.

Past due assets are any assets which have not been operated by the counterparty within its key terms for at least 90 days and which are not impaired assets.

Specific provisions are made against impaired assets where full recovery of principal and interest is not considered probable. Specific provisions are identified by reviewing each counterparty exposure and the associated risk of loss. Interest on these assets is accounted for on a cash basis.

A general provision for bad and doubtful debts is maintained to cover non identified possible losses and latent risk inherent in the overall portfolio of advances and other lending transactions. This is assessed having regard to the level of potential credit risk inherent in the overall loan portfolio based on loan arrears, recovery trends and current and projected economic conditions.

Bad debts specifically provided for are written off against specific provisions. Amounts required to bring the provisions to their assessed levels are taken to the statement of financial performance. Any future recoveries of amounts provided for are taken to the statement of financial performance.

(q) Changes in accounting policies

There have been no changes in accounting policies in the current period.

2. Subsidiary companies

The principal subsidiary companies and their activities included in the financial statements are as follows:

	% Held at 30 June 2003
MARAC Finance Ltd (formerly Allied Finance Ltd)	100
• motor vehicle and commercial financing	
MARAC Securities Ltd	100
• arranging structured finance	
Nissan Finance New Zealand Ltd	100
• motor vehicle financing	
Perpetual Trust Ltd	100
• trustees and executors, corporate trustees, and funds management	
Pyne Gould Guinness Ltd	56
• rural servicing and financing	

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000

	% Held at 30 June 2003
PGG Finance Ltd	56
• rural lending	
Velpool Holdings Ltd	56
• velvet broking	
Mortgage Express Ltd	50
• arranging mortgage finance	

These subsidiaries all have balance dates of 30 June.

3. Associate companies

	% Held at 30 June 2003
Canterbury Saleyards (1996) Ltd	50

4. Sales revenue

Sales revenue includes all sales of merchandise, grain and seed, wool and livestock by the group as principal and also commissions and fees received.

5 Interest revenue

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Finance receivables other than impaired assets	101,872	88,178
Impaired assets	630	0
Cash and bank deposits	135	107
Advances inter-group	0	0
Total interest revenue	**102,637**	**88,285**

6 Other revenue

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Dividend revenue	116	89
Lease revenue	18,682	19,935
Fee and other income	7,912	7,956
Surplus on sale of assets	2,719	3,500
Total other revenue	**29,429**	**31,480**

7 Share of net surplus retained by associate companies

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Net surplus before taxation	0	573
Taxation charge	0	(177)
Net surplus after taxation	0	396
Associated companies dividends received	0	0
Total share of net surplus of associates	**0**	**396**

NOTES TO THE FINANCIAL STATEMENTS

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
8 Interest paid		
Retail debenture stock	31,129	36,081
Bank borrowings	17,480	9,003
Unsecured deposits	4,251	3,728
Inter-group	0	0
Total interest paid	**52,860**	**48,812**
9 Selling and administration expenses		
Audit fees PricewaterhouseCoopers	266	259
Fees for other services provided by PricewaterhouseCoopers	97	61
Bad and doubtful debts	2,699	11,510
Directors' fees and retirement allowances	1,000	871
Rental costs	4,715	3,019
Other operating expenses, including staff costs and cost of sales	295,658	286,470
Total selling and administration expenses	**304,435**	**302,190**
Directors' fees and retirement allowances paid and accrued consist of:		
Holding company	421	328
Subsidiary companies in respect of:		
Directors of holding company	60	165
Other directors	519	378
Total directors' fees and retirement allowances	**1,000**	**871**
10 Taxation charge		
Operating surplus before taxation	34,314	24,472
Prima facie taxation at 33%	11,324	8,076
Plus/(less) taxation effect of:		
Depreciation and other permanent differences	1,761	1,307
Deferred taxation	94	(2,609)
Dividends from other companies	(5)	0
Non-assessable income	(593)	(598)
Taxation charge for the period	**12,581**	**6,176**
The taxation charge for the period consists of:		
Current taxation	10,062	9,670
Deferred taxation	2,418	(3,529)
Adjustments in respect of the previous period	101	35
Balance at end of period	**12,581**	**6,176**
Deferred taxation asset:		
Balance at beginning of period	8,740	3,521
Acquired on acquisition of subsidiaries	128	1,690
Adjustment in respect of previous periods	94	0
Taxation arising on timing differences	(2,417)	3,529
Balance at end of period	**6,545**	**8,740**

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Imputation credit account		
Balance at the beginning of period	10,810	10,577
Taxation paid	5,745	3,120
Credits attached to dividends received	2,816	2,338
Credits attached to dividends paid	(5,087)	(5,225)
Balance at end of period	**14,284**	**10,810**

11 Net surplus after taxation

In 2002 the net surplus of the group included a gain on the selldown of shares in Reid Farmers Ltd of $1,596,000.

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
12 Other current assets		
Taxation refunds due	4,327	3,449
Total other current assets	**4,327**	**3,449**
13 Finance receivables		
Advances and interest bearing contracts	959,832	936,348
Unearned income	(78,372)	(76,451)
Provision for doubtful debts	(18,202)	(25,609)
Total finance receivables	**863,258**	**834,288**
Current	453,206	552,574
Non-current	410,052	281,714
Total finance receivables	**863,258**	**834,288**
Bad and doubtful debts		
General provision		
Balance at beginning of period	9,118	8,097
Acquired on acquisitions	0	638
Bad debts written off	(4,319)	(3,315)
Recoveries	2,052	338
Charged to net surplus	1,942	3,360
Balance at end of period	**8,793**	**9,118**
Specific provision		
Balance at beginning of period	16,491	10,107
Acquired on acquisitions	0	335
Bad debts written off	(8,000)	(2,101)
Recoveries	234	0
Charged to net surplus	684	8,150
Balance at end of period	**9,409**	**16,491**
Total provision for doubtful debts	**18,202**	**25,609**

NOTES TO THE FINANCIAL STATEMENTS

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Summary of charge to statement of financial performance		
Net (decrease)/increase in general provision	(578)	383
Net (decrease)/increase in specific provision	(6,716)	5,775
Bad debts written off	12,319	5,690
Bad debts recovered	(2,326)	(338)
Total charged to statement of financial performance	**2,699**	**11,510**
14 Lease vehicles		
Lease vehicles at cost	65,721	71,894
Accumulated depreciation	(18,495)	(20,082)
Total lease vehicles	**47,226**	**51,812**
15 Non-current assets		
Investments in other companies	1,352	881
Investments in associated companies	27	35
Deferred taxation	6,545	8,740
Total non-current assets	**7,924**	**9,656**
Investments in associate companies consist of:		
Shares at cost or valuation	0	35
Share of reserves	0	0
Total investments in associated companies	**0**	**35**
16 Intangible assets		
Statutory right and brands		
Cost	12,901	12,901
Less accumulated amortisation	(2,247)	(1,602)
Balance at end of period	**10,654**	**11,299**
Goodwill		
Cost	34,907	25,649
Goodwill arising on acquisitions	4,277	9,258
Less accumulated amortisation	(8,824)	(4,897)
Balance at end of period	**30,360**	**30,010**
Total intangible assets	**41,014**	**41,309**

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
17 Property, plant and equipment		
Land at cost	**4,476**	**5,399**
Buildings at cost	21,729	22,865
Less accumulated depreciation	(7,064)	(7,046)
Total buildings	**14,665**	**15,819**
Plant and equipment at cost	28,613	28,546
Less accumulated depreciation	(17,770)	(19,089)
Total plant and buildings	**10,843**	**9,457**
Total property, plant and equipment	**29,984**	**30,675**

The aggregate of the latest valuations from Quotable New Zealand of land and buildings adjusted for additions since valuation is $28,179,000 (June 2002 $26,783,000).

18 Other current liabilities		
Employee entitlements	6,392	7,311
Provision for retiring allowances	1,179	1,270
Provision for restructuring	0	219
Total other current liabilities	**7,571**	**8,800**
19 Borrowings		
Debenture stock	482,803	437,074
Bank borrowings	236,557	266,795
Client current accounts and deposits	90,896	95,577
Total borrowings	**810,256**	**799,446**

Concentrations of funding

Funding is sourced from New Zealand, $558,112,000 (June 2002 $523,737,000), overseas $15,587,000 (June 2002 $89,914,000) and New Zealand banks $236,557,000 (June 2002 $266,795,000).

Security provided

Bank and debenture stock borrowings of MARAC Finance Ltd rank equally and are secured over the assets of the company in terms of a Trust Deed dated 9 March 1984 in favour of The New Zealand Guardian Trust Company Ltd as trustee for the debentureholders.

Bank and debenture stock borrowings of PGG Finance Ltd are secured by a charge over the assets of that company. The stock is issued in terms of a Debenture Trust Deed dated 25 February 1982.

	6 Months 31 December 2003 (Unaudited) $000	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000

Client current accounts and deposits with Pyne Gould Guinness Ltd are in accordance with the terms of a Trust Deed dated 20 September 1984.

20 **Share capital**	**Number of Shares**		
Issued and paid up capital:			
Balance at beginning of period	48,933,376	84,758	84,705
Issue of new shares	0	0	53
Balance at end of period	**48,933,376**	**84,758**	**84,758**

The shares have equal voting rights and rights to dividends and distributions.

21 **Reserves**			
Revaluation reserve			
Balance at beginning of period		3,711	3,538
Revaluations transferred from retained earnings on sale of assets		589	173
Balance at end of period		**4,300**	**3,711**
Capital reserve			
Balance at beginning of period		1,612	1,612
Increase arising on amalgamation		0	0
Balance at end of period		**1,612**	**1,612**
Total reserves		**5,912**	**5,323**

22 **Retained earnings**			
Balance at beginning of period	54894	47,996	43,566
Net surplus	10772	16,048	13,171
Transfer to reserves	0	(586)	(425)
Dividends paid	(5,627)	(8,564)	(8,316)
Balance at end of period	**60,039**	**54,894**	**47,996**

23 **Reconciliation of operating surplus after taxation to net cash flows from operating activities**			
Operating surplus after taxation	**13,687**	**21,733**	**18,296**
Add/(less) non-cash items:			
Net surplus of associate companies	0	0	(396)
Depreciation	8040	18,230	19,646
Amortisation	2331	4,573	3,808
Doubtful debts provisions	2213	2,023	7,405
Deferred taxation	1665	1,899	(3,529)
Accruals and prepaid items	(461)	2,782	2,752
Total non-cash items	**13,788**	**29,507**	**29,686**

	6 Months 31 December 2003 (Unaudited) $000	**12 Months 30 June 2003 (Audited) $000**	**12 Months 30 June 2002 (Audited) $000**
Add/(less) working capital items:			
Trade receivables	(3,706)	7,387	(2,245)
Inventory	(7,203)	(1,833)	(6,516)
Taxation	4,266	4,545	(1,461)
Trade creditors	(376)	(10,239)	8,588
Total movements in working capital items	**(7,019)**	**(140)**	**(1,634)**
Add/(less) items classified as investing activities:			
Gain on sale of assets and investments	(613)	(3,271)	(3,279)
Miscellaneous	0	2,711	(1,103)
Total items classified as investing activities	**(613)**	**(560)**	**(4,382)**
Net cash flows from operating activities	**19,843**	**50,540**	**41,966**

24 Closing cash balance

Cash and bank balances	1,390	407	6,950
Less bank overdrafts	(36,213)	(25,413)	(10,851)
Total closing cash balance	**(34,823)**	**(25,006)**	**(3,901)**

25 Segmentation of result (12 months to June)

The group operates predominantly in New Zealand within two industry segments:

Financial services - Motor vehicle, plant and machinery, property development and marine financing, estate and trust administration, investment and funds management, corporate trustee services and mortgage broking.

Rural servicing - Stock and station agents, wool marketing, livestock sales, real estate agents, irrigation, insurance, rural financing, grain and seed merchants and farm merchandise sales.

	Financial Services		Rural Servicing		Group	
	2003 $000	**2002 $000**	**2003 $000**	**2002 $000**	**2003 $000**	**2002 $000**
Revenue	125,374	115,529	288,880	281,634	414,254	397,163
Unallocated revenue	-	-	-	-	158	1,765
	125,374	115,529	288,880	281,634	414,412	398,928
Segment result	21,149	11,308	19,769	19,130	40,918	30,438
Unallocated items	-	-	-	-	(6,604)	(5,966)
Operating surplus before taxation	21,149	11,308	19,769	19,130	34,314	24,472
Taxation	(7,500)	(1,473)	(6,156)	(6,044)	(13,656)	(6,176)
Unallocated items	-	-	-	-	1,075	-
Associates and minorities	(24)	-	(5,661)	(5,125)	(5,685)	(5,125)
Net surplus after taxation	13,625	9,835	7,952	7,961	16,048	13,171

					12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Allocated assets	755,600	733,542	287,310	296,441	1,042,910	1,029,983
Unallocated assets	-	-	-	-	40,434	26,203
Total assets	755,600	733,542	287,310	296,441	1,083,344	1,056,186

26 Related party transactions

(a) The holding company provided loans, financial and administrative assistance, computer services and leased premises to companies in the group during the current and previous financial period. All transactions were conducted on normal commercial terms and conditions. The holding company also transferred tax losses to wholly owned subsidiary companies.

(b) The company issued shares and made advances to the trustee of the staff share purchase scheme as detailed in Note 39

(c) Directors of the company and subsidiaries, their spouses and family invested in MARAC Finance Ltd and Pyne Gould Guinness Ltd debentures. All transactions were at normal commercial rates.

(d) Ms SA Staley, a director of Pyne Gould Guinness Ltd is also a director of Trustee Executors Ltd who have been appointed to act as trustee for holders of deposits and credit account balances of Pyne Gould Guinness Ltd. The amount paid to Trustee Executors Ltd for the year ended 30 June 2003 was $24,436 (June 2002 $12,437).

27 Acquisition of businesses

In July 2002 the company acquired a 50 per cent shareholding in Mortgage Express Ltd.

In September 2001 the company sold all of its shares in Pyne Gould Guinness Ltd to Reid Farmers Ltd, in return for 44,010,006 new shares in Reid Farmers Ltd. The company subsequently sold 13,000,000 shares in Reid Farmers Ltd reducing its ownership to 55.5%. Reid Farmers Ltd changed its name to Pyne Gould Guinness Ltd.

These acquisitions had the following impact on the consolidated financial position: -

Current assets	242	26,555
Trade and finance receivables	0	86,554
Non current assets	130	49,976
Property, plant and equipment	4	12,628
Current liabilities	(642)	(22,450)
Rationalisation costs	0	(2,913)
Finance borrowings	0	(65,116)
Minority interest	133	(39,225)
Net assets	(133)	46,009
Goodwill on acquisition	2,633	8,036
Consideration paid	2,500	54,045

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000

28 Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial asset and liability.

Finance receivables

The fair value of the group's finance receivables is calculated based on current market interest rates for loans of a similar nature and term.

Other financial assets and liabilities

The fair value of all other financial assets and liabilities is considered equivalent to their carrying value.

Off-balance sheet items

The fair value of foreign currency and interest rate contracts is based on the quoted market prices of these instruments at balance date.

Borrowings

The fair value of debenture stock, deposits, bank borrowings and other borrowings is based on the current market interest rates payable by the group for debt of similar maturities.

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Financial assets and liabilities		
Carrying amounts		
Cash deposits and bank	407	6,950
Finance receivables	863,258	834,288
Investments	1,379	916
Other receivables	57,824	47,622
Bank overdraft	25,413	10,851
Borrowings	810,256	799,446
Other payables	56,213	63,462
Fair values		
Cash deposits and bank	407	6,950
Finance receivables	854,524	824,789
Investments	1,379	916
Other receivables	57,824	47,622
Bank overdraft	25,413	10,851
Borrowings	808,238	798,902
Other payables	56,213	63,462

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000

29 Risk management policies

The group is committed to the management of risk. The primary financial risks are those of credit, liquidity, interest rate and foreign currency. The group's financial risk management strategy is set by directors of each group company. The group has put in place management structures and information systems to manage individual financial risks, has separated monitoring tasks where feasible and subjects all accounting systems to regular internal and external audit.

30 Credit risk exposure

Credit risk is the potential risk of loss arising from the failure of a debtor or trading counterparty to honour fully a financial or contractual obligation. A credit committee of the board is in place for each group company to implement credit risk management strategy. The group is selective in targeting credit risk exposures and avoids exposures to high risk areas and has comprehensive credit policies for the approval and management of all credit risk.

Lending standards and criteria are established for all finance products into different business sectors. The group relies primarily on the integrity of the debtor or counterparty and their ability to meet their obligations to the group but in addition, security cover within established loan to security valuation margins is required. Industry and product concentrations and maximum aggregated exposure to any one debtor are managed and monitored. Credit risk is strongly monitored with regular credit reviews.

Financial assets which are subject to credit risk principally consist of finance receivables, bank balances and investments.

The group operates principally in the finance and vehicle leasing industry. Credit risk is concentrated within New Zealand.

Maximum credit risk exposures are:	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Cash deposits and bank	407	6,950
Finance receivables	863,258	834,288
Lease vehicles	47,226	51,812
Investments	1,379	916
Lending facilities committed but not drawn	57,547	55,882
Total credit risk exposures	**969,817**	**949,848**

The above maximum exposures are net of any recognised provision for losses on those financial instruments. Credit risk concentration is limited by the large number of customers included within the group's customer base.

	% of Total 2003	2002	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
Concentrations of credit exposures (finance receivables)				
(a) By industry				
Agricultural, forestry and fishing	22.1	23.3	190,554	194,910
Government and public authorities	1.1	1.3	9,110	10,442
Financial, investments and insurance	1.4	1.4	11,882	11,531
Construction	3.4	2.5	29,033	20,606
Transport and storage	7.7	6.0	66,427	49,781
Wholesale and retail trade	7.7	11.3	66,147	94,082
Manufacturing and printing	3.4	3.1	29,688	26,278
Property	12.8	10.1	110,608	84,046
Motor vehicle and marine	40.4	41.0	349,809	342,612
Total concentrations of credit exposures by industry	100.0	100.0	**863,258**	**834,288**
(b) By geographic region				
Auckland	42.5	37.9	367,075	316,440
Wellington	7.2	4.0	61,979	33,293
Rest of North Island	11.9	21.6	102,532	180,139
Canterbury	13.1	11.3	113,165	94,083
Rest of South Island	5.3	4.0	45,916	33,186
South Island rural business	20.0	21.2	172,591	177,147
Total concentrations of credit exposure by geographic region	100.0	100.0	**863,258**	**834,288**

31 Liquidity risk

Liquidity risk is the risk that the group may encounter difficulty in raising funds at short notice to meet its commitments and arises from any mismatch of the maturity of monetary assets and liabilities. The group manages this risk by forecasting future cash requirements seeking a diverse and stable funding base and by maintaining committed credit facilities with financial institutions.

Liquidity profile of monetary assets and liabilities	0-6 Months	6-12 Months	1-2 Years	2-5 Years	Total
30 June 2003					
Assets					
Cash and bank balances	407	0	0	0	407
Trade receivables	53,497	0	0	0	53,497
Taxation refunds due	4,327	0	0	0	4,327
Finance receivables	316,457	136,402	228,502	181,897	863,258
Lease vehicles	13,465	10,448	14,761	8,552	47,226
Total assets	**388,153**	**146,850**	**243,263**	**190,449**	**968,715**

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000

Liquidity profile of monetary assets and liabilities	0-6 Months	6-12 Months	1-2 Years	2-5 Years	Total
Liabilities					
Bank overdrafts	25,413	0	0	0	25,413
Trade and other creditors	56,208	0	0	0	56,208
Borrowings	414,862	100,180	257,861	37,353	810,256
Total liabilities	**496,483**	**100,180**	**257,861**	**37,353**	**891,877**

Borrowing facilities committed but not drawn $102,150,000.

30 June 2002	0-6 Months	6-12 Months	1-2 Years	2-5 Years	Total
Assets					
Cash and bank balances	6,950	0	0	0	6,950
Trade receivables	44,173	0	0	0	44,173
Taxation refunds due	3,449	0	0	0	3,449
Finance receivables	379,487	173,087	152,944	128,770	834,288
Lease vehicles	16,130	10,646	12,955	12,081	51,812
Total assets	**450,189**	**183,733**	**165,899**	**140,851**	**940,672**
Liabilities					
Bank overdrafts	10,851	0	0	0	10,851
Trade and other creditors	63,462	0	0	0	63,462
Borrowings	368,826	167,808	240,998	21,814	799,446
Total liabilities	**443,139**	**167,808**	**240,998**	**21,814**	**873,759**

Borrowing facilities committed but not drawn $207,488,000.

32 Interest rate risk

Interest rate risk is the risk that market interest rates will change and impact on the group's financial results by affecting the interest margin between interest earning assets and interest bearing liabilities. The group monitors market interest rates on a daily basis and regularly reviews interest rate exposure. Interest rate risk is reduced by management's constant monitoring of the interest rate maturity profiles of finance borrowings and finance receivables.

The group holds off-balance sheet financial instruments as a hedge against movements in interest rates.

	2003	2002
The principal or contract amounts of interest rate options, swaps and forward rate agreements contracts are:	16,204	17,500

Repricing analysis

The interest rate risk profile of financial assets and liabilities that follows has been prepared on the basis of maturity or next repricing date, whichever is the earlier.

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000

	Effective Interest rate %	0-6 Months	6-12 Months	1-2 Years	2-5 Years	Total
30 June 2003						
Financial assets						
Cash and bank balances	4.5	407	0	0	0	407
Finance receivables	10.8	263,669	246,268	194,774	158,547	863,258
Lease vehicles	10.4	13,465	10,448	14,761	8,552	47,226
Total financial assets		**277,541**	**256,716**	**209,535**	**167,099**	**910,891**
Financial liabilities						
Bank overdrafts	6.5	25,413	0	0	0	25,413
Borrowings	6.1	554,131	88,979	139,245	27,901	810,256
Total financial liabilities		**579,544**	**88,979**	**139,245**	**27,901**	**835,669**
Off-balance sheet interest rate swaps		16,204	0	0	(16,204)	0
30 June 2002						
Financial assets						
Cash and bank balances	3.5	6,950	0	0	0	6,950
Finance receivables	11.6	428,884	129,110	150,899	125,395	834,288
Lease vehicles	9.4	16,130	10,646	12,955	12,081	51,812
Total financial assets		**451,964**	**139,756**	**163,854**	**137,476**	**893,050**
Financial liabilities						
Bank overdrafts	6.4	10,851	0	0	0	10,851
Borrowings	5.1	546,126	93,308	150,198	9,814	799,446
Total financial liabilities		**556,977**	**93,308**	**150,198**	**9,814**	**810,297**
Off-balance sheet interest rate swaps		17,500	(6,000)	0	(11,500)	0

33 Foreign currency risk

Foreign currency risk results from the mismatch of recognised and unrecognised foreign currency assets and liabilities. These mismatches can arise from the day to day purchase and sale of foreign currency, from sales and purchases of products denominated in foreign currency, from deposit and lending activity in foreign currencies and from offshore funding. The group monitors exchange rates on a daily basis and regularly reviews foreign currency exposure. Foreign currency risk associated with exporting and importing is identified at the time a transaction is contracted and a forward contract entered into as a hedge against that risk. The group does not undertake foreign currency deposit and lending activities or offshore funding.

The group holds off-balance sheet financial instruments as a hedge against movements in exchange rates.

	2003	2002
The principal or contract amounts of foreign currency forward contracts are:	727	2,724
Market value of these contracts are	426	2,884

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
34 Asset quality		
Non-accrual assets		
Balance at beginning of period	27,681	13,330
Transfers in	6,217	22,276
Transfers out	(10,217)	(4,865)
Bad debts written off	(7,570)	(3,060)
Balance at end of period	16,111	27,681
Provision for doubtful debts	(8,659)	(15,122)
Total non-accrual assets	**7,452**	**12,559**
Movements in specific provision for doubtful debts of non-accrual assets		
Balance at beginning of period	15,375	10,176
Transfers in	0	1,000
Bad debts written off	(7,744)	(2,035)
Recoveries	234	0
Charged to net surplus	794	5,981
Balance at end of period	**8,659**	**15,122**
Restructured assets		
Balance at beginning of period	0	6,823
Transfers in	0	6
Transfers out	0	(6,829)
Balance at end of period	**0**	**0**
Movements in specific provision for doubtful debts of restructured assets		
Balance at beginning of period	0	2,110
Transferred from non accrual assets	0	(1,000)
Charged to net surplus	0	(1,110)
Balance at end of period	**0**	**0**
Past due assets		
Balance at beginning of period	10,522	14,005
Transfers in	7,366	4,269
Transfers out	(8,284)	(6,715)
Bad debts written off	(2,044)	(1,037)
Balance at end of period	**7,560**	**10,522**

35 Managed funds, securitisation, custodial and other fiduciary activities

Perpetual Trust Ltd is a trustee company which provides a range of services including estate and trust management, accounting services, financial and investment advice, distribution and administration of managed funds and corporate trustee services.

	12 Months 30 June 2003 (Audited) $000	12 Months 30 June 2002 (Audited) $000
36 Contingent liabilities		
Discounted export bills	382	454
Guarantee of associate liability	1,650	1,650
Performance bonds	55	748
37 Lease commitments		
Within 1 year	3,430	3,140
Between 1 and 2 years	1,463	2,210
Between 2 and 5 years	2,391	2,154
Over 5 years	2,430	2,189
Total lease commitments	**9,714**	**9,693**

38 Capital commitments

Capital commitments at June 2003 totalled $1,410,000 (June 2002 $3,125,000)

39 Staff share ownership arrangements

Staff share purchase schemes have been established to assist staff members to become shareholders in the company. Under the Trust Deed, Pyne Gould Corporation Ltd has the power to appoint the trustees. The trustees of the schemes are Messrs SR Maling, TEC Saunders and RF Elworthy who retain the voting rights. All full time staff members of the group are entitled to participate. The price of the shares is set by the directors after considering the current market price. No shares are subject to put and/or call options. Neither Pyne Gould Corporation Ltd or any related company has any right to acquire shares held by the staff share purchase schemes.

At 30 June 2003, all shares were allocated to employees except for 19,933 shares and the schemes held 0.33% of the total issued shares. Advances from Pyne Gould Corporation Ltd totalled $25,555 (2002 $29,043). These advances are interest free and are repayable over three years.

Abbreviated Statement of Financial Position:	**June**	**June**
Assets	**2003**	**2002**
Shares at cost	251	263
Liability		
Loan from holding company	26	29
Abbreviated Statements of Earnings		
Dividend income received	0	0
Shares at fair value	524	550
Change in value of assets	273	287

	Number of Shares
Shares held by trustees	
Balance at beginning of period	163,599
Shares sold by trustee	(19,933)
Transferred to participants	0
Balance at end of period	**143,666**

AUDITORS' REPORT

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The Directors
Pyne Gould Corporation Limited
P O Box 167
Christchurch

9 March 2004

Auditors' report for inclusion in the Listing Profile

Dear Directors

As auditors of Pyne Gould Corporation Limited ("the Company") we have prepared this report pursuant to the Listing Rules for inclusion in a Listing Profile to be dated 9 March 2004. Listing Rule 7.1.3(a) requires a Listing Profile to comply with, and contain all information required by the Securities Act 1978 and regulations made under that Act, including the First Schedule of the Securities Regulations 1983, with such modifications as may be necessary in the circumstances.

Directors' responsibilities
The Company's Directors are responsible for the preparation and presentation of:

(a) the financial statements which give a true and fair view of the state of affairs of Pyne Gould Corporation Limited and its subsidiaries ("the Group") as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, consistent with Clause 23 to 38 of the First Schedule of the Securities Regulations 1983, as required by Listing Rule 7.1.3 (a) but with such modifications as may be necessary in the circumstances.

(b) the summary of financial statements of the Group for the six months ended 31 December 2003 and the years ended 30 June 2003, 2002, 2001, 2000 and 1999, consistent with Clause 8(2) and 8(3) of the First Schedule of the Securities Regulations 1983, as required by Listing Rule 7.1.3 (a) but with such modifications as may be necessary in the circumstances.

(c) the prospective financial information of the Group for the 12 months ending 30 June 2004, including the assumptions on which they are based.

Auditors' responsibilities
We are responsible for expressing an independent opinion on the financial statements of the Group for the year ended 30 June 2003 presented by the Directors and reporting our opinion, consistant with the Clause 41 (1) of the First Schedule of the Securities Regulations 1983.

We are also responsible for reporting on the following matters which have been prepared and presented by the Directors:

(a) the amounts included in the summary of financial statements of the Group for the six months ended 31 December 2003 and the years ended 30 June 2003, 2002, 2001, 2000 and 1999;

(b) the prospective financial information of the Group for the 12 months ending 30 June 2004.

We have no relationship with or interests in the Company or any of its subsidiaries other than in our capacities as auditors.

Basis of opinion on the financial statements
An audit of the financial statements includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

(a) the significant estimates and judgements made by the Directors in the preparation of the financial statements; and

(b) whether the accounting policies used and described on pages 47 to 49 are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

We have conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order

AUDITOR'S REPORT

to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Basis of opinion on the summary of financial statements
We have undertaken procedures to provide reasonable assurance that the amounts set out in the summary of financial statements of the Group on pages 32 to 33, consistent with Clause 8(2) and 8(3) of the First Schedule of the Securities Regulations 1983, have been correctly taken from the unaudited financial statements of the Group for the six months ended 31 December 2003 and the audited financial statements of the Group for the years ended 30 June 2003, 2002, 2001, 2000 and 1999.

Basis of opinion on the prospective financial information
To meet our reporting responsibilities we have examined the prospective financial information for the 12 months ending 30 June 2004 to confirm that, so far as the accounting policies and calculations are concerned, the prospective financial information have been properly compiled on the footing of the assumptions made or adopted by the Directors as set out on pages 35 to 36 of this listing profile and are presented on a basis consistent with the accounting policies normally adopted by the Group.

Unqualified opinion on the financial statements and the summary of financial statements
We have obtained all the information and explanations we have required.

In our opinion:

(a) proper accounting records have been kept by the Group as far as appears from our examination of those records;

(b) the financial statements of the Group, on pages 43 to 64 of this Listing Profile, consistent with Clause 23 to 38 of the First Schedule of the Securities Regulations 1983, and that are required to be audited, have been drawn up to:
(i) comply with the Regulations;
(ii) subject to those Regulations, comply with generally accepted accounting practice in New Zealand; and give a true and fair view of the state of affairs of the Group as at 30 June 2003 and its financial performance and cash flows for the year ended on that date;

(c) the amounts or details set out in the summary of financial statements, on pages 32 to 33 of this Listing Profile, consistent with Clause 8(2) and 8(3) of the First Schedule of the Securities Regulations 1983, have been correctly taken from the financial statements of the Group from which they were extracted.

Unqualified opinion on the prospective financial information
In our opinion, the prospective financial information for the 12 months ending 30 June 2004 so far as the accounting policies and calculations are concerned, have been properly compiled on the footing of the assumptions made or adopted by the Directors of the Company as set out on pages 35 to 36 of this Listing Profile and are presented on a basis consistent with the accounting policies normally adopted by the Group.

Actual results are likely to be different from the prospective financial information since anticipated events frequently do not occur as expected and the variation could be material. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Yours faithfully

PricewaterhouseCoopers

GLOSSARY

Words and names used in this profile have the following meanings;

Allied Finance means Allied Finance Limited

AMP Perpetual means AMP Perpetual Trustee Company Limited

Amuri means Amuri Corporation Limited

Board means the board of Directors

Christchurch Press means The Christchurch Press Company Limited

Company means Pyne Gould Corporation Limited

Director means a director of Pyne Gould Corporation Limited

Finance and Discounts means Finance and Discounts Limited

Frontline Finance means Frontline Finance Limited and Frontline Business Funding Limited

Group means Pyne Gould Corporation and its subsidiaries

IFRS means International Financial Reporting Standards

MARAC means the combined business undertaken by MARAC Finance Limited, MARAC Securities Limited and Nissan Finance New Zealand Limited

MARAC Finance means MARAC Finance Limited

MARAC Securities means MARAC Securities Limited

Mortgage Express means Mortgage Express Limited

Nissan Finance means Nissan Finance New Zealand Limited

NZX means New Zealand Exchange Limited

NZSX means the NZX main board equities market

Perpetual Trust means Perpetual Trust Limited

PGG Trust means PGG Trust Limited

Profile means this profile prepared pursuant to the requirements of NZX listing rules

Pyne Gould Corporation means Pyne Gould Corporation Limited

Pyne Gould Guinness and PGG mean Pyne Gould Guinness Limited

QE means the Quarterly Exchange

Reid Farmers means Reid Farmers Limited

SEU means South Eastern Utilities Limited

USM means the Unlisted Securities Market facilitated by NZX for unlisted securities

DIRECTORY

Directors
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R F Elworthy, Managing Director
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B R Irvine
B W Mogridge
S C Montgomery
T E C Saunders
W J Steel

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Pyne Gould Corporation