Pyne Gould Corporation

NZX & Media Release

Pyne Gould Corporation Limited preliminary annual results guidance

16 August 2010

Pyne Gould Corporation Limited ("**PGC**") advises that it expects its net profit after tax for the year ended 30 June 2010 to exceed the amount forecast in PFI by around 5% despite higher than expected impairments. PGC's previously advised PFI forecast was net profit after tax of $20.9m.

PGC expects to announce a NPAT of approximately $22m based on Net Operating Income approximately $17m above the amount forecast. Net Operating Income reflects the underlying strength of PGC's core operating businesses. Strong contributions came from MARAC's vehicle finance operations as well as Perpetual Asset Management and Torchlight, following initiatives to improve and drive performance. In addition, a strategic alliance with the New Zealand Automobile Association (NZAA) and the purchase of GMAC NZ's retail motor vehicle finance book, both executed this year, have added to operating income as well as offering significant growth potential. It is anticipated PGC will continue to benefit from the purchase by MARAC of assets that meet the business' core strategy and required returns.

PGC's performance will be offset by higher than expected asset impairment expenses of approximately $17.5m above the amount forecast. This largely relates to property assets, a sector of the market which PGC is exiting. Progress has been made in realising these assets in a commercial and considered way but the property sector remains difficult. Impairment expenses include the one-off cost relating to an unauthorised loan advised earlier in the year.

PGC is pleased its core businesses have performed strongly and it expects quality earnings from these areas to continue to dominate performance as it manages down its exposure to property.

Standard & Poor's had been advised of this preliminary result and confirmed MARAC's credit rating of BB+ and has revised its outlook to 'Stable' from 'Negative'.

Further details will be provided at PGC's results announcement on 26 August 2010 after completion of the annual audit and finalisation of the financial statements.

- Ends -

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Expected Variances to Forecast	**$m**	**Notes**
Increases in Net Operating Income of $17m compared to forecast includes:		
MARAC Vehicle and Commercial Finance Income	3	
Perpetual and Torchlight	4	
Additional Interest Income on Real Estate Credit Limited Property Assets	2	a
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Purchase of GMAC NZ Retail Motor Vehicle Book	2	
Sale of 50% of MARAC Insurance	2	
Other	2	
Increases in impairment of $17.5m compared to forecast includes:		
Unauthorised Loan (as previously advised)	-3.5	
Real Estate Credit Limited Property Assets	-8	b
MARAC Property Finance Assets	-5	
MARAC Vehicle and Commercial Finance Assets	-1	

Notes:

a. As required under Accounting Standards, subsequently included in impairments.
b. Consists largely of interest on impaired loans written off above that previously forecast.