



**Notice to NZX
Embargoed until 9am, 10 December 2013**

**PGC Chairman's Address to Annual Meeting
Pullman Hotel
Auckland**

Fellow shareholders it is not an understatement to describe today's Annual Meeting as a seminal event.

The results for last year delivered one of the biggest after tax profits this company has ever produced and the future investment and growth focus of our company is now outside New Zealand within Australia and the United Kingdom.

With the Board's strong belief that the UK and Europe will provide the majority of our new investment opportunities and commensurate growth, today is largely about ensuring that we can take proper advantage of those opportunities by considering and voting on the redomiciling of PGC to Guernsey later in this meeting; as a prelude to seeking a listing on the London Stock Exchange during 2014.

Before reflecting upon last year's good result and the future plans for the group it is important to dwell on one important and key factor about the past. That factor is that on the in specie distribution and spilt of Heartland (now Heartland Bank) and PGC, the goal was to provide the Heartland shares as a dividend stream and PGC as a capital growth opportunity.

Well, Heartland has begun providing a steady dividend this year, and PGC has provided a return for shareholders after tax of \$44.4 million - which is a 41% return on the net assets of the company. This equates to 20.5 cents per share.

Last year's \$44.4 million net profit after tax was inclusive of gains of \$25 million as a result of exiting non-core assets, with the core assets returning \$19.4 million net profit after tax, 9 cents per share.

Our strategy of deploying the cash from non-core assets sold into the core assets remains, with the core assets all well positioned to provide a solid future for PGC.

PGC core assets are mainly held through our 31% ownership of Torchlight Limited Partnership with two key core assets held directly.

Those two held directly are the 26.9% ownership of EPIC, which in turn owns 17.5% of MOTO, and the 100% ownership of the Torchlight General Partner, which is paid management fees and receives success fees from the Torchlight partnership based upon performance.

MOTO is a solid business that operates motorway full service byways in the UK. MOTO generates an EBITDA of around GBP80 million off an asset base of circa GBP900 million.

Though Torchlight has many investments, the most notable are;

- 1) 100% ownership of Residential Communities Ltd (RCL) which has a land bank of over 7000 sites spread across 17 major projects - all of which are being developed and taken to market on a planned regular basis.
- 2) 29% of Lantern Hotel Group - a business that is transforming from a property owning company with third party tenants, to one that owns the freehold and the operating businesses within the majority of its 14 Australian hotels. Lantern is an ASX listed company with net assets of AUD100 million. It also has 5 hotels in New Zealand that it is actively selling. And,
- 3) an 11% holding in Local Media which controls 110 UK based regional newspapers. The business of Local World Media is currently performing very strongly.

In general, there is a common thread amongst these businesses in that they own real estate with quality businesses utilising those properties. Also, as a result of the easy debt provided during the early part of this century, they were over-gearred and that caused a significant lowering of pre and post tax profits, despite the quality of the underlying businesses. Our focus is on such businesses and assisting them to achieve balance sheet reconstruction and operational improvements. Our early successes point to PGC having a model that is well positioned for consolidated value growth.

As a capital growth company, our value growth won't be steady year on year, but our goal is to deliver (as we said last year) in excess of 15% compounded growth over the medium and longer term. This performance will likely mean lumpy results and, as a consequence, we have a policy of not providing any market guidance. However, we will continually outline our strategies and performance against those, but some years will be more bountiful than others which is the nature of the markets we do business in.

So, with a great year behind us, today's meeting is, as I alluded to previously, about taking the opportunity to position PGC in the right business theatre in order that we can take advantage of European value enhancing opportunities.

The two special resolutions to be voted on later in this meeting are about the redomicile of PGC to a country outside of New Zealand, to Guernsey. This is a direction that we have highlighted for the past two years, and is a very natural step for PGC to take, given that only \$4.8 million out of total assets of \$151.8 million remain within New Zealand, with the rest either in the United Kingdom or Australia. Also those remaining \$4.8 million of assets are being actively marketed for sale and it is highly likely that PGC will have no assets remaining within New Zealand following the calendar year 2014

The Notice of Meeting sent to every shareholder on November 25 is a very comprehensive document explaining these proposed changes in detail, and rather than go through the Notice now I will be very happy to take questions on the subject when we get to those special resolutions later in the meeting.

As I mentioned in the Chairman's letter, which formed part of the Notice of Meeting; your directors unanimously recommend that you support the resolutions proposed for this meeting and strongly believe that the benefits of the redomicile of PGC far out-weigh any negatives.

Within the Notice of Meeting we mentioned that PGC requires an 'IRD No Objection' notice. Application has been made for such a notice and, as at today, it is still pending.

Before passing onto the next item of business I would like to just close by providing an update as to the results of the share buyback programme that we announced on November 14 and began on November 20. As at the close of business yesterday, we have purchased a total 3,839,260 shares at an average price of 43.11 cents per share. The shares so purchased have been cancelled. This means that now the number of shares on issue has reduced to 212,790,350 shares from the previous 216,629,610. The buyback programme is intended to buy up to 5% of the company's shares on market, and has purchased 1.77% to date. The Board will decide how long the programme will continue; on the 14th of November we said it may continue until November 19th 2014.

ENDS

Media Contact:
David Lewis 021 976 119