



Notice to NZX

1 May 2012

RE: Resignation of KPMG as the PGC Group's Auditor.

KPMG have resigned as the PGC Group's Auditor. The reasons they have given for the resignation are:

"Unresolved differences as to whether certain transactions should be disclosed as related party transactions, and concerns over the adequacy of governance and management of financial reporting"

PGC strongly rejects these claims by KPMG and has advised KPMG accordingly.

In an effort to resolve what was becoming a technical impasse on disclosure matters (as our professional advice differed from KPMG's) PGC made the following offer to KPMG in order to achieve progress:

"That if by the time the June 2012 financial year audit was completed we still had unresolved differences then PGC would agree to KPMG's view and publish whatever KPMG thought appropriate within the 2012 annual report or earlier if required by KPMG".

PGC also notes that, in order to ensure a very high standard of internal accounting controls and activities, on April 2nd the PGC Board shifted PGC's central accounting functions to Deloitte.

PGC takes the untimely resignation of KPMG very seriously, and has reserved its rights accordingly.

The PGC Board will appoint a replacement auditor as soon as possible.

For more information, please contact:

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