

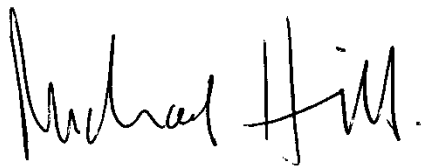
michael hill

INTERNATIONAL LIMITED

4 August 2010

As part of its ongoing review of governance policies and their implementation, MHI has been reviewing the role of auditor. PricewaterhouseCoopers has been the Company's auditor for many years. In more recent times the level of non-audit fees paid to PricewaterhouseCoopers has been significant and the Company anticipates that this will continue as the group grows. Following discussions with the Company, PricewaterhouseCoopers has today advised that subject to the appointment of a replacement auditor, it will resign the audit role as from the conclusion of the annual meeting in November this year. We will accordingly now be carrying out a process of selecting a candidate for shareholder approval at the November annual meeting. The auditor approved by shareholders will then hold office from conclusion of that meeting until the next annual meeting and be subject to re-appointment in the usual manner.

The Board would like to thank PricewaterhouseCoopers for their auditing services to our company since we listed on the New Zealand Stock Exchange in 1987.

A handwritten signature in black ink, reading "Michael Hill". The signature is written in a cursive, flowing style with a large initial 'M' and 'H'.

R.M.Hill

Chairman