



EUMUNDI GROUP

22 November 2013

Chairman's Address to Annual General Meeting

Since delivering my address for the Annual Report, it is appropriate that matters that have arisen since then be conveyed to the shareholders.

First of all, I am happy to report that following protracted negotiations which have taken up most of the year, Woolworths having sought and now received ACCC approval have become the anchor tenant in the Banksia Beach Shopping Centre in place of IGA. Woolworths opened for trade on 13 November 2013 and the opening was quite spectacular in the number of people who attended the venue and feedback from tenants and customers has been extremely positive. There is great optimism that the Centre will now be in a position to allow us to have it fully let and we intend to consider improvement initiatives to make sure that it is well presented and becomes one of our prime assets.

You will be aware that a non-renounceable rights issue to existing shareholders was undertaken and has now been completed and \$6,050,000 has been raised after all costs and is sitting in the bank. That position very favourably boosts our balance sheet and our position with our bankers with reference to LVRs and other issues that may be relevant for the purposes of moving forward in achieving growth for the company.

Following the issue, there are now 283,899,380 shares on issue. Approximately 67% of shareholders took up their entitlement (94,923,234 shares) which included an allocation of 3,996,096 shares to shareholders who applied for additional shares. The remaining shares were fully underwritten. Market capitalisation of the company now is \$13,627,170 and last trade as of today was at \$0.048, which is no less than that which prevailed just before the closure of the offer.

The company is now well positioned to not only undertake improvements on current assets which will enhance the return to the company, but very significantly allow the smooth and very safe purchase of another asset which the board continues to see as a priority, with the ability to infuse capital with the consequent relief from further substantial debt thus achieving a very healthy LVR.

Capital works to improve future profitability and improve value of group assets will involve a consideration of the following:

1. Ashmore – an upgrade of the lounge bar/restaurant/kitchen to improve efficiency and capacity and implementation of a family friendly area and incorporating expanded outdoor dining areas.
2. Aspley – upgrade of venue to improve efficiency and capacity and outdoor smoking solution in conformity with appropriate expert advice.
3. Bribie – activation of internal mall increasing foot traffic and improving leasing prospects of remaining vacancies.

Finally, we have engaged a hotel consultant to review operational efficiencies and assist in identifying hotel opportunities for the group.

Joe Ganim
Chairman