



EUMUNDI GROUP

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Australian Securities Exchange
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CHIEF EXECUTIVE OFFICERS ADDRESS TO ANNUAL GENERAL MEETING

Please find set out below the content of the Chief Executive Officer's Address to the Annual General Meeting of Eumundi Group Limited being held this morning.

"During the past year, Eumundi Group has acquired two very different yet equally valuable properties.

The standalone IGA Home Hill property was an excellent opportunity providing a strong 9.3% return on our initial investment with an added potential for further development, and a committed tenant who is eager to be involved in an expanded centre.

A substantially larger investment was made in the purchase of Aspley Arcade shopping centre.

Between the Aspley Arcade and Aspley Central shopping centres, Eumundi Group now hold some 15,158 m² of prime commercial land on one of Brisbane's major arterial roads.

In June 2007, we announced the acquisition of the Aspley Arcade Shopping Centre for \$13 million. This was a strategic acquisition as it was a prime opportunity to secure the adjoining parcel to our existing holding, Aspley Central Shopping Centre.

The centre has a Gross Floor Area of some 2,219 m² and comprises 19 separate retail and commercial tenancies on a land parcel of some 7,975 m².

Apart from the longer term redevelopment potential, the centre also provides the opportunity for medium term gains through the centre's current low rental base, which we consider are substantially lower than what is achieved in other comparable centres within the region

Our long term view of both the Aspley Arcade and Aspley Central shopping centres is the potential to redevelop both centres into a considerably larger mixed used development with a continued focus on an expanded retail and commercial offering, with the potential for the inclusion of some residential.

At this time, excluding the Pick N Pay Hypermarket centre located directly adjacent to our holding, the combined centres are a dominant retail offering in the precinct. The critical mass and diversity of the existing retail and commercial uses in both centres provides a destination point for the surrounding residential catchment area.

In line with our strategic plan, each of these off-market investments provides immediate income growth, as well as future development potential.

When Banksia Beach shopping centre was purchased in November 2005, it was the group's strategy to acquire and add value through redevelopment and expansion of the centre, rather than adopt a passive investment attitude towards the property.



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At last year's Annual General Meeting, we anticipated that construction of the expanded centre would have commenced by May 2007. Due to delays in securing statutory approvals and exhaustive negotiations with the centre's major tenant on the scope of fit out within their new store, the program was not met.

We are pleased to advise that the building works have formally been taken to tender. From an initial pool of 5 state based building companies, 3 conforming tenders were received, the bids received were very similar in dollar value and all were below our original construction estimates.

Over the last three weeks, interviews have been held with each of the 3 conforming bidders, and after this interview process, 2 preferred builders have been identified. Final interviews will be held with both builders within the next 2-3 weeks to determine the successful bidder and subject to satisfactory contract negotiations with this successful party, we believe that a January 2008 commencement date for construction is achievable.

In consultation with each of the builders' and the redevelopments project managers, the development program has been updated and a construction program of 7 ½ months has been set.

It is our intention to work closely with all the existing tenants within the centre to ensure that any new tenants secured will compliment, enhance and extend the existing retail mix and by doing so improving the reach and longevity of the centre itself.

Upon its completion and reopening, Banksia Beach Shopping Centre will be a flagship investment for the group.

Complementing the ownership of these properties, in July 2007, we announced the acquisition of a 90% shareholding in the boutique property management & advisory company of Punch Joseph & Associates.

Punch Joseph & Associates has been trading in the property management market for over 17 years. The company currently manages some 45 buildings for high net worth individuals and their companies, with approximately 100,000 m² of floor space and a capital value of approximately \$500 million under management.

The portfolio of properties under management is spread across commercial office accommodation, retail and Industrial, and includes 5 Brisbane CBD commercial office buildings.

We again believed this to be a strategic acquisition, as we saw the opportunity firstly to expand a well established and highly regarded operation, with the view to growing the company's existing client base and cash flow, as well as the potential opportunity to work with a number of the state's high net worth individuals and their companies.

Over the next 12 months, we will continue to investigate off market investments to acquire, where the opportunity exists for medium and long term growth, whether via increased income through rental restructuring or through partial expansion or total redevelopment. We will also continue to review our existing holdings and investments to find ways of enhancing each investments cash flow and therefore increasing the return on our investment."

Yours sincerely
Eumundi Group Limited

Leni Stanley
Company Secretary