



EUMUNDI GROUP

24 November 2006

Company Announcements Office
Australian Stock Exchange Limited
SYDNEY NSW 2000

CEO'S ADDRESS TO ANNUAL GENERAL MEETING

Today Mr Iain Thomson presented the following Chief Executive Officer's address to the Annual General Meeting of Eumundi Group Limited:

"I would like to take this opportunity to firstly introduce myself to those who may not know me and also provide a brief outline of my background, secondly provide an update on our shopping centre project at Banksia Beach, Bribie Island and lastly a brief outline of our recent proposed acquisition at Home Hill.

Prior to taking up my role with Eumundi, I spent just under 3 years with Foodland Associated Limited, as the State Property Manager, my primary responsibility was the expansion of Action Supermarket Brand throughout Queensland and Northern NSW and the administration of some 40, plus stores in both states. In that period we built the brand up from the 33 stores acquired from Franklins to over 40 stores, with an additional 8 stores in the pipeline, prior to the group being takeover by Metcash Trading Limited.

Prior to FAL, I was involved in the commercial property market in Qld for some 19 years, having worked in various areas of commercial real estate including sales and leasing, development and finance, primarily with national and international based institutions.

Banksia Beach Redevelopment: -

At last years Annual General Meeting we outlined the strategy behind the acquisition of Banksia Beach Shopping Centre on Bribie Island and the proposed plans for the redevelopment of the centre.

Unfortunately, due to circumstances outside the control of the group the redevelopment progressed slowly, the delay was primarily due to stalled negotiations with the major tenant of the centre - Cornett's IGA supermarket.



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I am pleased to advise that the redevelopment is now back on track and progressing.

All statutory planning requirements will soon be concluded, and we anticipate construction will commence on the project by May 2007, with a scheduled completion by March 2008.

On completion, the redeveloped centre will have a gross floor area of approximately 4,370m² and provide some 323 car parks on grade.

We have reached an 'in-principle' agreement with the Major Tenant - Cornett's IGA - to proceed with the proposed expansion of their supermarket by an additional 1000 m². This expansion will increase the current supermarket offering to approximately 2700m², this will provide the centre with a full line supermarket.

Formal documentation is currently being prepared and it is anticipated that formal agreement will be finalised shortly.

In addition to the expansion of the supermarket, we will also be constructing approximately 680 m² of additional specialty shops.

Whilst formal marketing of the centre won't commence until March 2007, there has already been strong interest from a number of local and state based retailers and we are confident that upon completion of the redevelopment, that the centre will be fully leased.

Home Hill Acquisition: -

Eumundi Group announced early this month the signing of a conditional contract on an investment property in Home Hill in North Queensland for \$ 1.45 million.

The property acquired is a sale and lease back from the current owners and operators of a stand alone IGA supermarket. For those who may not know the township of Home Hill, it is located some 90 kms south of Townsville and is a strong growth community based around agriculture and due to it's abundant supply of underground water, it is one of the best agricultural areas in Australia.



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The acquisition is currently under due diligence, with an anticipated settlement date in mid January 2007. The acquisition comprises an existing stand alone building of approximately 800m² on 2 individual parcels of land totaling approximately 2226 m².

In light of the current investment market, this investment has been secured on an attractive yield. At settlement the Vendor will tenant the building on a new 15 year lease with options, with annual reviews which should ensure consistent rental growth.

The Home Hill acquisition was attractive to the group due to: -

- 1) The long Lease term secured;*
- 2) The standing and reputation of the current operators who have operated a successful business on the subject property for some 13 years;*
- 3) The future rental growth as the property is considered to be under rented;*

And lastly, but not least the added opportunity to expand the current supermarket in the future.

For all these reasons, this was an ideal investment to be acquired by the group and was in keeping with our acquisition philosophy

Acquisition Strategy Moving Forward: -

Fundamentally the group's acquisition strategy remains unchanged from previous years –

- 1) We will continue to acquire income producing properties which have the potential for value adding, either through expansion or complete redevelopment, the likes of Banksia Beach;*
- 2) Properties which we believe are under rented or under valued where the opportunity exists for future capital growth through increased rentals or other economic factors, the likes of Home Hill.*



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3) Greenfield sites - We will continue to investigate and secure Greenfield sites for development, with the view to accommodating national and state based retailers as the primary anchors to any development undertaken.

In closing the group is looking forward to busy and productive year ahead of us.”

Yours faithfully

Leni Stanley
Group Company Secretary