



EUMUNDI GROUP

24 Feb 2010

Company Announcements Office  
Australian Stock Exchange Limited  
SYDNEY NSW 2000

### **Eumundi Group Limited Property Valuations and Profit Update for December 2009**

Eumundi Group Limited wishes to advise that each of the Group's investment property assets were recently revalued by directors.

Investment property assets were valued at approximately \$43,630,000 as at 31 December 2009. The Eumundi Group investment properties are quality, long-term assets delivering strong cash flows and most having further development potential.

Based upon the financial accounts as at 30 June 2009, subsequent redevelopment expenditure and finalisation of the extra cost claims at Bribie Harbour, the valuations are expected to represent a decrement of approximately \$5,000,000 to the profit and loss (before income tax).

Based upon accounts which are presently undergoing half-year review, the estimated result for Eumundi Group Limited for the half-year to 31 December 2009 is expected to be a loss after income tax of approximately \$3,100,000.

As at 30 June 2009, the intangible assets of Eumundi Group Limited included an amount of \$3,035,000 being the value of 40 gaming machine licences held by the Ashmore Tavern, based upon the most recent Queensland Office of Gaming and Revenue (QOGR) auctions, and confirmed by the independent valuation of the Tavern. Taking the most recent sale price achieved at the QOGR auction held 18 November 2009, these gaming licenses now have a value of \$2,745,000.

Subsequent to the release of Eumundi Group's 2009 Annual Report, ASIC determined that the QOGR auctions did not satisfy the definition of an active market necessary to carry intangible assets in use at fair value in the accounts, and that these assets must be held at the lesser of cost or fair value. As there was no value attributed to these licenses at the time of acquisition in 1996, the accounts have now been restated, such that Intangible assets have decreased by \$3,035,000, with a corresponding reduction of \$2,125,000 to asset revaluation reserve (net of tax).

Eumundi Group Limited is presently in negotiations with the bank in respect of commercial bill facilities totaling \$43,065,000 of which \$24,400,000 is due to expire on 31 August 2010.

In accordance with the terms of its facilities with the National Australia Bank, Eumundi Group Limited is required to undertake bank valuations of the Aspley investment properties by 31 March 2010, and these are presently underway. Following communications with the banks valuers, the directors are of the belief that their valuations as at 31 December 2009 are consistent with the bank valuations. Once these valuations are issued to the bank, the bank will be undertaking a review of the company's facilities.

The directors are confident following discussions with the bank that these negotiations will result in an extension of the facilities on satisfactory terms.

Debt reduction, capital management and cost control remain the prime objectives of board and management during this difficult economic period.

Yours faithfully



**Leni Stanley**  
Company Secretary