

## ***Chairman's Address***

Hello and welcome to the Annual General Meeting of Property Fox Number One which I now declare open.

I would like to take this opportunity to introduce my fellow Directors Howard Woolcott and Jodie Morris (who has been recently married and is changing her name to Stainton), the company Secretary Mr Andrew Whitten and our Legal Adviser Mr Ray Whitten. It is also my pleasure to welcome the Company's Auditor Mr Grant Saxon.

Today we have the serious business of running the Annual General Meeting. I intend to do that in an orderly and expeditious manner. I have encouraged debate on the issues by all shareholders and no doubt a number of you have important things to say today. You will be heard as long as we stick to the agenda and conduct ourselves in a dignified manner. As Chairman I am determined to ensure all the business of the meeting is concluded.

We have allowed ample time for the meeting but I reserve the right as Chairman to move things along if points are being labored.

Let us move now to the Chairman's Address...

Firstly let me say it is terrific to see so many shareholders engaged in the company at the moment. Over 70% of shareholders have already voted on the issues put before us to consider today and obviously there are a number of you here today. This result is extraordinary – I do not believe I have ever been involved with any other company having such a huge turnout of voters before.

It has been very gratifying in the past weeks to talk with many shareholders about their concerns and aspirations for the company and receive the overwhelming support of the majority of the people I have spoken to.

I believe that the company is at a turning point and it is clear to me that most shareholders agree. I am also confident of both the valuations of our existing investments and of our new plan going forward and its ability to restore profits and shareholder value.

I asked Jodie and Howard to assist in the recovery over 12 months ago because I knew they had the right combination of experience and enthusiasm to get the job done. They have been an invaluable support to me during their time as directors and have my full support and backing for their reelection today.

Despite recent weeks this year has been a positive year for the company. We were successful in our goal to sell underperforming assets and turn those assets into cash. We are now enthusiastically pursuing new investments in our goal to restore shareholder value and profitability. The company was listed on the NSX on 28<sup>th</sup> February this year and initially received some encouraging sales albeit with low volume. We announced and commenced the share buyback which we believe will add value to shareholders by increasing the NTA and making tax losses available to a smaller group of shareholders.

Our existing investments are performing well.

You may remember at the last AGM Fox Portfolio offered to reduce its fees in return for a conversion of our share holding to "A" Class shares. Despite a majority of shareholders who voted by proxy prior to the AGM this motion was defeated on a poll. Regardless, Howard Woolcott pursued the issue of fees on behalf of shareholders and this was clearly a concern of shareholders when we have spoken to them prior to this AGM.

As you will know, I was pleased to announce that Fox Portfolio has reduced its fees from 1 July 2007 to just \$12,000 per annum. This fee includes all of the administration and internal account for the company and none of the fee flows to me personally. You will know that I do not draw a Director's fee and my fellow Director's remuneration is capped as per the Prospectus and so there will be no increase there. Further this fee reduction also encompasses any bonus, commission or profit share that we might be entitled to until the NTA of the company reaches \$1.25. You have my further undertaking that fees will not be increased until the company has returned to profitability and capital value of \$1.25 NTA.

An interesting part of the year has undoubtedly been the last few weeks, firstly upon my return from overseas to see the share price having dropped to .35c before we had the chance to implement the buyback and secondly waging a campaign that has and will continue to cost the company reputation, money, focus and time. On the positive side it has reminded me how important keeping in touch with shareholders is. Most shareholders regardless of their support for me or otherwise were able to put their concerns in an intelligent and thoughtful manner so that was very gratifying to engage in conversation with them about that.

Restated, our plan as Directors is to seek commercial property in the high growth area of SE Qld with potential for positive cash flow and development. This plan is well advanced. Recently the market here has opened up a bit with fresh stock arriving and vendors more keen to sell. We are currently reviewing a number of properties and I am confident we will make progress shortly. All other options in the company's mandate are still available to us too.

More importantly I am looking forward to a positive year.