

## Property Fox Number 1 AGM Wrap Up

Hello Again

I am writing to you today after the Annual General Meeting of Property Fox Number 1 Limited which was an emphatic victory for the majority of shareholders.

- Howard Wolcott was returned as Director;
- Jodie Morris was returned as Director;
- And all others were defeated in their nominations as Directors.

**These results of the voting were emphatic and the vast majority of shareholders have voted loud and clear to continue with the Directors' plans to restore value and profitability to the company.**

Not only was there a majority from the people voting but also a majority of shareholders even without my shares being counted.

I believe this gives a clear mandate to the Directors of the company to get on with the business of running the company and executing the plan as laid out previously.

Also I think it is important for minority shareholders, especially those who have bought in at low prices to realise the strong voice of the shareholders, understand that the majority of shareholders support the current Directors and their plan to restore value and profitability to the company, and allow them the opportunity to get on and do that.

**Any further attempts to disrupt this plan will be against the wishes of the majority of shareholders, expensive, time consuming, erode shareholder value and profits further and will NOT be in the best interests of the company.**

The meeting was a serious affair as it deserved to be but debate on the issues by all shareholders present was encouraged and all people with questions or discussion points were given the opportunity to be heard.

As Chairman I was obliged and determined to conduct the meeting in a dignified manner and I am pleased to report that most shareholders conducted themselves very well and all the business of the meeting was concluded.

In my Chairman's Address I commented on how terrific it was to see so many shareholders engaged in the company at the moment.

Over 74% of shareholders voted on the issues put before the AGM. This result is extraordinary – I do not believe I have ever been involved with any other company having such a huge turnout of voters.

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 and have this support reflected in the voting.

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 I congratulate them for being re-elected in an overwhelming majority.

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 we found this to be a concern when speaking to the shareholders 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 Directors’ remuneration is capped as per the Prospectus, so there will be no increases in the future. 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. This was a costly campaign for the company and considering the emphatic way that shareholders voted in favour of the current Directors and their plan to restore value and profits to the company, any further action by this minority of shareholders will only serve to erode your equity in the company and further delay a return to profitability.

On the positive side it has reminded me how important keeping in touch with shareholders is and I gave my commitment at the AGM for more regular communication. You may not know but the company has its own website [www.propertyfoxno1.com.au](http://www.propertyfoxno1.com.au) which we have established as a cost effective mode of communication of news with all shareholders, and all announcements can be found on the NSX website – [www.nsx.com.au](http://www.nsx.com.au).

Most shareholders, regardless of their support for me or otherwise, were able to put their concerns in an intelligent and thoughtful manner so it was very gratifying to engage in conversation with them.

All resolutions were put to a poll (formal vote to count all present votes and proxies) and this was scrutinised by the company's share registry and auditor.

Restated, our plan as Directors is to seek commercial property in the high growth area of South East Qld with potential for positive cash flow and development. This plan is well advanced. Recently the market here has opened a little 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.

The results of the voting on the agenda items were as follows:

**Resolution 1: Adoption of the Remuneration Report**

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 30 June 2007 be adopted"

Results of Poll Received for Resolution 1		
Votes For	Votes Against	Abstain
4,030,000	1,048,000	180,000

**TOTAL VOTES: 5,258,000**

The chairman declared the motion carried for Resolution 1 based on the results of the poll.

**Resolution 2: Re-election of Jodie Morris as an Executive Director**

"That Jodie Morris, who, having been appointed to fulfill a casual vacancy during the year retires in accordance with the Company's Constitution, and being eligible offers herself for re-election as a Director, be re-elected as an Executive Director."

Results of Poll Received for Resolution 2		
Votes For	Votes Against	Abstain
4,130,000	1,028,000	20,000

**TOTAL VOTES: 5,178,000**

The chairman declared the motion carried for Resolution 2 based on the results of the poll.

**Resolution 3: Re-election of Howard Woolcott as an Executive Director**

"That Howard Woolcott, who, having been appointed to fulfill a casual vacancy during the year retires in accordance with the Company's Constitution, and being eligible offers himself for re-election as a Director, be re-elected as an Executive Director"

Results of Poll Received for Resolution 3		
Votes For	Votes Against	Abstain
4,222,000	767,000	251,000

**TOTAL VOTES: 5,240,000**

The chairman declared the motion carried for Resolution 3 based on the results of the poll.

**Resolution 4: Election of Steven Pritchard as a Director**

"That Steven Pritchard be appointed as a Director of the Company"

Results of Poll Received for Resolution 4
---

Votes For	Votes Against	Abstain
1,128,000	3,970,000	160,000

**TOTAL VOTES: 5,258,000**

The chairman declared that the motion defeated for Resolution 4 based on the results of the poll.

**Resolution 5: Election of Enzo Pirillo as a Director**

“That Enzo Pirillo be appointed as a Director of the Company”

Results of Poll Received for Resolution 5		
Votes For	Votes Against	Abstain
1,088,000	3,990,000	180,000

**TOTAL VOTES: 5,258,000**

The chairman declared that the motion defeated for Resolution 5 based on the results of the poll.

**Resolution 6: Election of Gordon Elkington as a Director**

“That Gordon Elkington be appointed as a Director of the Company”

Results of Poll Received for Resolution 6		
Votes For	Votes Against	Abstain
1,048,000	3,990,000	220,000

**TOTAL VOTES: 5,258,000**

The chairman declared that the motion defeated for Resolution 6 based on the results of the poll.

I would like to thank the majority of shareholders for their overwhelming support and assure all shareholders that I and my fellow Directors will continue to work hard and in the best interest of all.

More importantly I am looking forward to a positive year.

Yours Sincerely



Peter Spann  
 Managing Director