

A letter to shareholders from Peter Spann – Managing Director

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Peter Spann

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Hello

What a world we live in at the moment!

The share market and world economies in turmoil, banks being guaranteed and bought by their countries, 100 year old institutions collapsing.

Cash is certainly king.

And that's why the Directors of Property Fox No.1 want to **return your cash to you**.

With cash in your hand you can invest it when and how you like.

Let's cut to the chase - despite all the drama created by Pritchard they have only increased their share of the company by a tiny 4% but they will continue to interrupt the activities of the company until they get their payout.

To ensure your money stays in your hands your choice is simple...

1. Vote **now** to get your **cash back** in your hands

Or to tie up your money in sub-prime investments managed by somebody you don't know...

2. Sell out for less than your shares are worth.

It is critical that you vote by sending back your proxy form. Here's how you get your cash back...

Resolution 1 – Vote “Yes”

This is a procedural motion.

Resolution 2 – Vote “Yes”

Vote “Yes” and Approve the share buy-back: This will enable us to return 50c per share to you for 45% of your shares in cash. It's your cash and should be in your hands, it's a better deal than Pritchard Equity is offering, will make the company less attractive to hostile takeovers, it is fair to all shareholders – only those who want to participate have to.

By the way if this vote is defeated we still have options and a strong plan but I genuinely believe the best place for your cash at the moment is back in your hands to invest how you wish.

Resolution 3 – Vote “No”

Vote “No” – we need Jodie to help us sell the properties for maximum value. Her real estate knowledge and enthusiasm has been invaluable. Keep the current board intact.

Resolution 4 – Vote “No”

Vote “No” – I will get this done. I know some shareholders are upset with me – I understand – but I am committed to getting the best result as quickly as possible. Step 1. Get the cash in the company to you through the buy back; Step 2. Sell the remaining assets; Step 3. Sell or wind up the company.

Resolution 5 – Vote “No”

Vote “No” – to quote one of your fellow shareholders “Stephen Pritchard is no Santa Clause”. He is simply trying to get hold of your assets as cheaply as possible. Stephen has caused havoc on just about every public board he has served on – just check the records – we don’t need him causing any more havoc here. Luckily most shareholders continue to see through his motivations.

Resolution 6 – Vote “No”

Vote “No” – I don’t have much to say about Enzo Pirillo – I don’t know him, but he is consistently part of Pritchard’s efforts to attack your company so please vote “no” – a board with Pritchard’s delegates on it would be unworkable.

Resolution 7 – Vote “No”

Vote “No” – Gordon Elkington has been described as a Greenmailer – the practice of acquiring minority stakes in companies to harass those companies into paying an above fair value for those shares - just Google “Greenmailer Gordon Elkington” and you’ll get to see the companies this serial pest has attacked – Pauls, Energex, Caltex, Shell and a host of smaller companies. You’ll see he even has appeared in Hansard defending the practice. He’s been in court over and over and is usually ruled against. You don’t have to be a rocket scientist to figure out what his interest in Property Fox No.1 is.

Resolution 8 – Vote “Yes”

One Director has to “retire” every year for re-election. Please vote “Yes” to this resolution.

Please vote and send back your proxy form today.

As always I am happy to answer your questions if you’d like to email me at peter@freemanfox.com.au

Sincerely



Peter Spann

CEO

P.S. Here’s some additional information you may be interested in...

Poor Corporate Governance by Pritchard Equity Limited leading to its SUSPENSION by NSX

The Corporations Act requires all public companies to lodge their Annual Report with the relevant stock exchange and Australian Securities Investments Commission by the 30th of September each year. Despite this, Pritchard Equity Limited did not lodge its Annual Report until 16th November 2007, over 6 Weeks LATE, this resulted in the company being SUSPENDED from trading by the NSX. PF1’s Board has requested that Pritchard Equity Limited disclose the suspension to investors, they have declined to do so and as such, in order to ensure shareholder’s are fully informed the Board of Property Fox No.1 Limited has decided to advise shareholders of the above.