

3 November 2003

Chairman's Address to General Meeting

On 28 July 2003 the Board announced its intention to propose and recommend that the Company implement a scheme of arrangement with the holders of its A Class Preference Shares involving the buy-back of all Preference Shares.

The proposed consideration for the buy-back is \$1.25 for every Preference Share held, 25 cents of which will be paid in cash and \$1 of which will be applied under the scheme on behalf of the Preference Shareholders to acquire one Unsecured Note with an initial face value of \$1.

Each Unsecured Note will have an initial face value of \$1 and is to be repaid in 3 instalments:

- 33 cents cash on the first anniversary of the date of issue of the Unsecured Notes;
- 33 cents cash on the second anniversary of the issue date; and
- 34 cents cash on the third anniversary of the issue date.

Interest will be payable on the principal outstanding on the Unsecured Notes six monthly in arrears at the rate of 10% per annum, the first interest payment being due 6 months after the Issue Date.

Noteholders will be entitled to attend general meetings of the Company but will not be entitled to vote.

This General Meeting has been convened to allow holders of Ordinary Shares in the Company to consider and, if thought fit, pass two separate special resolutions relating to the proposed scheme.

Resolution 1 is that the buy-back proposed under the scheme and the terms of the buy-back agreements are approved as a special resolution in accordance with section 257D(1) of the Corporations Act.

A special resolution passed by a poll is a resolution passed by at least 75% of the votes cast by members present in person or by proxy, attorney or corporate representative and entitled to vote on the resolution.

Resolution 2 is that certain modifications to the Company's constitution be approved as a special resolution conditional on the Preference Shares being bought back under the scheme.

Amendment of the constitution is necessary because, under limited circumstances, the Unsecured Notes will be convertible back into Preference Shares.

When the Company adopted its constitution, the constitution conferred voting rights on holders of Preference Shares in accordance with the requirements of the Listing Rules in force at that time. The Listing Rules have subsequently been amended and now have the effect that new Preference Shares issued by the Company on conversion of Unsecured Notes must confer certain additional voting rights on their holders.

Accordingly, Ordinary Shareholders will be asked to approve modifications to the constitution to ensure that any new Preference Shares will confer all of the voting rights required under the Listing Rules as they currently exist. The details of these proposed modifications are set out on page 23 of the Scheme Booklet.

The law requires that Preference Shareholders be given the opportunity to consider the proposal at a separate meeting of Preference Shareholders only.

Accordingly, a special class meeting of Preference Shareholders only will commence following the conclusion of this meeting at which Preference Shareholders will be asked to consider and, if thought fit, pass a resolution approving the scheme.

To be passed, the resolution to be put to the Scheme Meeting must be approved by:

- more than 50% by number of Preference Shareholders present and voting in person or by proxy, attorney or corporate representative at the Scheme Meeting; and
- 75% of the votes cast on the resolution.

To become effective, the scheme must also be approved by the Supreme Court of Victoria.

If both resolutions to be put to this General Meeting and the resolution to be put to the Scheme Meeting are passed, it is proposed that the Court hearing at which the Court will be asked to approve the scheme will be held on 7 November 2003.

If the Court approves the scheme on 7 November 2003, it is proposed that the Company will lodge an office copy of the Court order approving the scheme with the Australian Securities and Investments Commission on 10 November 2003.

The scheme will become effective on the office copy of the Court order being lodged with ASIC.

If the scheme becomes effective, the buy-back will take place on 17 November 2003 and it is expected that:

- holding statements in respect of the Unsecured Notes and the cash component of the buy-back consideration will be dispatched on 24 November 2003; and
- the Unsecured Notes will commence trading on ASX on 25 November 2003.

A booklet containing explanatory information on the scheme, a report on the scheme by the independent expert, Grant Samuel, the Company's audited financial statements and the notices of this general meeting and the Scheme Meeting have been sent to all members of the Company, including all Ordinary Shareholders.

Your Directors unanimously recommend that:

- Ordinary Shareholders vote in favour of both resolutions to be put to this general meeting; and
- Preference Shareholders vote in favour of the scheme.

Each Director entitled to vote on the resolutions at this meeting and the resolution to be put to the Scheme Meeting intends to vote in favour of the resolutions.

Detailed reasons for your directors' recommendations are set out in section 5 of the Scheme Booklet. We have strongly encouraged shareholders to read those reasons in full.

We can now move to the business of the meeting.