

3 November 2003

Chairman's Address to Scheme Meeting

This meeting has been convened in accordance with an order of the Supreme Court of Victoria made on 26 September 2003 under section 411(1) of the Corporations Act to allow holders of Preference Shares to consider and, if thought fit, pass a resolution approving the proposed scheme of arrangement between the Company and Preference Shareholders under which it is proposed that the Company will buy-back all of the Preference Shares on issue.

To be passed, the resolution must be approved by both:

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

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 meeting and the General Meeting has been sent to all members of the Company, including all Preference Shareholders.

Grant Samuel has concluded that the scheme is in the best interests of Preference Shareholders.

Grant Samuel has valued the consideration for the buy-back at \$1.22 to \$1.25. This represents a substantial premium to the price of the Preference Shares on ASX during the 12 months prior to the announcement of the proposed Scheme.

Your Directors unanimously recommend that Preference Shareholders vote in favour of the scheme.

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.

Each Director entitled to vote on the resolution at this meeting intends to vote in favour of the resolution.

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 (Issue Date);
- 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.

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.

We can now move to the business of the meeting.