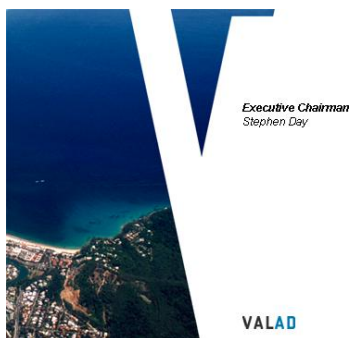
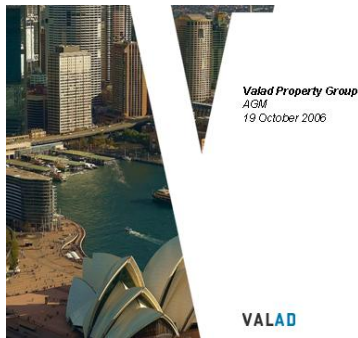


## Valad Property Group

### Annual General Meeting 2006



Ladies and Gentlemen, welcome to the fourth Annual General Meeting of Valad Property Group.

My name is Stephen Day and I have the privilege to be Executive Chairman of Valad, your company.

This meeting includes the annual general meeting of Valad Funds Management Limited, and the meeting of the members of Valad Property Trust, which are being held concurrently, as the two entities have identical securityholders.

Valad will soon be entering its twelfth year of operation and its fifth as an ASX listed company. We are particularly proud of the continued success and growth of the Group.



I believe we have the required number present for a quorum to allow the meeting to proceed. May I also remind you that only securityholders are entitled to speak at this meeting.

Firstly, I would like to introduce my fellow Directors. Working from my left:

- Peter Hurley, Executive Director, and

Our independent directors:

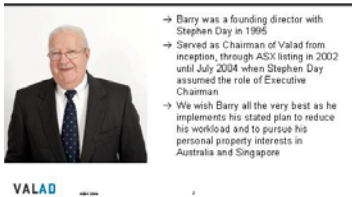
- Trevor Gerber, your Deputy Chairman,
- Bob Seidler, and
- David Murray.

I also welcome:

- Guys Farrands, our Chief Executive Officer,
- Jennifer Lambert, our Chief Financial Officer,
- Paul Notaras, CEO Funds Management and Capital Services,
- Martyn McCarthy, CEO Real Estate Investment, and
- Shaun Hannah, CEO Real Estate Development.

Also here is Anne Young and Jeremy Stevenson from our Company Secretariat, a representative of our solicitors, Mallesons Stephen Jacques, a representative of our auditors, Price Waterhouse Coopers, and seated with you are members of Valad's executive team, identified by their nametags, who have made a magnificent contribution to the achievements of Valad this year.

## *Retirement of Barry Wynne*



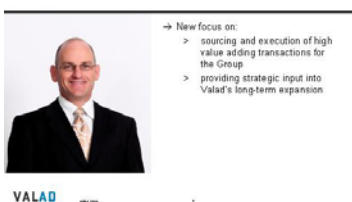
Firstly however I would like to draw your attention to fellow founder and Director, Barry Wynne, who retired from the Board of Valad effective 7 October 2006 being the occasion of his 70<sup>th</sup> birthday.

Barry has decided to reduce his workload and pursue his personal and property interests in Australia and Singapore.

Barry has had a long and distinguished career in property. Barry and I founded Valad together in 1995. Barry was our Chairman from inception through to listing in 2002 and until July 2004 when I was appointed Executive Chairman. Prior to Valad Barry was at Lend Lease from 1962 to 1987 in senior management and board positions.

On behalf of the Board I wish to express thanks to Barry for his significant contribution to the success of Valad and we wish him all the very best on behalf of our securityholders and staff.

## *Peter Hurley, New Focus*



Peter Hurley has been with Valad since 1997, and held the role of Managing Director until 1st January 2006.

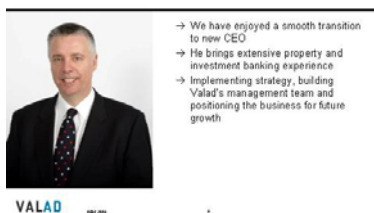
With the business well positioned for the future, Peter and the Board decided that it was in Valad's best interest for him to move to his current role of Executive

Director, to allow him to focus on the sourcing and execution of high value adding transactions for the Group, whilst maintaining his strategic input into Valad's long term expansion.

As Valad's business continues to grow the Group is benefiting from Peter's experience and focus on these complex transactions that will greatly enhance our growth prospects.

On behalf of the Board I would like to thank Peter for his commitment to date, and for the outstanding results that the Group has achieved during his years as Managing Director.

*Guy Farrands, CEO*



The transition to a new CEO from January has been smooth and on behalf of the Board I would like to thank Guy for his contribution to the excellent year we have had. As you know Guy joined Valad when it listed in 2002 and he has been a significant contributor to Valad's success since then.

Guy has extensive experience in all aspects of property and investment banking and is building the strategic and management platform on which Valad aims to expand its business going forward.

*Gold Fields – The Next Level*



2006 has been an excellent year for Valad.

The acquisition of Gold Fields House topped off a year where Valad completed over \$1.2 billion dollars in transactions, taking the company to The Next Level in property investment and funds management. Guy will talk more about Gold Fields House later.

## Price performance



As you can see the market responded positively over the year to our successes.

As a result, Valad's 12 month total return was 21% to Tuesday 17 October 2006.

We are pleased with this performance for our security holders. Let's look in more detail at our results for the year.

## FY06 highlights

- Underlying net profit up 54% to \$66m
- More than 80% EBITDA recurring in nature
- Market cap has grown to \$1.0bn
- AUM now exceeds \$2.1bn
- Transacted \$1.2bn, 90% off-market
- Spectacular asset level performances
  - > 66% IRR on storage portfolio
  - > Excess return of 87% on Pitt St portfolio
- Transitioned new management structure
- Now have in excess of 100 staff

VALAD

This year we achieved some major milestones:

- we achieved our financial targets with underlying net profit up 54% to \$56.0 million;
- we have now achieved EPS growth of 8.8%pa since listing;
- Valad's funds under management reached over \$2.1 billion;

- market capitalisation grew to \$1billion;
- we achieved some spectacular returns including 66% IRR on the storage portfolio and excess return of 87% on the Pitt Street portfolio sale; and finally
- Valad grew to 100 employees.

This year we achieved our objectives which were set in 2005.

- Valad saw EPS growth of 4.9%;
- DPS growth of 5.1%;
- Expansion of our managed funds range with new products like the Valad Core Plus Fund, Valad Capital Services, the launch of the HEZ Fund; and investment of the equity raised in the fourth ICA Property Development Fund;
- We continued to take a lateral and market leading approach to transactions completing over \$1.2 billion in transactions with 90% of these sourced off market; and finally
- Valad improved quality of earnings with more than 80% of EBITDA recurring in nature.

#### ***Alignment of interest with investors***

- 
- Majority independent directors
  - All staff own VPG securities - interests are directly aligned with the success of the business
  - Senior executive group restructured and remuneration now focussed on securityholder outcomes:
    - > Five business group heads now have ~60% of remuneration 'at risk'
    - > Remuneration focussed on EPS and TSR as well as qualitative factors
    - > Similar 'at risk' proportion for 5 deputy business group heads

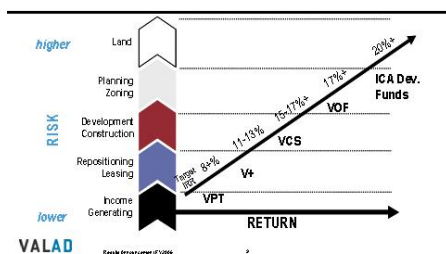
VALAD 2006-2007

Our business is carefully structured to ensure we operate in full alignment with the interests of securityholders.

We ensure this through:

- a majority of independent directors;
- strong staff participation with all staff owning VPG securities;
- senior executive remuneration structured with Group Heads at risk remuneration now around 60% of total;
- remuneration tied to EPS, TSR and other qualitative factors; and
- a similar remuneration structure for deputy business heads.

**Full suite of products across the risk spectrum**



Valad now manages a range of managed investment funds across the full risk-return spectrum, and over the full property asset life-cycle.

These varying sources of investment capital mean that Valad is able to deploy its leading market expertise in value adding and property repositioning investment across any sector, and at any life-stage.

The flexibility of Valad's business model to offer our investors a wide range of opportunities has also created potential exposures in international markets to Valad Capital Services' partnering program, passive assets, development funds, core plus funds, and alternative/emerging asset classes.

## ***New opportunities – globalisation of property markets***

---

- Valad's business model has attracted attention in international markets
- Potential international partners
- Valad's highly refined approach to partnering, structuring and financing of particular interest
- Valad has been able to investigate property opportunities in the New Zealand, SE Asia, Japan and Europe

VALAD 2006 2006

International property markets and the globalisation of property funds management was the emerging theme during this financial year, and looks to be a growing trend for the future.

You could say it was inevitable, but our success in the local market, and our business model, has attracted the attention of the international markets.

We are being contacted by a number of potential international partners who admire what we have achieved, and how we conduct our business.

Of particular interest is potential partnering in projects, structuring and financing.

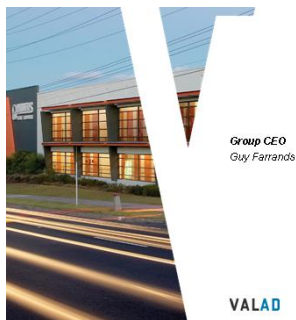
Our growing profile in Australia and overseas has presented Valad with a number of property opportunities in New Zealand, South East Asia, Japan and Europe.

We are actively reviewing these opportunities to see if they are of interest, and if there are synergies between potential partners. However, as in the Australian market, Valad is committed to growth only where our models and analysis show significant upside potential.

In summary, the year ahead is bright for Valad.

I will now hand over to Guy Farrands, our Chief Executive Officer, to review our operations and outlook in more detail.



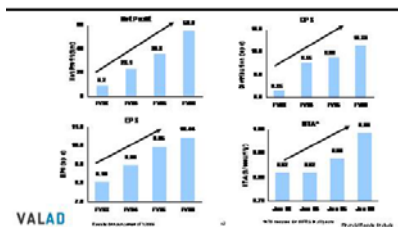


Group CEO  
Guy Farrands

VALAD

Thank you Stephen, and a very warm welcome to all fellow investors, and friends of Valad.

### Year in review



It has indeed been a successful year for Valad, and perhaps, our most successful to date on all fronts.

As you can see the numbers support the story:

- sustained profit growth with 2006 net underlying profit up 54% to \$56 million,
- on a per security basis both earnings and distributions have increased by around 5%, and
- we have achieved 13% NTA growth.

## Financial summary

	FY06	Change
Reported Net Profit	\$79.9m	169%
Underlying Net Profit	\$68.0	54%
Reported EPS	14.94c	83%
Underlying EPS	10.44c	4.9%
DPS	10.30c	5.1%
Gearing*	34.8%	
NTA <sup>†</sup>	\$1.05	
Total Assets*	\$1,128.7m	

\* Post August equity raising

<sup>†</sup> Underlying is the core, stable income that can be paid for a long time, despite fluctuations of underlying asset prices. Book value, however, is the fair value of all assets, properties and employee securities owned by the company.

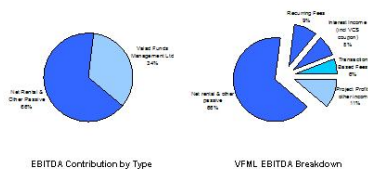
VALAD

The key financials reflect the successes we have had in our business.

In addition to profit growth and earnings performance, gearing remains moderate.

The total book value of assets following our August capital raising is now in excess of \$1.1 billion, reflecting 45% growth in total assets under management this year to \$2.1 billion.

## Improved earnings quality



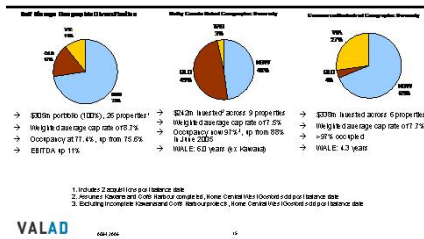
VALAD

Supporting our strong profit performance is significant improvement in the quality of our earnings, with more than 80% of earnings now recurring in nature.

This includes net rental/passive income, coupon interest from our preferred equity investments and recurring funds management and performance fees.

In this current financial year, new funds management products like the Valad Core Plus Fund and new ICA Property Development Funds, plus transaction flow for Valad Capital Services will further improve Valad's recurring income streams.

## Investment portfolio – improved quality



There has been significant improvement in our growing portfolio particularly in terms of diversification and occupancy.

Valad has been actively pursuing assets in Queensland and Victoria. As you can see this has resulted in Queensland exposures of:

- 17% in self storage;
- 49% in bulky goods with the \$80 million Home Central Kawana opening for business in November; and
- 4% in office and industrial.

Victorian opportunities are in the pipeline.

Valad has invested over \$300 million in Queensland across bulky goods, self storage, industrial and office investments; residential and retirement developments; and in development land.

With this growing portfolio we have now established a Valad office in Queensland headed by Nick Timmins, originally one of our senior Development Executives.

In addition to diversity, there has been improvement in occupancy across the portfolio, with:

- Self storage occupancy now 77.4%, up from 75.6%;

- Bulky goods occupancy now 97%, up from 88% including Home Central Kawana; and
- Industrial and office portfolio steady at over 97%.

I think you would agree that these are all excellent figures. They attest to the success of our trademarked Tenant is King program that focuses on the needs of tenants, and the diligence of our property executives in managing our tenant relationships.

### *Self storage – growth story*



- Portfolio acquired in Nov 2004 for \$228.5m on an initial yield of 9.2%
- 195bps cap rate compression over holding period
- Initial portfolio revalued up 27% to \$290.2m
- IRR over holding period of 66%

VALAD

Let's take a few minutes to look at some of our portfolio highlights starting with Self Storage.

Valad has always been prepared to take leadership in the property market, whether this means entering new markets, at different times in the market cycle, through new investment products, or in new asset classes.

In 2004 Valad viewed self storage as one of these emerging asset classes, worthy of institutional grade investment.

Consequently, Valad acquired the Millers Self Storage portfolio in JV with Kennards Self Storage in November 2004 for \$228.5 million on an initial yield of 9.2%. This heralded a flurry of storage investment activity in the market, emphasising the value of Valad's first mover advantage.

Income growth through actively improving occupancy, and cap rate compression in the order of 195 basis points over the holding period, saw the portfolio

revalued upwards in June 2006 to \$290.2 million, an increase of 27% on the acquisition value.

This represents an IRR over the holding period of 66%.

We recently announced the acquisition of two centres with Kennards in the Miranda area bringing the portfolio to 26 centres. In addition, Valad announced plans for the expansion of two existing centres at Castle Hill and Waterloo.

With improved occupancy the storage portfolio is doing very well.

### *Bulky goods retail – active management*



<ul style="list-style-type: none"> <li>→ Bought Toowoomba – met key criteria</li> <li>→ Low passing rents</li> <li>→ Bunnings opportunity</li> <li>→ Market dominator (Harvey Norman anchor)</li> </ul>	<ul style="list-style-type: none"> <li>→ Sold West Gosford – did not fit with sector strategy</li> <li>→ Changed format to "Lifestyle Precinct"</li> <li>→ Leasing program – Curves gym and BCF (Boating, Camping, Fishing)</li> <li>→ Sold for \$20.7m</li> </ul>
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VALAD 2001-2006 17

The bulky goods portfolio is now valued in excess of \$240 million with 5 Home Central branded retail centres, and 5 Bunnings Warehouses.

In 2006 Valad acquired the Harvey Norman Centre in Toowoomba, and Home Central Albion Park. In addition, Home Central Kawana has been completed and will be opened in November.

Another centre, Home Central West Gosford, was sold having been repositioned as a lifestyle precinct.

As I said earlier, with Home Central Kawana opening, portfolio occupancy for our bulky goods portfolio is now at 97%.

## Office/industrial – value adding case study



- Pitt St portfolio acquired Dec: 2004 for \$80.2m
- Refurbishment and repositioning program
- Sold Jun 2006 for \$121.4m
- IRR of >30%
- Market cap rate compression of 80bps over 18 month period (source: Knight Frank)
- Excess Return (over market) 87%

VALAD

I now would like to take a quick look at our office and industrial assets; and the portfolio sale of our three properties at Pitt and Underwood Streets in Sydney.

Valad acquired these three properties in December 2004 for \$80.2 million. The buildings were neglected and run down. Valad applied a refurbishment and repositioning program on the façade, and internally. You can see in the two shots some of the exterior improvements that had been made.

In June 2006 we placed the portfolio on sale following improvements to both tenancy and premises. We achieved a sale price of \$121.4 million yielding an IRR in excess of 30%, and an excess return over market of 87%.

Finally, a quick update on HEZ: the Hunter Economic Zone is gaining momentum with sales to date of over 537,000sqm. Sales rates are in line with forecasts with infrastructure works for Stage 1 release now 32% complete.

## Development - first mover advantage



Valad's model provides the capital and flexibility to invest with the cycle or counter-cyclically, in any market.

We have been astute early stage investors in asset classes like self storage and bulky retail.

On the sell side Valad is also not afraid to exit markets when margins are still there, as in the recent Pitt Street portfolio sale. However, this is only where the target return on equity has been met or exceeded.

But we have also made successful counter-cyclical investments in sectors like office and industrial.

An excellent example was Valad's investment in 21 Talavera Road.

#### *Development case study – 21 Talavera Rd*



- Counter-cyclical acquisition Sep 04 for \$10.7m
- Market review
- In-house design
- Planning consent for 18,000sqm office
- Achieved highest and best use
- Sold Jun 06 for \$16.8m
- Equity IRR of 45%

VALAD

Talavera Road was a counter cyclical acquisition made in September 2004 for \$10.7 million.

Following a market review Valad designed a new building in-house, obtaining planning consent for 18,000sqm of office space.

Valad sold the property in June 2006 for \$16.8 million yielding an equity IRR of 45%.

**Deal flow – another strong year:  
\$770m acquired, \$1.2billion transacted**



VALAD

This year Valad enjoyed record deal flow with \$1.2 billion in transactions, including \$770 million in acquisitions.

90% of these transactions were acquired off market.

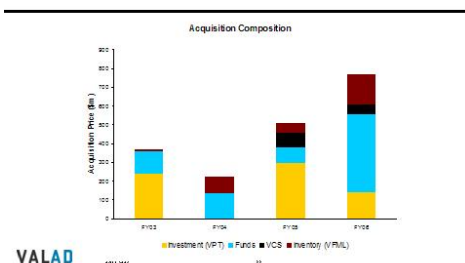
Valad enjoys a premium reputation in the market for being able to execute on transactions efficiently and reliably. This means more and more market participants are bringing Valad potential off-market deals.

At this point I should acknowledge the expertise and dedication of our Real Estate Investment, Real Estate Development and Funds Management and Capital Services teams in sourcing and executing transactions for the Group.

The quality of Valad's people is one of Valad's competitive strengths.

We continue to benefit from our positioning as an employer of choice in the property and funds management industries.

**Acquisitions focused on funds**



VALAD



Quality of income, through improvement and diversification, remains a key strategic focus for the Group.

Valad's quality of income significantly improved during the 2006 financial year.

Quality of earnings will continue to improve in the coming year with most of Valad's acquisitions being acquired either for managed funds, as inventory or through Valad Capital Services as investments in ongoing projects – all significant generators of recurring future income streams.

### **Significant domestic transaction pipeline**

- Domestic transaction pipeline of c. \$3.1bn
- Majority to grow external funds management business

Transaction Stage	No. Projects	Target Returns	Estimated Value (\$m)	Anticipated Investment Timing
Exclusive Due Diligence	16	9-30%	460	2-4 months
Advanced Negotiation	19	12-30%	705	2-6 months
Under Review	30	8-20%+	1,945	6-12 months+
<b>Total Pipeline</b>	<b>65</b>	<b>8-30%</b>	<b>3,100</b>	<b>2-12 months+</b>

- Largest ever pipeline for VPG

VALAD ASX:VLA 2006 20

Valad now has a potential transaction pipeline in excess of \$3 billion covering some 65 possible transactions with estimated project returns of between 8-30%, suitable as stock for our various managed property funds, our listed property trust, or as inventory for future funds.

### **Current funds management products**

ICA Funds	VOF	HEZ	Core Plus
→ ICADF 4 now (77%) committed	→ FY06 net profit up 350% to 25.4c/unit	→ Sales to date of 537,100sqm	→ Product is fundamentally different from others of similar name
→ In the market with ICADF5	→ NTA up 20% to \$1.04/unit	→ Stage 1 (142ha industrial land) infrastructure works 32% completed	→ Upsized seed asset pool
→ High rollover rate of 74%	→ Strategy to solve liquidity problem to be in place by 31 December	→ Sales rate and value in line with forecasts	→ Goldfields acquisition underscores deal sourcing capability
→ Investor appetite strong			→ 1H07 close

VALAD ASX:VLA 2006 21

Valad Funds Management continues to grow with the new Valad Core Plus Fund and ICA Property Development Fund 5 coming out this year.

The Valad Core Plus Fund is now 63% seeded with 6 property assets worth in excess of \$235 million. This includes office assets like Gold Fields House in Sydney, 132 Arthur Street in North Sydney and 575 Bourke Street in Melbourne.

ICA Property Development Fund 4 is now 77% committed and we are now in the market with Development Fund 5 in the series.

ICA Property Development Funds enjoy a strong and loyal investor following with investment rollovers into successive funds at an impressive 74%.

The listed Valad Opportunity Fund (VOF) continues to perform strongly yielding a profit increase of 350% to \$8.56 million, or 25.4 cents per unit. NTA is up 20% to \$1.04.

#### ***Gold Fields – rationale for acquisition***



- Ripe for Valad's proven strategies that greatly improve income/value
- Core Plus fund to hold up to 50% of asset in partnership with VPG
- We expect significant value uplift over next 12-24 months as repositioning strategy executed
  - > Will investigate medium/long term residential conversion
- Other refinancing options:
  - > Retain partial interest on balance sheet
  - > Asset specific Goldfields Fund

VALAD

A major highlight for this financial year was the acquisition of the iconic Gold Fields House on the harbour in Sydney's Circular Quay for \$274.1 million.

As we have said before Gold Fields House will see Valad step up to the next level in property asset repositioning. Given the size of this project what is Valad looking to do?


As an investment the property offers favourable returns for investors as a pure office repositioning investment in the medium to long term.

However, it also offers a major redevelopment opportunity. Given its positioning and awesome 360 degree views that take in some 270 degrees of harbour, the natural view in the market is that it may be a residential or mixed use conversion.

At this stage Valad is still in the process of evaluating the long term future of the asset, and we will notify the market as we progress.

## ***New products - VCS***

---



- ~\$170m invested across 10 positions
- Projects have an end value of >\$1bn
- Strong project pipeline
- VCS team expanded to 5 people
- Solid risk management protocols in place
- All deals tracking to plan
- Potential for future managed fund

Paradise Point Project

VALAD 2021-2024 27

A burgeoning area of transactional activity is Valad Capital Services (VCS).

VCS was established by Valad in 2005. It has now invested more than \$170 million over 10 projects with total end value in excess of \$1 billion.

The VCS team has grown to 5 as there is a significant pipeline of potential investments. VCS has provided alternative recurring income streams that support our overall quality of earnings.

Strategically, there is potential to roll the VCS business up into a new managed fund some time in the future.

## ***Our strategy is virtually unchanged***

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**Valad seeks to achieve**

- Superior and consistent earnings growth
- Clear point of difference through our 'value-add', opportunistic approach
- Earnings risk mitigated through *further* improving earnings *quality*

VALAD 2021-2024 27

Given such an excellent year our strategy remains unchanged.

We will continue to seek superior and consistent earnings growth.

Valad will continue to maintain its clear point of difference as a leader in property funds management, value adding and opportunistic investment.

And finally, we will further mitigate risk through improved quality in earnings.

***We aim to achieve this by***

- 
- An opportunistic approach to property
  - *Increasing our geographic footprint*
  - Considering alternative asset class opportunities as they arise
  - Undertaking limited, smart investment in property development
  - Offering new investment products that *further improve our earnings quality*

VALAD 2006-2007 21

How will we achieve this?

- By taking an opportunistic approach to investment;
- increasing our geographical footprint;
- considering alternative asset classes as opportunities arise;
- undertaking limited and smart investment in property development; and
- offering new investment products that further improve our earnings quality.

***Interstate expansion to drive deal flow***

- 
- Localised talent for more high quality deals
    - > Reduced acquisition and delivery risk
  - Opening Brisbane office September 2006
    - > 3 staff and 2 consultants
  - Recruiting for Melbourne now
  - Two corporate acquisitions due diligenced but rejected
    - > Valad will not transact unless satisfied that deal is in VPG securityholders best long-term interests

VALAD 2006-2007 21

As we have grown the need to expand interstate is driven by the benefit of having localised talent who can source higher quality deals, with the added benefit of reducing acquisition and delivery risk.

To this end we have opened a Brisbane office which will service several staff and consultants managing Valad's interests in Queensland.

We are now in the process of recruiting for a Melbourne office.

We have considered some potential corporate acquisitions interstate, however to date we have rejected them.

Valad will not enter any transaction unless we are satisfied that it is in the best long term interests of securityholders.

## *2007 and beyond*

- 
- Maintain EPS/DPS growth
  - Continue improved earnings quality by leveraging
    - > Valad's reputation in wholesale investor markets
    - > Our team's processes and strong track record
  - Continue to take an opportunistic, lateral approach to acquisitions and disposals
  - Further improve deal momentum and execution with Brisbane and Melbourne offices

VALAD 2006 20

With such a great year behinds us, where do we go in 2007 and beyond?

Valad will continue to target superior EPS and DPS growth.

Our earnings quality is now among the best of our peers and we will continue our drive to improve its composition.

Valad remains committed to ongoing opportunistic investment, and taking a lateral approach to acquisition and disposal of assets.

Finally, new offices in Brisbane and Melbourne will improve deal momentum and execution.

In summary, it has been a wonderful year for Valad and our securityholders. We expect the same for the years to come and will focus on delivering to our strengths.

I'd like to hand the meeting back to Stephen Day for any questions, and to conduct our formal business.

Thank you for your time today.



Ladies and Gentlemen, I now turn to the formal business of this Annual General Meeting.

Firstly, are there any questions on the presentation so far?

*[Question time]*

The items of business before this meeting are set out in the Notice of Meeting.

Details of all the resolutions are given in the notice of meeting sent out to all Securityholders, and Financial Statements were included in the Annual Report.

No notice of other business has been received from Securityholders in accordance with the Corporations Act and so the only items of business to come before the Meeting today will be those specified in the Notice of Meeting.

I encourage you to ask questions about and to make comments on the proposed resolutions and to ask questions of James Dunning, our auditor, during the Meeting.

I would ask speakers to confine their questions to matters which are relevant to the business of the Meeting. I don't, at this stage, intend imposing a fixed time limit for speeches, but I do ask people, in fairness to others, to make their points succinctly.

Where appropriate, I will call on other Directors, Senior Management or the Auditor to respond to questions or comments. I may also call on Glenda Hanson representing Mallesons, if technical legal issues arise.

I would remind you that only Securityholders, corporate representatives and proxy holders are entitled to speak on the business before the Meeting.

I propose to proceed on the basis that the Notice be taken as having been read to the Meeting. Any questions?

Thank you.

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## **Receipt of Financial Statements**

I now move to the first item of Ordinary Business before the Meeting, being the receipt of Financial Statements.

The Valad Property Group Financial Statements for the year ended 30 June 2006, the Directors' Statement and Report and the Auditors' Report on the Financial Statements are before the Meeting. A copy of those statements and reports were sent to Securityholders, and published in the Annual Report.

There is no resolution required; however, would any Securityholder like to direct any questions to the Board, management or the Company's auditor, relevant to the financial statements or the auditor's report?

As previously mentioned, James Dunning from PricewaterhouseCoopers, our auditor, is present.

If you wish to address the meeting or have a question, please raise your hand and a microphone will be brought to you to ensure you can be clearly heard. Please state your name and show your admission card prior to speaking.

Any questions?

Questions and comments are taken from the microphones in turn.

Thank you.

*Resolution 1  
Adoption of Remuneration Report*

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"That the Company's remuneration report for the year ended 30 June 2006 be adopted."

VALAD 00000000 21

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## **Proposed Resolution One**

The next item of Ordinary Business, as set out in the Notice of Meeting, is the advisory resolution:-

***"That the Company's remuneration report for the year ending 30 June 2006 be adopted."***



Would any Securityholder like to direct any questions to the Board, management or the Company's auditor, relevant to the Remuneration Report?

Any questions?

Questions and comments are taken from the microphones in turn.

Is there a mover for the resolution?

Motion is moved.

Thank you. Is there a seconder?

Motion is seconded.

Thank you. If no one else wishes to speak before I put the motion to the meeting, here are the proxies received:

*Proxies Resolution 1*

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→FOR:	379,610,031
→OPEN:	3,801,091
→AGAINST:	27,596,038
→ABSTAIN:	26,464,549

VALAD

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## Proxies Resolution One

<b>FOR:</b>	<b>379,610,031</b>
<b>OPEN:</b>	<b>3,801,091</b>
<b>AGAINST:</b>	<b>27,596,038</b>
<b>ABSTAIN:</b>	<b>26,464,549</b>

I intend voting the open proxies in favour of the motion.

Will those in favour of the motion please raise their yellow voting card?

Those against?

I declare the motion carried.

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## **Proposed Resolutions Two & Three**

The next item of Ordinary Business, as set out in the Notice of Meeting, is the retirement by rotation and re-election of two directors of Valad Funds Management Limited, the subject of proposed Resolutions 2 and 3 in the Notice of Meeting.

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## **Resolutions Two and Three**

In accordance with Rule 10.3 of the Company's Constitution, Peter Hurley and Trevor Gerber retire by rotation. Both offer themselves for re-election. Information about Peter and Trevor is contained in the Explanatory Notes to the Notice of Meeting and in the Annual Report.

### ***Proposed Resolution 2***

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"That Mr Peter Hurley who retires in accordance with the Company's Constitution, being eligible and having offered himself for re-election, is re-elected as a Director of the Company."

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## Proposed Resolution Two

I now move to Proposed Resolution 2, which is that Peter Hurley be re-elected as a Director.

I invite Peter to say a few words in support of his re-election.

Thank you Peter.

Does anyone wish to address the meeting or raise any questions?

Thank you. Does someone move the motion?

Motion is moved.

Thank you. Is there a seconder?

Motion is seconded.

Thank you. If no one else wishes to speak before I put the motion to the meeting, here are the proxies received:

### *Proxies Resolution 2*

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→FOR:	419,609,077
→OPEN:	3,800,993
→AGAINST:	43,956
→ABSTAIN:	14,017,683

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## Proxies Resolution Two

**FOR: 419,609,077**  
**OPEN: 3,800,993**  
**AGAINST: 43,956**  
**ABSTAIN: 14,017,683**

I intend voting open proxies in favour of the motion.

Will those in favour of the motion please raise their yellow voting card?

Those against?

I declare the motion carried.

## *Proposed Resolution 3*

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"That Mr Trevor Gerber who retires in accordance with the Company's Constitution, being eligible and having offered himself for re-election, is re-elected as a Director of the Company."

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## Proposed Resolution Three

Proposed Resolution 3 is that Trevor Gerber be re-elected as a director. I invite Trevor to say a few words in support of his re-election.

Thank you Trevor. Does anyone wish to address the meeting or raise any questions?

Thank you. Is there a mover for the resolution?

Motion is moved.

Thank you. Is there a seconder?

Motion is seconded.

Thank you.

***Proxies Resolution 3***

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→FOR:	427,165,915
→OPEN:	3,800,993
→AGAINST:	53,956
→ABSTAIN:	6,450,845

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**Proxies Resolution Three**

<b>FOR:</b>	<b>427,165,915</b>
<b>OPEN:</b>	<b>3,800,993</b>
<b>AGAINST:</b>	<b>53,956</b>
<b>ABSTAIN:</b>	<b>6,450,845</b>

I intend voting the open proxies in favour of the motion.

Will those in favour of the motion please raise their yellow voting card?

Those against?

I declare the motion carried.

Resolutions, four, five, six, seven and eight require voting to be carried out by poll which I will explain shortly. I propose that the voting occur on all these resolutions at the same time.

Firstly, I will put the resolutions and details of the proxies received to the meeting.

***Proposed Resolution 4***

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"That the issue of 67,700,000 stapled securities at \$1.45 per stapled security on 30 August 2006 by way of a placement to institutional and sophisticated investors, be and is hereby ratified for all purposes."

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**Proposed Resolution Four**

Resolution Four is the ratification of the placement of 67.7 million securities at \$1.45 on 30 August 2006 to institutional and sophisticated investors.

Does someone move the motion?

(Motion is moved)

Thank you. Is there a seconder?

(Motion is seconded)

Does anyone wish to speak in relation to the resolution?

Thank you. If no one else wishes to speak before I put the motion to a vote, here are the proxies received:

## *Proxies Resolution 4*

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→ FOR:	24,639,368
→ OPEN:	2,112,465
→ AGAINST:	302,756
→ ABSTAIN:	72,305

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## **Proxies Resolution Four**

<b>FOR:</b>	<b>24,639,368</b>
<b>OPEN:</b>	<b>2,112,465</b>
<b>AGAINST:</b>	<b>302,756</b>
<b>ABSTAIN:</b>	<b>72,305</b>

I intend voting open proxies in favour of the motion.

As mentioned before I intend calling for a poll for Resolutions 4, 5, 6, 7 and 8 together at the end.

## *Proposed Resolution 5*

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"That the issue to UBS AG, Australia Branch as underwriter of the Group's distribution reinvestment plan of 11,085,927 stapled securities on 31 August 2006 at a price of \$1.3836 be and is hereby ratified for all purposes."

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## Proposed Resolution Five

Resolution 5 is to ratify the issue of 11,085,927 stapled securities to UBS AG, Australia Branch the underwriter of the Group's Distribution Reinvestment Plan on 31<sup>st</sup> August 2006 at a price of \$1.3836 per security.

Does someone move the motion?

(Motion is moved)

Thank you. Is there a seconder?

Does anyone wish to speak in relation to the resolution?

Thank you. If no one else wishes to speak before I put the motion to a vote, here are the proxies received:

### *Proxies Resolution 5*

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→FOR:	432,270,730
→OPEN:	2,112,465
→AGAINST:	200,157
→ABSTAIN:	1,144,951

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## Proxies Resolution Five

<b>FOR:</b>	<b>432,270,730</b>
<b>OPEN:</b>	<b>2,112,465</b>
<b>AGAINST:</b>	<b>200,157</b>
<b>ABSTAIN:</b>	<b>1,144,951</b>



I intend voting open proxies in favour of the motion.

As mentioned before I intend calling for a poll for Resolutions 4, 5, 6, 7, and 8 at the end.

**Proposed Resolution 6**

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"That the issue of stapled securities to UBS AG, Australia Branch as underwriter of the Group's distribution reinvestment plan ("plan"), or to any sub-underwriter or other persons procured by the underwriter, of stapled securities which are not taken up by stapled security holders pursuant to the plan in respect of distribution periods ending up to 24 months from the date of the meeting, at the same price at which stapled securities are to be issued to stapled security holders under the plan, be approved for all purposes."

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**Proposed Resolution Six**

Resolution 6 is to approve the future issues during the next 24 months of stapled securities to UBS AG, Australia Branch as underwriter of the Group's Distribution Reinvestment Plan.

Does someone move the motion?

(Motion is moved)

Thank you. Is there a seconder?

Does anyone wish to speak in relation to the resolution?

Thank you. If no one else wishes to speak before I put the motion to a vote, here are the proxies received.

## *Proxies Resolution 6*

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→FOR:	431,914,921
→OPEN:	2,112,465
→AGAINST:	338,799
→ABSTAIN:	1,150,718

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## **Proxies Resolution Six**

<b>FOR:</b>	<b>431,914,921</b>
<b>OPEN:</b>	<b>2,112,465</b>
<b>AGAINST:</b>	<b>338,799</b>
<b>ABSTAIN:</b>	<b>1,150,718</b>

I intend voting open proxies in favour of the motion.

As mentioned before I intend calling for a poll for Resolutions 4, 5, 6, 7, and 8 at the end.

## *Proposed Resolution 7*

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"That the constitution of Valad Property Trust be amended as set out in the Supplemental Deed tabled at the meeting and initialed by the Chairman for the purpose of identification, and that the Responsible Entity be authorised to execute the Supplemental Deed and lodge it with the Australian Securities and Investments Commission."

VALAD

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## Proposed Resolution Seven

Resolution Seven is to approve the amendment of Valad Property Trust's Constitution. The resolution is on the screen and was in the Notice of Meeting and unless anyone objects I do not intend to read the resolution out.

Does someone move the motion?

(Motion is moved)

Thank you. Is there a seconder?

Does anyone wish to speak in relation to the resolution?

Thank you. If no one else wishes to speak before I put the motion to a vote, here are the proxies received:

### *Proxies Resolution 7*

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→FOR:	432,752,643
→OPEN:	3,853,504
→AGAINST:	530,910
→ABSTAIN:	186,652

VALAD

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## Proxies Resolution Seven

<b>FOR:</b>	<b>432,752,643</b>
<b>OPEN:</b>	<b>3,853,504</b>
<b>AGAINST:</b>	<b>530,910</b>
<b>ABSTAIN:</b>	<b>186,652</b>

I intend voting open proxies in favour of the motion.

As mentioned before I intend calling for a poll for Resolutions 4, 5, 6, 7, and 8 at the end.

**Proposed Resolution 8**  
**(as per Notice of Meeting)**

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"That the constitution of Valad Funds Management Limited be amended by replacing the figure "\$400,000" in Article 10.9 with the figure "\$750,000", and that the Company Secretary be authorised to lodge a copy of this resolution with the Australian Securities and Investment Commission."

VALAD

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## Proposed Resolution 8

Resolution 8 is to increase the Directors fees from \$400,000 to \$650,000. As the notice sent to members incorrectly stated that the increased amount was \$750,000 I would like to propose a resolution formally amending the resolution sent to members so that it refers to the lower figure of \$650,000.

The proposed Resolution is that the text of Resolution 8 be amended to replace the "\$750,000" with "\$650,000".

Will those in favour of the motion please raise their yellow voting card?

Those against?

**Amended Proposed Resolution 8**

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"That the constitution of Valad Funds Management Limited be amended by replacing the figure "\$400,000" in Article 10.9 with the figure "\$650,000", and that the Company Secretary be authorised to lodge a copy of this resolution with the Australian Securities and Investment Commission."

VALAD

As we have a clear majority in favour of the amendment the resolution is now as follows:

“That the constitution of Valad Funds Management Limited be amended by replacing the figure “\$400,000” in Article 10.9 with the figure \$650,000” and that the Company Secretary be authorised to lodge a copy of this resolution with the Australian Securities and Investments Commission.”

I will now put that amended resolution to the meeting.

Does someone move the motion?

(Motion is moved)

Thank you. Is there a seconder?

Does anyone wish to speak in relation to the resolution?

Thank you. If no one else wishes to speak, I will proceed to voting.

*Proxies Resolution 8*

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→ FOR:	424,593,447
→ OPEN:	3,853,504
→ AGAINST:	899,943
→ ABSTAIN:	173,225

## Proxies Resolution Eight

<b>FOR:</b>	<b>424,593,447</b>
<b>OPEN:</b>	<b>3,853,504</b>
<b>AGAINST:</b>	<b>899,943</b>
<b>ABSTAIN:</b>	<b>173,225</b>

Please note that as I have an interest in the outcome of proposed resolution 8, I intend abstaining from voting open proxies on that resolution.



## Conduct of voting by poll

As mentioned before I am now calling for a poll for Resolutions 4, 5, 6, 7, and 8, to be carried out together.

I have appointed Link Registry Services, our share registry, to act as returning officers for the poll.

If anyone needs assistance or has any questions, the returning officer's staff can assist you with any questions or problems you may have.

I will now give directions on how to complete the voting papers.

For Stapled Security Holders present and voting in person, and for proxy holders, please fill in your Voting Paper by placing a cross in the relevant square to indicate whether you are voting for, voting against or are abstaining from the resolutions. If you make an error when marking your paper, simply cross it out and initial it, you can then complete the correct instruction.

I draw your attention to the voting exclusions for resolutions 4, 5 and 6 set out in the notice of meeting. Any person who has participated or will participate in the issue of securities covered by one of the resolutions, and any associate of such person, may not vote on that resolution.

We will now pause for 5 minutes to give you an opportunity to complete your voting papers and Link Registry Services representatives will now pass the ballot box around.

Has everybody who wishes to vote done so?

Thank you. I now close the polls for the resolutions.

I'll now ask Link Registry Services to tally the votes and report the results of the poll to me.

I will now adjourn the meeting until I have received the report from Link this should take 10 minutes or so, so could we adjourn for refreshments and reconvene in about 10 minutes.

Meeting adjourned.

The meeting is now reconvened. The results of the polls are as follows [*Link to provide details of poll results*].

I declare that resolutions 4, 5 6, 7 and 8 have been passed as special resolutions for all the purposes stated in the Notice of Meeting.

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## **Meeting Close**

Ladies and Gentlemen, thank you very much for attending today, we look forward to seeing you next year.