

CHAIRMAN'S ADDRESS

THIS ANNUAL GENERAL MEETING RELATES TO THE FINANCIAL YEAR ENDING 30 JUNE 2006, WHICH WAS THE FIRST FULL YEAR OF TATTERSALL'S EXISTENCE AS A LISTED COMPANY. IT MUST BE SAID THAT THE TRANSITION FROM AN ESTATE TO A TRANSPARENT AND OPEN LISTED PUBLIC COMPANY HAS BEEN SUCCESSFUL AND SEAMLESS.

AS YOU ALL KNOW, THERE HAVE BEEN SOME SIGNIFICANT CHANGES SINCE JUNE 30, 2006 – I'M REFERRING OF COURSE TO THE MERGER WITH UNITAB FOLLOWING AN OVERWHELMING VOTE IN FAVOUR BY UNITAB SHAREHOLDERS AND FORMAL APPROVAL FROM THE SUPREME COURT OF QUEENSLAND. THE MERGED COMPANY'S SHARES COMMENCED TRADING ON THE AUSTRALIAN STOCK EXCHANGE ON 12 OCTOBER 2006, SOME SEVEN WEEKS AGO, AND I'M SURE THAT ALL SHAREHOLDERS ARE PLEASED WITH THE PROGRESS IN THE SHARE PRICE SINCE THAT DATE. OUR NEW MANAGING DIRECTOR AND CHIEF EXECUTIVE, DICK MCILWAIN WILL REPORT TODAY ON THE COMPANY'S BUSINESS ACTIVITIES AND PERFORMANCE IN THE SHORT PERIOD SINCE THE MERGER.

MUCH OF THE CREDIT FOR THE IMPORTANT TRANSITION PHASE FROM AN ESTATE TO A PUBLIC COMPANY BELONGS TO SOME PEOPLE WHO ARE NO LONGER WITH US AT TATTERSALL'S. I'M REFERRING TO THE FORMER MANAGING DIRECTOR, DUNCAN FISCHER, WHO GUIDED THE COMPANY THROUGH THE COMPLEX, AND NEVER PREVIOUSLY ATTEMPTED, RESTRUCTURE AND LISTING PROCESS, ALL THE WAY THROUGH TO THE MERGER WITH UNITAB. THIS CAPPED DUNCAN'S 14-YEAR CAREER AT TATTERSALL'S, AND HE HONOURABLY STEPPED ASIDE ON OCTOBER 12, 2006 TO ALLOW DICK MCILWAIN TO BECOME CHIEF EXECUTIVE OF THE MERGED COMPANY.

DUNCAN WAS ABLY ASSISTED BY LONG-SERVING COMPANY SECRETARY AND CORPORATE GENERAL COUNSEL SIMON DOYLE, WHO ALSO RETIRED FOLLOWING COMPLETION OF THE MERGER.

AND, OF COURSE, DAVID JONES, WHO WAS A TRUSTEE OF THE ESTATE OF THE LATE GEORGE ADAMS FOR ALMOST 17 YEARS, AND THE INAUGURAL CHAIRMAN OF TATTERSALL'S LIMITED, ALSO DECIDED TO RETIRE AT THE COMPLETION OF THE MERGER. DAVID IS WELL KNOWN THROUGHOUT THE COMMUNITY, AND PROVIDED OUTSTANDING LEADERSHIP TO TATTERSALL'S DURING A LONG PERIOD OF PROSPEROUS GROWTH AND CHANGE.

THE MERGER ALSO BROUGHT ABOUT OTHER CHANGES TO THE BOARD. UNITAB DIRECTORS JOHN O'BRIEN, JOHN BIRD, GRAEME FRY, WAYNE MYERS, AND HELEN NUGENT RETIRED WHEN THE MERGER WAS FINALISED. TATTERSALL'S DIRECTORS, JIM KING, AND MICHAEL VERTIGAN, ALSO RETIRED AT THAT TIME. ON BEHALF OF THE CURRENT BOARD AND MANAGEMENT, I THANK THEM ALL.

I ALSO WISH TO ACKNOWLEDGE AND THANK THE STAFF AND MANAGEMENT OF BOTH TATTERSALL'S AND UNITAB, FOR YOUR HARD WORK AND TIRELESS EFFORTS DURING THE LENGTHY AND OFTEN DIFFICULT MERGER PROCESS.

IT HAS ALL BEEN WORTHWHILE!! THE MERGER HAS CREATED ONE OF THE WORLD'S LARGEST GAMING COMPANIES, WITH A MARKET CAPITALISATION TODAY OF AROUND \$4.7 BILLION. THIS PLACES TATTERSALL'S 53RD ON THE ASX AS OF YESTERDAY. APART FROM SIZE AND SCALE, THE MERGER ALSO HAS GREAT STRATEGIC SIGNIFICANCE BECAUSE IT BRINGS A THIRD ARM TO OUR BUSINESS - WAGERING AND SPORTSBETTING - THROUGH UNITAB'S OPERATIONS IN QUEENSLAND, SOUTH AUSTRALIA AND THE NORTHERN TERRITORY.

THE WAGERING EXPERTISE OF UNITAB, TOGETHER WITH ITS GAMING SERVICES CAPABILITIES, WHEN COMBINED WITH THE EXISTING GAMING AND LOTTERIES KNOW-HOW OF TATTERSALL'S, PROVIDES A WONDERFUL LAUNCHING PAD FOR FUTURE GROWTH BOTH IN AUSTRALIA AND OVERSEAS.

OUR EXPANDING GAMING BUSINESS IN SOUTH AFRICA, AND THE OFFER FOR TALARIUS PLC THROUGH THE NEWLY ESTABLISHED EUROPEAN GAMING COMPANY OWNED JOINTLY BY TATTERSALL'S AND MACQUARIE BANK, ARE EVIDENCE OF OUR INTERNATIONAL STRATEGY.

TURNING NOW TO FINANCIAL YEAR 2006, WHERE THE HEADLINE STORY IS THAT WE DELIVERED WHAT WE PROMISED IN THE PROSPECTUS – AND IN SOME CASES, A LITTLE MORE.

TOTAL REVENUE WAS UP 6.1% TO \$2.6 BILLION. NET PROFIT AFTER TAX WAS \$128 MILLION, ABOUT \$1 MILLION ABOVE PROSPECTUS FORECAST. WE PAID DIVIDENDS OF 16.25 CENTS PER SHARE - EXACTLY AS WE SAID WE WOULD. OUR CORE BUSINESSES WERE STRONG.

FOR THE BENEFIT OF OUR NEWER SHAREHOLDERS, I'D NOW LIKE TO SPEND A FEW MOMENTS REVIEWING SOME OF THE KEY ASPECTS OF OUR GAMING AND LOTTERIES BUSINESSES.

FIRST, GAMING: THIS IS A HIGHLY REGULATED INDUSTRY WHERE GOVERNMENT CONTROLS NOT ONLY THE TOTAL NUMBER OF MACHINES PERMITTED IN VICTORIA (27,500 IN PUBS AND CLUBS), BUT ALSO HOW MANY MACHINES TATTERSALL'S IS PERMITTED TO OPERATE - CURRENTLY CAPPED AT 13, 750. IN ADDITION, THE GOVERNMENT REQUIRES THAT AT LEAST 20% OF THE MACHINES MUST BE BASED IN COUNTRY AREAS, AND THAT 50% MUST BE IN HOTELS AND 50% IN CLUBS.

IT IS INTERESTING TO OBSERVE THAT, WHILE VICTORIA PERMITS A TOTAL OF 27,500 MACHINES IN PUBS AND CLUBS, OUR NEIGHBOUR TO THE NORTH, NSW, HAS AROUND 100,000 MACHINES!

THE KEY FACTORS THAT DRIVE THE GAMING BUSINESS INCLUDE:

- (1) THE NUMBER OF MACHINES OPERATING IN THE FIELD.
- (2) THE NET DAILY REVENUE PER MACHINE
- (3) THE ONGOING DEVELOPMENT AND UPDATING OF GAMES ON THE MACHINES, AND
- (4) THE QUALITY AND ATTRACTIVENESS OF OUR VENUES TO IMPROVE THE ENJOYMENT AND ENTERTAINMENT OF OUR CUSTOMERS.

IN THE LAST FINANCIAL YEAR, WE INTRODUCED 34 NEW GAMES AND INTRODUCED MYSTERY JACKPOTS TO 37% OF THE NETWORK. WE ALSO BEGAN THE ROLLOUT OF MACHINE-TRIGGERED JACKPOTS IN MAY AND TODAY HAVE 142 VENUES WITH THESE JACKPOTS INSTALLED, TAKING TOTAL MACHINES UNDER JACKPOT TO OVER 40% OF OUR NETWORK.

WE ALSO CONTINUED OUR VENUE REFURBISHMENT PROGRAM, WITH ANOTHER 61 VENUES OVERHAULED DURING THE YEAR, THE HIGHEST REFURBISHMENT ACTIVITY IN THE LAST 5 YEARS.

WE PROUDLY OPENED OUR FIRST NEWLY CONSTRUCTED VENUE IN FOUR YEARS - THE CLUB AT CAROLINE SPRINGS IN OUTER MELBOURNE. THIS IS THE FIRST TIME THAT WE HAVE TAKEN A SITE FROM A BARE PIECE OF LAND THROUGH CONSTRUCTION TO OPENING, AND WE ARE DELIGHTED TO REPORT THAT CAROLINE SPRINGS HAS QUICKLY MOVED INTO OUR TOP 20 CLUB VENUES.

MEANWHILE, OVERSEAS IN SOUTH AFRICA, WE WERE AWARDED A SECOND GAMING LICENCE IN JULY FOR 1000 MACHINES IN THE PROVINCE OF KWA-ZULU NATAL (KZN), THE PROVINCE WHICH COVERS DURBAN AND OTHER EASTERN PARTS OF THE COUNTRY. ROLLOUT OF MACHINES IS EXPECTED TO COMMENCE EARLY NEXT CALENDAR YEAR. THIS SUCCESS COMPLEMENTS OUR FIRST LICENCE, ALSO FOR 1000 MACHINES IN WESTERN CAPE, COVERING THE CAPETOWN AREA, WHERE THE ROLLOUT OF MACHINES HAS NOW PASSED THE HALFWAY MARK.

IN THE UK LAST WEEK, THROUGH EUROPEAN GAMING LIMITED, A COMPANY THAT WE JOINTLY OWN WITH MACQUARIE BANK, WE, MADE AN OFFER FOR 100% OF TALARIUS PLC. TALARIUS IS A 'HIGH STREET' GAMING NETWORK OPERATOR THAT HAS APPROXIMATELY 9,500 MACHINES IN ALMOST 200 VENUES THROUGHOUT THE UK. TALARIUS IS ACHIEVING BOTH ORGANIC GROWTH AND GROWTH FROM ACQUISITIONS AS IT CONSOLIDATES A FRAGMENTED INDUSTRY IN THE UK.

TATTERSALL'S AND MACQUARIE BANK, PLAN TO BUILD ON TALARIUS'S EXISTING FOUNDATION AND DEVELOP THE TALARIUS GROUP IN LINE WITH ITS STATED STRATEGY TO GROW THROUGH ACQUISITION IN THE UK AND EUROPE.

THE PLEASING OUTCOME FOR OUR GAMING SEGMENT WAS REVENUE GROWTH OF JUST ON 4% TO \$1.25 BILLION, AND EBITDA OF \$206 MILLION – IN LINE WITH PROSPECTUS FORECASTS. NET DAILY MACHINE REVENUE INCREASED TO \$251 – SPOT ON OUR PROSPECTUS FORECAST. TOTAL MACHINES IN USE IN VENUES IN VICTORIA AT 30 JUNE WAS 13,493 – A NET INCREASE OF 129 ON THE PREVIOUS YEAR. WE ALSO HAD REGULATORY APPROVAL TO INSTALL A FURTHER 102 MACHINES, STILL WITHIN OUR OVERALL LIMIT OF 13,750 MACHINES.

TURNING NOW TO LOTTERIES. SUCCESS IN THE LOTTERY BUSINESS IS DRIVEN BY INNOVATION IN THE GAMES WE OFFER, THE QUALITY OF OUR RETAIL OUTLETS, IMPROVED JACKPOTS, AND NEW SALES CHANNELS SUCH AS THE INTERNET.

IN OCTOBER LAST YEAR TATTERSALL'S AND THE OTHER NATIONAL LOTTERY BLOC MEMBERS SUBSTANTIALLY ENHANCED THE TUESDAY NIGHT OZ LOTTO GAME BY MOVING TO SEVEN PRIZE DIVISIONS AND RENAMING THE GAME "SUPER 7'S OZ LOTTO". I'M PLEASED TO REPORT THAT OZ LOTTO HAS RETURNED TO SUBSTANTIAL GROWTH WITH THESE CHANGES AFTER A PREVIOUS PERIOD OF SALES DECLINE.

AND IN DECEMBER LAST YEAR, TATTERSALL'S OFFERED THE LARGEST EVER AUSTRALIAN LOTTERY PRIZE OF \$32 MILLION FOR THE SATURDAY NIGHT TATTSLOTTO MEGADRAW.

OUR INTERNET LOTTERY SALES GREW BY 80% YEAR ON YEAR, AND NOW REPRESENT MORE THAN 2% OF TOTAL LOTTERY SALES, MAKING THE INTERNET OUR LARGEST SINGLE DISTRIBUTION POINT.

THE OUTCOME FOR THE LOTTERIES SEGMENT IN 2006 WAS REVENUE GROWTH OF 3.6% TO \$1.27 BILLION, AND EBITDA OF \$23.3 MILLION – RESULTS CONSISTENT WITH THE PROSPECTUS FORECAST.

OVERSEAS, IN SOUTH AFRICA, UTHINGO, THE NATIONAL LOTTERY OPERATOR IN WHICH TATTERSALL'S HOLDS A MINORITY 10% INTEREST, DID NOT SUCCEED IN WINNING A NEW LOTTERY LICENCE. WHILST THIS WAS DISAPPOINTING, IT DOES NOT HAVE A MATERIAL IMPACT ON OUR FINANCIAL PERFORMANCE. IN FACT IT WILL ENABLE US TO FULLY FOCUS ON THE GAMING BUSINESS IN SOUTH AFRICA WHICH HAS A GREATER POTENTIAL FOR TATTERSALL'S.

DURING THE YEAR, WE COMPLETED THE ACQUISITION OF THE REMAINING SHARES OF OUR TECHNICAL SUPPORT PARTNER BYTECRAFT SYSTEMS, AND ITS SISTER COMPANY BYTECRAFT ENTERTAINMENT WHICH SUPPLIES SUPERSCREENS AND LIGHTING TO MAJOR EVENTS, INCLUDING THE COMMONWEALTH GAMES HELD HERE IN MELBOURNE EARLIER THIS YEAR.

I WOULD NOW LIKE TO TURN TO THE RENEWAL PROCESS FOR OUR VICTORIAN LOTTERIES AND GAMING LICENCES.

FIRSTLY, TO LOTTERIES, WHERE OUR CURRENT LICENCE EXPIRES IN JUNE NEXT YEAR, AND A DECISION ON A NEW 10-YEAR LICENCE WAS ORIGINALLY SCHEDULED TO BE MADE AROUND THE MIDDLE OF THIS YEAR. HOWEVER, IN SEPTEMBER, THE VICTORIAN GOVERNMENT ANNOUNCED THAT MORE TIME WAS NEEDED, AND WE ARE NOW IN DISCUSSIONS WITH THE GOVERNMENT IN RELATION TO A TEMPORARY LICENCE ARRANGEMENT PENDING A FINAL DECISION. TATTERSALL'S REMAINS WELL POSITIONED FOR A NEW 10-YEAR LICENCE BASED ON OUR PERFORMANCE AND EXCELLENT RECORD WHICH HAS PROVIDED VICTORIA WITH A CONTINUOUSLY IMPROVED LOTTERY PRODUCT AND THE HIGHEST STANDARDS OF PROBITY FOR MORE THAN 50 YEARS.

TURNING TO THE GAMING LICENCE, THE REVIEW PROCESS STARTED IN 2006 AND IS STILL AT AN EARLY STAGE. THE CURRENT LICENCES DO NOT EXPIRE UNTIL 2012. TATTERSALL'S HAS MADE A COMPREHENSIVE SUBMISSION ARGUING FOR RETENTION OF THE PRESENT OPERATOR MODEL. WE BELIEVE THE CURRENT STRUCTURE OUTPERFORMS OTHER MODELS AROUND AUSTRALIA IN PROVIDING A HIGH STANDARD OF RESPONSIBLE GAMING AND HIGHER RETURNS AND BENEFITS TO ALL STAKEHOLDERS - ALL WITH THE LOWEST NUMBER OF GAMING MACHINES PER CAPITA OF ANY STATE WHERE MACHINES OPERATE OUTSIDE CASINOS. THE NEXT STEPS IN THE PROCESS AND TIMING OF A DECISION ON THE POST-2012 VICTORIAN GAMING INDUSTRY STRUCTURE IS UNCERTAIN.

OVER THE LAST FEW MONTHS, AND IN PARTICULAR IN THE LEAD-UP TO LAST WEEKEND'S VICTORIAN ELECTIONS, WE HEARD A LOT ABOUT GAMING MACHINES AND PROBLEM GAMBLING. NO DOUBT, WE'LL HEAR MORE ABOUT THIS TOPIC AT TODAY'S MEETING, SO LET ME INJECT A LITTLE PERSPECTIVE INTO THIS DEBATE:

FIRST, LET'S BE CLEAR THAT THE VAST MAJORITY OF PEOPLE PLAY GAMING MACHINES FOR FUN AND ENTERTAINMENT AND WITHOUT ANY PROBLEMS. HAVING SAID THAT, TATTERSALL'S ACKNOWLEDGES THAT A PROPORTION OF PEOPLE HAVE PROBLEMS WITH THEIR GAMBLING, SOME OF THEM SERIOUS, AND A GOOD DEAL OF THESE PROBLEMS RELATE TO GAMING MACHINES.

TATTERSALL'S RESPONSIBLE GAMBLING POLICY HAS OFTEN BEEN AHEAD OF THE RULES, AND HAS ALWAYS COMPLIED FULLY WITH REGULATORY REQUIREMENTS. WE HAVE AN EXCELLENT RECORD ON PROGRAMS TO HELP UNDERSTAND AND REDUCE THE INCIDENCE OF PROBLEM GAMBLING.

FOR EXAMPLE, OUR 'HAVE FUN BUT PLAY IT SAFE' INITIATIVE IN EACH OF OUR VENUES WHICH WAS INTRODUCED IN 1999, WELL AHEAD OF GOVERNMENT RESPONSIBLE GAMBLING REGULATIONS. THE PROGRAM PROMOTES INFORMED CHOICE FOR PLAYERS SO THAT THEY HAVE ACCESS TO INFORMATION TO ASSIST THEM IN THEIR DECISIONS - IT INCLUDES WARNING MESSAGES AND RESPONSIBLE GAMBLING TIPS IN VENUES AND CONTACT DETAILS FOR GAMBLING COUNSELLING AGENCIES ON EVERY GAMING MACHINE. WE ISSUE A RESPONSIBLE GAMING MANUAL TO EVERY VENUE TO OUTLINE RELEVANT REGULATIONS AND OUR PROGRAM. EVERY VENUE HAS A RESPONSIBLE GAMING CO-ORDINATOR, WHO HELPS ENSURE THAT THE VENUE FOLLOWS APPROPRIATE PROCEDURES TO PROMOTE RESPONSIBLE GAMBLING.

WE SUPPORT ANY MEASURES THAT ARE SHOWN BY EVIDENCE TO BE EFFECTIVE IN REDUCING PROBLEM GAMBLING WITHOUT UNDULY INTERFERING WITH THE ENJOYMENT OF THE MAJORITY OF PEOPLE WHO USE MACHINES RESPONSIBLY. WE BELIEVE THAT ANY RESTRICTIVE MEASURES SHOULD BE BASED ON FACTS AND EVIDENCE OF EFFECTIVENESS, AND NOT BE EMOTIONALLY BASED.

THE CHAIRMAN OF THE VICTORIAN COMMISSION FOR GAMBLING REGULATION, IN THE COMMISSION'S ANNUAL REPORT TABLED IN PARLIAMENT RECENTLY SAID, AND I QUOTE:

“ FEW IN THE COMMUNITY WOULD APPEAR TO BE AWARE THAT VICTORIA HAS FEWER POKER MACHINES PER HEAD OF POPULATION THAN ANY OTHER AUSTRALIAN STATE OR TERRITORY, WITH THE EXCEPTION OF WESTERN AUSTRALIA, WHERE SUCH MACHINES ARE CONFINED TO THE CASINO.”

HE CONTINUED: “ SIMILARLY, IT IS SOMETIMES MENTIONED THAT POKER MACHINES ARE TO BE FOUND 'IN EVERY PUB IN VICTORIA' WHEN IN FACT THERE ARE 248 HOTELS WITH POKER MACHINES AND OVER 1,700 WITHOUT.” END OF QUOTES

THERE IS NO DOUBT THAT STRONG EMOTIONS ARE A FEATURE OF THE GAMBLING DEBATE IN VICTORIA, AND THEY SOMETIMES GIVE RISE TO A MISLEADING IMPRESSION OF THE FACTS.

AND WHILE ALWAYS SEARCHING FOR EFFECTIVE WAYS TO REDUCE PROBLEM GAMBLING, WE SHOULD RECOGNISE THE POSITIVE IMPACT THE INDUSTRY HAS;

- HELPING GOVERNMENT PAY FOR BASIC SERVICES LIKE SCHOOLS AND HOSPITALS,
- CREATING EMPLOYMENT IN HOTELS AND CLUBS
- PROVIDING VASTLY IMPROVED FACILITIES, ENTERTAINMENT AND CATERING SERVICES IN VENUES WHERE GAMING MACHINES ARE SITUATED.

I NOW TURN TO THE COMPANY'S CAPITAL STRUCTURE AND DIVIDENDS.

AT THE TIME OF THE MERGER WITH UNITAB, WE OUTLINED AN INTENTION TO CONSIDER A POTENTIAL SHARE BUY-BACK AFTER THE MERGER WAS COMPLETED.

SINCE THE MERGER, THERE HAS BEEN A STRONG UPWARD MOVEMENT OF OUR SHARE PRICE. THERE IS ALSO A POSSIBILITY OF UP-FRONT PAYMENTS FOR LICENCE RENEWALS, AND WE HAVE GROWTH OPPORTUNITIES THAT ARE ON THE RADAR, INCLUDING OUR JUST ANNOUNCED U.K BID.

IN THE ABSENCE OF ANY COMPELLING BENEFIT FROM A DIFFERENT APPROACH, YOUR BOARD HAS NO CURRENT PLANS FOR A SHARE BUY-BACK. RATHER, WE INTEND TO GET ON WITH THE JOB OF PURSUING GROWTH OPORTUNITIES AND THE MERGER INTEGRATION BENEFITS TO RETURN MAXIMUM VALUE TO OUR SHAREHOLDERS.

AS PART OF THIS APPROACH, THE BOARD WILL REVIEW THE COMPANY'S DIVIDEND POLICY WITH AN EYE TO INCREASING THE DIVIDEND PAY-OUT RATIO, SO FAR AS IT DOES NOT RESTRICT OUR

ABILITY TO FUND GROWTH OPPORTUNITIES, WHILE MAINTAINING THE FULLY FRANKED NATURE OF OUR DIVIDEND PAYMENTS.

SUMMING UP MY REPORT TODAY, IT CAN BE SAID THAT, ON ANY MEASURE, TATTERSALL'S FIRST FULL YEAR HAS BEEN A REMARKABLE ONE. IT BEGAN ON JULY 7 LAST YEAR WITH TATTERSALL'S LISTING ON THE ASX AFTER MORE THAN 100 YEARS AS AN ESTATE . IT ENDED WITH A MERGER THAT BROUGHT TOGETHER THE GAMING, WAGERING AND LOTTERIES BUSINESS EXPERTISE OF TWO GREAT COMPANIES UNDER THE ONE STRUCTURE, AND A STRONG PUSH FOR GROWTH INTERNATIONALLY.

GEORGE ADAMS STARTED TATTERSALL'S BUSINESS WITH WAGERING SWEEPSTAKES ON AUSTRALIAN HORSE RACES BACK IN THE NINETEENTH CENTURY. WE NOW ENTER THE TWENTY-FIRST CENTURY WITH A RETURN TO THE WAGERING BUSINESS AND TO THOROUGHBRED RACING THROUGH THE MERGER WITH UNITAB AND OUR SPONSORSHIP OF THE TATTERSALL'S COX PLATE AT MOONEE VALLEY.

DURING OUR FIRST YEAR AS A PUBLIC COMPANY, TATTERSALL'S DELIVERED ON ITS PROSPECTUS FORECASTS AND EMBARKED ON A GROWTH STRATEGY FOR THE FUTURE. WE ARE TAKING OUR PLACE ON A MUCH LARGER STAGE WITH MANY OPPORTUNITIES AND CHALLENGES THAT YOUR DIRECTORS AND MANAGEMENT ARE LOOKING FORWARD TO MEETING.

LADIES AND GENTLEMEN, THAT CONCLUDES MY REPORT ON THE PAST YEAR, AND I WOULD NOW LIKE TO HAND OVER TO OUR MANAGING DIRECTOR AND CHIEF EXECUTIVE DICK MCILWAIN TO PROVIDE AN OVERVIEW OF OUR PROGRESS IN THE SHORT PERIOD SINCE THE MERGER, AND OUR OUTLOOK FOR 2007. I WILL THEN RETURN TO CONDUCT THE FORMAL BUSINESS OF THE MEETING.