

ALE Property Group

Annual General Meeting 2004

26 October 2004

Agenda

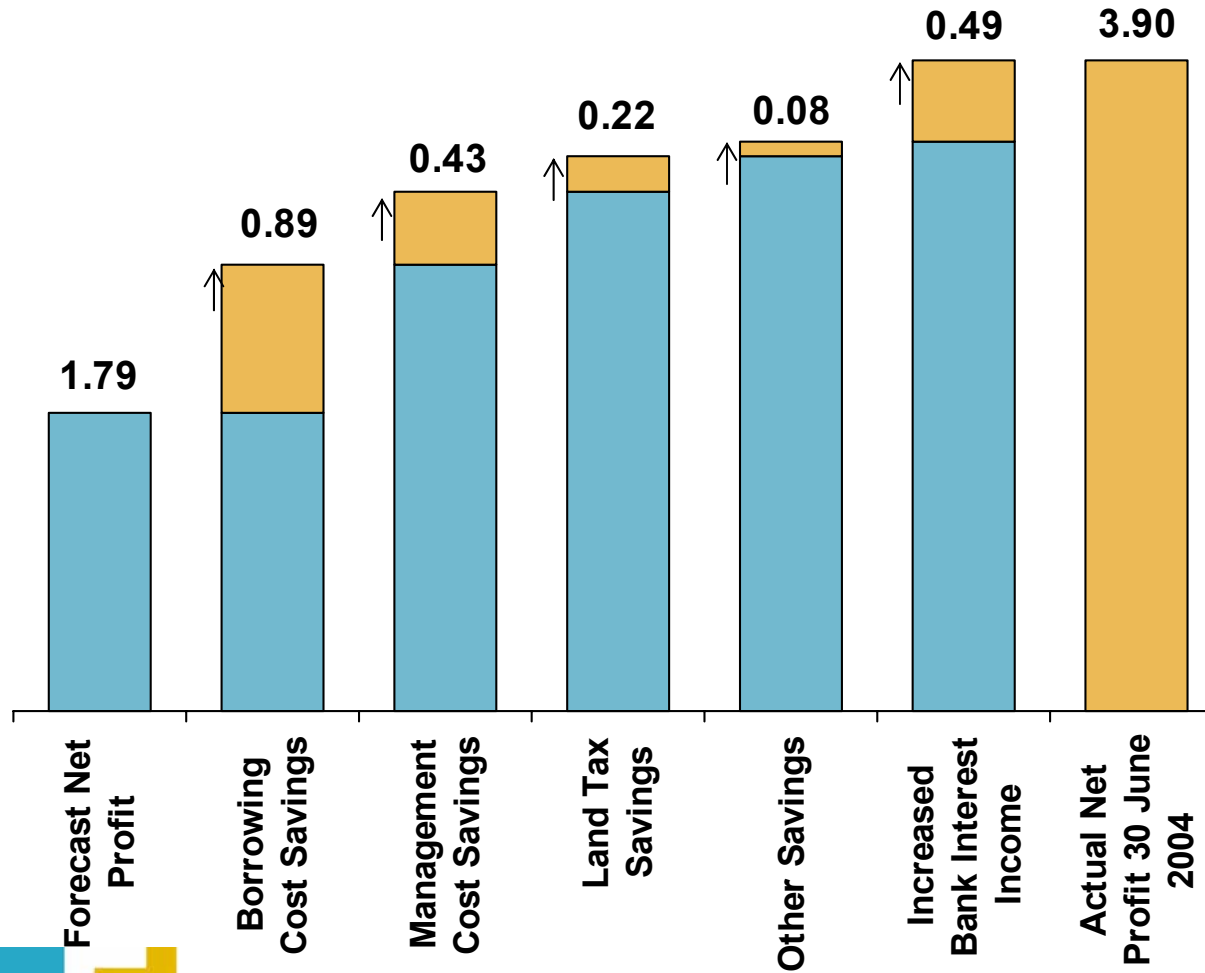
- Financial Results to June 2004
- ALE Property Group
- Current Property Developments
- Our Tenant ALH
- Portfolio Growth Opportunities
- Outlook

Results to June 2004

Results for 8 months to 30 June 2004

	Prospectus Forecast to Jun 04	Actual June 04	Increase %
Earnings before amortisation	5.96m	7.97m	33.7%
Earnings per security before amortisation	6.6 cents	8.8 cents	33.7%
Distribution per security	6.6 cents	7.5 cents	13.6%
Net Profit after amortisation	1.79m	3.90m	117.9%
Net assets per security	\$1.00	\$1.41	41.0%
IPO acquisition price & Property valuation	536.2m	576.7m	7.6%

Reconciliation - PDS to Actual (\$M)



Results for 8 months to 30 June 2004

- Revaluation of Portfolio at June 2004
 - Increase from acquisition cost of 7.6% to \$576.7m
 - Average capitalisation rate
 - 8.24% at IPO (based on \$536.2m acquisition cost)
 - 7.77% at IPO (based on \$568.6m IPO valuation)
 - 7.63% at June 04 (based on \$576.7m revaluation)
 - Net Assets per security
 - \$1.00 at IPO (based on \$536.2m acquisition cost)
 - \$1.36 at IPO (based on \$568.6m valuation)
 - \$1.41 at June 04 (based on \$576.7m revaluation)

ALE Property Group

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- 105 pubs (4 under development)
- 5 mainland states
- All properties leased to Australian Leisure and Hospitality (ALH)
- 25-year leases in place with four 10 year options to renew
- Rent is indexed annually at CPI (review Yr 15)
- Internal management
- MER of 0.5% of assets

Current Property Developments

Property Developments

- Completed developments
 - Acquired freehold title June 2004 at 9.5% discount to valuation
 - Pelican Waters Tavern, Caloundra QLD
 - Four Mile Creek, Strathpine QLD
 - Noosa Reef Hotel, Noosa QLD
 - Remaining developments
 - Expected completion 2004 - 2006
 - Caloundra Hotel, Caloundra QLD
 - Narrabeen Sands, Narrabeen NSW
 - Parkway Hotel, Frenchs Forest NSW
 - Burleigh Heads Hotel, Burleigh Heads QLD

Property Developments

- New developments proposals anticipated
 - Racehorse Hotel, Booval QLD
 - Miami Hotel, Miami QLD



ALH

The proposed takeover of ALH

- Bids for ALH since July 04 from
 - Bruandwo - Woolworths & Mathieson
 - Newbridge
 - CMM - Coles Myer / Macquarie
- Lease agreements continue after any change in control
- ALH have exclusive development rights, subject to ALE's consent
- ALH and ALE must work together on developments
- ALE's consent is required for any assignment of the lease obligations

Portfolio Growth Opportunities

Portfolio Growth

- Redevelopment of existing properties
 - Significant land bank provides refurbishment opportunities with ALH and it's developers
 - ALE earns rent on additional investment
 - ALE's overall investment must not be prejudiced
- New pub properties
 - Opportunities to work with ALH to grow beyond the existing pub portfolio
 - Selective other pub portfolios

Portfolio Growth

- Other non-pub property opportunities:
 - Long term leases
 - Tenant with sustainable capacity to pay rent
 - Venue strategically important to tenant's core business
 - Tenant or third party to assume property risk and costs

Outlook

Outlook

- **Prospectus DPU**

- 2004 **forecast** 10.1 cents (annualised)
- 2004 **actual** 11.5 cents (annualised)

- **2005 DPU guidance**

- PDS Forecast of 10.9 cents
- rental increase of CPI at 2.9% equals PDS
- additional interest income adds 0.3 cents
- interest expense savings adds 1.3 cents
- subject to CPI result, expecting at least **12.5 cents**

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Item 2 – Appointment of PwC as Auditor

- Shares entitled to vote 90,800,100
- Proxy votes received

		Valid
● For/Chair	23,947,994	99.4%
● Against	27,400	0.1%
● Others	124,000	0.5%
● Abstain	2,000	N/A
● <u>No Instruction</u>	<u>4,484,140</u>	<u>N/A</u>
Total	28,585,534	100%

Item 3 – Appointment of McNally as Director

- Shares entitled to vote 90,800,100
- Proxy votes received

		Valid
● For/Chair	23,896,294	99.3%
● Against	61,100	0.2%
● Others	124,000	0.5%
● Abstain	20,000	N/A
● <u>No Instruction</u>	<u>4,484,140</u>	<u>N/A</u>
Total	28,585,534	100%

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