

VEALLS LIMITED

ABN 39 004 288 000

Registered Office

1st Floor 484 Toorak Road
Toorak Vic 3142

Postal Address

1st Floor 484 Toorak Road
Toorak Vic 3142

PH : (03) 9827-4110

FAX : (03) 9827-4112

19 November 2010

ASX

Companies Announcements Office

Pursuant to Listing Rule 3.13.3 we provide a copy of the Chairman's address to be given to the Annual General Meeting of Vealls Limited today.

Yours faithfully,



D R Veall
Company Secretary

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CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING HELD ON FRIDAY 19 NOVEMBER 2010

On behalf of the Board I welcome you to the 60th Annual General Meeting of the Company.

The Financial Statements and Reports for the year ended 30 June 2010 contain a good deal of information about the operations and affairs of the Vealls Group, with the items thought to be of most interest to shareholders being covered. However, if you have any questions or comments about those documents I will take them now.

Additionally, there is a comment that I believe can be usefully made about certain aspects of the Financial Report.

The ever changing Accounting Standards (that have the force of law) continue to cause the format for the financial results and the financial position of the company to be presented in ways that may not be well understood.

The accounting concept of the items that used to determine a profit or a loss has changed over time to now encompass items that are required to be calculated at each reporting period and included in the Income Statement.

The particular items of concern are:

Fair value gains / (losses) on revaluation of assets, and

Unrealised gains / (losses) on translation of foreign currencies to Australian dollars.

The first point is that such items do not represent any actual monetary gain or loss as would follow from the sale or disposal of an asset or of a service provided, or of an actual change of foreign currency into Australian dollars. None of these events may ever occur.

The second point is that the inclusion of such items, if material in the context of the company's operations, distorts not only the reported income for the period but also the comparison with previous reporting periods.

The following table illustrates the position:

Item	30/06/2009	30/06/2010	Movement
	(000's)	(000's)	(000's)
(A) Fair value gains / (losses) on revaluation of assets:			
(1) Agricultural & Biological assets	(77)	597	674
(2) Investment properties	(1,417)	1,400	2,817
(3) Available for sale financial assets	(51)	66	117
(4) Property, plant & equipment	0	4,566	4,566
(B) Unrealised gains / (losses) on translation of foreign currencies	1,381	(581)	(1,962)
TOTALS	(164)	6,048	6,212

The movement shown clearly distorts the income result and call into question its meaning to shareholders and others who I suggest are unlikely to be familiar with theoretical accounting concepts and simply want to know whether the company made a profit or not in words commonly used and understood.

Turning now to the current half-year the 2010 ski season at Cardrona in New Zealand was successfully completed on schedule. The weather conditions were variable and overall not as favourable as recent seasons, particularly during September. Despite this, the financial outcomes were considered to be satisfactory and this was contributed to in no small measure by the performance of the management and staff.

Investment income continued to languish down at historical low levels with the result that funds on deposit with major banks in Australia, New Zealand and Singapore that, on average exceeded AUD \$35.0m in total, only earned interest of AUD \$1.655m – a safe but modest return. In Australia and to a lesser extent New Zealand the prospect is for some increases in deposit rates ahead.

Alternative investment through the hub of Singapore in listed securities in the Far East Region and India continued to prove problematical as the global financial outlook alternately brightened and dimmed – not at all a sound basis for making long term investment decisions.

At Clear Springs Station in New South Wales spring rains were the heaviest for many decades with substantial flooding of Coppabella Creek that runs through the property. Fortunately no livestock losses were sustained and calving is progressing well. The company's policy remains, however, to withdraw from agricultural activities in the near term.



I R Veall
Executive Chairman
19 November 2010