

Presentation

HLG Property Fund

Annual General Meeting

Meeting Date: Thursday 26 November 2009

Meeting time: 12.00 noon

Opening

1. Opening

Good afternoon Ladies and Gentlemen and welcome to the 2009 Annual General Meeting of Hedley Leisure & Gaming Property Partners Limited (which I will call **the Company**), and a meeting of the Hedley Leisure & Gaming Property Trust (which I will call **the Trust**).

My name is Colin Henson and I am the Executive Chairman of the Company.

The Company and the Trust constitute the listed entity, Hedley Leisure & Gaming Property Fund, which I will call “the Fund”.

Joining me on the stage today are fellow directors of the Company.

I would like to introduce you to:

- Peter Armstrong, who is also the Managing Director of the Company and CEO of the Fund;
- David Charles, who is the Fund's CFO
- Nerolie Withnall – Independent Director;
- Greg Kern - Independent Director; and
- Russell Daly, who is the Company's Secretary

We also have Mr Mike Britton representing Permanent Investment Management Limited (PIML) the Responsible Entity of the Trust, and Mr Graham Coonan from KPMG, the Fund's auditors.

The aim of the meetings is to provide a forum for the Fund's Security holders to ask questions and make comments on the accounts and reports for 2009, and to consider and vote on the other items of the Company's business set out in the Notice of Meeting.

Anyone present who is not an HLG Security holder is welcome to attend and listen but only **[blue]** or **[red]** card holders may speak. Before we commence, may I request that you ensure that your mobile phone is turned off?

Meeting Procedures

2. Meetings called to order

As Chairman of the Company, I will chair the meeting of the Company in accordance with its Constitution.

Although there is no formal business of the Trust, I have been appointed by the Responsible Entity to chair a meeting of the Trust, so Security holders have an opportunity to discuss the Trust's operations.

The Company Secretary has informed me that a quorum for each meeting is present, and I declare each meeting open.

3. Conduct of the Meetings

I will briefly comment on how I will conduct the meetings today as Chairman.

First, I will make some remarks as Chairman of the Company.

Peter Armstrong will then make some remarks on behalf of the Fund's Manager, HLG Services Pty Ltd and David Charles will provide a short review of the Accounts. I will then proceed to the Formal Business of the Meeting and at that time open the meeting to relevant questions.

Following that discussion and vote, I will close the meeting of the Trust, and move on to the other items of business to be considered by the Company's Security holders.

A number of proxies have been received and in accordance with the Corporations Act I will advise details of the proxies which have been received as we consider the resolutions. You should note that I intend to vote open proxies in favour of each of the items of business.

4. Notices of Meeting

The Notice of Meeting and Explanatory Materials were posted to Security holders on 26 October 2009.

I will now move that the notices of meeting and each of the resolutions be taken as read.

Could I have I seconder please?

Thank you.

Those in favour? (*Count hands*)

Against?

I declare the motion carried.

Thank you.

5. Chairman's address

I will now make some remarks as Executive Chairman of the Company.

The Fund's lawyers have advised that we must include the disclaimer shown on the screen.

This presentation contains general information in relation to the Hedley Leisure & Gaming Property Fund (HLG) and does not contain any information which constitutes financial product advice for the purposes of the Corporations Act 2001 (Cth). This presentation has been prepared without taking into account the objectives, financial situation or needs of any individual. Before making an investment decision about HLG persons should read the combined product disclosure statement and prospectus for HLG dated 25 June 2007 and all continuous disclosure materials lodged by HLG with ASX after that date which can be obtained from the ASX company announcements platform, carefully consider the risks of investment in HLG and obtain advice from an appropriate financial adviser. Nothing in this presentation constitutes an offer or invitation to invest in HLG.

Ladies & Gentlemen,

The Financial Year ended 30th June, 2009 was pretty turbulent for the worldwide financial system, the Australian economy and for the HLG Property Fund.

The global and domestic financial problems, pub smoking bans, regulatory changes affecting pubs all combined to undermine a healthy and growing pub industry. The HLG Property Fund suffered significantly in terms of the value of its pubs and consequently, in the view of many stakeholders, the status of the HLG Property Fund diminished.

However, in recent months we have made good progress in rebuilding a positive image for HLG. The ideal of pubs as meeting places and leisure centres is being restored, proactive publicans are taking the steps necessary to ensure that they are running enjoyable, friendly and efficient establishments. That responsible and positive attitude will undoubtedly underpin the expected future Growth cycle for pubs. It should never be forgotten that PUBS are an integral part of the culture of

Australians. Historically, they are places where we can meet and dine with friends, celebrate, raise a glass, relax and have fun.

The Management Team at HLG has been fabulous through very difficult circumstances. I have nothing but the highest praise for our MD/CEO Peter Armstrong who has steered the company through an extraordinary period and he has been ably supported by David Charles as Chief Financial Officer. Although David was introduced into the Team early in 2009, he has proven himself as a great contributor and Team player.

Recent achievements included the establishment of management within the Fund resulting in a cost saving of more than \$20 million compared with what it would have cost the Fund if the previous external Management structure was allowed to continue for its remaining 8 year term. By having the operations of the Fund managed internally, the strategy and direction are much more efficiently controlled by the responsible and capable management that is now in place.

We also take pride in putting forward for your consideration today, the proposed new name for the company and the Fund. It is important for the future development of The Fund that it establishes a new identity. Under the proposal, the name Hedley Leisure & Gaming Property Partners Limited will disappear and will be replaced by Redcape Property Fund Limited. Consequential changes will be made to the Trust and to The Fund. Under the new brand name, we propose to develop an image as a respected and highly competent asset manager within a Trust Structure. Peter Armstrong will provide you with further details of the new name and brand image shortly.

I turn now to other important matters:

- As at 30 June 2009, the Bank Debt was approximately \$741 million compared to investment property values of about \$962 million, the ratio of Debt to Total Assets was then and still is too high. Mind you, the problem was created by the need to impair or reduce the book value of pub assets by almost \$200 million over the last 2 years as part of the meltdown in property values that we and many property related organisations suffered; and
- For a number of months, HLG Management has been working with the 9 Member HLG Bank Syndicate toward the extension of the Bank Debt until October, 2012. I am pleased to announce today that all material terms relating to that extension have been agreed in principle with the banks. We expect that Bank Credit approval and formal documentation will be finalised during December. The Board is not aware of any reason why the extension will not proceed.

It is emphasised that the costs associated with the extension of the Bank Debt will be high and the terms of the extension including ongoing debt service fees and debt reduction requirements for the next three years will preclude any Distributions to stapled Security holders for that period.

Given reasonable prevailing economic conditions and market circumstances for the sale of pubs, it is possible that the Fund could achieve an acceptable Balance Sheet and Debt to Asset Ratio within the three year period. If that occurs, and subject to the concurrence of the financiers to the Fund, Distributions could be reinstated. The Boards of HLG Property Partners Limited and PIML as Responsible Entity believe that having regard to the affects of the Global and Domestic financial situation, the best strategy for HLG is to reduce debt by the orderly sale of non-strategic assets and a possible capital raising at an appropriate time. This approach is consistent with the Bank requirements under the extension of the Loan Facility.

In line with this approach, the Board has recently announced the sale of pubs to a value of approximately \$36.3 million which will reduce the Bank Debt to around \$705 million. These sales were achieved at values averaging 14% above the June 2009 book values. The sales of pubs will continue in a measured way.

Although pub property values have been under pressure in recent times, the underlying operations of the Fund remain strong.

As a pub property Trust, HLG is not directly involved in pub operations. The business of HLG is confined to being the owner of Pubs and Gaming and Liquor Licences which are leased to three major tenants. As at 30th June 2009, the tenants were National Leisure and Gaming Limited (32 Pubs), Hedz Pty Ltd (now in Receivership, 12 Pubs), and Wesfarmers Limited (Coles, 46 Pubs). There are other associated shops under lease.

The leases of the HLG pubs will run on average for the next 16 years and will be subject to 3.75% average annual rent increases. There are no arrears of rent from the major tenant groups.

Naturally, it would be preferable for HLG to enjoy a market perception of a strong tenant base. As mentioned, all rents are up to date and we otherwise have no real problems with the current tenants, but the adverse circumstances of two of HLG's major tenants give rise to concerns of instability. That being the case, management and its advisers are continuing discussions with third parties and these discussions may result in a significant change to the structure of the HLG tenants.

I will now invite **Peter Armstrong**, as the Fund's Managing Director and CEO to make some remarks.

We will take questions a little later in the meeting.

6. Peter Armstrong's presentation

Good afternoon, I am glad to be making a presentation on as CEO of the Fund and also on behalf of the Manager of the Fund, HLG Services Pty Limited, a wholly owned subsidiary of the Company.

Once again the Fund's lawyers have advised that we must include the disclaimer shown on the screen.

This presentation contains general information in relation to the Hedley Leisure & Gaming Property Fund (HLG) and does not contain any information which constitutes financial product advice for the purposes of the Corporations Act 2001 (Cth). This presentation has been prepared without taking into account the objectives, financial situation or needs of any individual. Before making an investment decision about HLG persons should read the combined product disclosure statement and prospectus for HLG dated 25 June 2007 and all continuous disclosure materials lodged by HLG with ASX after that date which can be obtained from the ASX company announcements platform, carefully consider the risks of investment in HLG and obtain advice from an appropriate financial adviser. Nothing in this presentation constitutes an offer or invitation to invest in HLG.

[MANAGER'S PRESENTATION]

7. Item 1 Company Financial Statements and Reports

The Explanatory Notes accompanying the Notices of Meeting advised that the Annual Report was available on HLG's website, and a printed copy was sent to Security holders who elected to receive it.

The Annual Report contains the financial report, the Directors' report and the auditor's report for the Company and the Trust for the year ended 30 June 2009.

During the discussion on The Annual Report, you will have a reasonable opportunity to ask questions of the management and auditor, through me, relevant to the contents of the Annual Report and the auditor's report.

I now open the floor to discussion on this item of business.

[DISCUSSION]

I believe that Security holders as a whole have now had a reasonable opportunity to ask questions about and make comments on the Reports and the management of the Fund.

Accordingly, I now close the discussion on this item, and also declare the meeting of the Trust (only) closed.

8. Next Items of Business

We will now turn to the items of business for the Company which will be put to a vote, so let me explain the voting procedures at today's meeting.

- Only Security holders, their proxies, attorneys or corporate representatives can vote on the motions at today's meeting. You have been issued with [blue] admission and voting cards at registration.
- On a show of hands, each security holder, attorney, proxy holder or corporate representative is entitled to one vote only.
- I propose to put all resolutions to a show of hands. However, if a poll is required, it will be conducted at the conclusion of all items of business, to minimise disruption, and I would provide instructions on the poll procedure at that time if necessary.

- When I ask Security holders to vote by a show of hands, please hold up your [blue] card.
- If you are here today as a proxy for two or more Security holders and they have directed you to vote in different ways on an item of business, you must not vote as proxy on the show of hands on that item. However, you may still vote your own shares in these circumstances.
- Each joint security holding is only entitled to vote its shares once, so if two or more joint holders are attending today's meeting, only the vote of the joint Security holder whose name is recorded first in the register will be accepted. That Security holder will have received a [blue] card.

- Any Security holders here today who have appointed a proxy to vote for them and have chosen not to revoke that appointment have also been issued with **yellow** cards.

So, in summary, the position is that people holding [**blue**] cards can speak and vote on a motion and people holding [**red**] cards can speak but not vote.

9. Item 2 – Re-election of Gregory Kern as a Director of the Company

Resolution 2 in the Notice of Meeting is an ordinary resolution.

There is commentary relating to this resolution in the notice of meeting and explanatory notes, which have been taken as read.

Greg Kern was appointed as a Director to the Board on 25 June 2007 and under the Constitution of the company he is required to stand for re-election this year. Greg is an Independent Director.

Greg is the Managing Director of Kern Consulting Group, a corporate advisory firm and has previously held positions at Ernst & Young and Coopers & Lybrand. Greg is a Chartered Accountant, a registered company auditor, and a member of the Financial Services Institute of Australasia, the Institute of Internal Auditors and the Australian Institute of Company Directors. Greg is currently a Non-Executive Director of Early Learning Services Limited.

Greg has my unqualified support and the full support of my fellow Directors for his re-election.

The proxy position in respect of this resolution is shown on the screen -

• For	87,894,208
• Discretion – Chairman of Meeting	604,536
• Discretion - Other	
• Against	8,060,649
• Abstain	38,038

I intend to vote the **604,536** Chairman’s Discretionary Votes in favor of the Resolution.

I will now **move** Resolution 2.

Could I have I seconder please?

Thank you.

Would any Security holder like to speak in relation to this resolution?

[Leave time for questions]

As there is no further discussion on the motion for the election of Greg Kern as a Director, I will close the discussion on that motion.

I now put the motion for the election of Greg Kern as a Director of the Company.

I call for a show of hands on the motion.

Would all those in favour please raise their [**blue**] voting cards?

Would all those against please now raise their [**blue**] voting cards?

Thank you.

[I declare the motion carried.]

[If motion not carried or result is not clear:

- (a) *Given the discrepancy between the proxy position and the show of hands, I direct that a poll be taken on this motion. The poll will be taken at the conclusion of the remaining items of business to minimise disruption.*
- (b) *The result of the poll will not be known until after the meeting has closed.*
- (c) *An announcement of the outcome of the resolution will be made to ASX when the result is known.]*

10. Item 3 - Adoption of the Company's Remuneration Report

We will now turn to Item 3 of the Notice of Meeting, which concerns the adoption of the Remuneration Report.

In accordance with the Corporations Act, Security holders have the opportunity to cast a non-binding vote in relation to the report.

The Remuneration Report is contained in the Annual Report.

The Board unanimously recommends that members vote to adopt the report.

The proxy position in respect of this resolution is shown on the screen -

• For	89,596,341
• Discretion – Chairman of Meeting	592,536
• Discretion - Other	
• Against	6,124,011
• Abstain	284,543

I intend to vote the **592,536** Chairman's discretionary Votes in favour of the Resolution.

I will now **move** Resolution 3.

Could I have I seconder please?

Thank you.

Would any Security holder like to speak in relation to this resolution?

[Leave time for questions]

As there is no further discussion on the motion, I will close the discussion on that motion.

I now put motion 3 for the adoption of the Remuneration Report.

I call for a show of hands on the motion.

Would all those in favour please raise their **[blue]** voting cards?

Would all those against please now raise their **[blue]** voting cards?

Thank you.

[I declare the motion carried.]

[If motion not carried or result is not clear:

- (a) *Given the discrepancy between the proxy position and the show of hands, I direct that a poll be taken on this motion. The poll will be taken at the conclusion of the remaining items of business to minimise disruption.*
- (b) *The result of the poll will not be known until after the meeting has closed.*
- (c) *An announcement of the outcome of the resolution will be made to ASX when the result is known.]*

11. Item 4 – Change of Company Name

Resolution 4 in the Notice of Meeting is a special resolution. The Board has proposed that the Company change its name to **Redcape Property Fund Limited**.

There is commentary relating to Resolution 4 in the notice of meeting and explanatory notes, which has been taken as read.

As a result of HLG Management Pty Ltd ceasing to be the manager of the HLG Fund, the Trust Deed of the Trust requires that the name of the Trust cease to include the word '**Hedley**' and that such change occur no later than 5 Business days after the next AGM.

Accordingly, within 5 Business days after this AGM, it is proposed that the name of the Trust be changed to '**Redcape Property Trust**'.

The Constitution of the Company also contains a similar provision requiring that the Company cease to include the word '**Hedley**' in its name if it receives written notice from HLG Management Pty Ltd or any of its related entities to do so.

Even though the Company has not as yet received such a notice, in order to maintain consistency with the name of the Trust, the Board has proposed that the name of the Company be changed to '**Redcape Property Fund Limited**'.

If the name of the Trust and the Company is changed, as described above, then the stapled entity '**Hedley Leisure & Gaming Property Fund**' will:

- (a) be known as '**Redcape Property Fund**';
- (b) have ASX code '**RPF**'; and
- (c) website **www.redcape.com.au**.

The Directors unanimously recommend that Security holders vote in favour of this resolution.

The proxy position in respect of this resolution is shown on the screen -

• For	95,264,235
• Discretion – Chairman of Meeting	604,536
• Discretion – Other	
• Against	365,441
• Abstain	363,219

I intend to vote the **604,536** Chairman's Discretionary votes in favour of this Resolution.

I will now **move** Resolution 4.

Could I have I seconder please?

Thank you.

Would any Security holder like to speak in relation to this resolution?

[Leave time for questions]

As there is no further discussion on the motion, I will close the discussion on that motion.

I now put motion 4 for the Company to change its name to **Redcape Property Fund Limited**.

I call for a show of hands on the motion.

Would all those in favour please raise their **[blue]** voting cards?

Would all those against please now raise their **[blue]** voting cards?

Thank you.

[I declare the motion carried.]

[If motion not carried or result is not clear:

(a) *Given the discrepancy between the proxy position and the show of hands, I direct that a poll be taken on this motion. The poll will be taken at the conclusion of the remaining items of business to minimise disruption.*

(b) *The result of the poll will not be known until after the meeting has closed.*

(c) *An announcement of the outcome of the resolution will be made to ASX when the result is known.]*

12. IF NO POLLS ARE REQUIRED- Closure

That completes the formal business of the meetings.

It remains for me to thank you for joining us today. We very much appreciate your interest and involvement.

Please join us for refreshments in the foyer outside this room.

13. **IF POLLS ARE REQUIRED - Poll procedure**

I will describe the poll procedure in one minute, but first wish to note that once the poll has concluded, I will direct the Returning Officer to count the votes on conclusion and to report to me the results of the poll.

As the process will take some time, the meeting will be closed once the poll closes, subject to conclusion of the poll and declaration of the results of the poll.

The poll will close when everyone entitled to vote has voted or left this room.

The results of the poll will be announced to the ASX.

[Destruction of voting forms]

So that it is not necessary to store the voting slips and proxy forms indefinitely, may I have a securityholder move that these can be destroyed 14 days after the declaration of the polls?

Thank you.

Do I have a seconder?

Thank you.

Those in favour raise your hands.

Those against raise your hands.

[Count the votes or appoint scrutineers to count the votes]

[Pause for an opportunity to demand a poll.]

I declare the motion carried.

Poll Procedure

Given that a Poll has been demanded in respect of Resolutions [_____] I now call upon **Vanessa Mason of Computershare** Investor Services Pty Ltd, who has examined and prepared summaries of the proxy forms received, to act as returning officer and determine the results of the polls.

At registration, people who are eligible to vote will have been issued with a BLUE voting card. The back of these blue cards will be used for the polls. If there is any person present who believes they are entitled to vote but has not registered to vote, would you please raise your hand and a member of Computershare staff will assist you.

Please now complete your voting cards:

- if you wish to cast all your votes for, against or abstain from the resolution, place a mark in the appropriate box on your voting card;
- if you wish to cast some of your votes for the resolution, some of your votes against the resolution or some of your votes abstaining from the resolution, write on the right of the FOR box the actual number or

percentage of votes you are casting for the resolution, write on the right of the AGAINST box the actual number or percentage of votes you are casting against the resolution, and write on the right of the ABSTAIN box the actual number or percentage of votes you are casting abstaining from the resolution. The sum of the votes cast or the percentages FOR, AGAINST and ABSTAIN on the motion must not exceed your voting entitlement or 100%.

- Proxyholders, you have been issued with a summary of Proxy Votes which details the voting directions for business items on the appointment documents in your favour. If you have been directed to vote in a particular manner, you will be deemed to have voted in accordance with those directions by completing the voting card regardless of how you complete the card

Please complete your voting cards now. Remember to print your name then sign the card, where indicated.

Then place your admission & voting card in the ballot boxes which will be circulated by Computershare staff.

I now ask you to cast your votes.

If you need any assistance, please ask a Computershare member of staff.

Chairman to complete voting cards as well - registrar's staff hand out any additional cards that are required, pencils etc, and commence collecting completed voting cards.

*******time to complete voting cards*******

Has everyone voted?

Then place your voting cards in the ballot boxes being circulated by Computershare staff.

[depending on the number of securityholders present, approximately 5-10 minutes. chairman consults with Registrar, then asks:]

Has everyone placed their voting cards in the ballot box?

*******short pause*******

The polls will now be closed to determine the results.

14. Closure of Meeting

That completes the formal business of the meetings.

Subject to conclusion of the poll and declaration of the results of the poll, I now declare the meeting closed.

It remains for me to thank you for joining us today. We very much appreciate your interest and involvement.

Please join us for refreshments in the foyer outside this room.