



CENTRAL EXCHANGE LIMITED 2004 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

Welcome to your company's first Annual General Meeting as a Listed Investment Company.

Since July this year when CXL was listed as a Listed Investment Company or LIC, we have made a number of strategic and non-strategic investments consistent with our stated investment mandate. Whilst it has been less than six months I am pleased to report that the performance of our investment portfolio to date has overall been satisfying.

I will briefly summarise the breakdown of our investment portfolio, its performance to date and our plans for the rest of the year.

Investment Portfolio Performance

Currently \$9.0 million or approximately 50% of the Company's funds are invested in listed securities. The remainder is held as cash on deposit. The Company does not have a target date by which to become 'fully invested' – our investment strategy is only to invest when we see particular opportunities that meet our investment criteria. In order to remain responsive to market opportunities it is our preference to retain a proportion of our funds in cash.

Since listing, the NTA of the Company has increased from \$1.06 per share to \$1.08 per share.

CXL Net Tangible Assets (NTA*)

<u>Date</u>	<u>\$M</u>	<u>\$/share</u>
31-Jul-04	\$18.2	1.06
31-Aug-04	\$18.1	1.05
30-Sep-04	\$18.3	1.06
31-Oct-04	\$18.6	1.08

**Net of provision for tax liabilities on realised and non-realised gains on investments.*

Overall performance of our invested funds has been satisfactory since listing. As of Wednesday 24th November 2004 we have generated a 9.7 % gross return (including realised and unrealised gains before tax) from our investments in listed securities that, if annualised would equate to approximately 23.4 % per annum.

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Top 10 Investments

The largest investments in our portfolio are as follows:

<u>Top 10 Investments by Value</u>	<u>Current Value</u>	<u>% of Portfolio</u>
RIVKIN FINANCIAL SERVICES LIMITED	\$3,748,262	41.9%
NATIONAL AUSTRALIA BANK LIMITED	\$1,110,000	12.4%
BENTLEY INTERNATIONAL LIMITED	\$607,048	6.8%
RIO TINTO LIMITED	\$577,800	6.5%
GLOBAL MINING INVESTMENTS LIMITED	\$544,148	6.1%
TECHNOLOGY INVESTMENT FUND	\$474,486	5.3%
LIHIR GOLD LIMITED	\$378,000	4.2%
TELSTRA CORPORATION LIMITED.	\$289,800	3.2%
WMC RESOURCES LIMITED	\$215,400	2.4%
MMC CONTRARIAN LIMITED	\$181,900	2.0%

Strategic Investments

The Company has to date made strategic investments in Rivkin Financial Services Limited (RFS) and Bentley International Limited (BEL), both of which are listed investment companies.

<u>Strategic Investments</u>	<u>Current Value</u>	<u>% of Issued Capital</u>
RIVKIN FINANCIAL SERVICES LIMITED	\$3,748,262	14.95%
BENTLEY INTERNATIONAL LIMITED	\$607,048	4.16%

Sector Breakdown

Consistent with the Company's investment mandate to have a resources focus, a significant proportion of the portfolio consists of resource stocks.

<u>Sector Breakdown</u>	<u>Current Value</u>	<u>% of Portfolio</u>
STRATEGIC INVESTMENTS	\$4,355,310	48.5%
RESOURCES	\$2,305,284	25.7%
BANKING AND FINANCE	\$1,110,000	12.4%
TECHNOLOGY	\$764,286	8.5%
OTHER	<u>\$448,550</u>	<u>5.0%</u>
TOTAL	\$8,983,430	100.0%

Best Performers

Standout performers in our portfolio are highlighted in the table below:

<u>Best Performers</u>	<u>Gross Return* %</u>
MACARTHUR COAL LIMITED	195.8%
STRIKE OIL LIMITED	84.6%
BABCOCK & BROWN LIMITED	59.1%
WMC RESOURCES LIMITED	34.8%

* Realised and unrealised gains before tax.

- Our investment in WMC was well timed, just before the first Xstrata takeover offer.
- The results of our participation in a number of new issues including Strike Oil and Babcock and Brown have been pleasing. Due to strong relationships held with a number of key brokers we are regularly being offered priority entitlements in keenly sought capital raisings.
- We have to date also undertaken successful options strategies with Lihir Gold (LHG) and several other resource stocks.

Worst Performers

The worst performing stocks in our portfolio have been the following:

<u>Worst Performers</u>	<u>Gross Return %</u>
TECHNOLOGY INVESTMENT FUND	-4.7%
BENTLEY INTERNATIONAL LIMITED	-2.8%
NATIONAL AUSTRALIA BANK LIMITED	-2.1%
TELSTRA CORPORATION LIMITED	-0.7%

Future

Apart from these investments, the Board and Investment Committee have considered many investment opportunities over the last six months, and continue to evaluate opportunities, both strategic and non-strategic. We are currently carefully undertaking due diligence for a number strategic investments in the resources and property sectors. There are also a number of listed investment companies on our radar screen, which might offer attractive long-term industry consolidation upside.

Over the remainder of the year we will continue to investigate such opportunities and execute those that we feel meet our investment criteria.