



IFC Capital Limited
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IFC CAPITAL LIMITED
CHAIRMAN'S ADDRESS TO THE
ANNUAL GENERAL MEETING HELD ON 23rd NOVEMBER 2006

Shareholders

On behalf of my fellow directors David Hobart and Peggy Yeoh I welcome you to the seventh annual general meeting of the Company.

In January this year Chris Lim resigned as a Director of the Company. On behalf of the Board I would like to thank him for his contribution during the 3 years he was a director.

Ms Peggy Yeoh resigned as an executive director on 22 August 2006, but is continuing as a member of the Board of Directors in the capacity as a non-executive director.

For the twelve months to 30 June 2006, the Group incurred an operating loss of \$996,000. This loss reflects the costs associated with maintaining a listed public platform, progressing the rezoning process for our Cranebrook site situated in the Penrith NSW municipality, and establishing and building on the business plan implemented in the prior year. The Group has started to generate revenue from fee income.

A revised rezoning request for the site at Cranebrook was submitted to Penrith Council in August 2006. The Group continues to work co-operatively with the Council and other government authorities in relation to our Cranebrook project, and is confident that we are progressing well towards a rezoning. We are seeking to have Council include the site in their Local Environmental Plan revision process.

The Cranebrook site was revalued at \$21.0 million, net of GST, by LandMark White in May 2006. This addition to the value since our purchase of the site for \$15.0 million in October 2004, reflects IFC Capital's effort in minimising and quantifying risks associated with the site. We anticipate that a rezoning will result in further significant value growth

We continue to review other potential investment opportunities in the property market. We announced in October 2005 that the Company through its wholly owned subsidiary.

IFC Funds Management Limited, raised a wholesale fund which is co-investing with McLaughlins Financial Services Limited (MFS) via a joint venture financing arrangement in a \$40 million development in St Ives. The Company, as developer, has obtained approval from Ku-ring-gai Council to develop 52 high quality owner-occupier apartments on the site. The site enjoys a prime location in St Ives being only a few minutes walk from St Ives shopping centre and surrounding amenities.

We have recently been engaged as advisors on a \$90 million mixed use/retail development in Tasmania. We are also working on potential projects for a \$50 million residential/hotel site in Fiji and the \$150 million redevelopment of a site in Wollongong. If these projects proceed we expect to receive significant fee income, and, subject to equity investment, a share in profits.

We have considered many other property development and business acquisition proposals over the 12 month period with the primary interests of shareholders foremost in our considerations. We continue to scour the marketplace for exciting and profitable opportunities.

On behalf of the Board, I thank you for your continued support.

John M Langley

Chairman

IFC Capital Limited

23 November 2006