


Hedley Leisure & Gaming Property Fund

AGM – 24 November, 2008






Welcome to the Annual General Meeting for Hedley Leisure and Gaming Property Partners Limited

Colin Henson
Chairman

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 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.



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HLG Strategy, Road Map & Initiatives

Peter Armstrong – Chief Operating Officer

HLG'S STRATEGY CONTINUES TO BE

- A national hotel portfolio
- The portfolio to contain high quality tenants
- Redevelop quality assets/locations
- Operating profit & cash flow to meet and/or exceed IPO expectations
- Have a quality HLG team
- Have an effective/efficient governance structure
- Productive relationship with major tenants, financiers and other stakeholders

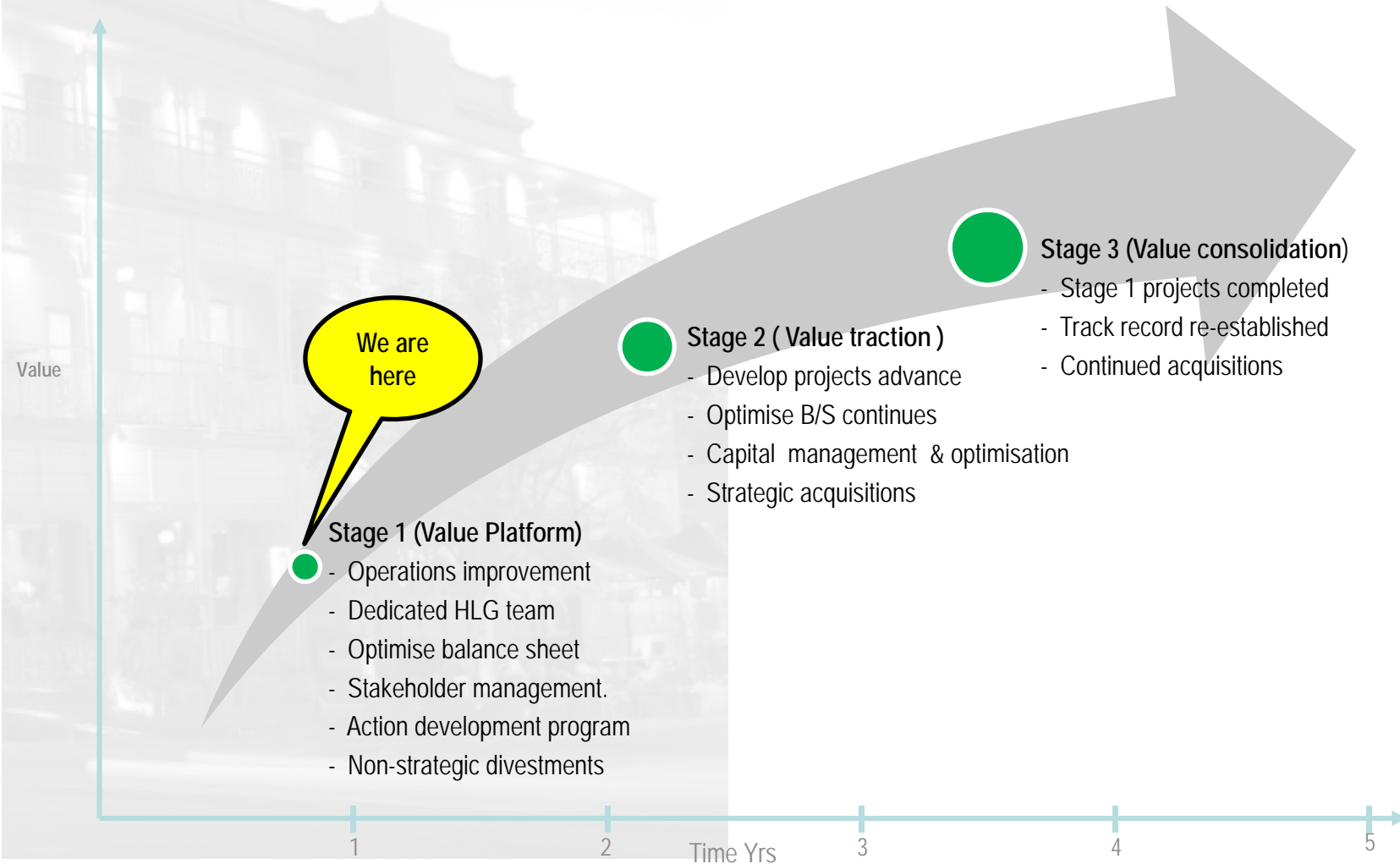


Tenants	Pubs	Bottle shops	% of total rent
Wesfarmers (Coles)	46	10	40.4%
NLG	31		44.4%
Hedz	10	1	10.1%
Other 1	3		2.6%
Retail tenancies			2.5%
Total	90	11	100%

PROGRESS ACHIEVED, MORE TO DO

Objective	Status/Outcome
Growth of national portfolio	Yes
Has a platform for growth	Yes
Support of Bankers	Yes
External factors affecting value	Yes
Development program actioned	Commenced
Consistency of lease covenant	Mixed
Dedicated & independent team	Partially

THE ROAD MAP



| ROAD MAP STRATEGIES

The 5 Key Value Drivers strategies are;

1. Value optimisation of the Portfolio
2. Continued actions to improve the HLG operations
3. Enhance the value of HLG's Balance Sheet and P&L
4. Implement a 3-5 year development program i.e. 40+ projects
5. Continue to manage relationship with key stakeholders

F08 Financial Results

Stephen Donnelly – Chief Financial Officer

| KEY EVENTS

- ASX listed on 2 August 2007 with \$1.065 billion in property assets
- Completed all acquisition contracts as per PDS prospectus
- Additional acquisitions throughout F08 = \$83 million
- Rebased interest rate hedge in February realised \$45 million and increased interest rate payments
- ALE shares sold for \$55m at a 12.5% premium to market price
- 5 Assets divested for \$13m at or near book value
- Acquisition costs expensed (\$23m) resulting from IPO
- Annual valuation process led to write-down of assets = \$80 million
- Distribution of 25 cents per stapled security

HEADLINE RESULTS

	As at 30 June 2008
ASX closing price	\$0.64
Total stapled securities on issue	137.2 million
Distributions (cents per stapled security)	25.00
Annualised yield on ASX closing price	39%
Net assets per stapled security	\$2.38
Tax deferred percentage	30.74%
Total assets	\$1,098million
Debt to total assets	67.9%
Remaining average lease duration of property portfolio	17.0 years
Management expense as percentage of total assets	0.27%
Net profit (loss)	\$(90.8) million
Operating profit	\$10.06 million

PROFIT & LOSS - KEY POINTS

- Operated in line with PDS forecast
- All rent collected as per lease obligations
- Rent increased by 3.8% as per lease obligations i.e. \$2.85m
- Average rent on book value is 6.9% (up from 6.1%) compared to ALE at 6.2%
- Implied yield at Market cap (based on 30 June market cap) is 8.9%
- Operating profit **\$10.058** million

	30 June 2008 \$'000
Net property income	67,207
Net finance costs	(57,903)
Other income and expense (net)	(100,069)
Loss as shown in the income statement	(90,765)
<i>Add (less) non-operating items</i>	
Fair value adjust. to derivative financial instruments (IR)	(20,620)
Gain on disposal of investments (ALE Shares)	(5,337)
Net fair value adjust. (\$23m acq. costs + \$80m write-down)	102,799
Loss on sale of investment (Mt Isa)	21
Impairment of available sale assets (ALE shares)	17,718
Other property acquisition costs (5 contracts)	4,402
Other expenses (One off Legal and Q S Costs)	740
Amortisation of bridging facility costs retired prior to listing of HLG	1,100
Profit from operations	10,058

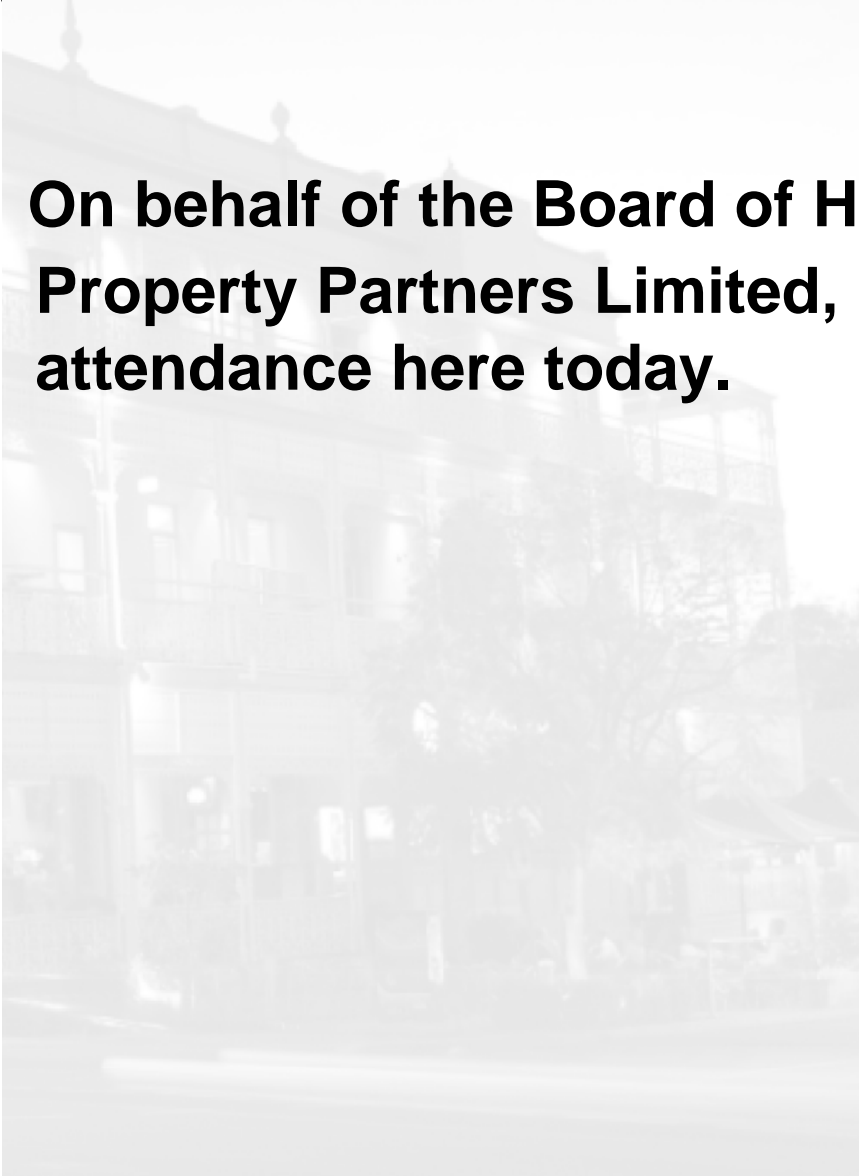
| BALANCE SHEET - KEY POINTS

- Prudent approach adopted i.e. asset write-downs of \$80m (across portfolio) = LVR incr. of +8%
- Loan facility limit of \$800 million drawn to \$754 million
- Debt reduced by \$100m from sale of ALE shares and rebasing interest rate hedge
- No loan maturities prior to Aug 2010
- \$83m acquisition contracts settled incremental to PDS
- Asset sales = \$13 million (at or near book value)
- Total ICR (for bank purposes) = 1.36x, is compliant
- Total LVR (for bank purposes) = 69.9%, is compliant

	Year ended
\$ million	30 June 2008
	Source: Audited accounts
Cash	11
Property	1,069
ALE	10
Other assets	8
Total Assets	1,098
Current Liabilities	25
Loans & Borrowings (net)	746
Total Liabilities	771
Net Assets	327

| KEY POINTS SUMMARY

- NTA is \$2.38 per security at June 30
- Taking steps to derive extra value from surplus land holding
- Debt reduced by \$100 million
- Focus is on strengthening the Balance Sheet
- Ensuring the current lending remains compliant
- Preparing for refinance in August 2010
- Ongoing distribution forecast of 8c per annum
- The Fund's business is performing to forecasts



On behalf of the Board of Hedley Leisure & Gaming Property Partners Limited, I thank you for your attendance here today.

Colin Henson
Chairman

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Proxies Received



| RESOLUTION 2.1

Re-election of Colin J Henson as a Director of the Company

VOTES:

FOR	95,045,935
AGAINST	162,406
ABSTAIN	32,990

Proxies Received (continued)



| RESOLUTION 2.2

Re-election of Nerolie Withnall as a Director of the Company

VOTES:

FOR	94,551,687
AGAINST	645,239
ABSTAIN	44,405

Proxies Received (continued)



| RESOLUTION 2.3

Re-election of Stephen Donnelly as a Director of the Company

VOTES:

FOR	94,250,516
AGAINST	957,410
ABSTAIN	33,405

Proxies Received (continued)



| RESOLUTION 3.1

Adoption of the Company's Remuneration Report

VOTES:

FOR	94,563,135
AGAINST	658,068
ABSTAIN	101,052

Proxies Received (continued)



| RESOLUTION 4.1

Appoint KPMG as the Company's Auditor

VOTES:

FOR	95,193,920
AGAINST	39,121
ABSTAIN	19,990