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ASX RELEASE

RUN CORP LIMITED ANNUAL GENERAL MEETING 11.00 am Thursday, 2 November 2006

Addresses by the Chairman and by the MD & CEO

Mr Frank Cicutto (Chairman):

The primary aim of establishing RUN two and a half years ago was to form Australia's largest, single focus residential property management company providing benefits of scale to owners and tenants alike.

RUN brought together the property management rights for over 20,000 properties in Melbourne, Sydney and Brisbane, supported by specialist staff, unique processes and leading technologies.

This is the first time that a business of this scale in this industry has ever been established in Australia and as such, RUN took first mover advantage in the marketplace.

However, the Board recognised early this year that RUN had introduced too much change too quickly, both to the marketplace and to its staff, and that the company was encountering a number of unforeseen operational challenges in bedding down over 20 acquisitions in a very short space of time.

In the best long term interests of the company, the Board therefore took the decision to suspend the company's planned acquisition program in order to devote the necessary time and resources to stabilising its business operations and improving its service delivery.

Regrettably, this resulted in lower than anticipated financial results for the financial year ended June 2006, which in turn has had a significant impact on the company's share price.

I would like to apologise to our shareholders for the company's disappointing share price performance.

I know it is no comfort to shareholders that the co-founders, Board and management have also suffered. Additionally, co-founder working capital loans that were used to establish the business, were converted to equity when the Company floated and then escrowed through to August 2007.

We believe we have now addressed the operational issues we faced earlier and that the company has excellent leadership from Nathan Cher who stepped in as interim CEO in May following Paul Villanti's resignation.

Looking ahead, the company's objective over the medium term is to improve the quality of its service offering still further, to capture operating efficiencies, increase organic growth and develop enhanced revenue streams.

Progress is being made in these key areas but it is too early to provide specific detailed comments.

As previously advised, the company is committed to a capital raising to finance ongoing working capital needs, reduce bank debt and enhance revenue streams. This raising is intended to occur later this financial year and is likely to be in the range of \$6 million to \$10 million. Detailed planning is currently in progress and shareholders will be updated as soon as the Board has finalised these plans.

In closing, I thank you for your support and assure you that the Board is committed to improving the performance of RUN going forward.

Mr Nathan Cher (MD & CEO):

Two and a half years ago, I and my fellow co-founder at RUN, Sam Herzberg, finally put down on paper the concept we had been discussing for years of a specialist property management company operating at scale, dedicated to providing high standards of service to property owners and tenants.

Our vision for RUN was born out of personal experience. As a property owner who was continually exasperated with the lacklustre levels of service I received across the industry, I was convinced there had to be a better way to provide responsive and accountable management services for this investment class.

I am frustrated with the difficulties we have experienced and disappointed for our shareholders because I know that RUN is capable of producing far better results and intrinsically has a much greater value than the results have shown to date. Despite the last six months, I feel that the original vision is just as cogent today as it was when we founded the company.

For this reason, I stepped in as interim CEO in May this year to take charge of the operational issues that we were facing and to stabilise the company, with the ultimate goal of growth and profitability.

RUN has the largest footprint in the Australian residential property market with over 20,000 properties under management; 270 of the most outstanding staff in the industry, including 24 licensed agents and 168 agent's reps/certificate agents, in a single corporation focused on property management; and its processes and technology implemented, operating and supporting those staff.

These factors place us in a unique position to grow as more and more property owners become aware of the benefits of being RUN clients, including:

- a larger pool of quality tenants, leading to lower vacancies
- the same day disbursement of cleared rent monies
- expert property maintenance services
- specialist trust accounting and financial reporting
- modern communication methods and continuing technical innovation

In addition, our own **RUN**online, a unique web based property management service for owners, is proving popular, especially for those owners who live interstate or overseas. Just as bank customers have become accustomed to home banking, many of our clients choose to use our 24/7 online service. Recently, we have also launched innovative online services for tenants to assist them to rapidly find the best available rental accommodation without increasing the workload for our staff. This will further build on our established strong brand awareness with tenants.

As a result of our strategic and operational review during April 2006, the company announced several changes to its business model and a restructure of its operations in order to improve our operating efficiencies.

We are making progress with these changes and they are resulting in improved service delivery, lower staffing levels and reduced operating costs.

For example, in response to direct customer feedback we have decentralised customer facing operations and have set up offices in suburban centres to accommodate staff and services. Relocating property relationship managers and leasing consultants is enabling them to deliver even more personalised, efficient service with a strong local touch. In addition, the cost benefits of scale and centralised shared services are both retained under this model.

Our acquisition program continues to be suspended given the Board's priority to focus on stabilisation of the business.

Action has been taken to improve operating efficiencies through streamlining processes and changes to the company's organisation structure. We have reduced staffing levels by over 15 per cent and considerably lowered the company's overall expense base.

Acquisition of rent rolls was always intended as the ignition event for the company. For the coming financial year, we are focusing heavily on growing the business through organic growth and enhanced revenue streams. This was always the plan, albeit we are now behind schedule. To achieve this goal, we have assembled a growing team of "new business" executives based in Melbourne, Sydney and Brisbane.

We intend to launch new initiatives to grow organically with the aim of achieving net positive organic growth during the second half of 2006/07.

To underscore our commitment to the long term success of the business, Sam Herzberg and I have advanced in excess of \$2 million as a loan to the company which is available to subscribe to the forthcoming capital raising.

In conclusion, I would like to thank the RUN team for its solid support during this time of change and for its dedication to the business moving forwards.

I thank you as shareholders for being part of this undertaking and look forward as interim CEO to continuing to provide the leadership required to improve RUN as an investment for you.

On behalf of the Directors and staff members of the RUN Corp Group, I thank you for your attendance here today. Your continued support of the company is certainly valued by your Directors and the staff.