

## **ADVENT LIMITED**

ANNUAL GENERAL MEETING  
HELD AT DELOITTE TOUCHE TOHMATSU,  
LEVEL 14, 180 LONSDALE STREET, MELBOURNE, VICTORIA  
ON WEDNESDAY 29 NOVEMBER 2006 AT 11.00AM.

### **CHAIRMAN'S ADDRESS**

Before dealing with any questions on the financial statements and reports I wish to make a few brief comments.

The net assets at 31 October 2006 were \$20.7 million or 97 cents per share, similar to the 97 cents per share at 30 June 2006. The assets now essentially comprise short term interest bearing deposits of \$20.4 million. Over coming months it is expected that interest on these deposits will broadly offset the expenses of running the Company.

The latest net asset estimate excludes a possible \$1.2 m addition representing an amount in dispute between the acquirer of Tower and the Company. As at 30 June 2006, and continuing today, an escrow amount of A\$1.5 million of cash remains pending on the final determination of warranty claims on the Vignette/Tower transaction. \$1.2 million has been provided and carried forward against this. The expiry period for this claim has been extended to 31 December 2006 and efforts continue to seek recovery in full. Vignette's claim is being challenged by the Company and assistance has been sought from consultants, but there is no guarantee that a favourable result will be achieved.

The directors are unaware of any other material contingent assets or contingent liabilities apart from possible taxation liabilities arising from a tax audit as described below. Warranties in respect of the sale of TR Corporation expired without claim on 30 September 2006.

### **Return of capital**

The proposed return of capital is to be discussed soon in the Company's extraordinary general meeting. Advent Limited has received a letter from the ATO (dated 17 October 2006) outlining the tax office's intention to conduct an audit of the Company. The tax office has indicated that the audit could take up to or over 18 months to complete but we will be pressing for a much quicker completion. As the audit is expected to cover some complex transactions, completed over a number of years, the directors are not able to indicate what quantum of tax, if any, may arise in dispute. The board is of the view that the payment of dividends in light of this uncertainty is not in the best interests of shareholders (particularly if there is an increase in Advent's tax liability). On

this basis, the board believes it would be prudent and in the best interests of shareholders to return only some of the surplus capital funds.

In the same light, it would be imprudent for Advent to immediately return to shareholders all surplus capital funds, until there is further information available to the board on the progress of the tax audit. In this respect, the board are of the view that a return of capital of 25 cents per share obtains a balance between the requirements of its shareholders for the surplus funds and that of other stakeholders.

The remainder of the net assets will be returned to shareholders as soon as practical after the tax audit is settled, other required formal tax clearances been received and final settlement of all other matters (for example, the escrow matter).

**Results of annual general meeting:**

Re-election of Mr Kevin Croagh

<b>In favour</b>	<b>Against</b>	<b>At proxy's discretion</b>
4,368,373	300,000	2,630

## **ADVENT LIMITED**

EXTRAORDINARY GENERAL MEETING  
HELD AT DELOITTE TOUCHE TOHMATSU,  
LEVEL 14, 180 LONSDALE STREET, MELBOURNE, VICTORIA  
ON WEDNESDAY 29 NOVEMBER 2006 AT 11.15AM.

### **CHAIRMAN'S ADDRESS**

#### **RETURN OF CAPITAL**

Subject to the company receiving, by no later than 31 March 2007, written notification from the commissioner of taxation (clearance) that he will not make any determination pursuant to section 45b(3)(b) of the Income Tax Assessment Act 1936 (Cth) in respect of the return of capital of 25 cents per share to each holder of ordinary shares registered in the company's register of members as the holder of ordinary shares in the company, 7 business days after the company notifies the Australian Stock Exchange Limited of receipt of the clearance, be approved.

A further explanatory statement was provided with the notice of meeting and we will take this as having been read.

As noted in the earlier AGM, it is not deemed prudent to pay dividends or a higher return of capital at this stage, pending the final outcome of the tax audit announced by the Australian Taxation Office.

This return of capital is also conditional on receiving a class ruling that the commissioner will not deem this return of capital to be an (unfranked) dividend and, to this end, I note that an application for this has already been lodged with the taxation office.

Results of extraordinary general meeting:

Payment of return of capital

<b>In favour</b>	<b>Against</b>	<b>At proxy's discretion</b>
11,386,556	Nil	Nil