Corum Group

21 November 2012

Manager, Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

CORUM GROUP LIMITED (COO)
ANNUAL GENERAL MEETING 2012

Please find attached the Chairman's address presented at today's Annual General Meeting.

For further information please contact:

Geoffrey Broomhead
Managing Director
(02) 9289 4699

Chairman's Address

Before putting the Resolutions to this meeting for consideration I wish to make a brief statement about the Company's operations.

Firstly I would like to comment on the Group results.

As disclosed in the Annual Report 2012 Corum Group achieved an Operating Profit of $6,029,000 with total Shareholders Funds now at $10,677,000.

Over the past three years the Group has generated significant cash from existing operating activities which has been utilised to:

- repay borrowings of $6,900,000;
- pay interest totalling $1,650,000; and
- settle legal actions which amounted to $2,500,000.

As at today Corum has settled all legal actions, the Group is debt free, all assets are unencumbered, and tangible assets now exceed total liabilities.

Accordingly Directors advise that they are of the opinion that up to 50% of future cash surpluses, which are not able to be utilised to expand the Company's operations, should be distributed to Shareholders; the format of such a distribution is yet to be determined.

Based on current operations Shareholders may now expect the announcement of a distribution in conjunction with the release of the Group's Half Year Results in February 2013.

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Level 17, 24 Campbell Street, Sydney NSW 2000 • GPO Box K404, Sydney NSW 1240
T 02 9289 4699 • F 02 9212 5931 • corumgroup.com.au

With cash in the bank Directors continue to examine opportunities which will improve profitability. To date none of these opportunities has matured to such an extent to be considered as a commercial prospect.

From an investment perspective Directors acknowledge that the profits generated and the improvement in the Group's Consolidated Balance Sheet over the past 3 years has caused a significant reassessment of Corum by the investing community.

Recently the Company was informed that the ANZ Bank is now offering a margin loan facility against Corum shares if they are part of an approved diversified portfolio.

Before proceeding to the resolutions on the Agenda I would like to address an issue which has been brought to the Board's attention.

As mentioned earlier proxies have been received from Shareholders representing more than 50% of the Company's issued capital; all voting in favour of each resolution.

However I am aware that the allocation of performance rights to Non-executive Directors has caused some concern among Shareholders.

In recent weeks Directors have held discussions with significant Shareholders who themselves do not support the allocation of performance rights to Non-executive Directors. A number of Shareholders have voiced their concerns by submitting proxies voting against the relevant resolutions.

Prior to considering the allocation of performance rights to Non-executive Directors, Directors obtained advice from an external expert consultant. That consultant was then engaged to draft the Performance Rights Plan with the assistance of external lawyers. The consultant and the lawyers who were engaged in drafting the plan expressed their opinion that the plan provided only modest benefits to Non-executive Directors. The benefits do not vest until three years after they are granted, are non cash benefits and are directly aligned with the improvement in Shareholder wealth. The benefits cannot exceed 100% of a Non-executive Director's annual fees.

Recognising the concerns raised to date, Directors have determined that this meeting will be the only meeting at which the allocation of performance rights to Non-executive Directors will be considered. In the New Year I will discuss with all significant Shareholders their views on the form of acknowledgment, if any, which they consider would suitably recognise Non-executive Directors' efforts beyond the performance of their normal duties.

Finally I would like to thank Shareholders who unceasingly and consistently support the Board of Directors in its efforts to improve the Group performance.

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