

RATTOON

H o l d i n g s L i m i t e d

PERIODIC REPORT, EARNINGS GUIDANCE & CAPITAL MANAGEMENT

Net Tangible Asset Backing

The unaudited Net Tangible Asset Backing (pre-tax) of the ordinary shares of Rattoon Holdings Limited as at 31 May 2007 was \$0.4788 per share. Investments are marked to market (the NTA is calculated on a pre-tax basis, not taking into account any potential tax on current period earnings or any potential tax that would be payable if the investments were realised).

Earnings Guidance and Capital Management

The Board of Rattoon wish to provide some general earnings guidance for the full financial year ending 30 June 2007. It is expected that final accounts for the year will be prepared and finalised in late August 2007.

The Company expects that Net Profit After Tax for the year ending 30 June 2007 will be in excess of \$17 million. The Board will provide an update if it expects a material departure from this earnings estimate prior to finalising the accounts.

The Company's major source of revenue for the year has included dividends, and profits on trading in Tattersalls, both in the physical and derivative market.

Rattoon retains a substantial shareholding in Tattersalls, and the Board continues to see the shares as an outstanding investment. As opportunities present themselves, the Board will continue to monitor trading opportunities in Tattersalls, so as to maximise returns to the shareholders of Rattoon.

The Chairman, Mr. Graeme Cureton commented that: "This year has been very significant in the evolution of Rattoon. The strategic decision of the Board to accumulate a significant strategic stake in Tattersall's has resulted in Rattoon benefiting from the strong gains in the Tattersall's share price."

The Board continue to actively manage and review the capital management of the Company. Two fully franked dividends have been paid this financial year, both in the last 3 months: one for 0.6 cents per share paid on 20 April 2007; and one for 1.5 cents per share paid on 18 May 2007. In total, the Company has paid fully franked dividends of \$10,584,862 this financial year.

The Company's balance sheet remains strong given the current share price of Tattersall's, which is the Company's significant investment, and the Board continues to actively explore capital management initiatives.

Martin Casey
Company Secretary