

# RATTOON

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

### **Capital Management and Update**

The Board of the Company wish to provide the following update following the Company's Annual General Meeting held on Friday 30<sup>th</sup> November 2007.

Rattoon's AGM co-incided with the Annual General Meeting of Tattersall's Ltd, which was held earlier on 30<sup>th</sup> November as well. One of the outcomes of the Tattersall's AGM was that Tattersall's Ltd changed its name to Tatts Group Ltd.

The Rattoon Board remain strong supporters of the Tatts Group, including strong supporters of the Tatts Group's management team and board. Despite recent fluctuations in the Tatts share price, the Rattoon board endorse the view of analysts of Tatts which suggest that Tatts share price should be valued in the \$4.00-\$5.00 range on a fundamental analysis.

Rattoon is focussed on its holding in Tatts as a long term holder and this is supported by the debt facility Rattoon has in place.

The Company announced on Friday 30<sup>th</sup> November 2007 that the unaudited Net Tangible Asset Backing (pre-tax) of the ordinary shares of Rattoon Holdings Limited as at 31 October 2007 was \$0.3973 per share. This was based on 31 October 2007 management accounts which were based on a Tattersall's Ltd share price of \$4.19. 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). The NTA of Rattoon's shares change with the share price of Tatts Group. If the tax effect of realising the Tatts shares was taken into account, then this would produce a different NTA on an after tax basis compared to on a pre-tax basis. As an indication, the Board estimates an approximate unaudited Net Tangible Asset Backing (post-tax) of the ordinary shares of Rattoon Holdings Limited based on a Tatts Group share price of \$4.00 as being of \$0.34 per share per ordinary share Rattoon share.

The Board have been reviewing a range of capital management initiatives for some time. One of those initiatives under review is a small capital return. The Company has submitted a request to the ATO for a private tax ruling and indications received on 30<sup>th</sup> November 2007 from the ATO are that the Company should expect a response shortly. Once the Company receives a response, and assuming that it is positive, then the Board will determine and review potential capital management initiatives further.

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