RATTOON
Holdings Limited

Chairman's AGM Address

28 November 2008

I would like to make a short address to the AGM.

There has been much change in financial markets and the Company's financial position since last years AGM.

At this time last year, the Board remained strong supporters of Tatts Group Ltd and were comfortable with the Company's leveraged exposure to Tatts Group Ltd. Subsequent events altered this view.

Tatts Group Ltd and its share price were adversely affected earlier this year and the share price has significantly declined, and with it, the value of Rattoon's holding. Two key reasons are apparent. First, the decision of the Victorian Government to announce that it would not be renewing gaming licences of Tatts and Tabcorp when they expire in 2012. The second, the general state of the financial markets.

Since 1 January 2008, the ASX 200 has declined in value by approximately 40% and Tatts was not immune.

As at June 30 2008, the share price of Tatts Group Ltd was $2.34. This was below the average cost price paid by Rattoon and has resulted in a write off approximately $72 million in Rattoon's financial performance under the accounting standards dealing with impairment. This resulted in the Company reporting a loss after tax for the year ended 30 June 2008 of $62,611,697.

As the Tatts share price declined, the Board were mindful that the value of the Company's portfolio which secured its borrowings under its margin loan was declining. The Board determined to sell some of its stake in Tatts Group Ltd to pay down some of the margin loan and de-risk the Company from the potential risk that the value of the portfolio would not support the margin loan. As financial market volatility has continued over recent months, and there has been wide-spread impacts arising from the global financial crisis, the Board continued to sell some of the portfolio to pay down the margin loan.

As shares in Tatts Group Ltd were being sold and the margin loan was being paid down, this of course resulted in Rattoon ceasing to have a large leveraged exposure into Tatts. As this was occurring the Board were mindful of the future direction of Rattoon.

The Board considered that it was not going to continue with a leveraged investment in Tatts. Whilst the Board is considering other potential opportunities for Rattoon, the Board is of the view that it is preferable to return capital to shareholders rather than have it tied up in Rattoon indefinitely.

The Board has announced to the market that it is exploring a capital return to shareholders. Final details are still being determined. Initially the Board announced to the market that it was considering a capital return by distributing to shareholders the remaining balance of the Tatts portfolio after sufficient shares were sold to repay the margin loan. Subsequently, the Company sold some further shares in Tatts Group

Ltd and the Board considered whether to proceed with a capital return by distributing a mixture of cash and Tatts shares or proceeding with an all cash distribution.

The Company at the moment still holds a number of shares in Tatts Group Ltd as well as cash. At the moment, the Board is of the view to continue to explore selling the balance of its stake in Tatts Group Ltd. If all or most of the Tatts Group Ltd portfolio is sold, then the Board expects to proceed with an all cash distribution, but there remains the possibility that some Tatts Group Ltd shares may not be sold and distributed as part of a capital return. Whilst the Company recorded a large loss last financial year and does not have any retained earnings, there may be an opportunity for the Company to pay a fully franked dividend out of current period profits.

The Board’s current thoughts are to proceed with a capital return of the large proportion of the Company’s assets plus potentially a dividend, leaving a small amount of assets in the Company to allow it to operate for some time and explore other opportunities. Rather than keep a large amount of assets in the Company to use for future possible opportunities, the Board's current view is to distribute most of the assets, and if new opportunities are identified in the future, then to explore raising new funds from shareholders for such opportunities. In the event that new opportunities are not identified, then the future continuation of the company as a vehicle will need to be considered. Also, during the period after a capital return is implemented and the Company holds minimal assets, the Company may need to seek a waiver from the NSX to allow the Company to remain listed if sufficient assets are not held.

The Board hopes to finalise the details of the proposed capital return over the next month. Shareholder approval will be sought for any capital return and details will be forwarded to shareholders in advance of any shareholder’s meeting. As part of implementing a capital return, the Board is also finalising an application to the ATO for a draft tax ruling to confirm the tax treatment of the proposed capital return. I need to emphasise that until the form of capital return is finally determined, approved by shareholders and implemented, that the Company may not proceed with a capital return.

I would like to thank my fellow board members, Hugh Robertson and Peter Landos. As markets changed this year and the Tatts share price declined, there has been a very large commitment from the Board to navigate the Company through these times. I would also like to thank all other important stakeholders. Finally and most importantly, the Board wishes to thank our shareholders for their support. The Board will continue to work in the interests of our shareholders to unlock the remaining value.

Graeme Cureton
Chairman
28 November 2008
Rattoon Holdings Ltd
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