

# RATTOON

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

### **Chairman's Address Proposed Selective Capital Reduction**

**21 February 2011**

Welcome to today's Special Meeting of Shareholders of Rattoon.

As was set out in the notices of meeting, there are two meetings of shareholders dealing with the proposed capital return and other matters.

The first meeting of shareholders is this Special Meeting. It will be followed by a second meeting of shareholders which we have described as the General Meeting.

#### **Introduction**

An Explanatory Memorandum was sent to shareholders with the notices of meeting.

The Board is pleased to submit to shareholders the proposed capital reduction, which, if implemented, will lead to the effective privatisation of the Company.

Under the proposal, if approved by shareholders, all minority shareholders will receive A\$0.06 per share and all minority shares will be cancelled. This will leave on issue only those ordinary shares held by the major shareholders and, if approved by shareholders, the Company will then apply to be de-listed from the NSX.

#### **Approval requirements**

The proposed Capital Reduction will be submitted to shareholders in two shareholder meetings which will be conducted one after the other today, starting with this Special Meeting for the minority shareholders and finishing with the General Meeting for all shareholders. The resolutions being put at each meeting are largely the same in relation to the Capital Reduction.

However, at this Special Meeting, only the minority shareholders will be entitled to vote for or against the proposed Capital Reduction.

At the General Meeting on the other hand, only the major shareholders will be entitled to vote in favour of a Capital Reduction. Whilst the Minority Shareholders

are entitled to attend and vote at the General Meeting, votes cast at the General Meeting by minority shareholders in favour of the first resolution to approve the Capital Reduction will be disregarded in accordance with the Corporation Act. All Shareholders are eligible to vote for or against the second resolution at the General Meeting to de-list the Company.

### **Interdependence of resolutions**

The resolutions with respect to the Capital Reduction at each meeting are interdependent. The proposed Capital Reduction will not go ahead unless the resolutions relating to the Capital Reduction are passed at both meetings by at least a 75% majority of shareholders voting at the relevant meeting.

The resolution to de-list the Company from the NSX will be conditional upon the resolutions relating to the proposed Capital Reduction being passed and this resolution also requires approval of at least a 75% majority to be passed.

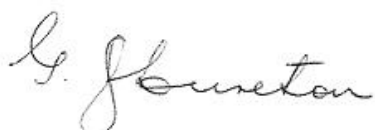
### **Independent Expert and Explanatory Memorandum to Shareholders**

The Board notes that accompanying the notices of meeting to shareholders was an Explanatory Memorandum and a report of the Independent Expert, Ernst & Young Transaction Advisory Services Limited. The Independent Expert, Ernst & Young Transaction Advisory Services Limited determined that the proposed Capital Reduction is fair and reasonable to the Company's shareholders as a whole.

The Board notes that the shareholders should consider the Explanatory Memorandum in its entirety.

### **Recommendation**

Your Directors unanimously recommend the resolutions that will be put before shareholders at this Special Meeting and the following General Meeting.

A handwritten signature in dark ink, appearing to read 'G. Cureton', written in a cursive style.

Graeme Cureton  
Chairman  
Rattoon Holdings Ltd - ACN 076 611 268  
21 February 2011

# RATTOON

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

### **Chairman's Address Proposed Selective Capital Reduction**

**21 February 2011**

Welcome to today's General Meeting. This meeting follows the previous Special Meeting.

#### **Introduction**

This Special Meeting is for shareholders to consider, and if thought fit, to approve the proposed Capital Reduction, and related matters.

At this Special Meeting, the only shareholders who may vote in favour of the resolution dealing with the proposed capital reduction are the majority shareholders, GPG and Thorney Investment Group as more fully explained in the Explanatory Memorandum.

Minority shareholders are entitled to attend this meeting, and to vote against the proposed Capital Reduction resolution.

Shareholders should consider the Explanatory Memorandum that accompanied the notices of meeting.

#### **Recommendation**

Your Directors unanimously recommend the resolutions that are being put before shareholder at this General Meeting.

In closing, I would like to thank my fellow board members, Mr Hugh Robertson and Mr Peter Landos and also our shareholders.

A handwritten signature in black ink, appearing to read 'G. Cureton', with a stylized, cursive script.

Graeme Cureton  
Chairman  
Rattoon Holdings Ltd - ACN 076 611 268  
21 February 2011