

**CHARIMAN' ADDRESS
2004 ANNUAL GENERAL MEETING**

I am pleased to report that the 2004 financial year has been a year full of many positives for Rattoon.

Over the past financial year the Company has:

1. commenced its new investment direction of making investments in unlisted Australian entities and managing those investments;
2. raised \$9.5 million of equity capital;
3. acquired notional units in the Estate of the Late George Adams, commonly known as Tattersall's;
4. exited the Deed of Company Arrangement that the Company had been subject to since 19 April 2002; and
5. listed on the Stock Exchange of Newcastle on 21 June 2004.

The listing on the Newcastle Stock Exchange has been particularly pleasing. Since listing on the NSX, more than 6 million Rattoon shares have been traded, representing in excess of 15% of the shares in Rattoon. This indicates the benefit to which the listing on the NSX has provided Rattoon Shareholders in that they now have an exchange in which to buy and sell their Rattoon shares.

During the year, the Board was also made aware that a number of Shareholders with less than a marketable parcel of shares wished to increase their holding or sell out of their holding.

For investors holding a small number of shares, it is difficult or expensive to dispose of those shares, or, alternatively increase their shareholding to more than a marketable parcel.

Subsequently, Rattoon has arranged for a Small Shareholder Sale and Top-Up Facility to be available to all Shareholders. Details of these facilities were mailed to Shareholders with the Annual Report in September, and Shareholders have until 1 November to respond to that documentation. There are no transaction fees payable on either purchase or sale transaction by any Shareholder who utilises either of these facilities as Rattoon will pay all brokerage costs and handling charges.

I wish to stress however that Shareholders need to consider the Small Shareholders facility carefully and take action where appropriate. If Shareholders with a less than marketable parcel do not take action, their shareholding will be sold and the proceeds will be sent to them. Therefore I

urge all Shareholders to carefully read the documentation and take appropriate action where required.

The year has also proved positive on an investment front. Currently Rattoon's major investment is its investment in the Estate of the Late George Adams, more commonly known as Tattersall's. During the 2004 financial year, Rattoon acquired approximately half a percent of the units in Tattersall's with a view to increasing its stake and benefiting from the strong distribution strings that Tattersall's was providing.

As you would all be aware, over the past six months Tattersall's has proposed to change its ownership structure from that of a Trust to that of a Public Entity listed on the Australian Stock Exchange. The listing has been scheduled for early 2005.

As at this stage this restructure is still only proposed and we are awaiting full details of the proposal, and as such I cannot make further comment other than that the Board is following its progress with great interest. Suffice to say that to date most media reports indicate that the financial consequences for Rattoon will be positive.

Until the Board is fully informed of the restructure plan and the resulting implications for Rattoon and its Shareholders, the Board is not in position to make assessment of its future plans for its investment in Tattersall's.

Once the information has been provided to Rattoon and the Director's make a decision we will inform all Shareholders by a public announcement through the NSX and via Rattoon's website.

In accordance with Rattoon's investment philosophy, Rattoon is also continuing to seek further investments in other unlisted Australian entities. If such opportunities arise, Rattoon will seek appropriate funding including providing the opportunity to Shareholders to subscribe for additional shares.

I am pleased with the accomplishments of the Company this financial year and look forward to the future with some optimism. I also take this opportunity to express my appreciation for the efforts over the past year of my fellow Directors and the efforts of Michael Naphtali whom I replaced as Chairman in June.

Gordon Moffat
Chairman

Tuesday, 26 October 2004