



ASX and Media Release

Friday, 26 October 2007

RAMS Home Loan Group Ltd (RHG) releases Explanatory Memorandum including the Independent Expert Report

RAMS Home Loans Group Limited (ASX:RHG) today released an Independent Expert's Report which has concluded that the proposal to sell the RAMS origination business and brands to Westpac Banking Corporation (Westpac) is in the best interests of shareholders, in the absence of a superior offer.

The report by Deloitte Corporate Finance PTY Ltd concluded that Westpac's purchase price of \$140 million is towards the high end of the range of Deloitte's hypothetical fair-market value of the assets of between \$35.6 million and \$167.5 million.

The report is included in an Explanatory Memorandum detailing the sale which has been lodged with the Australian Securities Exchange and will be despatched to RHG shareholders today.

RHG Chairman John Kinghorn said: "As part of Westpac's proposal, in addition to the purchase price, Westpac will provide funding to enable RAMS to continue to fund new settlements.

"In the absence of this funding, the value of the origination business and brand would be significantly impaired and RHG would be unlikely to realise any material value for these assets."

Westpac has also agreed to provide up to \$1.5 billion as a cornerstone investment in a syndicate to refinance one or both of the outstanding \$6 billion XCP programs, subject to conditions being met.

The proposal will be put to a vote of RHG shareholders at the Annual General Meeting in Sydney on 26 November 2007.

Mr Kinghorn said that in the absence of a superior proposal, the directors unanimously recommended the proposal to shareholders and intended to vote their shares in favour of it.

"This recommendation has been confirmed by the Independent Expert, which has advised that in the absence of a superior offer the proposed transaction is in the best interests of the shareholders."

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