



ASX and Media Release

Monday, 26 October 2007

## RAMS shareholders approve Westpac proposal

RAMS Home Loans Group Limited (ASX :RHG) today announced shareholders had approved the sale of the RAMS brand and distribution business to Westpac Banking Corporation for \$140 million.

RAMS Chairman John Kinghorn also announced that since the market update last Wednesday RAMS had received further indicative credit approvals to refinance its extendible commercial paper (XCP) program.

Including the \$1.5 billion cornerstone investment by Westpac, RAMS now has credit approvals, subject to pricing, documentation and due diligence, totalling \$4.25 billion of the required \$5.5 billion (the expected value of the XCP program due to be refinanced in February 2008).

The Westpac proposal was approved by shareholders at today's annual general meeting. Completion of the proposal is expected to take place early next year.

The total number of proxy results exercisable by all proxies validly appointed was 129,447,451. Instructions in respect of the proxies were:

FOR	AGAINST	ABSTAIN	UNDIRECTED
110,029,187	9,205,357	234,855	9,978,052

Following these approvals, the RAMS brand name and distribution business, including the 97 RAMS Home Loan Centres and existing relationships with other distribution channels, will come under Westpac ownership.

Westpac has also agreed to fund up to \$500m of loan settlements from 15 November 2007 and participate, subject to various terms and conditions, as a \$1.5 billion cornerstone investor in a syndicate to refinance one or both of RAMS two extendible commercial paper (XCP) programs when they fall due on February 11, 2008.

### XCP funding update

RAMS chairman John Kinghorn told the RAMS annual general meeting that the company was in advanced negotiation for the remaining \$1.25 billion needed to refinance the XCP programs.

"Directors continue to be of the view that the global RMBS (residential mortgage-backed securities) markets will, at some time, reopen for borrowers of RAMS' quality," Mr Kinghorn said.

"However directors believe this will not happen by February 2008, in sufficient time to refinance RAMS' XCP into the term RMBS markets.

“Consequently RAMS is seeking to negotiate \$5.5 billion bridging finance by way of additional warehouse facilities to permit the loan portfolios to be term funded in the RMBS markets in an orderly manner over the next year or two as those markets progressively reopen.”

### Remaining business of RHG

Mr Kinghorn said the RHG business which remained following any sale of the brand and distribution business to Westpac would consist of its existing \$14.8 billion loan book and the personnel required to manage the funding and servicing of that book.

After implementation of the Westpac proposal, RHG may no longer use the “RAMS” name and will cease to originate new business. RHG will continue to be a listed public company but will exist only to service and collect the income from what will be a closed and amortising loan book.

The loan book is presently funded

	\$ billion
Term RMBS	4.1
XCP Series 2	2.6
XCP Series 3a	3.2
Warehouses	<u>4.9</u>
	<u>14.8</u>

RAMS Chairman John Kinghorn told the AGM the proceeds of the sale of the RAMS brand and origination business will be used to pay taxes and to repay secured debt.

### Other AGM resolutions

Three other resolutions were also approved by shareholders today.

A resolution to re-elect Mr Gregory Jones as a Director was approved by shareholders.

The total number of proxy results exercisable by all proxies validly appointed was 129,447,451. Instructions in respect of the proxies were:

FOR	AGAINST	ABSTAIN	UNDIRECTED
110,981,162	7,354,767	1,059,670	10,051,852

A resolution to adopt the Remuneration Report was approved by shareholders.

The total number of proxy results exercisable by all proxies validly appointed was 129,447,451. Instructions in respect of the proxies were:

FOR	AGAINST	ABSTAIN	UNDIRECTED
103,240,356	15,993,245	998,948	9,214,902

A resolution to approve the resolution to change RAMS Home Loans Group Limited's name, was approved by shareholders.

The total number of proxy results exercisable by all proxies validly appointed was 129,447,451. Instructions in respect of the proxies were:

FOR	AGAINST	ABSTAIN	UNDIRECTED
108,816,930	9,921,558	687,121	10,021,842

All resolutions were passed unanimously on a show of hands.

**Media Enquires**

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**Shareholder Enquiries**

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