**Wentworth** Holdings

Dear Shareholder

***Shareholder Update***

On behalf of the Wentworth Board, I thought it appropriate to provide an update to you on the status of Wentworth, post completion of the disposal of its main undertaking.

As you are aware, approval to dispose of the company's main undertaking to interests associated with Charles Tarbey (former Executive Director) was obtained at an Extraordinary General Meeting on 15 December 2011.

On 23 December 2011, following the abovementioned approval and some other matters, the transaction was finalised. $16.862 million was paid to the company which was used to repay financiers with the residual circa $13 million invested in a short term cash facility.

The company is now in a very unique position, particularly given the current economic climate. We have:

- Circa $14 million in cash (following receipt of circa $1.1 million deferred consideration concerning the main undertaking disposal) with a further circa $0.7 million deferred consideration to be settled in the next 6-12 months. This equates to net tangible assets of circa 6.7 cents per share.
- Significant carry forward income and capital losses.[1]
- Minimal liabilities and on–going commitments.
- Extremely supportive and participative shareholders.
- An operating on market share buy back program.

Since completion, the Board have been actively working to identify a new undertaking for the company. Whilst the Board remains flexible in reviewing business opportunities, we are conscious of the responsibility we have to shareholders in identifying an exciting, lower risk business that will be well received by the broader investment community. A PowerPoint presentation of the above and other related matters has been filed with this letter with the ASX (www.asx.com.au) and on our website (www.wentworthholdings.com.au) for your information.

To date we have reviewed a number of opportunities and will continue to do so in the near term. We remain committed to the process and are confident of a positive outcome.

Should you have any queries please do not hesitate to contact Ron Hollands, our CFO/Secretary, on either 03 8591 0520 or ron.hollands@wentworth.com.au.

On behalf of the Wentworth Board, thank you for your continued support. We look forward to a particularly exciting next 12 months.

Yours sincerely

Vaughan Webber
Non-Executive Chairman

[1] Available for recoupment provided relevant income tax laws are satisfied.

**Wentworth Holdings Limited**
ABN 41 080 167 264

144 Church Street
Brighton VIC 3186

T 03 8591 0500
F 03 9592 3405
E enquiries@wentworthmutual.com

# Wentworth Holdings Limited

wentworth™
leading the way home

# Executive Summary

- Wentworth divested main undertaking 23 December 2011 resulting in current Net Asset position of circa $15.0 million

- Net Assets approximating 6.7 cents per share

- Net Assets include circa $14.0 million of cash

- Wentworth now seeking a new undertaking

# Summary

- Key strengths include:

1. $14.0 million free cash invested in a term deposit
2. Clean balance sheet – Net Assets of $15.0 million, no material liabilities
3. Supportive shareholders
4. Highly involved, qualified and experienced board members
5. Significant carry forward tax losses – Income $24 million, Capital $25 million

- Seeking to merge with a high growth business seeking an ASX listing and capital to deploy for growth

# Directors

| Board Of Directors | Role | Background |
|---|---|---|
| Vaughan Webber | Chairman<br><br>Director since 2009 | Experienced Corporate Finance and Equity Capital Markets professional |
| Hugh Robertson | Non Executive director<br>Director since 2005 | Stockbroker – Investor First<br>Experienced Capital Markets professional and Public Company Director |
| Colin Cowden | Non Executive director<br>Director since 2005 | Owner and Manager of a large Insurance Broking Business<br>Experienced Public Company investor |
| Nigel Sharp | Non Executive director<br>Director since 2010 | Former CEO of publicly listed property trust.<br>Executive director/shareholder of a property development company<br>Experienced Public Company investor |

- **The Wentworth Board have a collective experience in transactions and outcomes and are proactive in their intent to secure an outcome for Wentworth that benefits all stakeholders.**

wentworth™
leading the way home

# Balance Sheet – 3 April 2012

| Item | $000's |
|---|---|
| Cash | 13,997 |
| Receivables | 942 |
| Other current assets | 274 |
| Trade and other payables | (178) |
| Provisions | (10) |
| Net assets | 15,025 |
| Issued capital | 78,749 |
| Reserves | 531 |
| Accumulated losses | (64,170) |
| Total equity | 15,025 |

- Cash is currently on 1 month term deposit (4.7% pa).
- Receivables are various amounts concerning rent roll sale (interest bearing at 4.5% pa).Will be settled in next 6-12 months.
- Other current assets include prepaid Insurance and ASX fees.
- Payables include audit/tax and insurances due.
- Reserves are for 15M share options granted to Charles Tarbey at the 2009 AGM. The exercise price of these options is 6 cents/option. Options expire 16 December 2012.
- Company has carry forward income losses of circa $24M and carry forward capital losses of circa of $25M available for recoupment provided relevant income tax laws are satisfied.