

16 August 2013

RHG receives competing proposal – urges caution

Competing Proposal received from Pepper / CDM

RHG Limited (“**RHG**”) has received a further proposal for an acquisition of 100% of the ordinary shares in RHG.

The proposal has been made by Pepper Australia Pty Limited (“**Pepper**”) and Cadence Capital Limited (“**CDM**”), and offers combinations of cash and CDM ordinary shares (“**Pepper CDM Proposal**”). A copy of the offer letter (without enclosures) that provides an overview of the Pepper CDM Proposal, is attached. CDM is a significant shareholder of RHG.

The RHG directors are assessing the Pepper CDM Proposal.

Status of the Resimac Syndicate Scheme

As announced to the Australian Securities Exchange (“**ASX**”) on 15 July 2013, RHG Limited (“**RHG**”) has entered into a Merger Implementation Deed (“**Syndicate Deed**”) for a Scheme of Arrangement (“**Scheme**”) under which it is proposed that Resimac Limited (“**Resimac**”) and Australian Mortgage Acquisition Company Pty Limited (“**AMAC**”) (together the “**Resimac Syndicate**”), will acquire 100% of the ordinary shares in RHG.

RHG has filed an Originating Process in the Registry of the Federal Court of Australia, in connection with the Court process for seeking approval of the Scheme, and has been progressing preparation of a draft scheme booklet for lodgement with the Australian Securities and Investments Commission (“**ASIC**”) for review in accordance with section 411 of the *Corporations Act 2001* (Cth).

Process under Syndicate Deed – counter proposal opportunity

As previously disclosed to the market, the Syndicate deed contains exclusivity provisions. Amongst other things, these provide that RHG must give the Resimac Syndicate 3 business days to provide a counterproposal.

The RHG directors have provided the material terms of the Pepper CDM Proposal to the Resimac Syndicate, as required by the Syndicate Deed.

In the meantime, the RHG directors note that both the Resimac Syndicate Scheme and the Pepper CDM Proposal involve schemes of arrangement, which are subject to shareholder approval at a scheme meeting. Accordingly, shareholders need not take any steps at this time in response to the proposals.

Update on status of audited results for the financial year ended 30 June 2013

RHG expects to release its audited financial results for the financial year ended 30 June 2013 to the market next week. While those results are being finalised, RHG expects that the results will show earnings slightly above the top of the range of the earnings guidance provided to the market on 14 February 2013. This arises as a result of an increase in profit due to an adjustment to one of RHG's accounting assumptions. The profit generated due to these changes in accounting assumptions are non-cash items.

Media enquiries

For media enquiries, please contact:
David Symons (+61 410 559 184)