



*Wallace Absolute  
Return Limited*

## **ASX Company Announcements**

14 March 2011

### **Fulfilment of the first condition precedent to HDS Debt Restructure and settling of litigation**

Lease Company of Australia Pty Ltd (**LCA**) note holders today approved the restructure of the existing financing provided to Hal Data Services Pty Ltd (**HDS**) announced on 29 December 2010.

The restructure involves the cancellation of some of the current LCA notes, reducing the LCA notes outstanding from approximately \$24 million to approximately \$3.5 million. The arrangements will have the effect of materially reducing HDS' interest costs and strengthening its balance sheet.

Finalisation of the HDS Debt Restructure requires the completion of certain documentation that reflects not only the LCA Note cancellation but also completion of the acquisition by WAB of LCA, and Supreme Court of NSW approval of the court orders pertaining to the settlement of litigation against Richard Wallace and associated entities. These matters will be finalised in the coming weeks. WAB will keep the market apprised of this progress.

The restructure agreement represents a significant step towards maximising the value of WAB's interests in HDS by providing HDS with an improved position to re-establish its business operations.

With the exception of the loan facility made available to HDS by WAB announced on 24 December 2010, WAB's other interests in HDS are currently valued at nil. This was most recently confirmed to the market in the ASX release on 10 March 2011 of the Net Tangible Asset Backing at 28 February 2011.

The Directors have commissioned Deloitte Touche Tohmatsu to undertake an independent valuation of WAB's interests in HDS, which may result in a revaluation of these interests. Upon receipt of the independent valuation, WAB will advise the market of the valuation conclusions.

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