

VEALLS LIMITED

ACN 004 288 000

Registered Office

1st Floor 484 Toorak Road
Toorak Vic 3142

Postal Address

1st Floor 484 Toorak Road
Toorak Vic 3142

PH: (03) 9827-4110

FAX: (03) 9827-4112

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Company Announcements Office
Australian Stock Exchange
E-Lodgements

Response to article in The Age

Vealls Limited (**VEL**) refers to the article in yesterday's The Age in relation to VEL's Cardrona Ski Resort.

That article states that:

"Real Journeys says it is the preferred bidder for Cardrona Alpine Ski Resort...the sale of [Vealls'] New Zealand ski field business is subject to Real Journeys, a locally owned tourism business operator, checking the books of the business and approval by its shareholders."

On 12 February 2013, VEL announced that as one component of its strategic review:

The Board has decided that ... subject to then prevailing economic conditions and any necessary approvals the Board intends to implement the strategic review through ... disposing of its subsidiaries that do not conduct material business by 30 June 2013, (ie. ...Cardrona Ski Resort Ltd...)"

Since its announcement on 12 February 2013, VEL has been seeking potential buyers for the Cardrona Ski Resort. VEL confirms that it is in negotiations with Real Journeys Limited (**Real Journeys**), as the preferred bidder, for the sale of the resort. Real Journeys continues to conduct due diligence on the resort. No agreement has been reached in relation to the sale of the resort and there is no assurance that any agreement will be reached.

As previously announced to the market on 12 February 2013, any sale of the Cardrona Ski Resort will be subject to prevailing economic conditions and VEL obtaining any necessary approvals in respect of the sale.