



vanEyk **Three Pillars**

TO: COMPANY ANNOUNCEMENTS OFFICE
COMPANY: AUSTRALIAN SECURITIES EXCHANGE LIMITED
FROM: VAN EYK THREE PILLARS LIMITED
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LETTER TO SHAREHOLDERS

The attached letter regarding the outcome of the recent general meeting on the proposed capital return, consolidation of shares and a change in scale of VTP's activities was mailed to all shareholders today.

B.McGarry
Company Secretary



Dear Shareholder,

In the six months since you elected a new board for your company, we have worked hard to boost the performance of your holding in van Eyk Three Pillars Limited.

The latest step, approved overwhelmingly by shareholders just last week, is a further step towards the culmination of this program. It is something that, as chairman, I would like to inform you directly about.

The general meeting of shareholders held on Thursday, April 8, strongly voted to back three motions that were proposed by the board following a strategic review of capital management initiatives. They were to approve a return of capital amounting to about 95% of the value of VTP's gross tangible assets; a consolidation of the company's shares; and a change in scale of VTP's activities. The results of the meeting are as follows.

	Resolution 1		Resolution 2		Resolution 3	
	(number)	(%)	(number)	(%)	(number)	(%)
Number of Votes						
In favour	62,478,846	92.1%	62,343,238	91.9%	62,281,645	91.9%
Against	5,373,767	7.9%	5,509,375	8.1%	5,473,045	8.1%
Number of Shareholders						
In favour	1,546	95.8%	1,540	95.4%	1,538	95.7%
Against	68	4.2%	74	4.6%	69	4.3%

It was heartening that the result of the strategic review has achieved this level of support. The strategic review was brought about because of the long-term underperformance of VTP's shares. The strategic review considered a range of options - including a substantial share buyback, a capital return, a merger, a takeover and a winding-up – and considered that the capital return was the best one to pursue. One conclusion of the review was that the board considered that continuing the operations of the company as currently conducted would be unacceptable to shareholders given that they had sought a catalyst to change through the election of the new board.



From the outset, the board established that all shareholders should be treated equally in this process.

In order to implement the capital return, sufficient investments will need to be sold from VTP's share portfolio to enable the cash return to be paid. Some investment assets will remain, however, and shareholders will retain their shareholdings in the company. On implementation, VTP's shares will be consolidated so that 20 shares currently held will be aggregated into one share, which will remain listed on the Australian Securities Exchange. The board will investigate further initiatives to enhance the performance and value of the company after the capital return.

Before the capital return can be implemented and this process finalised, VTP needs to receive from the Australian Taxation Office a class ruling to confirm that no part of the capital return will be a deemed assessable dividend. Discussions on that matter are ongoing. It remains possible that the class ruling will not be issued in an acceptable form. If such a ruling is not forthcoming in a form acceptable to the board, then the capital return in its current form will not be made.

I will update shareholders on the outcome of negotiations with the ATO when it is appropriate to do so.

Yours Sincerely,

Stuart Nisbett
Chairman