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THAKRAL
a wider view on property

19 June 2009

The Companies Announcements Officer
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

VIA E-LODGEMENT

Thakral Holdings Group ("THG")

We enclose an announcement concerning the year end distribution and property valuations.

Please provide us with your confirmation of release announcement.

Yours faithfully

Andrew Horne
Company Secretary

19 June 2009

Thakral Holdings Group (THG)
Year End Distribution and Property Valuations

THG announces that it is currently finalising its year end property valuations.

In accordance with its normal practices, THG undertakes annual independent property valuations of all its hotels, retail & commercial properties. These are still to be finalised however, indications are there will be a substantial fall in valuations. At 31 December 2008, THG wrote down the value of its hotels by $113 million and its retail and commercial properties by $34 million. Current indications are that further write downs of approximately $150 million in respect of Hotels and $6 million in respect of retail and commercial assets will be required.

In addition, THG has commissioned valuations and undertaken a detailed review of its development inventory. The Board expects write downs to the value of its development inventory of approximately $50 million for the year ending 30 June 2009.

After these are taken into account, THG's net tangible asset backing will be approximately 80 cents per stapled security.

The anticipated impairment to property valuations has resulted in THG seeking to renegotiate its syndicated banking facility. Discussions are current and the Board expects these to be satisfactorily concluded by August 2009.

As anticipated in our February 2009 announcement, trading conditions in our hotels have weakened in the second half of the year and we currently anticipate that hotel profits for the year will be approximately 9% below prior year. While retail & commercial returns are expected to be up approximately 5%, development will be significantly below the prior period. Accordingly, underlying profit will be substantially below last year. Notwithstanding the underlying profit, the consequence of the revaluation and inventory write downs will result in a substantial reported net loss.

In light of the above, the Board has resolved that no final distribution be made. This results in an annual distribution per stapled security of 1 cent for the year, which was paid in March 2009.

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