

RT GROUP PLC

(In Members' Voluntary Liquidation)

7 January 2008

Dear Shareholder,

As you are aware, RT Group PLC formerly Railtrack Group PLC ("the Company") was placed into liquidation on 18 October 2002. The Joint Liquidators have made four distributions to shareholders totalling 260.5 pence per share so far.

The Joint Liquidators are required to summon a general meeting of the Company following the end of the fifth year of the liquidation. The purpose of the meeting is for the Joint Liquidators to give an account of their acts and dealings, and of the conduct of the winding-up, during the preceding year. The Joint Liquidators will also be proposing a resolution to approve the fees and disbursements they have drawn on account during the year. Notice of the general meeting is attached.

The report detailed below will be presented to the meeting. You do not need to attend the meeting unless you so wish. Attendance at the meeting and/or completion of the attached form of proxy will not affect your entitlement to the final distribution.

We attach as Appendix 1 a summary of the Joint Liquidators' Receipts and Payments for the fifth year of the liquidation.

1 JOINT LIQUIDATORS' ACCOUNT OF RECEIPTS AND PAYMENTS (APPENDIX 1)

We would like to draw your attention to the following receipts and payments which have occurred during the year:

1.1 RECEIPTS

Bank Interest Gross - £627,488

The majority of funds have been held at the Insolvency Services Account at the Bank of England, which is operated by the Insolvency Service, an Executive Agency of the Department for Business, Enterprise and Regulatory Reform. These funds are currently earning interest at the rate of 7.0% gross per annum.

VAT Repayments and Refunds - £47,078

The Company has been deregistered for VAT with effect from 1 January 2004 and we have agreed refunds of VAT incurred since that date. We expect to receive further refunds during the rest of the liquidation period of the VAT incurred on the liquidation expenses.

Intercompany - RT Group Holdings Limited ("Holdings") - £35,951

During the year, the second and final capital distribution was received from Holdings. Further details are provided in paragraph 2.1 below.

1.2 PAYMENTS

Corporation Tax – £220,671

This payment includes the balance of the corporation tax due for the year ended 18 October 2005 of £33,720, the corporation tax due for the year ended 18 October 2006 of £62,174 and tax deducted at source of £124,718 at the rate of 20% on the gross interest received from the Insolvency Services Account during the year.

VAT Payments - £54,385

This represents the input VAT paid on various fees and expenses, which is currently recoverable in the liquidation.

Registrar Fees - £30,795

This payment relates to services not covered under the pre-paid negotiated agreement with Computershare Investor Services PLC ("the Registrar"). The Company now has 213,196 shareholders.

Professional Fees - £26,797

These include payments of £7,130 to the Company's lawyers, Ashurst, who continue to advise on issues arising in the liquidation, £14,850 to Lucid Communications Limited for the administration of the Company's website, £3,592 being the cost of the venue for the annual meeting in January 2007 and £950 relates to an invoice from the Deloitte Company Secretarial department in respect of keeping and maintaining the statutory records of the Company and its subsidiaries and dealing with ad hoc enquiries.

Sundry Payments - £519

These include payments for storage and bank charges.

2 JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

A resolution was passed on 18 October 2002 that the remuneration of the Joint Liquidators should be fixed at their normal charging rates by reference to the time properly given to matters arising in the winding up. The Joint Liquidators were authorised to draw sums on account of their remuneration from time to time as the liquidation progresses but agreed to present their itemised bills to the Company at the general meeting for approval.

We detail below the work we have carried out in the fifth year of the liquidation and the hours spent on each category by various grades of staff.

Nature of Work	Hours	Grade	Hours
Realisation of assets - inc RT Group Holdings	79.4	Partner	21.4
Post liquidation payments & communication with suppliers	38.5	Director	192.3
VAT	36.3		
Tax	121.3	Manager	446.0
Shareholder issues, communication, distributions, meetings etc.	335.2		
Investment of funds, cashiering, bank issues	25.7	Associate	122.1
Record maintenance, administration, compliance, statutory reporting	92.7		
Share scheme, unclaimed dividends / unclaimed liquidation payments	41.5		
Other	11.2		
Total Hours	<u>781.8</u>	Total Hours	<u>781.8</u>
Total Cost	<u>£279.163</u>		

A more detailed breakdown will be available at the general meeting, if required.

The Joint Liquidators' disbursements during the fifth year of the liquidation totalled £984. This represents out of pocket expenses such as courier charges, taxis and company searches.

In accordance with the resolution passed on liquidation, we have drawn remuneration of £294,726 and disbursements of £984 during the year. The difference between the remuneration drawn and total cost of time charged mainly relates to time charged but not billed for the year ended 17 October 2006, which was approved by the shareholders at the last annual meeting. The major tasks we have performed include the matters below.

2.1 Liquidation of Holdings

Holdings was placed into members' voluntary liquidation on 20 July 2005. Nicholas Dargan and I are Joint Liquidators of Holdings. During the year Holdings made a capital distribution to the Company of £35,951. Since the company went into liquidation we have advertised for creditors' claims and completed the usual liquidation formalities which will lead to the ultimate dissolution of Holdings in due course. We intend to close the liquidation of Holdings just prior to the closure of the liquidation of the Company.

2.2 Tax Issues

We have submitted the required corporation tax returns during the period.

2.3 Share Scheme

The Registrar is currently holding liquidation payments totalling £132,383 due to unallocated shares relating to either the Deferred Bonus Scheme or the All Employee Share Scheme.

Having made enquiries we believe that the shares were purchased in the market by the Company for future allocation and were never required to be allocated to scheme members. As we believe that there are no other claims on these shares, these funds will soon be repatriated to the Company and added to the funds available for the final distribution.

2.4 Unclaimed Dividends and Unclaimed Liquidation Payments

The Registrar is currently holding significant funds relating to unclaimed dividends (dividends declared and paid prior to liquidation) and liquidation payments (payments made during the course of liquidation). With our previous report we included a letter to all such shareholders with outstanding amounts owed to them, inviting them to contact the Registrars to recover their monies. We subsequently instructed Georgeson (a trading name of the Registrar and a specialist in the business of tracing shareholders) to contact these shareholders. The costs of Georgeson are borne solely by the respective shareholder as a "finders" fee payable direct to Georgeson. In the event that these amounts remain unclaimed at the close of the liquidation, we will pay the unclaimed funds into the Insolvency Services Unclaimed Monies Account to allow shareholders to claim their entitlement after the Company has been dissolved. Georgeson have informed us that as a result of the tracing exercise they have processed 680 claims and matched £494,838 of unclaimed liquidation payments. As a result of matching unclaimed liquidation payments they have also been able to match £25,486 of unclaimed dividend payments.

3. FUTURE DISTRIBUTION TO SHAREHOLDERS

A first payment of 200 pence per share was made on 10 January 2003, a second payment of 43 pence per share was made on 18 August 2003, the third payment of 9 pence per share was paid on 24 December 2004 and the fourth payment of 8.5 pence per share was paid on 20 December 2005. If you believe you have not received one or more of these payments please contact the Registrar on 0870 702 0104 and they will arrange for a cheque to be reissued. We have returned a total of £1,353,661,362 to shareholders so far.

Following the fourth distribution to shareholders in December 2005, we are now holding over £9.8 million in the liquidation accounts, which represents over one and a half pence per share. The funds remaining in the liquidation accounts will be paid to shareholders as a final distribution, subject to the further costs of the liquidation and liabilities of the Company. The main focus of the Joint Liquidators' work during 2008 will be to finalise the Company's tax liabilities and any other outstanding issues to ensure the liquidation can be closed at the earliest opportunity.

The Joint Liquidators have always stated their intention to retain at least one pence per share for a period of six years from the commencement of the liquidation. The final distribution will therefore not take place until late 2008 at the earliest.

4 SHARE TRANSFERS

The Company's shares are no longer listed on the London Stock Exchange. Private transfers of the Company's shares may not take place without the consent of the Joint Liquidators. If a request is made for the Joint Liquidators' consent, an administration fee of £10 per transfer must be paid directly to the Registrar, Computershare. Please note that the fee is not payable to the Company. Probate transfers will be registered free of charge throughout the course of the liquidation.

5 DONATIONS OF SHARES TO CHARITY

With our reports of 2004 and 2005, we enclosed a form to allow shareholders to donate their shares to

ShareGift, the charity share donation scheme, a registered charity which uses the proceeds from donated shares to support a wide range of different UK charities. Should you now wish to donate any future entitlement to distributions in the liquidation to this charity, please contact the Registrar on the helpline telephone number below and they will send you a ShareGift transfer form. Once the transfer is completed, any future distribution will be made to ShareGift. There is no administration fee in respect of a transfer of your shares to ShareGift.

6 TAXATION FOR UK RESIDENT INDIVIDUAL SHAREHOLDERS

For the purposes of UK taxation of chargeable gains, cash returned to UK resident, individual shareholders in the Company's members' voluntary liquidation is a capital distribution and will therefore not be taxed as income.

Broadly speaking, if a UK resident, individual shareholder paid more for their shares than they receive back through all distributions by the Joint Liquidators, then they should have no tax to pay.

A summary of the tax consequences for a UK tax resident was set out as an appendix in previous reports which are available on the website, www.rtgroupp.co.uk. These were provided to you for information only, and should not be considered as tax advice. Shareholders are recommended to obtain their own tax advice from a professional adviser such as a qualified accountant, tax or other financial adviser.

7 GENERAL MEETING

We enclose notice of the meeting and a form of proxy for your completion if you wish to appoint someone to attend and vote on your behalf. The meeting to be held is a formal meeting where only this report will be presented. The only resolution to be tabled is in respect of the Joint Liquidators' remuneration, as shown on the notice.

8 FURTHER INFORMATION AND QUERIES

If you have further questions, please call our helpline on 0870 702 0104, or visit the Company's website, www.rtgroupp.co.uk. Please note the helpline is not able to answer tax-related questions. Calls made to the 0870 number above are currently charged at up to 8 pence per minute from BT landlines. Other providers may vary. Callers should check the cost of the call with their provider.

Yours faithfully



N G Edwards

Joint Liquidator

RT Group PLC (in Members' Voluntary Liquidation)

(as agent without personal liability)

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 17 OCTOBER 2007

	Year to 17.10.07	Whole Period of Liquidation 18.10.02 to 17.10.07	
	£	£	£
RECEIPTS			
Cash at Bank			1,225,727,699
Intercompany - RT Group Holdings Limited	35,951		121,584,839
Debtor - RT Group Holdings Limited	-		1,580,511
Investment Income	-		13,478,297
Bank Interest Gross	627,488		12,280,435
Receipts re tax losses	-		6,290,825
VAT Repayments and Refunds	47,078		3,843,742
Tax Refund	-		1,839,334
Retention Account Payment	-		991,188
Intercompany - Others	-		549,003
Sundry receipts	-		68,098
	<u>710,517</u>		<u>1,388,233,971</u>
PAYMENTS			
Professional Fees	26,797	4,111,537	
Registrar Fees	30,795	3,191,806	
Pre-appointment creditors	-	1,882,988	
Liquidators' Fees	294,726	2,781,908	
VAT Payments	54,385	1,340,721	
Corporation Tax	220,671	4,756,059	
Payment for tax relief	-	5,251,400	
Liquidators' Disbursements	984	379,671	
Intercompany	-	405,862	
Customs & Excise	-	347,637	
Sundry Payments	519	209,600	
Statutory Advertising	76	63,615	24,722,804
	<u>628,953</u>	<u>13,382,166</u>	<u>1,363,511,167</u>
ORDINARY SHAREHOLDERS			
First Distribution - 200p per share		1,039,279,356	
Second Distribution - 43p per share		223,445,062	
Third Distribution - 9p per share		46,767,571	
Fourth Distribution - 8.5p per share		44,169,373	
		<u>1,353,661,362</u>	
BALANCE			<u>£ 9,849,805</u>

RT GROUP PLC
(IN MEMBERS' VOLUNTARY LIQUIDATION)

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number
2904614)*

NOTICE TO SHAREHOLDERS OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that, pursuant to Section 93 of the Insolvency Act 1986, a **GENERAL MEETING** of RT Group PLC (In Members' Voluntary Liquidation) ("the Company") will be held at The Insurance Hall, The Chartered Insurance Institute, 20 Aldermanbury, London EC2V 7HY on 31 January 2008 at 11.30 am. This meeting is summoned by the Joint Liquidators of the Company for the purpose of receiving an account of the Joint Liquidators' acts and dealings and of the conduct of the winding up during the fifth year of the liquidation.

The meeting will also consider and, if thought fit, pass the following resolution, which will be proposed as an Ordinary Resolution:

Ordinary Resolution

"THAT the remuneration and disbursements of the Joint Liquidators of the Company for the fifth year of the liquidation be approved".

A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this notice. Instructions for use are shown on the form.

Dated: 7 January 2008



N G Edwards
Joint Liquidator

