

RT GROUP PLC

(In Members' Voluntary Liquidation)

12 February 2010

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. We are very pleased to report that we are now in a position to bring the liquidation to a close and make a final payment to shareholders in the region of 2 pence per share. It is anticipated that distribution cheques will be posted to shareholders on 19 March 2010 or shortly thereafter.

In order to save the cost and inconvenience of holding two meetings of shareholders within a short period of time, we have obtained the sanction of the Secretary of State for Business Innovation & Skills to delay the annual meeting for the seventh year of the liquidation so it can be held at the same time as the final meeting. Accordingly we attach a notice of the combined annual and final general meeting of the Company to be held on 15 March 2010.

At the meeting the report detailed below will be presented, outlining the conduct of the liquidation together with the attached receipts and payments account for the year ending 17 October 2009 and for the whole period of the liquidation. As there are still some final expenses to agree and settle we have estimated our final receipts and payments account in this report.

The Joint Liquidators will be tabling three resolutions at the final meeting. Firstly, to approve the fees and disbursements they have drawn on account during the liquidation; secondly that the Joint Liquidators' statement of account for the period of the liquidation be approved; and finally that the books, accounts and documents of the Company and of the Joint Liquidators be disposed of as the Joint Liquidators see fit, subject to any legal requirements governing the period of retention.

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 seventh year of the liquidation with an estimated final receipts and payments account at the close 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 seventh year of the liquidation and those forecast for the final period of the liquidation from 18 October 2009 to 15 March 2010:

1.1 RECEIPTS

Bank Interest Gross	- £257,423 (Year Ended 17/10/09)
	- £20,093 (Final Period)

During the seventh year, the majority of funds were held at the Insolvency Services Account at the Bank of England. The interest rate has varied during the year, falling from 6.25% gross per annum in October 2008 to its current level of 0.5% gross per annum in May 2009. The figure for the seventh year of the liquidation also includes interest received from HM Revenue & Customs ("HMRC") relating to overpayments of the 2006/7 and 2007/8 corporation tax liabilities.

VAT Repayments and Refunds - £54,867 (Year Ended 17/10/09)
- £248,211 (Final Period)

The Company has been deregistered for VAT with effect from 1 January 2004 and we have agreed refunds of VAT incurred since that date. During the seventh year of the liquidation, £54,867 was reclaimed from HMRC. £59,387 was reclaimed in December 2009 and we anticipate recovering a further £188,824 prior to holding the final meeting.

Corporation Tax Refunds - £116,876 (Year Ended 17/10/09)

During the seventh year of the liquidation, the Company received a corporation tax repayment of £116,876 from HMRC, comprising £69,780 for the period ending October 2007 and £47,096 for the period ending October 2008. No further corporation tax repayments are expected.

Insurance Refund - £2,940,074 (Year Ended 17/10/09)

As reported last year, the Liquidators successfully recovered some £2.94m following the expiry of an insurance arrangement.

Legal Fee Repayment - £48,000 (Final Period)

The Company is due to receive a refund of monies paid in advance for legal services.

Deferred Bonus Scheme & All Employee Share Scheme - £132,409 (Final Period)

Computershare Investor Services PLC ("the Registrar") has now released the liquidation payments totalling £132,409 due to unallocated shares relating to either the Deferred Bonus Scheme or the All Employee Share Scheme. These shares have now been cancelled.

1.2 PAYMENTS

Joint Liquidators' Remuneration - see paragraph 2

Professional Fees - £232,637 (Year Ended 17/10/09)
- £85,484 (Final Period)

For the seventh year of the liquidation, payments included: £13,620 to Lucid Communications Limited for the administration of the Company's website; £2,293 for the venue hire for the annual meeting in July 2009; and £215,789 to the Company's lawyers, Ashurst, who have continued to act, advising on issues arising in the liquidation and in particular providing advice in relation to the litigation, mediation and creditor settlement (see paragraph 3).

Further payments will be made to Lucid Communications Limited and Ashurst during the final period.

Registrar Fees - £24 (Year Ended 17/10/09)
- £719,107 (Final Period)

These payments relate to services not covered under the pre-paid negotiated agreement with the Registrar. The above fees for the final period cover the maintenance of the Register from January 2009 until October 2010, the final meeting mailing to shareholders, the final distribution payments and also cover the payment into the Insolvency Services Account of any unclaimed dividend and distribution payments six months after the final meeting. The Company currently has 212,949 shareholders.

Pre-Appointment Creditor Settlement - £1,150,000 (Year Ended 17/10/09)

As described in paragraph 3 of this report, the Company made a payment of £1.15m to settle a creditor claim of £10m.

VAT Payments - £99,882 (Year Ended 17/10/09)
- £165,630 (Final Period)

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

Corporation Tax - £50,601 (Year Ended 17/10/09)
- £3,854 (Final Period)

These payments relate to tax deducted at source at the rate of 20% on the gross interest received from the Insolvency Services Account.

Sundry Payments - £664 (Year Ended 17/10/09)
- £24,280 (Final Period)

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 in general meeting for approval.

We detail below the work we have carried out in the seventh year of the liquidation, the whole period of the liquidation (estimated for the period to closure) and the hours spent on each category by various grades of staff.

Nature of Work	Year to 17/10/09 Hours	Entire Liquidation Hours	Grade	Year to 17/10/09 Hours	Entire Liquidation Hours
Realisation of assets	2.2	1,240.0	Partners	13.5	831.2
Litigation, employees, creditor payments & communication	330.5	832.0	Directors	430.9	2,879.5
VAT	19.1	722.1	Managers	144.8	3,724.3
Tax	50.9	2,146.2	Associates	147.1	2,129.6
Shareholder issues: distributions, unclaimed payments, share scheme, court application, meetings etc.	242.5	2,837.7			
Investment of funds, cashiering & bank issues	52.2	630.6			
Record maintenance, administration, compliance & statutory reporting	21.2	806.2			
Other - including record retention, director / subsidiaries' meetings & closure issues	17.7	349.8			
Total Hours	<u>736.3</u>	<u>9,564.6</u>	Total Hours	<u>736.3</u>	<u>9,564.6</u>
Total Cost		£3,626,446			

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

In accordance with the resolution passed on liquidation, we have drawn remuneration of £435,245 during the year, and for the final liquidation period from 18 October 2009 to closure we estimate that we will incur

time charges of £181,494 and disbursements of £1,160. Liquidators' remuneration for the whole of the liquidation is estimated to be £3,626,446 represented by 9,564.6 hours worked by the Joint Liquidators and their staff.

The major tasks we have performed and will resolve before closure include the matters shown below.

2.1 Creditor Claim

A significant amount of senior management time has been spent in dealing with the litigation, mediation and settlement of this complex claim. See paragraph 3 below.

2.2 Tax Issues

All outstanding tax returns have now been filed and a request for corporation tax clearance and approval to close the liquidation has been lodged with HMRC. Our tax colleagues are liaising with the Company's Tax Inspector and we anticipate receiving this clearance prior to the final meeting being held.

2.3 Shareholder Communications, Unclaimed Dividends and Unclaimed Liquidation Payments.

Following the general meeting for the sixth year, held in July 2009, we have continued to assist shareholders in the maintenance of their holdings and have responded to a substantial number of queries relating to the progress of the liquidation, previous distributions, creditor litigation and the final distribution position.

The Registrar is currently holding funds relating to unclaimed dividends (dividends declared and paid prior to liquidation) and liquidation payments (payments made during the course of liquidation). As previously reported, Georgeson (a trading name of Computershare Investor Services PLC), were engaged to trace shareholders and have so far traced 1,658 shareholders and matched £972,543 of unclaimed liquidation payments.

3 CREDITOR CLAIM

On 4 February 2009, the Joint Liquidators received a proof of debt from a potential creditor claiming £10m. In March 2009, this creditor joined the Company in multi-party proceedings which it had issued in the High Court in late 2008. The claim against the Company related to an allegedly enforceable guarantee given by the Company as a surety, in respect of a property development in Norwich undertaken by a former joint venture company. The parties to the proceedings entered into a formal mediation procedure in an attempt to resolve the dispute prior to trial. The mediation process was lengthy, but ultimately the Company succeeded in disposing of the claim. Under the terms of a confidential settlement agreement, the Company agreed to pay, and has paid £1.15m, to the creditor in full and final settlement.

4 FINAL 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 the previous payments please contact the Registrar on 0870 702 0104 and if appropriate they will arrange for a cheque to be reissued.

We currently forecast that there will be some £10.7m in the liquidation account, which would indicate a fifth and final payment of approximately 2 pence per share. We will be able to confirm an exact distribution amount per share at the final meeting. All remaining funds in the liquidation at the final meeting will be paid to shareholders following the passing of the resolutions. This will be the fifth and final distribution in this liquidation. We anticipate that distribution cheques will be posted to shareholders on 19 March 2010 or shortly thereafter.

Upon the conclusion of the liquidation we will have returned approximately £1,364,423,532 to shareholders representing in the region of 262.5 pence per share, exceeding the initial estimate at the start of the liquidation of between 252 and 260 pence per share.

Cheques in relation to the final distribution will be valid for six months after they have been issued. On this date, any amounts remaining unclaimed will be paid into the Insolvency Services Unclaimed Monies Account. This will enable shareholders to claim their outstanding entitlements even after the Company has been dissolved.

From October 2010, shareholders who have not presented their distribution cheques must contact The Insolvency Service, Estate Accounts Services, Unclaimed Monies Team, 3rd Floor, Cannon House, 18 Priory Queensway, Birmingham, B4 6FD, quoting RT Group PLC.

5 DONATIONS OF SHARES TO CHARITY

During the liquidation a number of shareholders donated their shares to ShareGift, the registered charity share donation scheme, which uses the proceeds from donated shares to support a wide range of different UK charities. ShareGift currently holds 4,186,649 shares and as a result, the final distribution will result in some £83,700 being donated to charity.

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.

A summary of the tax consequences for a UK tax resident is set out in Appendix 2. This is 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 COMBINED ANNUAL AND FINAL MEETING

We enclose notice of the combined annual and final meeting and a form of proxy for your completion if you wish to appoint someone to attend and vote on your behalf. You do not need to attend the meeting unless you so wish. The meeting to be held is a formal meeting where this report only will be presented. There are three resolutions to be tabled, as shown on the notice.

8 FURTHER INFORMATION AND QUERIES

If you have further questions, please call our helpline on 0870 702 0104, which will be available until September 2010, or visit the Company's website, www.rtgroupplc.co.uk. Please note the helpline is not able to answer tax-related questions. The Joint Liquidators will cease to act one week after the final meeting and the Company will be dissolved three months later.

We would like to thank shareholders for their patience and support during the course of the liquidation and especially as a result of the unavoidable delay following receipt of the £10m creditor claim in February 2009.

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 2009 AND ESTIMATED OUTCOME FOR THE WHOLE LIQUIDATION

	Year to 17.10.09 (Actual)	Period of 18.10.09 to 15.03.10 (Estimate)	Whole Period of Liquidation 18.10.02 to 15.03.10 (Estimate)	
	£	£	£	£
RECEIPTS				
Cash at Bank	-	-		1,225,727,699
Intercompany - RT Group Holdings Limited	-	-		121,584,839
Debtor - RT Group Holdings Limited	-	-		1,580,511
Investment Income	-	-		13,478,297
Bank Interest Gross	257,423	20,093		13,248,773
Receipts re tax losses	-	-		6,290,825
VAT Repayments and Refunds	54,867	248,211		4,176,831
Tax Refund	116,876	-		1,956,210
Retention Account Payment	-	-		991,188
Intercompany - Others	-	-		549,003
Insurance Refund	2,940,074	-		2,940,074
Sundry receipts	-	-		68,098
Legal Fee Repayment	-	48,000		48,000
DPS & AESS - Share Scheme	-	132,409		132,409
	<u>3,369,240</u>	<u>448,713</u>		<u>1,392,772,757</u>
PAYMENTS				
Professional Fees	232,637	85,484	4,449,149	
Registrar Fees	24	719,107	3,959,154	
Pre-appointment creditors	1,150,000	-	3,032,988	
Liquidators' Fees	435,245	181,494	3,626,446	
VAT Payments	99,882	165,630	1,648,856	
Corporation Tax	50,601	3,854	4,948,258	
Payment for tax relief	-	-	5,251,400	
Liquidators' Disbursements	-	1,160	380,956	
Intercompany	-	-	405,862	
Customs & Excise	-	-	347,637	
Sundry Payments	664	24,280	234,904	
Statutory Advertising	-	-	63,615	28,349,225
	<u>1,969,053</u>	<u>1,181,009</u>		<u>1,364,423,532</u>
ORDINARY SHAREHOLDERS				
Distributions to Date:				
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	
Total to Date: - 260.5p per share			1,353,661,362	
Future Distribution:				
Fifth & Final Distribution - approx 2p per share			10,762,170	
				<u>1,364,423,532</u>
BALANCE				£ -

APPENDIX 2 - UNITED KINGDOM TAXATION

The following is intended as a general guide only for UK resident individual shareholders who hold their shares as an investment and is based on current UK tax legislation. Shareholders are strongly recommended to consult their own professional advisers if they are in any doubt as to their taxation position.

Cash returned to shareholders via a solvent liquidation is a capital distribution for the purposes of UK taxation of chargeable gains and should not be treated as income.

Calculation of capital gain/loss

As set out in earlier notes from the Joint Liquidators accompanying previous distributions, for a UK resident shareholder, the calculation of the capital gain or loss arising on each distribution by the Company was based on the amount received less a proportion of your capital gains base cost (the original cost of your shares). To simplify the process of calculating the correct proportion of the capital gains base cost, HMRC agreed a formula.

Application of this formula by a shareholder to the first four distributions means that all of the base cost of your shares may have been used in the capital gains calculations for those distributions. Therefore the fifth distribution of approximately 2 pence per share may be chargeable to capital gains tax at a rate of 18% (subject to any personal allowances or other capital losses that may be available to you). For 2009/10 the individual capital gains tax free allowance is £10,100 so if you haven't used this allowance against other capital gains in this tax year and your payment is less than this amount, you may have no tax to pay on this final distribution.

Shareholders who did not apply this formula were, of course, able to negotiate their own market values and base cost proportions directly with HMRC outside the above agreement if they so wished. Those shareholders who did so may have a different treatment and should consult their own professional advisers.

RT GROUP PLC FORMERLY RAILTRACK GROUP PLC
(IN MEMBERS' VOLUNTARY LIQUIDATION)
("the Company")

NOTICE IS HEREBY GIVEN in accordance with Sections 93 and 94 of the Insolvency Act 1986 that a combined annual & final general meeting of the Company will be held at the Chartered Insurance Institute, Insurance Hall, 20 Aldermanbury, London, EC2V 7HY on 15 March 2010 at 11:30 a.m., to consider and if thought fit to pass the following resolutions:

Ordinary Resolutions

1. "THAT the remuneration and disbursements of the Joint Liquidators of the Company for the seventh year of the liquidation, and for the period to the closure of the liquidation, be approved."
2. "THAT the Joint Liquidators' statement of account for the period of the liquidation be approved."

Special Resolution

3. "THAT the books, accounts and documents of the Company and of the Joint Liquidators be disposed of as the Joint Liquidators see fit, subject to any legal requirements governing the period of retention."

A member of the Company entitled to attend and vote at the above meeting may appoint a proxy to attend and vote instead of him / her. A proxy need not be a member of the Company. Proxy forms must be lodged at the office of the Company's registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11:30 a.m. on 13 March 2010.



N. G. Edwards
Joint Liquidator

Dated: 9 February 2010

