

RT GROUP PLC

(In Members' Voluntary Liquidation)

4 December 2006

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 fourth payment of 8.5 pence per share being made in December 2005.

The Joint Liquidators are required to summon a general meeting of the Company following the end of the fourth 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 annual 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 fourth 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

Tax Refund - £1,839,334

In July 2006 the Company received a tax repayment of £1,839,334. This is made up of both a repayment balance and interest accrued on the repayment balance. During 2003 payments were made by the Company to HM Revenue & Customs ("HMRC") in instalments to avoid potential interest charges accruing. A number of points were agreed with HMRC in the Company's favour, including the availability of tax losses. Thus, for the year to 17 October 2003 £1,839,334 was repaid to the Company in July 2006 when the queries with HMRC had been finalised.

Debtor - RT Group Holdings Limited - £1,580,511

During the year, the Company's subsidiary, RT Group Holdings Limited (In Liquidation) ("Holdings"), repaid an intercompany debt due to the Company in the sum of £1,580,511. The debt is now fully repaid. Holdings was placed into members' voluntary liquidation on 20 July 2005. Further details are provided in paragraph 2.1 below.

Bank Interest Gross - £838,960

Since early last year the majority of funds have been held at the Insolvency Services Account at the Bank of England, which is operated by the Department of Trade and Industry. These funds are currently earning interest at the rate of 6.0% gross per annum.

VAT Repayments and Refunds - £178,936

The Company was 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 for the VAT incurred on liquidation expenses.

Intercompany - RT Group Holdings Limited - £73,707

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

1.2 PAYMENTS

Corporation Tax - £632,267

This payment relates to a corporation tax payment for the year ended 17 October 2005 of £574,422, and tax deducted at source of £57,845 at the rate of 20% on the gross interest received from the Insolvency Services Account.

Registrar Fees - £201,956

This payment relates to services not covered under the pre-paid negotiated agreement for Computershare Investor Services PLC's ("the Registrar") fees until the closure of the liquidation. This fee includes the management and payment of the fourth distribution paid in December 2005. The Company now has approximately 213,500 shareholders.

VAT Payments - £87,889

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

Professional Fees - £21,136

These include payments of £8,319 to the Company's lawyers, Ashurst, who have continued to act, advising on issues arising in the liquidation. £8,840 was paid to Lucid Communications Limited for the administration of the Company's website and £3,977 was the cost of the venue for the annual meeting in January 2006.

Sundry Payments - £365

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 fourth 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 – RT Group Holdings	101.0	Partners	35.5
Creditor payment & communication	22.8	Directors	235.3
VAT	47.0	Managers	340.5
Tax	176.9	Associates	312.7
Shareholder issues, distributions, meetings etc.	393.6		
Investment of funds, cashiering, bank issues	75.8		
Record maintenance, administration, compliance, statutory reporting	87.6		
Share scheme, unclaimed dividends / unclaimed liquidation payments	19.3		
Total Hours	<u>924.0</u>	Total Hours	<u>924.0</u>
Total Cost	<u>£292,926</u>		

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

The Joint Liquidators' disbursements during the fourth year of the liquidation totalled £2,035. This represents out of pocket expenses such as courier charges, taxis, statutory advertising for Holdings, land registry searches and the statutory insurance bond for the change of liquidator which occurred earlier this year.

In accordance with the resolution passed on liquidation, we have drawn remuneration of £279,108 and disbursements of £2,035 during the year. The major tasks we have performed have included the matters set out below.

2.1 Liquidation of RT Group Holdings Limited (“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 £73,707 and repaid an intercompany debt due to the Company of £1,580,511. 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. In November 2006 Holdings made a second and final capital distribution to the Company in the sum of £35,951. The bank account has since been closed and there are no further assets to be distributed to the Company.

2.2 Tax Issues

In the last year we have closed the enquiries from HMRC for 2003, resulting in the tax refund of £1,839,334. We are up to date with submissions of tax returns and are currently in the process of finalising the 2006 return for submission.

2.3 Distributions 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. In respect of the fourth distribution, if you have not already done so, please present your cheque to your bank by 19 December 2006 at the latest. After this date please contact the Registrar on 0870 702 0104 and they will arrange for the cheque to be reissued. We have now returned a total of £1,353,661,362 to shareholders.

2.4 Unclaimed Dividends and Unclaimed Liquidation Payments

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). If the records show that you have an outstanding payment owed to you, you will receive an additional letter annexed to this report with further instructions. 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.

3 FUTURE DISTRIBUTION TO SHAREHOLDERS

Following the fourth distribution to shareholders in December 2005, we are now holding over £9.7 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 this period will be to finalise the Company's tax liabilities and any other outstanding issues.

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 Investor Services PLC. 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 0870 702 0104 and they will send you a ShareGift transfer form. Once the transfer is completed, any future distribution will be made to ShareGift. Further information is available on 0870 702 0104. 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 made 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 now available on the website, www.rtggroup.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.

8 ANNUAL 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 this report will be presented. The only resolution to be tabled is in respect of the Joint Liquidators' remuneration, as shown on the notice.

9 FURTHER INFORMATION AND QUERIES

If you have further questions, please call our helpline on 0870 702 0104, or visit the Company's website, www.rtggroup.co.uk. Please note the helpline is not able to answer tax-related questions.

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 2006**

	Year to 17.10.06	Whole Period of Liquidation 18.10.02 to 17.10.06	
	£	£	£
RECEIPTS			
Cash at Bank			1,225,727,699
Intercompany - RT Group Holdings Limited	73,707		121,548,888
Debtor - RT Group Holdings Limited	1,580,511		1,580,511
Investment Income	-		13,478,297
Bank Interest Gross	838,960		11,652,947
Receipts re tax losses	-		6,290,825
VAT Repayments and Refunds	178,936		3,796,664
Tax Refund	1,839,334		1,839,334
Retention Account Payment	-		991,188
Intercompany - Others	-		549,003
Sundry receipts	-		68,098
	4,511,448		1,387,523,454
PAYMENTS			
Professional Fees	21,136	4,084,740	
Registrar Fees	201,956	3,161,011	
Pre-appointment creditors	-	1,882,988	
Liquidators' Fees	279,108	2,487,182	
VAT Payments	87,889	1,286,336	
Corporation Tax	632,267	4,535,388	
Payment for tax relief	-	5,251,400	
Liquidators' Disbursements	2,035	378,687	
Intercompany	-	405,862	
Customs & Excise	-	347,637	
Sundry Payments	365	209,081	
Statutory Advertising	37	63,539	24,093,851
	1,224,793		1,363,429,603
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	
			1,353,661,362
BALANCE			£ 9,768,241

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 10 January 2007 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 fourth 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 fourth 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, on a poll, 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: 4 December 2006



N G Edwards
Joint Liquidator