

Ms Caroline Barton
Company Secretary
MFS Diversified Limited
PO Box 7720
GCMC QLD 9726

16 October 2007

Dear Caroline

Class Ruling Application
Taxpayer: Villa World Limited

The purpose of this letter is to provide an update in respect of the issue of the Class Ruling regarding the income tax position of shareholders under the merger of MFS Diversified Limited ("MFSD") and Villa World Limited ("VWL").

We are pleased to inform you that we received a copy of the draft Class Ruling on 12th October 2007. We have reviewed the Class Ruling and pursuant to the Australian Taxation Office's ("ATO") request, have now forwarded a letter from the MFSD Board to the ATO providing confirmation of the arrangements and consents as required. As this letter has been provided to the ATO by the required due date of 16 October 2007, the ATO have confirmed that the Class Ruling will be issued in final on 24th October 2007.

In addition, we have received email correspondence from the ATO today and have provided an extract as follows:

"Due to the delay in obtaining a class ruling from the ATO, individual shareholders who are self preparers, and who require a lodgement deferral in respect of their 2007 Tax Return, may do so by telephoning the ATO Infoline on:

13 11 42

Please also note that lodgement deferrals until 15 January 2008 can be granted and are limited to self preparers. The payment date will be automatically extended as a result of the lodgement deferral."

We will forward the final Class Ruling when we receive it on the 24th of October 2007.

Yours faithfully



Paula Shannon
Partner

PricewaterhouseCoopers
ABN 52 780 433 757

Riverside Centre
123 Eagle Street
BRISBANE QLD 4000
GPO Box 150
BRISBANE QLD 4001
DX 77 Brisbane
Australia
www.pwc.com/au
Telephone +61 7 3257 5000
Direct Phone +61 7 3257 5751
Direct Fax +61 7 3031 9197