

# SCARBOROUGH EQUITIES LIMITED

ABN 58 061 287 045

Monday, 15 August 2005

## MARKET ANNOUNCEMENT

### Net Tangible Asset Backing - 31 July 2005

Month Ending:	% Change	Current Month 31 July 2005	Previous Month 30 June 2005
Pre-Tax NTA Backing per share (cents) <sup>1</sup>	+2.97%	22.60	21.95
Post-Tax NTA Backing per share (cents) <sup>2</sup>	+4.02%	22.11	21.25
Based on total issued share capital		75,312,820	75,312,820

The NTA position (post-tax) comprises the following items:

Net Assets	Current Month \$'millions	Previous Month \$'millions
Investment in the FSP Equities Leaders' Fund managed by the Company's investment manager, FSP Equities Management Limited	14.83	14.05
Shares in Drillsearch Energy Limited (DLS)	1.71 <sup>3</sup>	1.69 <sup>4</sup>
Other listed share investments	0.06	0.05
Provision for settlement of legal proceedings between the Company and Alan Davis Group Pty Limited (ADG) in relation to the termination of a selective share buy-back agreement between the parties <sup>5</sup>	(0.29)	-
Provision for income tax	(0.37)	(0.52)
Net cash on deposit	0.71	0.74
<b>Total Net Assets</b>	<b>16.65</b>	<b>16.01</b>

<sup>1</sup> NTA backing is calculated for SCB and its controlled entities (SCB Group). The SCB Group's investments are based upon market value at month end.

<sup>2</sup> The post-tax NTA backing per share is reported net of provision for tax liabilities on the SCB Group's net profit (including after any realised and unrealised gains on investments) after consolidation.

<sup>3</sup> 24,788,016 DLS shares at 6.90 cents each at 29 July 2005.

<sup>4</sup> 24,788,016 DLS shares at 6.80 cents each at 30 June 2005.

<sup>5</sup> On 11 August 2005, the Company reached agreement with ADG to settle the outstanding issue of damages in the proceedings commenced by ADG against the Company in March 2005. This relates to a finding on 26 April 2005 by the NSW Supreme Court that ADG may be entitled to damages for breach of the selective share buy-back agreement with ADG, by the Company. Under the settlement, the Company will transfer 4 million Drillsearch Energy Limited shares to ADG and the proceedings will be discontinued with each party to bear its own legal costs in the matter. The provision has been calculated based on the DLS share price at 11 August 2005, of 7.20 cents.

**Registered Office:**  
Suite 202, Angela House  
30-36 Bay Street  
Double Bay New South Wales 2028  
T | (02) 9363 5088  
F | (02) 9363 5488  
E | info@scarboroughequities.com.au  
W | www.scarboroughequities.com.au

ASX Code: SCB



**Company Secretarial Office:**  
Level 14, The Forrest Centre  
221 St Georges Terrace  
Perth, Western Australia 6000  
Local T | 1300 762 678  
T | (08) 9214 9717  
F | (08) 9322 1515  
E | vho@scarboroughequities.com.au

## **About The FSP Equities Leaders' Fund (FSP Fund)**

The FSP Fund is a wholesale fund not open to retail investors. The investment management team is led by Mr Ronni Chalmers. As the objective of the fund is to outperform the S&P/ASX 200 Accumulation Index over the medium term, FSP targets at least 75% of the investments of the fund in securities from the S&P/ASX 200 Index. The fund is currently invested in over 90 stocks.

The 12 month net performance of the FSP Fund to 31 July 2005 has been 29.06%. The benchmark performance (S&P/ASX 200 Accumulation Index) has been 29.40%.

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### **For further information:**

Farooq Khan  
Chairman  
T | 1300 762 678  
E | [fkhan@scarboroughequities.com.au](mailto:fkhan@scarboroughequities.com.au)

Christopher Ryan  
Director  
T | (02) 9363 5088  
E | [c.ryan@westchester.com.au](mailto:c.ryan@westchester.com.au)