

**PALMER CLAIMANTS GROUP
AUGUST 2005 BULLETIN**

As you know, the Trustees in Bankruptcy are selling John Palmer's assets to pay off his creditors, which include the Group. As I mentioned in the June bulletin, the Trustees are looking to sell the seven Timeshare resorts owned by Palmer.


It is only a short while since the Trustees were appointed but I am pleased to say that the Trustees have already sold Island Village Heights. That resort was sold for €5 million but the majority of the sale proceeds must be paid to the Spanish authorities in respect of outstanding taxes.

Approximately €1 million will remain from the proceeds of sale upon completion of the sale. However, we are not in a position to distribute this throughout the Group by way of a part-payment. Instead, the money is being held by the Trustees to use as a fund to sell the remaining resorts and deal with any unexpected liabilities that may arise in relation to the Palmer Group. Ultimately, we expect the money from those sales of the others resorts will be sufficient to pay the Group the compensation they are owed, although this may be some time off yet.

The quick sale of Island Village Heights is encouraging insofar as subsequent sales are concerned. The Trustees are marketing the remaining resorts with a view to the next sale being concluded in the near future.

We will continue to keep you updated.

Yours sincerely


PETER WYLDE
PARTNER

