

3 March 2011

Company Announcements Office
Australian Securities Exchange
Level 10
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

MEDIA RELEASE – WILDWEB ENTERPRISES PTY LTD

Attached is a media release from Wildweb Enterprises Pty Ltd (**Wildweb**) in respect of its takeover offer for all the shares in Kresta Holdings Limited. Wildweb has announced that its offer of 32.5 cents for each Kresta share is final and will not be increased.

Shareholders are advised to read the attached media release from Wildweb in its entirety.

Yours faithfully

A handwritten signature in black ink, appearing to read "Peter Hatfull". The signature is fluid and cursive, with a long, sweeping underline.

Peter Hatfull
Chairman

Media release

WILDWEB TAKEOVER OFFER UPDATE

Summary¹:

- Wildweb confirms that its Takeover Offer price of 32.5 cents per Kresta Share is final and will not be increased.
- The Wildweb Takeover Offer provides those shareholders who wish to exit Kresta in the short term with a rare opportunity to do so at what Wildweb believes is a fair market price in an illiquid market.
- No alternative offers or approaches have been announced by Kresta.
- The Takeover Offer remains conditional, but the EGM Condition will be waived if 40% acceptances are received.
- The Wildweb Takeover Offer closes 25 March 2011 unless extended.

Wildweb confirms its Takeover Offer price of 32.5 cents is final

Wildweb Enterprises Pty Ltd (**Wildweb**) advises that its Takeover Offer price of 32.5 cents per Kresta Share is final and will not be increased.

The Takeover Offer price represents a 20.4% premium to the closing price of Kresta Shares of 27 cents on the last trading day prior to the announcement of the Wildweb Takeover Offer.

"Shareholders who want to exit Kresta now have a clear choice between our 32.5 cents offer and what they may be able to achieve on market," said Mr Trahar, the Chairman of Wildweb.

The Takeover Offer provides shareholders with an opportunity to exit ²

Wildweb's Takeover Offer was designed to resolve the impasse between Hunter Hall and Avatar by providing an opportunity for shareholders to exit if they do not wish to be exposed to the ongoing risks associated with Kresta.

"Our offer provides shareholders who wish to exit Kresta in the short term with a rare opportunity in an illiquid market to do so at what we believe is a fair market price³. We agree with the comments made by both the Independent Directors and the Independent Expert in relation to the potential for the Kresta share price to fall, and the lack of liquidity which may impact shareholders' capacity to sell Kresta shares, if our offer is unsuccessful," Mr Trahar said.

¹ Shareholders should consider this release in its entirety.

² The Takeover Offer remains subject to conditions which may be waived by Wildweb.

³ Shareholders should also consider the Bidder's Statement, 1st Supplementary Bidder's Statement, the Target's Statement and the Independent Expert's Report (**IER**) when assessing the value of the Wildweb Offer. Wildweb notes that the IER indicates that Deloitte's view is that the Wildweb offer is not "fair" as it is not within the expert's valuation range which includes a 30% premium for Wildweb to acquire control of Kresta.

In this regard, Wildweb notes that the Independent Directors have stated in the Target's Statement that:

- "...there is a risk that in the event the Offer is unsuccessful, Shareholders who wish to sell their Kresta Shares may only be able to sell their Kresta Shares at a price below the Offer Consideration"⁴.

Wildweb also notes that the Independent Expert has stated in its Independent Expert's Report that:

- "In the absence of an alternative offer and in the event that the Takeover Offer is unsuccessful, it is likely (at least in the short term) that Kresta's share price may fall to around the levels achieved prior to the announcement of the Takeover Offer"⁵.
- "The takeover offer provides shareholders with a level of liquidity that has not been available in the recent past. It is unlikely that the liquidity for Kresta's Shares will improve materially in the short to medium term, if the Takeover Offer is unsuccessful..."⁶.
- "We do not see any catalyst at the moment to suggest that the share price will increase in the short to medium term in the absence of a clearly defined strategy and an improvement in the discretionary retail demand in the Australian economy"⁷.
- "No formal alternative offers or approaches by potential offerors have been received subsequent to the announcement of the Takeover Offer on 1 February 2011. It is possible but unlikely that an alternative offer will be made for Kresta prior to the close of the Takeover Offer"⁸.

EGM Condition to be waived if 40% acceptances received

Wildweb advises that it will waive the condition requiring that none of the resolutions to be considered at the extraordinary general meeting to be held on 14 March 2011 are passed (**EGM Condition**) if it has received minimum valid acceptances which takes its relevant interest and the relevant interests of its associates to 40% or more of the issued Kresta shares before Wildweb gives notice under s630(3) of the Corporations Act regarding the status of the conditions to its takeover offer (**Status of Conditions Notice**).

In summary, the Wildweb Takeover Offer remains conditional on:

- the relevant interest of Wildweb and its associates increasing to not less than 40%;
- the EGM condition;
- no prescribed occurrences;
- no major acquisitions, disposals or commitments by Kresta; and
- no new dividends being announced or declared by Kresta.

⁴ See p2 of the Target's Statement.

⁵ See page 3 of IER. The last ASX closing price before the announcement of the bid was 27 cents and the last ASX closing price before the lodgement of the Hunter Hall requisition on 13 December 2010, which Wildweb believes signalled the start of the battle for control of Kresta, was 24 cents.

⁶ See p4 of the IER.

⁷ See p3 of the IER.

⁸ See p3 of the IER.

Shareholders should refer to clause 11.8 of the Wildweb Bidder's Statement for the exact terms of the conditions.

Wildweb may waive any of the conditions to its Takeover Offer at any time prior to giving the Status of Conditions Notice.

Key dates

Extraordinary General Meeting to consider Board changes	Monday 14 March 2011
Last date for Status of Conditions Notice (subject to any extension of the offer period)	Thursday 17 March 2011
Close of offer period (unless extended or withdrawn)	Friday 25 March 2011

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