

HEADLINE

Group Limited

Registered Office: C/- McBurney & Partners, Level 10, 68 Pitt Street, Sydney, NSW 2000
Telephone: (02) 9230 0808; Facsimile: (02) 9230 0807

13 June, 2008

For immediate release to the market

Notice of General Meeting

Please find attached for release to the market Notice of General Meeting of Headline Group Limited ("HLD") to be held on 21 July, 2008.

Headline Group Limited



Ian Gordon
Company Secretary

HEADLINE Group
Limited

13 June 2008

Dear Shareholder.

General Meeting – Headline Group Limited (“Company”)

We herewith enclose a Notice of General Meeting and Explanatory Statement. We also enclose a Proxy Form and reply paid envelope to enable you to vote if you are unable to attend the General Meeting.

The meeting will be held on Monday 21 July at 11:00am at the offices of our auditors PKF, level 10, 1 Margaret Street, Sydney.

The General Meeting was requisitioned, in a letter from Clime Capital Limited (“Clime”) dated 23 May 2008, under Section 249 of the Corporations Act 2001.

Clime has proposed resolutions to remove me from office as a director of the Company and to appoint two Clime representatives as directors of the Company.

Prior to calling this meeting your directors asked Clime to provide an indication of its intentions for the Company however as yet no response has been forthcoming.

Please read the enclosed Explanatory Statement and give careful consideration to voting on the resolutions as the future of your Company is dependent on your decision.

Yours faithfully



John K Fox
Chairman

For personal use only

HEADLINE GROUP LIMITED
ABN 26 060 199 082

NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT

For a meeting to be held on 21 July 2008
at 11.00 a.m.

PKF, Level 10
1 Margaret Street
Sydney NSW 2000

A proxy form is enclosed

This is an important document. Please read the Notice of Meeting and Explanatory Statement carefully.

If you are unable to attend the meeting please complete and return the enclosed proxy form in accordance with the instructions **by no later than 11:00 am 19 July 2008.**

For personal use only

NOTICE OF GENERAL MEETING**Headline Group Limited**

ABN 26 060 199 082

Notice is hereby given that a General Meeting of the members of Headline Group Limited ("the Company" or "HLD") will be held at **PKF, Level 10, 1 Margaret Street, Sydney on 21 July 2008 at 11.00 am.**

Members are advised that the meeting is necessitated by Clime Capital Limited ("Clime") ASX:CAM, serving a requisition on the Company (*under Section 249 of the Corporations Act 2001*) requiring the Company to call a General Meeting.

The purpose of the General Meeting is to consider the following items of business:

SPECIAL BUSINESS

To consider, and if thought fit, pass the following resolutions as ordinary resolutions:

Resolution 1 - Removal of Director – Mr John Fox

"That Mr John Fox be removed from office as a director of the Company with effect from the close of the meeting."

Note: This resolution has been proposed by Clime.

Resolution 2 - Election of Director – Mr Roger Montgomery

"That Mr Roger Montgomery be appointed as a director of the Company with effect from the close of the meeting."

Note: This resolution has been proposed by Clime.

Resolution 3 - Election of Director – Mr Brent Dennison

"That Mr Brent Dennison be appointed as a director of the Company with effect from the close of the meeting."

Note: This resolution has been proposed by Clime.

Resolution 4 - Election of Director – Mr George Choo

"That Mr George Choo, be re-elected as a director of the Company."

Mr Choo being a director of the Company appointed to fill a casual vacancy, whose tenure as a director of the Company ceases at this General Meeting, being eligible, offers himself for re-election.

Note: This resolution is in accordance with the Company's Constitution.

ELIGIBILITY TO VOTE

The Company has determined that for the purposes of this meeting, shares will be taken to be held by the persons recorded on the Company's register of ordinary shareholders at **5:00 p.m.** Australian Eastern Standard Time **18 July 2008**.

PROXIES

A member entitled to attend and vote at the General Meeting may appoint 1 or 2 persons to attend and vote at the meeting as the member's proxy.

A proxy need not be a member. If 2 proxies are appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.

A proxy's authority to speak and vote for a member at the meeting is suspended if the member is present at the meeting.

Proxies may be lodged, **by no later than 11.00 am on 19 July 2008**, with the Company:

- by post to the Company's registered office, C/- McBurney & Partners, Level 10, 68 Pitt Street, Sydney NSW 2000, or
- by facsimile to fax no. (02) 9230 0807. Please ensure both sides of the form are faxed.

The proxy form must be signed by the member or an attorney duly authorised in writing. If the member is a Company, the form must be executed under the seal of the Company or by its duly authorised officer(s) or attorney.

By order of the Board.



Ian Gordon
Secretary

DATED this 13th day of June 2008

EXPLANATORY STATEMENT

This Explanatory Memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the forthcoming general meeting.

You should read the Explanatory Memorandum in full before making any decisions in relation to the resolutions. If you remain in doubt about how to vote you should contact your stockbroker, accountant, lawyer or financial or other professional adviser immediately.

1. BACKGROUND

Why has the meeting been called?

This meeting is being convened following receipt of a requisition from Clime Capital Limited to consider the proposals of the requisitioning shareholder to:

Remove John Fox - Chairman of the Company; and

Appoint two Clime nominees, being:

- Roger Montgomery; and
 - Brent Dennison
-

Who is Clime Capital Limited?

"Clime Capital Limited (CAM) is an investment company that listed on the ASX in February 2004. The company is a long term investor in a concentrated portfolio of Australian equities."

Clime issued shares at \$1.00 to give it an initial market capitalisation, of \$30 million. At June 5, 2008 the share price was 85.5 cents.

Recent Substantial Shareholding filings indicate that Clime and its associate Clime Investment Management Limited now hold shares representing 18.23% of the issued capital of HLD.

What has happened?

Following the issue of Clime's requisition notice on the 23 May 2008 your directors sought clarification from Clime of its intentions for the Company.

As at the date of this Notice Clime has not responded to any of the HLD requests.

What if requisitioning shareholder nominees are appointed?

If shareholders vote in favour of the Clime proposed resolutions 1, 2 and 3, such that they are passed at the general meeting and resolution 4 is not passed, Clime will gain complete control of the board.

2. CONCLUSION AND DIRECTORS RECOMMENDATION

In the absence of any proposal from Clime, as to its intentions, your directors are unable to evaluate the effect on the Company and the impact on future shareholder value which would result from Clime gaining complete control of the Board.

Accordingly directors recommend that shareholders vote

- **against** the removal of Mr John Fox
- **against** the appointment of Mr Roger Montgomery
- **against** the appointment of Mr Brent Dennison
- **for** the re-election of Mr George Choo

The Chairman of the Meeting intends to vote undirected proxies against the Clime resolutions and in favour of the re-election of Mr George Choo.

3. INFORMATION ON THE ITEMS OF BUSINESS

3.1 General

The business of the meeting deals with 4 resolutions. Details of each of each resolution is provided below.

3.2 Resolution 1 - Removal of Director – Mr John Fox

Mr Fox was appointed to the Board in April 2007 and became Chairman in June of that year.

Clime is asking "That Mr John Fox be removed from office as a director of the Company with effect from the close of the meeting."

3.3 Resolution 2 - Election of Director – Mr Roger Montgomery

Mr Montgomery is Chairman of Clime Capital Limited.

Clime is asking "That Mr Roger Montgomery be appointed as a director of the Company with effect from the close of the meeting."

3.4 Resolution 3 - Election of Director – Mr Brent Dennison

Mr Dennison is associated with Clime Capital Limited.

Clime is asking "That Mr Brent Dennison be appointed as a director of the Company with effect from the close of the meeting."

3.5 Resolution 4

Mr Choo, the Chief Financial Officer of the Company, was appointed to fill a casual vacancy created by the resignation of Mr David Edwards. Mr Choo's tenure as a director of the Company ceases at this General Meeting and being eligible offers himself for re-election.

Note: In accordance with rule 6.2 of the Constitution of the Company, a director appointed to fill a casual vacancy only holds office until the next General Meeting.

4. VOTING AND ELIGIBILITY

4.1 Introduction

This section contains information on how shareholders can vote on the Resolutions.

You are encouraged to attend and vote at the meeting of shareholders. If you are unable or do not wish to attend, you can vote by completing and returning the enclosed proxy form.

Details of how to complete the proxy form are contained on the form. Proxy forms are to be received at our registered office, C/- McBurney & Partners, Level 10, 68 Pitt Street, Sydney NSW 2000 or by fax on (02) 9230 0807, **by no later than 11.00 am 19 July 2008**

4.2 Quorum

For there to be a quorum at the meeting of shareholders, there must be at least two shareholders present in person or by proxy.

4.3 Eligibility to Vote

Shareholders who are registered as at **5:00 p.m. on 18 July 2008** will be eligible to vote on the Resolutions. Accordingly, transactions registered after that time will be disregarded in determining the members entitled to attend and vote at the meeting.

4.4 Majorities Required

All Resolutions to be put at this meeting will be put as Ordinary Resolutions. Ordinary Resolutions will only be passed if at least 50% of the votes cast by shareholders entitled to vote on the Ordinary Resolutions are voted in favour of the Resolutions.

Resolutions put at this meeting will be decided on a show of hands unless a poll is demanded before or immediately after the declaration of the result of the show of hands by:

- (i) the chairman of the meeting;
- (ii) no less than five members having the right to vote at the meeting;
- (iii) a member or members representing not less than one tenth of the total voting rights of all members having the right to vote at the meeting; or
- (iv) a member or members holding shares conferring the right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all shares conferring that right.

4.5 Results of Meeting

It is intended that the results of the votes will be announced at the meeting.

4.6 Any Questions

If you have any queries about voting or proxies or any questions regarding the Resolutions, please call the Company Secretary, Mr. Ian Gordon on (02) 9230 0808.

TO LODGE A PROXY FORM:
Company Secretary C/- McBurney & Partners
Level 10, 68 Pitt St Sydney
New South Wales 2000 Australia
Facsimile 61 2 9230 0807

FOR ALL ENQUIRIES CALL:
(within Australia) 1300 855 080
(outside Australia) 61 3 9415 4000

000001 000 HLD
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 11:00AM SATURDAY 19 JULY 2008**



YOUR SECURITYHOLDER INFORMATION IS AVAILABLE ONLINE, SIMPLY VISIT:
www.investorcentre.com.au

- Review your securityholding
- Update your securityholding

YOUR SECURE ONLINE ACCESS INFORMATION

SRN/HIN: I1234567890
POST CODE: 3030

! FOR SECURITY REASONS IT IS
IMPORTANT THAT YOU KEEP
YOUR SRN/HIN CONFIDENTIAL.

HOW TO COMPLETE THIS PROXY FORM Please read these notes prior to completion of the voting form.

VOTES ON ITEMS OF BUSINESS

Voting 100% of your holding. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Voting a portion of your holding. You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

A proxy need not be a securityholder of the Company.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at www.computershare.com.

LODGE A PROXY FORM. This Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the commencement of the meeting at 11:00AM, Monday 21 July 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of HeadLine Group Limited hereby appoint

the Chairman of the Meeting OR []

Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of HeadLine Group Limited to be held at PKF, Level 10, 1 Margaret St, Sydney NSW 2000 on Monday 21 July 2008 at 11:00AM and at any adjournment of that meeting.

STEP 2 ITEMS OF BUSINESS

PLEASE NOTE: If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Table with 4 rows of business items and 3 columns: For, Against, Abstain. Items include: 1 Removal of Director - Mr John Fox, 2 Election of Director - Mr Roger Montgomery, 3 Election of Director - Mr Brent Dennison, 4 Election of Director - Mr George Choo.

Where the Chairman of the Meeting is appointed Proxy and proxies are undirected they will be voted against 1, 2 and 3 and in favour of 4.

SIGN SIGNATURE OF SECURITYHOLDER(S) This section must be completed.

Individual or Securityholder 1

[]

Sole Director and Sole Company Secretary

Securityholder 2

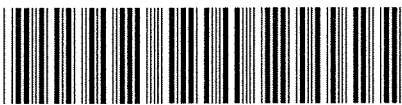
[]

Director

Securityholder 3

[]

Director/Company Secretary



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IND

00001 000 HLD MR JOHN SMITH 1 FLAT 123 123 SAMPLE STREET THE SAMPLE HILL SAMPLE ESTATE SAMPLEVILLE VIC 3030

Change of name and/or address. If your name and/or address is incorrect, please mark this box and make the correction on this form. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes. Please note, you cannot change ownership of your securities using this form.