

CIRCULAR TO CREDITORS

27 May 2016

Dear Sir/Madam,

Animal Supplies (Wholesale) Pty Ltd ACN 058 258 870
AS Consolidated Pty Limited ACN 167 361 604
Australian Supply and Distribution Solutions Pty Ltd ACN 167 361 775
Pet Brands Connect Pty Ltd ACN 094 221 913
(All In Liquidation)
(“the Companies”)

I refer to the appointment of David Lombe and I as Joint and Several Administrators of the Companies on 14 April 2016 as well as previous correspondence to creditors. I also refer to the Second Meeting of Creditors of the Companies which was held on 20 May 2016, and provide the following update to creditors following that meeting.

1. Second Meeting of Creditors

At the referred meeting, creditors resolved that the Companies be wound up pursuant to Section 439C(c) of the *Corporations Act 2001* (“the Act”) and that David Lombe and I be appointed as Joint and Several Liquidators of the Companies.

Creditors are referred to ‘*ASIC Information Sheet 45 – Liquidation: a guide for creditors*’ which provides details regarding the winding up of a company. This document can be accessed via the following website:
http://download.asic.gov.au/media/1340240/Liquidation_guide_for_creditors.pdf.

A copy of the minutes of the meeting will be available within the next week on our website, at www.deloitte.com/au/animal-supplies.

2. Committee of Inspection

I confirm that a Committee of Inspection (“the Committee”) was proposed at the Second Meeting of Creditors for the Liquidation of *Animal Supplies (Wholesale) Pty Ltd (In Liquidation)* (“ASW”). I confirm that there was no Committee of Inspection formed for any of the following three entities:

- *AS Consolidated Pty Limited (In Liquidation)* (“ASC”)
- *Australian Supply and Distribution Solutions Pty Ltd (In Liquidation)* (“ASDS”)
- *Pet Brands Connect Pty Ltd (In Liquidation)* (“PBC”)

The Committee enables the Liquidators to seek prompt consultation with the Committee members, the creditors' representatives, on matters relating to the winding up. A list of the nominated members on the Committee for ASW is detailed below:

Representative	ASW Creditor
Rohan Hobbs	Inca Flight Company Pty Ltd
Colin Blackhall	Evolution Animal Health Pty Ltd trading as Kelato Animal Health
Chris Lawlor	IAH Sales Pty Ltd

A Committee member is not to lobby for any one type of creditor group either within or outside of the Committee meetings. They are to act in the interests of all creditors.

The Committee is not empowered to give directions to the Liquidators other than require the Liquidators to report on ASW's affairs, although the Liquidators will have regard to the views of the Committee.

3. Claim by employees for pre-appointment entitlements

As the Companies have gone into Liquidation, employees are now able to lodge a claim for assistance of certain classes of their entitlements to the Australian Government's Fair Entitlements Guarantee ("FEG") scheme, which is administered through the Department of Employment.

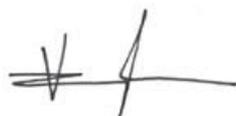
A letter was sent to employees on 24 May 2016 advising that the Companies have gone into Liquidation, and provided further detailed information on the next steps to take regarding their claim.

4. Dividend to Unsecured Creditors

As outlined in my 439A Report to Creditors, it is unlikely that a dividend will be paid to ordinary unsecured creditors of ASC and ASDS, however a dividend may be paid to ordinary unsecured creditors of ASW and PBC. The exact timing and quantum of any dividend to unsecured creditors of ASW and PBC is unknown and subject to the finalisation of several outstanding matters which were outlined in my 439A Report to Creditors. The Liquidators will continue to update creditors of significant developments in due course.

Should you have any questions in relation to this matter, please contact Kevin Thay of this office on (02) 8260 4438 or by email kthay@deloitte.com.au

Yours faithfully,



Vaughan Strawbridge
Joint and Several Liquidator