

## **CIRCULAR TO CREDITORS**

17 February 2009

Dear Sir / Madam

**Australian Discount Retail Trading Group  
Individual Entities Detailed in 'Annexure A'  
(All Receivers and Managers Appointed) (All Administrators Appointed)**

As you are aware Simon John Cathro and I were appointed Joint Administrators of the thirty-nine companies within the Australian Discount Retail Trading Group ("*the ADR Group*") as detailed in Annexure A on 20 January 2009 pursuant to Section 436A of the *Corporations Act 2001* ("*the Act*").

### **Application for extension of convening period**

I advise that the application by the Voluntary Administrators to have the extension period for the ADR Group companies extended was heard by Justice Barrett in the Supreme Court of New South Wales ("*the Court*") on 16 February 2009.

### **Attendance at hearing by Creditor**

I advise that the hearing was attended by a creditor of Australian Discount Retail (Trading) Pty Ltd one of the group entities, ING Industrial Custodian Pty Ltd ("*ING*"), who wished to be heard in the matter. ING requested the Court allow a short extension of the convening period to allow it to submit documents asserting how it may be prejudiced by a long extension of the convening period.

### **Short extension granted pending further information**

Following consideration of the issues the Court granted a short extension of the convening period for the ADR Group companies to 9 March 2009 and has requested that ING provide further information in support of their objection to the extension of the convening period by 23 February 2009. The Administrators will then have a short period to submit responses to the submission.

I advise that all creditors have the liberty to make submissions/applications, subject to demonstrating sufficient interest, to the Court to modify the extension granted.

## **Stood over proceedings - determination of convening period**

I advise that the next hearing in the proceedings will be on 2 March 2009. This hearing will:

1. Review the submissions of ING and the Administrators; and
2. Determine whether a further extension of the convening period will be granted and the length of the extension to the convening period.

## **Impact for creditors**

The above does not have any real impact for creditors. Following the next hearing we will contact creditors to confirm the outcome and any further extension in the convening period granted by the Court.

## **Future meetings of creditors**

I advise that the second meeting of creditors as required by section 439A of the Act may be held at any time during, or within 5 business days after the end of the convening period as extended by the Court to 9 March 2009. I note that there may be a further extension to the convening period which will further extend the timing of the second meeting of creditors. Creditors will be provided with an update in due course.

Should you require any further information please contact Jacqueline Hermann of this office on (02) 9322 3986.

Yours faithfully



**D J F Lombe**  
Joint and Several Administrators