

CIRCULAR TO THE COMMITTEE OF CREDITORS

8 November 2012

Dear Sir / Madam,

Retail Adventures Pty Limited (Administrators Appointed) (the Company)

As you are aware David Lombe, John Greig and I were appointed Joint and Several Administrators of the Company on 26 October 2012 pursuant to Section 436A of the *Corporations Act 2001* ("the Act").

I refer to the meeting of creditors of the Company held on 7 November 2012 and thank you for nominating yourself to represent the Creditors of the Company as a member of the Committee of Creditors ("the Committee").

The Committee enables a more effective and responsive Administration by allowing the Administrators to seek prompt consultation with you, the Creditors representatives, on matters relating to the Administration.

Purpose of the Committee

Pursuant to Section 436E of the Act, the functions of Committee include:

- (a) to consult with the Administrators about matters relating to the Administration; and
- (b) to receive and consider reports by the Administrators.

The Committee has a consultative function and will receive reports on the conduct of the Administration. The Committee can also approve the Administrators' fees.

Confidentiality

The Committee will be from time to time given information that is confidential and subject to legal professional privilege. For the avoidance of doubt all Committee information along with the content of discussions held at meetings should be treated as strictly confidential and is not to be distributed to any party including the main body of Creditors.

All dissemination of information to Creditors should only be by the Administrators and not by any Committee member. Of course the Administrators will consider feedback from the Committee on communication content and frequency etc.

Extension to the Convening period – consultation with the Committee of Creditors

As foreshadowed in our Circular to Creditors dated 29 October 2012 and advised at the First Meeting of Creditors which took place on 7 November 2012, the Joint Administrators will be making an application for an extension to the Convening Period for a period of 90 days.

The Joint Administrators believe that an extension to the Convening Period will be in the best interests of creditors and allow the Administrators time to complete their investigations, to complete a business sale and or consider any Deed of Company Arrangement that may be forthcoming.

A notice to all creditors and employees advising of them of the proposed application is in the process of being mailed out by the Administrators' team.

The Administrators will be submitting an affidavit as part of the application to extend the Convening Period and would like to express in that affidavit, the Committee's support of the Administrators application.

First meeting of creditors

Consequently the Administrators would like to call the first meeting of the Committee of Creditors on:

Date: Tuesday 13 November 2012
Time: 10am (AEDT)
Location: Deloitte, Level 9, Grosvenor Place, 225 George Street, Sydney, 2000
Dial in details: Number: 1800 062923
Guest Passcode: 774155801193

The purpose of the meeting is to provide information to the Committee regarding the application to extend the Convening Period and the following resolution will be proposed at the meeting:

The Committee of Creditors provides its support for the Joint Administrators application to the Federal Court on Wednesday 14 November 2012, for an extension to the Convening Period for a period of 90 days.

We appreciate this is short notice and under normal circumstances we would aim to provide Committee members with at least 10 business days' notice. For those committee members located in another state or where it is not convenient for members to attend the meeting in person, we have provided dial in details above.

Ability to act as a member on the Committee of Creditors

Under section 436G of the Act if you are acting on behalf of a natural person or a body corporate creditor you are required to submit a copy of a letter from the creditor on behalf of whom you act. This letter is required to be submitted on the letterhead of the corporate entity and be in line with the following suggested wording:

“To the Administrators of Retail Adventures Pty Limited (Administrators Appointed)

Approval is hereby given [your name] to act as a member of Retail Adventures Pty Limited (Administrators Appointed) Committee of Creditors on behalf of [creditors name]. As such, approval is also given for [your name] to act on behalf of [the creditors name] in relation to matters discussed and resolutions put forward at all Committee of Creditors meetings. This approval is given in accordance with and with reference to s436G of the Corporations Act 2001. Would you therefore please ensure that [your name] is hereby allowed membership to the Retail Adventures Pty Limited (Administrators Appointed) Committee of Creditors”.

Actions to be taken by each committee member

By **4pm Monday 12 November 2012**, please can you provide the following information to Phil Hollinshead of my office (contact details below):

- Confirmation of attendance at the first meeting either in person or by phone;
- A signed confidentiality agreement; and
- S436G of the Act approval if you acting on behalf of an individual creditor or a body corporate.

If you have any questions in relation to the above, please contact Phil Hollinshead of this office on telephone **0424 076 253** or email phollinshead@deloitte.com.au. Please return your signed Confidentiality Agreement and if applicable, the relevant s436G of the Act letter to the above email address.

Yours faithfully



Vaughan Strawbridge
Joint and Several Administrator

Encl.

FORM 529

Subregulation 5.6.12(6)

Corporations Act 2001

NOTICE OF MEETING OF THE COMMITTEE OF CREDITORS

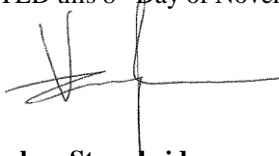
**Retail Adventures Pty Limited (Administrators Appointed)
("the Company")**

Notice is given that a meeting of the Committee of Creditors of the Company, as nominated at the First Meeting of Creditors held on 7 November 2012, will be held at the offices of Deloitte on Tuesday 13 November 2012 at 10.00am (AEDT). The meeting will be held at the following location:

Sydney

Deloitte, Level 9, 225 George Street, Sydney NSW

DATED this 8th Day of November 2012.

A handwritten signature in black ink, appearing to read 'V. Strawbridge', with a horizontal line extending to the right.

Vaughan Strawbridge
Joint and Several Administrator