

12 August 2013

To landlord as addressed

Dear Sir/Madam

**Re: Retail Adventures Pty Limited (Administrators Appointed) ACN 135 890 845 (the Company)
Proofs of debt to be lodged by landlord creditors prior to the second meeting of creditors**

We refer to the ongoing administration of the Company.

The purpose of this correspondence is to provide an update in relation to the administration of the Company and important information regarding the lodgement of proofs of debt and the ongoing occupation of your premises.

Second meeting of creditors

The second meeting of the Company's creditors ("Second Meeting") will be held on **2 September 2013**.

The Administrators will be distributing a report to creditors ("Administrators' Report") shortly which will contain the Administrators' recommendations regarding the future of the Company pursuant to section 439A of the *Corporations Act 2001* (the "Act"). The creditors of the Company will then have an opportunity to vote, either in person or by proxy, in relation to each of the resolutions set out in the Administrators' Report.

Proofs of debt

The Administrators' Report will annex a proof of debt form which will provide you with an opportunity to evidence the nature and quantum of the debt owing to you by the Company for the purposes of voting at the Second Meeting. It is extremely important that you return your proof of debt form and all of the necessary supporting information to the Administrators as soon as possible after receiving the Administrators' Report to ensure that we have sufficient time to assess your claim prior to the Second Meeting.

Landlord creditors are generally entitled to prove for any rent which remained outstanding as at the date of appointment of the Administrators being 26 October 2012 ("pre-appointment rent"), future rent (where applicable) and other amounts which may be owing pursuant to the provisions of the lease with the Company. However, landlords are required to mitigate their losses by taking all reasonable steps to re-let premises previously occupied by the Company.

In order to assist you in calculating the amounts you will be entitled to prove for, we have identified three general categories of landlords and the claims which the Administrators consider may be available to you should you fall within one of those categories.

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Category 1 : Continuing landlords

We are aware that a number of the Company's landlords have reached an agreement to assign the existing lease to or enter into a new lease with an entity associated with DSG Australia Holdings Pty Ltd (DSG) (referred to as "Continuing Landlords").

In order to prove a debt for the purposes of the Second Meeting, Continuing Landlords will be required to provide the Administrators with sufficient evidence to establish the quantum of pre-appointment rent and any amounts which you believe you are entitled to claim in relation to reduced rental income over the term of the lease. Your proof of debt should be accompanied by a copy of the proposed new lease agreement with DSG and/or deed of assignment.

Continuing Landlords will not generally be entitled to make a claim in respect of the make good provisions under the lease with the Company given the ongoing occupation of the premises by DSG.

Category 2: Landlords with new tenancy agreements

To the extent that you are a landlord who has either:

- (a) obtained vacant possession of the relevant premises and has subsequently re-let or entered into an agreement to re-let the premises with a third party; or
- (b) not yet obtained vacant possession but have entered into an agreement to re-let the relevant premises with a third party upon the cessation of the administration of the Company,

you will be required to provide the Administrators with sufficient evidence to establish the quantum of pre-appointment rent and any amounts which you believe you are entitled to in relation to the period between obtaining vacant possession of the premises and the commencement of the new third party lease agreement, reduced rental income over the term of the lease and any make good or breach of lease expenses that have been, or will be, incurred. This will require the provision of a copy of the new lease agreement with the third party and copies of relevant invoices or quotations for expenses incurred or to be incurred.

Category 3: Landlords without ongoing tenancy arrangement in place

To the extent that you are a landlord who has not been able to secure ongoing tenancy arrangements in relation to the relevant premises, you will be required to provide the Administrators with the following:

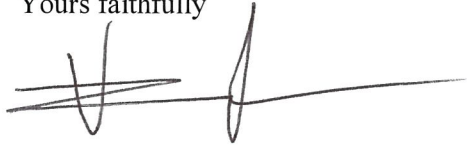
- (a) sufficient evidence to establish the quantum of pre-appointment rent
- (b) sufficient evidence in relation to any make good or breach of lease expenses that have been, or will be, incurred
- (c) evidence in the form of a letter written by a real estate agent with the requisite qualifications and market experience or a copy of a recent valuation by a qualified real estate valuer to establish the estimated period during which the relevant premises are likely to remain un-tenanted and any reasons which support the view that the premises will prove difficult to re-let together with an estimated market rent at which the premises can be re-let
- (d) if you have received an offer of tenancy from DSG or a related entity and you have rejected that offer, the reasons why the offer was not accepted. The Administrators may reject a claim for loss of future rent in excess of what would have been incurred had the offer by DSG been accepted if we determine that the non-acceptance of that offer was unreasonable.

Timing

Given the large number of landlord and other creditors of the Company, proofs of debt and all supporting documentation should be forwarded to the Administrators as soon as possible after receipt of the Administrators' Report. Proofs of debt which are not received by the Administrators within a sufficient period of time prior to the Second Meeting to allow for proper examination may be at risk of being allocated a lower value for voting purposes.

If you have any queries in respect to the above please contact Teresa Chan on (02) 9322 3834 or terchan@deloitte.com.au.

Yours faithfully

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

Vaughan Strawbridge
Joint and Several Administrator