

## STATEMENT FROM THE ADMINISTRATORS

12 April 2013

### **Retail Adventures Pty Limited (Administrators Appointed) ("RAPL") ACN 135 890 845**

It has been brought to our attention that DSG Holdings Australia Pty Ltd ("DSG") sent a letter dated 23 March 2013 to some creditors of RAPL that continue to supply DSG. We have received a number of queries from creditors in relation to this letter.

Below is an extract of DSG's letter:

*"We are of course aware that not all of our suppliers have been happy with the collapse of the RAPL company. The decision to place the company into voluntary administration was a very difficult decision however was necessary to allow the company to restructure. We have continued to work co-operatively with the Administrators as they conduct their investigations.*

*While the outcome of those investigations is not yet known we are confident that the Administrators will conclude that at all times we acted in good faith and in the best interests of creditors as a whole.*

*We do not think that there is any basis for legal action that has been threatened by a small number of suppliers, which to date is based largely on rumour and speculation. DSG was one of the largest creditors of the company, both as a secured and unsecured creditor, and will still suffer the largest financial loss. After adjusting for goods not received but invoiced to the company and settlement of valid retention of title claims the amount owed to trade suppliers will be less than \$48.0m while the amount owed to DSG both on a secured and unsecured basis is over \$208.0m."*

We were not involved in the preparation of the letter to suppliers dated 23 March 2013, and were not shown a copy of the letter before it was sent.

With regard to the comments about the Administrators' investigations, we would comment as follows:

- DSG have cooperated with our investigations to date;
- Our investigations are not yet complete and we continue to conduct a thorough investigation of RAPL's affairs;
- We are currently examining a number of potentially voidable transactions that may constitute unfair preference payments; and
- We continue to investigate whether RAPL traded whilst insolvent.

These investigations are ongoing and will be reported to all creditors in the Administrators' Section 439A report in due course.

Based on the information available to us, the figure of \$208m stated in the above extract is not accurate and has been overstated. The related party debt before a reduction for the purchase price was approximately \$179m, including \$34m of creditor liabilities which have been assigned to DSG. Further it should be noted that \$68m is subordinated to unsecured creditors.

In respect to the trade creditor figure quoted of \$48m, this does not include trade creditor claims that have been acquired by DSG (\$34m), landlord (\$10m) or statutory creditor claims (\$5m).

Should you have any questions in relation to this matter, please contact Teresa Chan of this office on (02) 9322 3834 or by email at [terchan@deloitte.com.au](mailto:terchan@deloitte.com.au).



**Vaughan Neil Strawbridge**  
Joint and Several Administrator

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