



ACORN CAPITAL

ACN 082 694 531

Level 12, 90 Collins Street, Melbourne. Vic., 3000.
Telephone (03) 9639 0522 Facsimile (03) 9639 0515

To: The Australian Stock Exchange
Attn: The Manager
Facsimile No: 1 900 999 279
From: Acorn Capital Limited - Chris Simpson
Date: 1 June 2004



ACORN CAPITAL

ABN 51 082 694 531
FSA Licence 227605

Acorn Capital Limited
ACN 082 694 531
Level 12, 90 Collins Street
Melbourne 3000 Vic. Australia
Telephone +61 3 9639 0522
Facsimile +61 3 9639 0515
Website acorncapital.com.au

1 June 2004

The Manager
Australian Stock Exchange Limited
18 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

**Notice of initial substantial share holder
The Reject Shop Limited**

Acorn Capital Limited has today lodged a Form 603, Notice of initial substantial share holder, with the above named company.

A copy of that Notice is herewith lodged with the Australian Stock Exchange.

Yours sincerely

Douglas Loh
Portfolio Manager



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1 June 2004

Chris Bryce
Company Secretary
The Reject Shop Limited
5 Lloyd Street
West Melbourne VIC 3003

Dear Sir

Notice of initial substantial share holder

Enclosed is a Form 603, Notice of initial substantial share holder.

A copy of this Notice has been lodged today with the Australian Stock Exchange.

Yours sincerely

Douglas Loh
Portfolio Manager

FORM 603
Corporations Act 2001
Section 671B

NOTICE OF INITIAL SUBSTANTIAL HOLDER

To: Company Name/Scheme The Reject Shop Limited
ACN/ARSN 006 122 676

1. Details of Substantial Holder(1)

Name Acorn Capital Limited
ACN/ARSN (if applicable) 082 694 531
The holder became a substantial holder on 01-06-04

2. Details of Voting Power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's Votes (5)	Voting Power (6)
Ordinary	1,625,000	1,625,000	6.75%

3. Details of Relevant Interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of Relevant Interest (7)	Class and Number of Securities
Acorn Capital Limited	Power to (or to control) exercise vote and/or dispose of the shares as discretionary investment managers or advisers to superannuation funds, pooled superannuation trusts, managed investment schemes and investment management agreements.	1,625,000

4. Details of Present Registered Holders

The persons registered as holders of the securities referred to in Paragraph 3 above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Person Entitled to be Registered as Holder (8)	Class and Number of Securities
Queensland Investment Corporation	Queensland Investment Corporation		58,000
Military Superannuation & Benefits Board	National Nominees		107,000
Queensland Local Government Superannuation	JP Morgan Chase Nominees		120,000
Qantas Superannuation	National Nominees		253,000
Acorn Capital Microcap Trust	National Nominees		289,000
Commonwealth Bank Officers' Superannuation Fund	National Nominees		366,000
UniSuper	National Nominees		432,000

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Consideration (9)		Class and Number of Securities
		Cash	Non-Cash	
Acorn Capital Limited	IPO	\$3,250,000.00		1,625,000

6. Associates

The reasons the persons named in Paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Name of Association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Queensland Investment Corporation	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Military Superannuation & Benefits Board	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Queensland Local Government Superannuation	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Qantas Superannuation	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Acorn Capital Microcap Trust	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
Commonwealth Bank Officers' Superannuation Fund	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000
UniSuper	C/O Acorn Capital Limited, Level 12, 90 Collins Street, Melbourne Victoria 3000

Signature

Print Name DOUGLAS LOH

Capacity Portfolio Manager

Sign Here



Date 01-06-04