

Facsimile Transmission**HYPERION**

ASX LISTED COMPANY

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Fax No: 1900 999 279
From: **Wendy Goff**
E-Mail: wendy.goff@wilsonhtm.com.au
Date: 1 November, 2007
Subject: Notice of change of interests of substantial holder
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Hyperion Asset Management Limited
Level 37 Riparian Plaza
71 Eagle Street
Brisbane Qld 4000
GPO Box 240
Brisbane Qld 4001
Telephone 07 3212 1318
Facsimile 07 3212 1060
www.hyperionam.com.au
clientservices@hyperionam.com.au

Wendy Goff
Direct 07 3212 1005

Attached is a Form 603 Notice of initial substantial holder, for change in holdings in The Reject Shop by Hyperion Asset Management Limited.

Wendy Goff
Company Secretarial Dept.

Hyperion Asset Management Limited ABN 50 080 135 897

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Form 603

Corporations Act 2001

Section 671B

Notice of initial substantial holder**To Company Name/Scheme** THE REJECT SHOP**ACN/ARSN** ABN 33 006 122 676**1. Details of substantial holder (1)****Name** Hyperion Asset Management Limited (Hyperion)**ACN/ARSN (if applicable)** ACN 080 135 897The holder became a substantial holder on 26/10/2007**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	1,555,544	1,555,544	6.05%

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
Hyperion	In its capacity as investment manager	1,555,544 Ordinary

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
Hyperion	See Appendix A		

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	
See Appendix B				

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)	Nature of association

7. Addresses

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

Name	Address
Hyperion Asset Management Limited	Level 38, 71 Eagle Street, Brisbane, QLD 4000

Signature

print name Mr Ian Harrison capacity Company Secretary

sign here  date 31/10/2007

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).


See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

The Reject Shop Limited

Annexure A

Holder of Relevant Interest	Registered Holder of Securities	Person entitled to be registered as holder	Holding Class
Hyperion	JPMorgan <COINVEST RE: HYPERION ASSET MANAGEMENT LTD>	COINVEST RE: HYPERION ASSET MANAGEMENT LTD	40000 Ordinary Fully Paid
Hyperion	JPMorgan <HEALTH SUPER RE: HYPERION AUSTRALIAN EQUITIES>	HEALTH SUPER RE: HYPERION AUSTRALIAN EQUITIES	296000 Ordinary Fully Paid
Hyperion	NCS <BIBPAE>	BIBPAE	35000 Ordinary Fully Paid
Hyperion	NCS <BISMCO>	BISMCO	17529 Ordinary Fully Paid
Hyperion	BNPParibas <PARVEST AUSTRALIA>	PARVEST AUSTRALIA	600143 Ordinary Fully Paid
Hyperion	JPMorgan <AUSCOAL HYERION ASSET MGT>	AUSCOAL HYERION ASSET MGT	200000 Ordinary Fully Paid
Hyperion	JPMorgan <COAL LSL RE: HYPERION AUSTRALIAN EQUITIES>	COAL LSL RE: HYPERION AUSTRALIAN EQUITIES	50000 Ordinary Fully Paid
Hyperion	Individually Managed Accounts		316872 Ordinary Fully Paid

This is Annexure "A" of 1 page as mentioned in form 603 Notice of initial substantial holder


 Ian William Harrison
 Company Secretary


Date: 31/10/07.

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The Reject Shop
Annexure B

Registered Holder

Registered Holder	Person entitled to be registered as holder	Date	Number of Securities	Consideration
HSBC Custodial Services <Parvest A/C>	Parvest Australia	3/08/2007	9,852	137595.58
HSBC Custodial Services <Parvest A/C>	Parvest Australia	8/08/2007	16,050	213809.97
HSBC Custodial Services <Parvest A/C>	Parvest Australia	9/08/2007	13,074	175532.15
HSBC Custodial Services <Parvest A/C>	Parvest Australia	27/08/2007	33,454	468777.17
HSBC Custodial Services <Parvest A/C>	Parvest Australia	28/08/2007	16,478	230869.69
HSBC Custodial Services <Parvest A/C>	Parvest Australia	26/10/2007	70,000	934072.3
National Australia Bank ACF < Hyperion Small Growth Companies Fund>	Hyperion Australian Small Companies Fund	3/07/2007	2,500	32362.45
National Australia Bank ACF < Hyperion Small Growth Companies Fund>	Hyperion Australian Small Companies Fund	23/08/2007	1,300	17867.84
National Australia Bank ACF < Hyperion Small Growth Companies Fund>	Hyperion Australian Small Companies Fund	24/08/2007	2,100	30255.32
National Australia Bank ACF < Hyperion Small Growth Companies Fund>	Hyperion Australian Small Companies Fund	11/10/2007	2,696	35483.65
National Australia Bank ACF < Hyperion Small Growth Companies Fund>	Hyperion Australian Small Companies Fund	12/10/2007	1,304	17400.43
National Australia Bank ACF < Hyperion Small Growth Companies Fund>	Hyperion Australian Small Companies Fund	25/10/2007	2,000	26812.79
ANZ Custodial Services < Investment Administrations Services A/C>	Hyperion Flagship Investments Limited	26/10/2007	52,000	692360.76
ANZ Custodial Services < Investment Administrations Services A/C>	Various Private Clients	26/10/2007		94928.75
National Australia Bank ACF < Hyperion Australian Growth Companies Fund>	Hyperion Australian Growth Companies Fund	26/10/2007	35,000	467036.15
JP Morgan Chase Nominees Pty Ltd <Auscoal Superannuation Pty Ltd A/C>	Auscoal Superannuation Pty Limited	26/10/2007	200,000	2668778
Clitcorp Nominees Pty Ltd <Commonwealth Bank Officers Superannuation Corporation Pty Ltd A/C>	CBA Officers Superannuation Fund	26/10/2007	250,000	3335972.5
JP Morgan Chase Nominees Pty Ltd <Coal Mining (Long Service Leave) Funding Corporation A/C>	Coal Mining (Long Service Leave) Funding Corporation Pty Ltd	26/10/2007	50,000	667194.5
JP Morgan Chase Nominees Pty Ltd <CoINVEST Pty Ltd A/C>	CoINVEST Pty Ltd	26/10/2007	40,000	533755.6
JP Morgan Chase Nominees Pty Ltd <Health Super Pty Ltd A/C>	Health Super Pty Ltd	26/10/2007	296,000	3949791.44


Ian William Harrison
Company Secretary

Date: 31/10/07.