

## **THE REJECT SHOP IPO CLOSES OVER-SUBSCRIBED**

The Reject Shop, one of Australia's fastest growing and most profitable discount variety retailers today announced its \$44.1 million initial public offering closed over-subscribed. The Reject Shop will have a market capitalisation of \$48.2 million at the offer share price.

Due to the high level of demand for the offer, the Company advises that general applicants and priority applicants have had their applications scaled back in accordance with the Company's allocation policy. Excess application monies resulting from scaleback have been refunded.

The Chairman of The Reject Shop, Mr Brian Beattie, said the company would begin its life as a listed company with a well balanced share register comprising a number of leading Australian institutional investors, a strong retail component and many staff.

"Investors have responded positively to the Company's significant growth prospects underpinned by strong organic growth and new store roll-outs with the first Queensland store to open next week," he said.

The Managing Director of The Reject Shop, Mr Barry Saunders, has reported strong trading conditions since Easter. The Company remained confident of meeting or slightly exceeding prospectus forecasts for the year ending 27 June 2004.

The company would also like to advise investors that holding statements were dispatched on Thursday 27 May 2004 and trading is expected to commence on Tuesday 1 June 2004. Any questions regarding applications or timetable should be directed to ASX Perpetual on 1300 55 44 74.

Further information can be obtained from the Company's website [www.rejectshop.com.au](http://www.rejectshop.com.au).

## **About TRS**

The Reject Shop is a discount variety retailer of general merchandise offering a broad range of low price consumer products. It operates stores in Victoria, New South Wales, South Australia, the Australian Capital Territory, and Queensland.

The Company has a well-defined target consumer market that is attracted to The Reject Shop's quality, low price product offer of everyday needs, bargains arising from opportunity buys and convenient shopping locations. This is reflected in The Reject Shop's strong brand awareness of 89% amongst consumers aged 18 years old and above in States in which it has existing stores.

The Reject Shop's history of revenue and earnings growth largely reflects its focused and proven business model. Growth prospects for The Reject Shop will be underpinned by a combination of growth of existing stores, new store roll-outs, and merchandise and cost management initiatives supported by a continual improvement of IT systems.

**For further information, please contact:**

### **The Reject Shop**

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Chief Financial Officer

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