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FACSIMILE TRANSMISSION

TO:

ORGANISATION: Australian Stock Exchange

FACSIMILE NO.: 1300 135 638

DATE: 23 July 2010

FROM: John Buchanan

NO. OF PAGES: 7 (including this page)

SUBJECT:

MESSAGE:

Dear Sir/Madam

Please find following a Form 603 Notice of Initial substantial holder.

Should you have any queries, please do not hesitate to contact me.

Yours sincerely



John A Buchanan
Partner

Liability limited by a scheme approved under Professional Standards Legislation

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Form 603

Corporations Act 2001
Section 671B

Notice of Initial substantial holder

To Company Name/Scheme THE REJECT SHOP LIMITED

ACN/ARSN ABN: 33 006 122 676

1. Details of substantial holder (1)

Name GRAHGER GROUP - SEE ANNEXURE NO.1

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 07 / 05 / 10

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)
ORD	1,311,000	1,311,000	5.048%

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
REFER ANNEXURE NO. 2		

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
REFER ANNEXURE NO. 3			

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	
REFER ANNEXURE NO. 2				

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6. Associates

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

Name and ACN/ARSN (if applicable)	Nature of association

7. Addressees

The addresses of persons named in this form as members of the Grahger Group are as follows:

Name	Address
Grahger Capital Investment Pty Ltd	Level 2, 306 Little Collins Street, Melbourne VIC 3001
Grahger Capital Securities Pty Ltd	Level 2, 306 Little Collins Street, Melbourne VIC 3001
Little Blue Porsche Pty Ltd <GC	Level 2, 306 Little Collins Street, Melbourne VIC 3001
Steel Superannuation Funds	

Signature

print name JOHN BUCHANAN capacity SECRETARY

sign here *John Buchanan*

date 23 / 07 / 2010

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 required 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.

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GRAHGER - GROUP INTERESTS IN THE REJECT SHOP (TRS)

**G/ - EVANS BUCHANAN
LEVEL 2
306 LITTLE COLLINS STREET
MELBOURNE VIC 3000**

ANNEXURE 1

GROUP MEMBER	ACN
1 Grahger Capital Securities Pty Ltd	122 523 193
2 Grahger Capital Investment Pty Ltd	103 733 473
3 Little Blue Porsche Pty Ltd <G C Steele Supern Fund>	

This is Annexure 1 of one page referred to in
Form 603 Notice of Initial substantial holder



23/7/10

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ANNEXURE 2

GRAHGER CAPITAL INVESTMENT PTY LTD
 CL - EVANS BUCHANAN
 LEVEL 2
 306 LITTLE COLLINS STREET
 MELBOURNE VIC 3000

DATE OF CHANGE	PERSON WHOSE RELEVANT INTEREST CHANGED	NATURE OF CHANGE	CONSIDERATION GIVEN IN RELATION TO CHANGE CASH	NO. OF SHARES	CLASS OF SHARES	PERSON'S VOTES AFFECTED
25/09/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$1,632,966.87)	{121,000}	Ordinary fully paid shares	-0.49%
25/09/2009	Grahger Capital Investment Pty Ltd	On market sale	\$0.00	(51,000)	Ordinary fully paid shares	-0.19%
25/09/2009	Grahger Capital Investment Pty Ltd	On market sale	\$651,405.29	(43,000)	Ordinary fully paid shares	-0.17%
25/09/2009	Grahger Capital Investment Pty Ltd	On market purchase	\$650,289.90	100,000	Ordinary fully paid shares	-0.39%
25/09/2009	Grahger Capital Investment Pty Ltd	On market sale	\$1,313,502.50	(50,000)	Ordinary fully paid shares	-0.19%
25/09/2009	Grahger Capital Investment Pty Ltd	On market sale	\$651,443.20	(50,000)	Ordinary fully paid shares	-0.19%
30/08/2009	Grahger Capital Investment Pty Ltd	On market sale	\$655,691.87	(50,000)	Ordinary fully paid shares	-0.19%
30/08/2009	Grahger Capital Investment Pty Ltd	On market purchase	\$659,306.13	50,000	Ordinary fully paid shares	-0.19%
06/10/2009	Grahger Capital Securities Pty Ltd	On market sale	\$606,827.81	(59,000)	Ordinary fully paid shares	-0.15%
06/10/2009	Grahger Capital Securities Pty Ltd	On market sale	(\$62,807.87)	(5,000)	Ordinary fully paid shares	-0.02%
06/10/2009	Grahger Capital Securities Pty Ltd	On market sale	(\$264,074.80)	(21,500)	Ordinary fully paid shares	-0.08%
12/10/2009	Grahger Capital Securities Pty Ltd	On market sale	(\$73,578.50)	(6,000)	Ordinary fully paid shares	-0.02%
13/10/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$2,244,586.70)	(182,000)	Ordinary fully paid shares	-0.70%
14/10/2009	Grahger Capital Investment Pty Ltd	On market sale	\$583,029.14	(46,500)	Ordinary fully paid shares	-0.18%
29/10/2009	Grahger Capital Securities Pty Ltd	On market sale	\$640,109.52	(64,972)	Ordinary fully paid shares	-0.25%
30/10/2009	Grahger Capital Securities Pty Ltd	On market sale	\$188,717.48	(14,584)	Ordinary fully paid shares	-0.06%
03/11/2009	Grahger Capital Securities Pty Ltd	On market sale	(\$69,294.29)	(6,000)	Ordinary fully paid shares	-0.02%
04/11/2009	Grahger Capital Securities Pty Ltd	On market sale	\$156,932.29	(12,241)	Ordinary fully paid shares	-0.05%
05/11/2009	Grahger Capital Securities Pty Ltd	On market sale	(\$40,662.47)	(3,183)	Ordinary fully paid shares	-0.01%
12/11/2009	Grahger Capital Investment Pty Ltd	On market purchase	\$194,423.52	10,000	Ordinary fully paid shares	0.04%
17/11/2009	Grahger Capital Investment Pty Ltd	On market purchase	\$134,555.51	10,000	Ordinary fully paid shares	0.04%
17/11/2009	Grahger Capital Investment Pty Ltd	On market purchase	\$134,791.20	10,000	Ordinary fully paid shares	0.04%
24/11/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$125,965.11)	(9,000)	Ordinary fully paid shares	-0.03%
25/11/2009	Grahger Capital Investment Pty Ltd	On market sale	\$220,232.64	(16,000)	Ordinary fully paid shares	-0.06%
26/11/2009	Grahger Capital Securities Pty Ltd	On market sale	(\$55,916.59)	(4,020)	Ordinary fully paid shares	-0.02%
07/12/2009	Grahger Capital Securities Pty Ltd	On market purchase	\$41,580.34	3,020	Ordinary fully paid shares	0.01%
07/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$247,916.01)	(17,900)	Ordinary fully paid shares	-0.07%
08/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$280,005.45)	(20,200)	Ordinary fully paid shares	-0.08%
09/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$472,751.56)	(34,000)	Ordinary fully paid shares	-0.13%
09/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$165,713.65)	(12,000)	Ordinary fully paid shares	-0.05%
10/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$128,567.95)	(9,274)	Ordinary fully paid shares	-0.04%
10/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$372,810.62)	(26,726)	Ordinary fully paid shares	-0.10%
11/12/2009	Grahger Capital Securities Pty Ltd	On market sale	\$211,154.25	15,000	Ordinary fully paid shares	0.06%
11/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$507,578.38)	(36,350)	Ordinary fully paid shares	-0.14%
14/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$1,021,852.62)	(75,000)	Ordinary fully paid shares	-0.29%
14/12/2009	Grahger Capital Securities Pty Ltd	On market purchase	\$1,027,317.38	75,000	Ordinary fully paid shares	0.29%
15/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$653,000.00)	(50,000)	Ordinary fully paid shares	-0.19%
15/12/2009	Grahger Capital Securities Pty Ltd	On market purchase	\$304,443.69	22,100	Ordinary fully paid shares	0.09%
15/12/2009	Grahger Capital Securities Pty Ltd	On market purchase	\$665,000.00	50,000	Ordinary fully paid shares	0.19%
16/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$9,181.76)	(678)	Ordinary fully paid shares	-0.00%
16/12/2009	Grahger Capital Securities Pty Ltd	On market purchase	\$166,625.58	11,963	Ordinary fully paid shares	0.05%
17/12/2009	Grahger Capital Investment Pty Ltd	On market sale	(\$180,668.05)	(12,972)	Ordinary fully paid shares	-0.05%
17/12/2009	Grahger Capital Securities Pty Ltd	On market purchase	\$238,411.86	16,937	Ordinary fully paid shares	0.07%
17/12/2009	Grahger Capital Securities Pty Ltd	On market purchase	\$559,570.10	48,155	Ordinary fully paid shares	0.19%
18/12/2009	Grahger Capital Securities Pty Ltd	On market purchase	\$25,593.90	1,845	Ordinary fully paid shares	0.01%
06/01/2010	Grahger Capital Investment Pty Ltd	On market sale	(\$682,000.00)	(50,000)	Ordinary fully paid shares	-0.19%
06/01/2010	Grahger Capital Securities Pty Ltd	On market purchase	\$682,000.00	50,000	Ordinary fully paid shares	0.19%
03/02/2010	Grahger Capital Investment Pty Ltd	On market purchase	\$40,318.54	3,000	Ordinary fully paid shares	0.01%
04/02/2010	Grahger Capital Investment Pty Ltd	On market purchase	\$67,855.66	5,000	Ordinary fully paid shares	0.02%
18/02/2010	Grahger Capital Securities Pty Ltd	On market purchase	\$24,643.49	(10,000)	Ordinary fully paid shares	0.04%

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Date	Entity	Description	Amount	Share Type	Yield
15/02/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$544,779.50	Ordinary fully paid shares	0.15%
19/02/2010	Grainger Capital Investment Pty Ltd	On market sale	(\$121,402.28)	Ordinary fully paid shares	-0.03%
19/02/2010	Grainger Capital Investment Pty Ltd	On market sale	(\$1,510,000.00)	Ordinary fully paid shares	-0.38%
19/02/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$1,510,000.00	Ordinary fully paid shares	0.39%
23/02/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$612,105.19	Ordinary fully paid shares	0.08%
24/02/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$473,705.24	Ordinary fully paid shares	0.12%
26/02/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$42,270.70	Ordinary fully paid shares	0.01%
02/03/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$232,998.23	Ordinary fully paid shares	0.09%
15/03/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$370,014.75	Ordinary fully paid shares	0.24%
16/03/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$994,592.28	Ordinary fully paid shares	0.00%
17/03/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$13,049.34	Ordinary fully paid shares	0.00%
18/03/2010	Grainger Capital Investment Pty Ltd	On market sale	(\$13,151.85)	Ordinary fully paid shares	-0.01%
25/03/2010	Grainger Capital Securities Pty Ltd	On market sale	(\$46,245.24)	Ordinary fully paid shares	0.00%
01/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$812,646.37	Ordinary fully paid shares	0.19%
06/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$327,161.55	Ordinary fully paid shares	0.08%
07/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$304,916.86	Ordinary fully paid shares	0.12%
08/04/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$90,177.76	Ordinary fully paid shares	0.07%
09/04/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$505,494.38	Ordinary fully paid shares	0.11%
12/04/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$105,463.68	Ordinary fully paid shares	0.02%
13/04/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$261,314.07	Ordinary fully paid shares	0.02%
14/04/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$117,032.19	Ordinary fully paid shares	0.08%
15/04/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$579,705.35	Ordinary fully paid shares	0.03%
15/04/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$323,278.64	Ordinary fully paid shares	0.13%
15/04/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$29,227.87	Ordinary fully paid shares	0.07%
16/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$544,357.07	Ordinary fully paid shares	0.01%
19/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$308,625.91	Ordinary fully paid shares	0.12%
20/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$416,607.01	Ordinary fully paid shares	0.07%
20/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$285,331.52	Ordinary fully paid shares	0.12%
22/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$151,731.85	Ordinary fully paid shares	0.05%
22/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$193,110.58	Ordinary fully paid shares	0.05%
23/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$120,105.80	Ordinary fully paid shares	0.05%
27/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$91,985.05	Ordinary fully paid shares	0.05%
28/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$25,192.11	Ordinary fully paid shares	0.02%
29/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$163,280.11	Ordinary fully paid shares	0.08%
30/04/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$186,105.48	Ordinary fully paid shares	0.04%
03/05/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$95,268.59	Ordinary fully paid shares	0.02%
03/05/2010	Little Blue Porsche Pty Ltd <S C Steele Super I	On market purchase	\$23,522.20	Ordinary fully paid shares	0.01%
03/05/2010	Little Blue Porsche Pty Ltd <S C Steele Super I	On market purchase	\$3,515.53	Ordinary fully paid shares	0.01%
04/05/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$72,179.05	Ordinary fully paid shares	0.02%
05/05/2010	Grainger Capital Investment Pty Ltd	On market purchase	\$143,150.77	Ordinary fully paid shares	0.02%
06/05/2010	Little Blue Porsche Pty Ltd <S C Steele Super I	On market purchase	\$162.80	Ordinary fully paid shares	0.00%
07/05/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$16,404.30	Ordinary fully paid shares	0.00%
07/05/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$202,507.14	Ordinary fully paid shares	0.00%
07/05/2010	Grainger Capital Securities Pty Ltd	On market purchase	\$191,672.51	Ordinary fully paid shares	0.05%

\$2,505,958.08	\$0.00	22,000	0.083%
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This is Annexure 2 of one page referred to in Form 6013 Notice of initial substantial holder

Julian
23/7/10

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GRAINGER CAPITAL INVESTMENT PTY LTD

C/- EVANS BUCHANAN
LEVEL 2
306 LITTLE COLLINS STREET
MELBOURNE VIC 3060

ANNEXURE 3

HOLDER OF RELEVANT INTEREST	REGISTERED HOLDER OF SECURITIES	PERSON ENTITLED TO BE REGISTERED AS HOLDER	NATURE OF RELEVANT INTEREST	NO. OF SHARES	CLASS OF SHARES	PERSON'S VOTES
Granger Capital Investment Pty Ltd	Granger Capital Investment Pty Ltd	Granger Capital Investment Pty Ltd	Owner of shares - power to vote & dispose	460,000	Ordinary fully paid	1.771%
Granger Capital Securities Pty Ltd	Granger Capital Securities Pty Ltd	Granger Capital Securities Pty Ltd	Owner of shares - power to vote & dispose	825,000	Ordinary fully paid	3.176%
Little Blue Porsche Pty Ltd <G C Steele Suprem Fund>	Little Blue Porsche Pty Ltd <G C Steele Suprem Fund>	Little Blue Porsche Pty Ltd <G C Steele Suprem Fund>	Owner of shares - power to vote & dispose	28,000	Ordinary fully paid	0.100%
				<u>1,311,000</u>		<u>5.048%</u>

This is Annexure 3 of one page referred to in Form 803 Notices of initial substantial holder

Subram
29/7/10