

Manager Companies
Company Announcements Office
Australian Stock Exchange Limited
530 Collins St
Melbourne Vic 3000

19 October 2005

Dear Sir/Madam

RESULTS OF ANNUAL GENERAL MEETING

Pursuant to section 251AA of the Corporations Act 2001 and Listing Rules 3.13.2, the Company advises all of the ordinary resolutions and the special resolution considered by the shareholders at the Annual General Meeting of The Reject Shop Limited, held on 19 October 2005 were duly passed on a show of hands:

Resolutions

	In Favour	At Proxy Discretion	Against	Abstain
Ordinary Resolutions				
Item 2: Adopt Remuneration Report for year ended 26 June 2005	10,624,130	276,434	65,961	8,373
Item 3: To re-elect Mr. A. (Craig) McMorrone as a Director	10,693,041	280,007	0	1,850
Special Resolution				
Item 4: To approve increase in aggregate limit of Director Fees	9,520,318	78,385	101,274	11,193

Shareholder Questions and Response

The following shareholder questions were received prior to the meeting and the following responses given.

Question 1. Why is the Reject Shop Limited able to do well whilst Millers Retail cannot?

The Board does not feel it is appropriate to comment on a competitor's business in this forum.

What I can say is that;

- we are optimistic about the prospects for the discount variety sector as a whole.
- We are pleased with how The Reject Shop is performing which is best evidenced by our strong profit result and comparative store growth.
- We have an established business model which has been proven over a number of years and in a number of different markets.
- Our strategy is very much focused on the managed growth of our business model over time.

Question 2. Are the Directors confident of being able to maintain double digit growth beyond FY2006?

- We believe we have laid the foundation for further future growth; but
- We do not believe it is appropriate to comment on expected profitability beyond a one year period.
- We have provided profit guidance for FY2006.
- To reiterate our net profit after tax forecast is in the range of \$7.5m - \$7.7m. under AIFRS
- We note the trend this year has been for some companies to discontinue such market guidance.

Question 3. Will there be a shareholder discount to encourage more patronage?

No.

The board members;

- have had vast experience with such schemes in other businesses; and
- are of the view that shareholder's overall interests are best served by offering the best prices possible to all customers.

Question 4. Are there any plans to expand to New Zealand?

No.

We believe:

- that there are more than enough opportunities for the company within Australia;
- where we have a good understanding of the market.

Question 5. No argument is presented for increasing director fees. We are concerned individual fees for directors will rise without justifying arguments.

The proposal;

- is to increase the aggregate limit payable to all Non-Executive Directors, and
 - does not relate to the individual amounts to be paid.

Whilst the current aggregate limit is adequate for immediate needs, the proposal to increase the aggregate limit is:

- to provide scope to increase the size of the Board when it determines that further skills are required; and
- to provide flexibility for the annual administration of future Board Fees, the payment of which are disclosed in the annual report.

At the time of the float it was announced that it was;

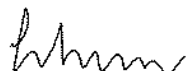
- the intention to add a further director in the near term.
- The Board has decided not increase the size of the Board beyond the present 3 external directors plus the managing director until it identifies a clear need to do so.
- However it seeks the flexibility to be able to act on any identified need and suitable opportunity at the appropriate time without undue delay related to adjusting the aggregate limit.

Amounts paid to current directors are subject to annual review by professional remuneration advisors – Mercers.

They have advised that the company's Directors Fee structure and arrangements for its annual administration is in line with comparable companies particularly given;

- the Company's performance;
- the small size of the Board;
- the valuable industry experience of the directors; and
- the workload of the sub committee structure.

Yours Faithfully



Graham Lever
Company Secretary