

26 June 2009

**TO CREDITORS**

Dear Sir/Madam

**RE: NOT QUITE RIGHT PTY LTD  
(ADMINISTRATORS APPOINTED)  
ACN 006 562 054**

**NOT QUITE RIGHT HOLDINGS PTY LTD  
(ADMINISTRATORS APPOINTED)  
ACN 004 979 793**

**RETAIL HOLDINGS 90C PTY LTD  
(ADMINISTRATORS APPOINTED)  
ACN 119 396 557**

**(COLLECTIVELY REFERRED TO AS "THE GROUP")**

**MELBOURNE**

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TOKYO  
affiliated through  
Zolfo Cooper  
and  
Kroll Worldwide  
UNITED STATES  
UNITED KINGDOM

We refer to our circular to creditors dated 28 May 2009 and the creditors meeting held on 4 June 2009.

We now provide the following update on the progress of the administration.

**1. UPDATE ON SALE PROCESS**

We advise that shortly after our appointment, we took control of the Group's operations and started a concentrated marketing campaign for the sale of its business. This included advertisements in the Australian Financial Review and The Age.

45 parties registered their interest in the business. 30 parties received a copy of the confidentiality agreement and 20 signed and returned the confidentiality agreement.

On Friday 5 June 2009 parties were emailed a copy of the Information Memorandum, noting non-binding indicative offers must be submitted by Wednesday 10 June 2009. 5 parties submitted their non-binding indicative offers.

The Administrators considered all offers and 3 parties were successful to proceed to the next stage of the due diligence process. The parties that were unsuccessful had the opportunity to revise their offers and submit a non-binding indicative offer by Thursday 11 June 2009. 2 parties revised their offers, however could not proceed with the sale process due to the tight time frame.

Of the 3 interested parties accessing the data room, 2 have withdrawn their interest.

We are now proceeding on an exclusive basis with one remaining party for the final stage of the due diligence process.

## **2. EXTENSION OF ADMINISTRATION CONVENING PERIOD**

With the consent of the members of the Committee of Creditors, a 3 month extension of the administration convening period was sought and granted by the Supreme Court of Victoria on 25 June 2009. This means that the second meeting of the Group's creditors must now be convened no later than 23 September 2009.

The extension application was made to allow sufficient time for the sale process to conclude including lengthy negotiations with landlords.

In extending the convening period, the Group is better placed to complete the sale of business as a going concern, whilst maintaining ongoing trading operations for a smooth handover.

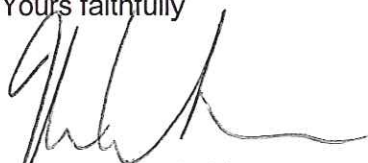
A copy of the order extending the convening period will be made available on the Ferrier Hodgson website at the following address: [www.ferrierhodgson.com](http://www.ferrierhodgson.com).

## **3. REPORT TO CREDITORS**

A report detailing the conduct of the administration will be forwarded to all creditors prior to the second meeting of creditors.

Should creditors have any property related queries, please contact Mr David Mazzone. All other queries should be directed to Ms Stephanie Young of this office.

Yours faithfully



**JOHN LINDHOLM**  
**ADMINISTRATOR**