



**The Reject Shop Limited**

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20 December 2018

ASX/Media Announcement

### **Extension of Allensford Offer – REJECT- DO NOTHING**

The Reject Shop Limited (**The Reject Shop**) provides the following update in relation to the on-market takeover bid by Allensford Pty Limited (ACN 629 924 901) as trustee for the Allensford Unit Trust (**Allensford**) for all the shares in The Reject Shop (**Offer**).

Today, Allensford announced an extension of the Offer period, which is now scheduled to close at the end of ASX trading (approximately 4.00 pm Melbourne time) on 22 January 2019, unless it is further extended or withdrawn (in limited circumstances).

The Board continues to unanimously recommend The Reject Shop shareholders **REJECT** the Offer and **DO NOTHING** in relation to the Offer. In particular, the Board notes that:

- the Reject Shop's share price has traded above the Offer price since the Offer was announced;
- there have been no acceptances of the Offer thus far and Allensford's relevant interest in The Reject Shop's shares remains at 2.72%; and
- there is no urgency for shareholders to act, as the Offer must remain open until the end of the extended offer period, providing time to consider the Offer against the performance and prospects of The Reject Shop.

The Reject Shop's Chairman, William Stevens, said: "The bidder has failed to get any traction with its bid. This is an acknowledgement by our shareholders that they consider the offer is highly opportunistic and designed to try and acquire the company, at a discount to its value regardless of the challenges in the retail environment."

The Board continues to believe shareholders should **REJECT** the Offer for the reasons set out in The Reject Shop's target's statement in response to the Offer dated 3 December 2018 (**Target's Statement**), being:

- the Offer is inadequate and does not reflect the underlying value of The Reject Shop;
- the timing of the Offer is highly opportunistic;
- the Offer fails to account for the strength of The Reject Shop's business and future plans and opportunities for growth;



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- management and the Board have a clear plan to deliver earnings growth and value to shareholders;
- by selling The Reject Shop shares, shareholders will lose the opportunity to participate in any upside in The Reject Shop; and
- the Reject Shop's large franking credit balance is a potential source of value for shareholders.

The Reject Shop is closely monitoring financial performance during this important trading period. It will keep its shareholders informed in the event of further developments.

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