



Company Announcement

22 November 2004

ACQUISITION OF TRUSCOTT HI-FI

BSL has today announced the acquisition of Truscott Hi-Fi, subject to final Board approval on 26 November 2004. Truscott Hi-Fi was established in 1960 by Alan Truscott and today enjoys a significant market share in the electrical appliance retailing market in South Australia, with six stores and a warehouse in the greater Adelaide area, plus a brand new store in Port Lincoln. Through the years, the business has been the pioneer of many marketing initiatives, including the introduction of interest-free finance into Australia.

BSL and the vendor, A K Truscott Nominees Pty Ltd, have entered into a Share Sale Agreement which will see 100% of the shares in A K Truscott Investments Pty Ltd acquired by BSL on 1 December 2004 for \$22.676M, subject to adjustments upon completion. Truscott Investments is the holding company of a group which conducts retailing operations under the "Truscott Hi-Fi" brand, and consumer finance operations under the "Retail Mortgage Services" brand ("RMS").

Truscott Hi-Fi is recognised as a specialist electronics retailer holding significant market share in key entertainment categories, and which offers significant growth opportunities in the appliance categories. The business had sales in FY2004 of \$55.1 million with a normalised EBIT of \$3.3 million, and modest growth expectations for FY2005.

The RMS business, with an interest-free finance debtors book of around \$10.5 million, forms a major part of the overall marketing strategy for Truscott's, and is an exciting new business opportunity for BSL. With the exception of Mr Alan Truscott (who will remain available to BSL on an as-required basis), all existing senior management will remain with the business.

"We are very excited about the opportunities this investment creates for BSL, its' shareholders and its' franchisees, and added to the existing nine company-owned retail businesses in Victoria and Northern Territory, will create a specialist consumer-focussed business with sales in excess of \$100 million. Existing franchisees can rest assured that this latest acquisition will in no way impede BSL's commitment to becoming the most cost-effective distribution network, and they can look forward to benefits created through increased buying power and improved distribution" said Guy Houghton, CEO of BSL.

Mr Alan Truscott said "I am delighted that BSL has seen the opportunities still available to the Truscott business and has committed to the future of the company. We have reached a point where a company like BSL was required to guide the business through future expansion, and I am in no doubt that as a result of this acquisition, the Truscott Hi-Fi business will continue to grow and prosper for many years to come through the management skills and systems infrastructure that BSL can provide".

Further enquiries to be directed to:

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