

Media Release

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FOR IMMEDIATE RELEASE

NEW STORE OPENINGS FOR RETAIL CUBE

In spite of a difficult retail market, diversified specialty retail holding and investment company Retail Cube Ltd (RCG) plans to open a number of new stores in 2005.

A weak housing sector led to a drop in sales for Amazing Paints as the market experienced fierce competition in light of shrinking sales generally. Retail Cube's management responded with a series of initiatives including the introduction of new products, targeted discounting, the establishment and implementation of a new Point Of Sale system and a refurbishment program has begun across all stores.

"In a very difficult market place Amazing Paints has responded in a forthright and positive manner. The new POS system will deliver cost saving efficiencies to the business whilst the product mix and pricing has been reviewed and changed across some lines. We have also introduced new recruiting and training programs which will further enhance the level of service our stores provide and there are positive signs now that the renovations market is starting to kick in" said Retail Cube CEO Robert Estcourt.

King of Knives also felt the pinch of determined competition, particularly from the larger department stores. It also suffered from the late openings and refurbishment of shopping centres. However it wasn't all bad news for the Retail Cube pillar with the chain opening another 6 new stores in the six months to December. The company will employ the highly successful franchising model of stable mate 'The Athlete's Foot' in opening franchise stores in the beginning of the June quarter.

"King of Knives is a well known and established brand in its own right and the business lends itself to franchising. In the next six months management will be applying the same successful initiatives introduced to Amazing Paints and The Athlete's Foot franchise model is very successful and easily adapted to suit the other pillars of Retail Cube and we are now able to roll out franchised stores for King of Knives ahead of our original timeline" said Estcourt.

Softer consumer demand for clothing and footwear did not impact upon The Athlete's Foot, which continues to perform well ahead of last year. The pillar added five new stores in 2004 and has plans to open a further three by June.

"The Athlete's Foot business has enjoyed a solid January and prospects look good for 2005" enthused Estcourt.

"With the adaptation of TAF's successful franchise model by King of Knives and the re-engineering of Amazing paints, Retail Cube can now more aggressively focus on potential acquisitions and continued franchise growth supported by a strong balance sheet" enthused Estcourt.

Retail Cube announced a fully franked dividend of 1.2 cents per share.

For further information on Retail Cube or any of its companies or to speak with CEO Robert Estcourt please contact Nicholas Karandonis at Media Conduits on 02 9954 9696 or 0412 977 888.

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diversified | specialty | retail

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