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## ASX RELEASE

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### Placement, Appointment of New Chairman, Company Update

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#### Background

Over the past few months, Signature Brands Limited ("SBL" or "the Company") has continued to concentrate its activities on the development of the Pulp Juice Bar chain. To this end, SBL has recently divested the Brian Rochford label, scaled down the activities of its wine division and is considering the future strategy of Koala Blue and other associated brands.

The Pulp business has developed into a chain of 19 company owned stores, with 2 new locations under construction. In addition, Pulp has 7 franchised outlets open in Australia and New Zealand, with 4 further locations scheduled. Pulp has also entered into a master franchise arrangement for 24 countries in the Middle East with Broadway Trading LLC.

SBL is undertaking a number of initiatives to strengthen its capital position through the next stage of growth. This is to ensure the continuing development of Pulp Juice Bars, the Pulp brand, franchising, and to facilitate an effective evaluation of organic and other growth opportunities.

#### Placement

SBL has agreed to place a total of 14,038,462 new shares in the Company at a price of \$0.13 per share to raise \$1,825,000. These shares will be placed to four groups of investors:

- 5,769,231 to a controlled entity of Trent Capital Limited ("**Trent**"), an ASX listed strategic investment company. These shares will be placed immediately;
- 3,846,154 shares to Wilson Asset Management (International);
- 3,461,539 shares to other sophisticated and professional investors; and
- 961,538 shares to existing Directors and Management, partially to capitalise loans to the Company.

The last three tranches of shares will be subject to the approval of shareholders at a General Meeting ("**Approval General Meeting**") of the Company to be held early in 2005. Every two shares placed to investors other than Directors and Management will also be issued with an option to acquire a further share in the Company at a price of \$0.20 prior to 31 December 2008. The issue of all of these options will be subject to the approval of shareholders at the Approval General Meeting.

If all of these issues are approved, the Company will have approximately 64.035 million issued shares, and four significant stockholders:

- Wilson Asset Management (International) with approximately 13.6%;
- interests associated with Sean Neylon, the former CEO, with 12.0%;
- interests associated with Ian Duffell with 9.0%; and
- Trent with 9.0%.

In addition, subject to the passage of all resolutions at the Approval General Meeting, the Company will have an additional 7.25 million unlisted options on issue, which will be exercisable at \$0.20 per share until 31 December 2008.

### **Appointment of New Chairman**

SBL has today appointed Andrew Brown as its new Chairman. Mr. Brown is the largest shareholder and Managing Director of Trent Capital Limited, an ASX listed strategic investment company. He is the former Head of Equities at Rothschild Australia Asset Management and has been involved in stockbroking, funds management and corporate investment for 24 years. He is also the Chairman of Snowball Group Limited, Gowings Retail Limited, Winepros Limited and Phoenix Development Fund Limited.

It is intended to issue Trent with a further 1,000,000 options on similar terms to those above, subject to the approval of shareholders at the Approval General Meeting.

### **Appointment of New Company Secretary**

James Douglas, SBL CFO, has today been appointed Company Secretary.

### **Trading and Corporate Update**

Unaudited management accounts for the five months to 30 November 2004 show SBL to have lost approximately \$1.0 million at the EBITDA level and \$1.4 million before tax. The financial performance is disappointing as a result of continuing losses from the wine business, slower than expected expansion of Pulp, in particular the expected take-up of domestic franchise arrangements and unexpected legal expenses.

The Pulp business has demonstrated its potential with sales for SBL Group in the past quarter ahead of the entire prior year. Store metrics at the better performing outlets are also showing good patterns of stabilisation, and illustrate the strong inherent business case. However, given the seasonal nature of the Pulp business, early stages of franchise developments and pending further reviews by the board of SBL of the Company's activities, it is premature to make any forecast of the out-turn for the 2005 financial year.

The recent appointment of Michael Inman as Chief Executive Officer of SBL has provided a more strategic focus to the Pulp business, as well as a planned reduction of excess costs. It is the intention of the Company to ensure that Mr. Inman and other key executives are remunerated at a level which reflects their global retailing experience, whilst taking account of the small scale of SBL at the current time. SBL will propose that a series of option based incentive arrangements, with appropriate vesting hurdles, be issued to Mr. Inman subject to shareholder consent at the Approval General Meeting.

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