

Multi Channel Solutions

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The Manager
Company Announcements Office
Australian Stock Exchange Limited
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Dear Sir / Madam

SUCCESSFUL USA LAUNCH OF MYGYM ON CABLE SHOPPING NETWORK & FIRST RETAIL ORDER FOR MYGYM

Leading Australian based direct and electronic marketer of consumer products, Multi Channel Solutions Limited (ASX: MUT) is pleased to advise that its first product "MyGym" has been successfully launched through cable shopping networks in the United States.

Last week, MyGym was marketed on HSN (Home Shopping Network) for the first time and the initial order sold out. Following this outstanding success, HSN has advised of a follow-up order for 2,500 units.

In commenting on the HSN result, Multi Channel Solutions CEO, Mr Mark Baker said,

"We are thrilled with the initial success of MyGym on home shopping as we view this distribution channel as a significant contributor to our business on a long term basis."

The company is also pleased to advise that approved vendor status has been achieved with a number of leading retailers in the United States, including Wal-Mart, (the world's largest retailer with around 3,800 stores in the US), Big 5 (the largest sporting goods chain on the US west coast with 329 stores) and Dick's Sporting Goods (263 stores). At present MyGym has been confirmed for shelf space in approximately 1,100 retail outlets for the pre Christmas shopping period.

The first purchase order for "MyGym" has been received for 1,350 units from Wal-Mart. This initial order will be sold in Wal-Mart's 400 largest stores and will be on retail shelves from September.

"The acceptance of our first product by traditional heavyweight retailers in the US is testimony to the power of our television advertising to drive multiple channels of distribution, a business model we understand well, "Mr Clive Barrett, Executive Director of Multi Channel Solutions commented.

About Multi Channel Solutions Limited (ASX: MUT)

Multi Channel Solutions is a direct and electronic marketing business with its principle operations in the US. The company uses direct, electronic and other alternative media as well as traditional retail channels to market an expanding range of mass-appeal consumer products. Multi Channel Solutions is building a pipeline of products in proven market segments including health and fitness, beauty and personal care, household and self-help. The company's first two products are in the fitness category. The first product has had a successful Direct Response TV launch and is being rolled-out into other retail channels whilst the second product will be launched later in 2006.

The very large electronic retailing industry in the US generated sales in 2005 of more than US\$250 billion of which Direct Response TV (DRTV) contributed US\$182 billion. DRTV sales have grown between 8% and 9% per annum over the past few years. DRTV combines the power of television with the precision of direct marketing techniques. The key elements of DRTV are product selection; production and broadcasting of an infomercial; order taking, fulfilment and customer support.

Multi Channel Solutions, through carefully planned product selection and consistent delivery of the fulfilment cycle, is now an established participant in the direct and electronic marketing market and intends to become one of its leaders.

About Home Shopping Network (HSN)

HSN, an operating business of IAC/InterActiveCorp (Nasdaq: IACI), originated the electronic retailing concept in 1977 and has since evolved into a global multi-channel retailing giant, offering thousands of unique products in fashion, beauty, home, jewellery and electronics. HSN's product offerings can be found across a number of retailing platforms ranging from TV, where HSN reaches 89 million U.S. households. The company is now the 4th largest cable television network in the US using the following mediums of communication; the Internet, its easy-to-use website, www.hsn.com and catalogues. In 2005, HSN generated worldwide consolidated sales of over \$3 billion, answered 66 million calls and delivered more than 60 million products worldwide.

About Wal-Mart

Wal-Mart is the world's largest retailer with 6,500 stores, including 3,800 stores in the United States, and wholesale clubs across 15 countries. In 2005, Wal-Mart Stores, Inc. generated sales of US\$312.4 billion. Wal-Mart is a discount retailer of an enormous range of consumer products from food to electronics to healthcare to sporting goods, clothing and outdoor.

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