



Australia and New Zealand's Largest Independent Stockbroker

NOTICE TO CLIENTS

20 May 2015

Dear Sir/Madam,

***BBY Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 006 707 777
Broker Services Australia Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
ACN 074 976 364***

***BBY Holdings Pty Limited (Administrators Appointed) (Receivers and Managers Appointed)
ACN 075 187 432***

BBY Nominees Pty. Ltd. (Administrators Appointed) ACN 007 001 443

BBY Protection Nominees Pty. Ltd. (Administrators Appointed) ACN 007 001 710

Options Research Pty. Ltd. (Administrators Appointed) ACN 006 770 627

Tilbia Nominees Pty Ltd (Administrators Appointed) ACN 007 001 578

***BBY Advisory Services Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
ACN 102 761 008***

BBY Hometrader Pty Ltd (Administrators Appointed) ACN 134 838 207

SmarTrader Limited (Administrators Appointed) ACN 115 752 102

("the Companies")

BACKGROUND

On 17 May 2015 at 11.03pm Stephen Ernest Vaughan and Ian Richard Hall ("Administrators") of KPMG were appointed joint and several administrators of the above companies. Following that appointment, on 18 May 2015 Stephen Parbery and Brett Lord ("Receivers") were appointed receivers and managers to each of BBY, BBY Holdings, BBY Advisory and Broker Services ("the Receivership Companies").

The Receivers and Managers have taken control of the Receivership Companies and their operations from the date of their appointment, in accordance with the terms of the Corporations Act 2001 (Cth) ("the Act"). The remaining Companies listed above are subject to the control of the Administrators.

At around 7:53am on 20 May 2015, the Administrators received notice that the Receivers had retired as receivers and managers of BBY Advisory, which is a related company of BBY that employs staff and contracts with advisers. That company remains in voluntary administration and subject to the control of the Administrators.

During the receivership, the Administrators also remain in office, but their powers and functions are subject to the powers and functions of the Receivers. Accordingly, the Receivers remain in control of the assets and business of BBY and all operations.

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BBY Limited (Administrators Appointed) (Receivers and Managers Appointed) ABN 80 006 707 777 | AFSL 238095 | Participating Organisation of ASX, APX and Chi-X



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ASX SUSPENSION

In communications on 18 May 2015, prior to the opening of trading on the Australian Stock Exchange ("ASX"), the ASX advised the Receivers and the Administrators that it had suspended BBY's participation on the ASX market with effect from the appointment of the Administrators.

Accordingly since 18 May 2015 BBY has had no ability to trade on the ASX (including to close out any open positions).

CLIENT CONTRACTS

The Administrators are reviewing the Companies' records, with a view to ensuring that all assets are identified and secured, and client entitlements are identified and reconciled as soon as possible.

At approximately 10:30am today, the Supreme Court of New South Wales made orders to allow the Administrators to issue formal notices and reports to the Companies' creditors and clients by email wherever possible. Notice of the meeting of creditors will also be published in The Australian newspaper on 21 May 2015. The Administrators will endeavour to issue notices and reports by regular post to any client who has not previously provided an email address to the Companies. You can request a physical copy of any notice or report by contacting the Link Insolvency hotline listed below.

There will be a meeting of creditors on 27 May 2015 where further information will be provided and creditors and clients will have an opportunity to ask questions of the Administrators. Enclosed is the formal notice of meeting to creditors.

It will take time for the Administrators to review company records and to confirm the client entitlements and to process payments to clients once those entitlements have been confirmed. The Administrators will undertake this process as quickly as possible.

In the interim, the Administrators are not in a position to adopt or take any other steps to perform any obligations under any agreements entered into by the Companies with clients or any other parties, or to close out any positions. Positions may be closed out as a result of the actions of third parties (including but not limited to ASX, as noted above).

GENERAL

The Administrators will keep clients informed of progress during the administration procedure and informed of developments in relation to the Companies.

Any client queries should in the first instance should be made to the Link Insolvency hotline on 1300 784 494 or by email to bby@linkmarketservices.com.au.

Yours faithfully,

Stephen Vaughan
Joint and Several Voluntary Administrator