

Betta Stores Ltd to sell its share in Sleepy's Joint Venture

Betta Stores Limited (BSL) has today signed a conditional agreement to sell its 50% controlling interest in the joint venture company Sleepy's Pty Ltd to Mattress Investments Pty Ltd for \$1 million.

The contract will become binding upon certain conditions being met but is expected to be no later than 1 October 2005.

The Sleepy's joint venture was formed in March 2003 when the franchising operations of BSL were combined with Mattress Investments to leverage off the skills of BSL and enhance the Sleepy's franchise offering around Australia.

BSL's decision to sell its share in the joint venture is consistent with its strategic direction to focus on its core business of electrical retailing.

"Whilst Sleepy's has successfully built up market share in a very competitive environment, BSL has now narrowed its focus and the funds currently invested will be applied elsewhere within the group to further improve its core business", said BSL CEO, Guy Houghton.

The sale will be completed on 31 December 2005 and is conditional on a number of events occurring including but not limited to the repayment of debts owing to BSL and its subsidiaries by both Sleepy's Pty Ltd and its franchisees.

Upon completion of the transaction, Sleepy's will remain a member of the BSL Group, receiving services including IT support on a fee for service basis.

Any enquiries should be directed to Guy Houghton (07) 3222 3999.