

To Torex Retail Shareholders

30 May 2007

UK Shareholders Association
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Torex Update – Number 3 and Request for Financial Support

This letter is to inform you of the current situation, so far as we know it, on Torex Retail. From the last RNS Announcement made by the company, and recent press reports, it seems that the company is progressing at least two bids for the business. At this time the Chairman has refused to meet with us and also has avoided making any commitment, despite our asking him to do so, that shareholders will get a vote on any disposal of the major assets of the company.

Of course it is possible that any bids may result in a reasonable payout to ordinary shareholders, after the bank debt and bondholders have been repaid, but we have no way of knowing whether that is the case. Given the speed at which the sale process has taken place and the apparent failure to consult shareholders (and we now represent substantial numbers of them), we are sceptical that any bid will be very generous. And it seems quite possible to us that ordinary shareholders will be presented with a "fait accompli" and with no other options.

Therefore we have few alternatives other than to pursue appropriate legal action to ensure that shareholders are given a vote on this matter. But to do that we need to raise sufficient funds to cover the costs, at least in the short term, if just to cover the cost of the necessary legal advice. Even if the disposal is proceeded with, there may be further actions required both legal and otherwise, to protect your interests.

We are therefore asking you to contribute to a fund to promote the interests of ordinary shareholders in Torex. A note of what we are asking for and how to contribute is given overleaf.

Please contribute if you are able.

If you have any questions on this matter, then please telephone me on the number below.

Yours sincerely

Roger Lawson
Communications Director
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Direct telephone: 020-8467-2686

UKSA Torex Retail Action Group Donation Form

Name: _____

Address: _____

Postcode: _____

Email Address (please write clearly in capitals): _____

Telephone (optional): _____

Number of shares held _____

I enclose a cheque for £ _____ made payable to the UK Shareholders' Association as my contribution to this campaign, calculated as follows based on the number of shares I hold (the amount being asked for is based on a need to raise £10,000 initially and the likely number of respondents and contacts we already have). The suggested minimum contribution is 0.1p per share held, but additional contributions are welcomed of course. A table that gives some sample figures is below:

Shares held	Subscription Amount @ 0.1p per share
10,000	£ 10.00
25,000	£ 25.00
50,000	£ 50.00
100,000	£ 100.00
200,000	£ 200.00
1,000,000	£ 1000.00

Note that anyone who has already joined the UK Shareholders Association as a member can deduct the cost of their membership fee from the enclosed contribution, if you so wish.

Please return this form together with a cheque for the amount being contributed to the following address: UK Shareholders Association Ltd, PO Box 62, Chislehurst, BR7 5YB. Alternatively payment may be made by bank transfer to the following bank account: A/C UK Shareholders Association Ltd, HSBC, 11 North Street, Wetherby, LS22 6NT, Sort Code: 40-46-21 Account: 31342606 (quote reference "Torex donation")

Note that the UK Shareholders Association warrants that any contributions made in respect of this matter will be used solely to promote the interests of the shareholders of Torex Retail Plc. If the committee set up to organise this campaign subsequently determines at some point that no further action is necessary, then any funds remaining will either be returned by UKSA to contributors pro-rata to their total contributions, or may be used for any charitable purpose to promote the interests of UK shareholders in general by UKSA. Money paid to UKSA for this campaign will be accounted for separately, and any expenses incurred likewise, and a statement of income and expenses will be supplied to contributors at appropriate points in time, but no less than annually.

Note that the UK Shareholders Association (UKSA) is a "not for profit" company limited by guarantee – see www.uksa.org.uk/About.htm for more information. The Torex Retail Action Group is a group operating under the constitution of UKSA.
