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The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

Dear Sirs

Consolidated Activities Report – Proposed Business Strategy

The Board of UCW Limited (**Company**) confirms that its proposed business strategy remains the same as it was set out in Section 5.3 of the Prospectus lodged with ASIC and the ASX on 25 March 2015.

Please find **enclosed** a consolidated activities report setting out the Company's proposed business strategy.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Andrew Whitten', written in a cursive style.

Andrew Whitten
Company Secretary

Consolidated Activities Report – Proposed Business Strategy

The Company's plans are the best indicators available to the Company at this time of this announcement. It is important to recognise that the proposed use of funds is subject to change in line with emerging results, circumstances and opportunities, and may be changed by the Board at its discretion at any time.

In the event that the Company successfully applies for reinstatement, it is proposed that the Company's principal activities will continue to be the online and direct sales distribution of apparel. It is also proposed the Company invests and focus on its digital model via actively marketing to its customer base using social media and online marketing. In addition, the Company and the Board are proposing to investigate re-launching the party plan direct distribution model via the recruitment, education and training of sales consultants who would actively manage and monitor field sales under the Undercoverwear brand.

The Company intends to leverage UCW's remaining unencumbered assets which includes the 'Undercoverwear' business name, domain names, website, software and source code, stock, intellectual property and know-how and all other assets necessary to operate the UCW Business.

In order to initially operate with low fixed overheads, the Board will consider forming strategic partnerships with other operators in the fashion, and retail industry to provide the Company fulfilment capability, utilising direct sourcing and drop shipping wherever possible.

Furthermore, the Company may investigate introducing complementary products and services to expand the UCW Business model and provide its clients a broader product offering, which may include men's apparel and accessories, beauty and cosmetic products.

The Company may also investigate offering education and training services to its client base and consultants including covering topics such as fashion and style, makeover courses, health and nutrition, personal training, massage and alternative therapy courses.

By offering these products and services via an online model, the Company believes an opportunity exists to build a scalable, holistic business, focusing on self-development of its customer base.

At the same time, the Board will actively consider the acquisition and development of other investments, both within the broader industry as well as in unrelated market segments.

The Company has a highly qualified Board with extensive experience. Whilst not being prescriptive, the Board may seek acquisitions that will accelerate the transformation of the Company into a high growth and strong cash-flow generating business.

The Board is constantly reviewing acquisition opportunities. It should be noted that should the Company pursue an acquisition opportunity, the Company may be required by ASX to re-comply with Chapters 1 and 2 of the Listing Rules at that time. This will depend on the size and nature of the transaction among other things. The Company intends to consult the ASX in this regard prior to entering into a binding agreement.

It should also be noted that should the Company pursue an acquisition opportunity, any such transaction may be subject to Shareholder approval.