

30 April 2013

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Event of default

UnderCoverWear Limited is guarantor for borrowings from Westpac Banking Corporation (the Bank) to UnderCoverWear Australia Pty Ltd ATF the UnderCoverWear Unit Trust (the Company). The Company has, at the request of the Bank, been reducing its borrowings from the Bank.

The Bank has now advised that a material adverse change in the Company's risk profile and security it has provided, based upon the release of December 31st half year results; "constitutes an event of default under the loan and security documentation and the Bank has reserved its rights to act under the default.

The Company continues to operate within the overdraft facility limits provided within the Bank's facility and the Bank requires the Company to fully clear its indebtedness to the Bank by 31 December 2013.

The Company has reduced its significant future rent expense by relocating to new premises and a number of new initiatives are being trialled that are complimentary to the core business.

Directors remain confident, based on current forecasts and the current operating performance of the business the Bank's facilities will be cleared by 31 December 2013.

By order of the Board



N J V Geddes