

Retail Star Limited

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**RETAIL STAR**

31 March 2008
RETA0C0/MMD/ASX165

Company Announcements Office
ASX Limited
Level 5, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam

Retail Star Limited

In accordance with the Listing Rules, below is the Appendix 4D - Half-Yearly Report for the half-year ended 31 January 2008 for immediate release:

1. Details of the reporting period and the previous corresponding period	31 January 2008	31 January 2007	% change
	\$	\$	
2. Results for announcement to the market			
2.1 Revenue from ordinary activities	57,828	34,399	Up 68.11%
2.2 Profit (loss) from ordinary activities after tax attributable to members	(336,621)	266,974	Down 226.09%
2.3 Net profit (loss) for the period attributable to members	(336,621)	266,974	Down 226.09%
2.4 Dividend distributions	It is not proposed to pay any dividends		
2.5 Record date for determining entitlements to the dividend	Not applicable		
2.6 Explanation of any figures in 2.1 to 2.5 that may be required	The profit from ordinary activities for the half-year ended 31 January 2007 included the forgiveness of debts under the Deed of Company Arrangement that was terminated on 15 August 2006.		
3. Net tangible assets per security	0.6723 cents	0.4285 cents	

<p>4. Control gained or lost over entities</p>	<p>Star Shopper Pty Ltd and Star Shopper Wholesale Pty Ltd were deregistered on the 9 January 2008 and subsequently no longer controlled by Retail Star Limited</p> <p>Control has been gained over Orion Exploration Pty Ltd, which was acquired on 6 August 2007, and Eastbourne Exploration Pty Ltd, which was acquired on 9 January 2008.</p> <p>No material contribution to the result arose from controlled entities.</p>
<p>5. Dividend payments</p>	<p>No dividends have been paid to shareholders</p>
<p>6. Dividend reinvestment plan details</p>	<p>No dividend reinvestment plans are in operation</p>
<p>7. Associates and joint venture entities</p>	<p>Not applicable</p>
<p>8. Foreign entities accounting standards</p>	<p>Not applicable</p>
<p>9. Audit/review of accounts upon which this report is based</p>	<p>This report is based on accounts which have been reviewed. The Independent Review Report has been lodged with the ASX as part of the half-year financial report for the period ended 31 January 2008.</p> <p>The report contains a qualified review statement, as follows:</p> <p><i>“Basis for Qualified Auditor’s Conclusion</i></p> <p>Our audit report dated 24 January 2007 relating to the financial report for the year ended 31 July 2006 contained the following statement under the heading “Qualification”:</p> <p>“As stated in Note 21 [to the July 2006 financial report], Administrators were appointed to the companies in the consolidated entity on 8 November 2005, and the companies remained in Administration until 15 August 2006.</p> <p>As the accounting records maintained during the period in which the companies in the consolidated entity were under Administration are not adequate to permit the application of necessary audit procedures we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.”</p> <p>Note 19 of the July 2007 financial report refers to the issue associated with reliably estimating unsecured creditors at 31 July 2006 and also the fact that quantified claims had not been received in respect of all unsecured creditors during the period when the company and consolidated entity were under Administration [ie until 15 August 2006].</p> <p><i>Qualified Conclusion</i></p> <p>Based on our review, which is not an audit, except for the effects on the financial report of the matters referred to in the preceding paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Retail Star Limited is not in accordance with the Corporations Act 2001 including:</p> <p>(a) giving a true and fair view of the consolidated entity’s financial position as at 31 January 2008 and of its performance for the half-year ended on that date; and</p> <p>(b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001. “</p>