

Introduction

Richard Fleming, Mick McLoughlin and Ian Corfield were appointed as Joint Administrators of First Quench Retailing Limited (trading as “Threshers”, “Wine Rack”, “Haddows”, “The Local”, “Bottoms Up” and “Victoria Wines”) on 29 October 2009. The Administrators are in the process of stabilising the business whilst a marketing campaign for the sale of the business and assets as a going concern are being undertaken. It is hoped that a sale can be achieved within a short timeframe.

We will be in contact with all affected parties shortly but in the meantime we appreciate your patience and support whilst we focus our efforts on the survival of the business.

Whilst it will not be possible for us to contact every party individually in the coming days we will be in contact as soon as we are able but in the meantime we set out below some information which you may find useful.

This web-site will be updated and expanded regularly with information as the administration progresses. Also, if you would like to contact us we have set up a dedicated call centre (tel. 0844 576 8862) and an email address (fqrinfo@kpmg.co.uk) and we would ask that people use these lines of communication in the first instance.

We may not be able to answer questions concerning individual circumstances but will seek to answer common queries as frequently as possible.

Interested parties for sale of business

The Joint Administrators are seeking to sell the business as a going concern.

If you are interested in more than 50 stores please call 0844 576 8862.

If you are interested in fewer than 50 stores we are taking expressions of interest only at this stage. In the event that a going concern sale of the whole business does not occur, we will seek to make individual stores available, dependent both on developments within the Administration and an appropriate offer being received.

Please note that if the premises you are interested in are not available, you will not be contacted again.

Please e-mail the following details to fqrsale@kpmg.co.uk

Name:

Number:

E-mail address:

Which stores interested in (by brand area and city):

If the stores you are interested in are not sold as part of a going concern sale, we may pass your details to our agents who will contact you directly in relation to your interest.

Press

All members of the press should contact the KPMG press office on +44 20 7694 8527.

Creditors and Suppliers

All creditors and suppliers will shortly receive a letter from the Administrators concerning their position.

A certain number of suppliers will be contacted in due course to make arrangements for ongoing supply during the Administrators' trading period.

Should you have a claim for retention of title you should make contact and provide brief details to the email address given in the introduction and we will contact you by return.

Employees

A letter will be circulated to all employees shortly.

The first contact for all employees is through the existing channels ie branch/district manager. The Administrators will have spoken to most staff via meetings and/or conference calls within a few hours of our appointment. A recording of the call to all store staff is available for anyone who missed the original call (please contact your branch/district manager for details of how to access this recording).

Landlords

In due course the administrators will write to all landlords individually to explain how this situation will affect their property but in the meantime please see the information below which should cover some immediate concerns;

Rent due post the appointment of administrators

Insofar as you have not already been paid rent in advance by the company the administrators undertake to ensure that you receive the pro-rata payment of rent due for all properties occupied by the company for the period that the administrators trade from the property, ie. from the date of appointment of administrators until the date the administrators sell the business or otherwise cease to trade from the property (the “Trading Period”).

In due course the administrators will inform all landlord’s individually, in writing, if any sale of the business has been agreed or trading ceases and the pro-rata rent payment which will be made accordingly.

Rent due for the Trading Period will be paid at the conclusion of this period, which we currently expect may last a number of weeks.

Rent due prior to the appointment of administrators

Any rent or other payments due by the Company prior to the date of appointment of administrators will rank as an unsecured claim although we recognise that any purchaser of the business may need landlords approval to secure lease assignments. The administrators will only be liable for rent accrued during the Trading Period as set out above.

Landlord action

Following the appointment of administrators, the Company is protected by a statutory moratorium. This moratorium prevents landlord's or other creditors from taking any recovery action against the Company without either first obtaining the written consent of the administrators or leave of the Court.

Tenants

Residential Tenants – Service Occupiers (Company employees)

If you are an employee of the Company and as part of your Terms & Conditions of employment you occupy a residential property in order to carry out your role, you are likely to be known as Service Occupier.

Your on-going occupation of the residential property is linked directly to your employment situation at the Company.

Should you leave or have recently left employment at the Company please refer to the Terms & Conditions of your employment contract for further details on the status of your occupation.

Please continue to direct any property maintenance queries to your normal contacts

If applicable, please continue to pay rent in the usual way

Residential Tenants

If you occupy a residential property associated with the Company you should continue to pay rent in the usual way.

Please refer to your agreement for details of termination dates etc. Please continue to direct any property maintenance queries to your normal contacts

Commercial Tenants

If you occupy a commercial property on a sublease, Licence or other agreement with the Company you should continue to pay rent in the usual way.

Please refer to your tenancy agreement for details of termination dates etc. Please continue to direct any property maintenance queries to your normal contacts

Franchisee

The administrators are marketing the company's franchise business as part of the business and assets for sale. Franchisees will shortly receive a letter clarifying the Administrators position in relation to the franchisee business. The Administrators intend to trade normally as far as possible.

Customers

The stores will be open for business as usual.

Unfortunately we are unable to sell any gift vouchers or honour any vouchers that have already been issued.

Corporate bulk discounts will continue to be offered but all other corporate services (corporate accounts/cards, free local delivery, free glass hire, events planning, sale or return policy) are temporarily suspended.

Other

If you have any other query please contact the call centre on 0844 576 8862 or use the other communication channels outlined in the introduction section.