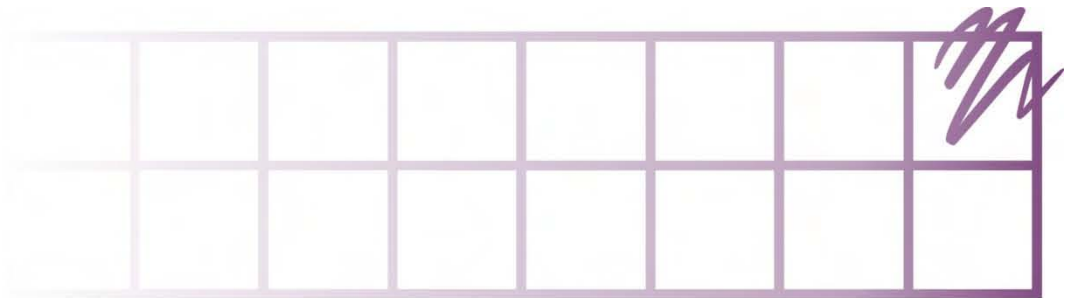


creating valuable space

CREATIVE BY DESIGN

All business opportunity enquiries should be directed to:
Creative by Design Corporate Office: 4/3 Rhodes St. West Ryde
NSW 2114

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Important notice to all impending franchisees

This document is not intended to constitute a formal offer or a Disclosure Document.

It has been prepared to assist a prospective Franchisee to make an informed and considered decision on whether a Creative by Design franchise from

Creative Home Décor Pty Limited:

IS A BUSINESS SYSTEM THAT INTERESTS YOU AND YOU WISH TO INVESTIGATE THE FRANCHISE SYSTEM FURTHER.

IS A FRANCHISE SYSTEM THAT YOU WOULD CONSIDER PURCHASING

Every effort has been made to ensure that the document contains relevant and useful information based on material available to Creative Home Décor Pty Ltd at the date of preparation.

It should be taken as containing additional information to be taken into account when considering a Creative by Design Franchise but it should not be taken as a substitute for obtaining independent advice or making particular enquiries of any existing Franchise owners.

Buying a franchise is a serious undertaking and you need to take time to decide and research the franchise system carefully. You need to read the documentation, talk to other franchisees and to assess your own financial resources and capabilities. You must have your solicitor explain the Contract and you should seek accountancy, business and financial advice on the franchise proposition.

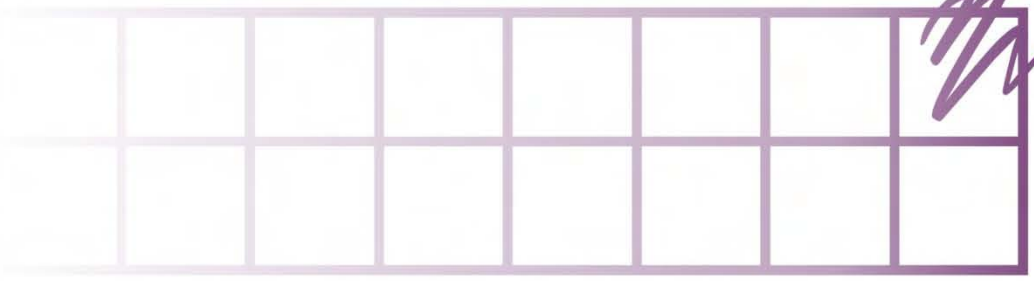
You should also prepare your own business plan and projections of cash flow and balance sheets.

We advise you to read the Franchising Code of Conduct, which we will provide to you.

If you decide to proceed, you will be required to make a written statement that you have read and understood the Disclosure Document and Franchising Code and you have been given advice on the business by an independent legal adviser, business adviser and accountant.

The FCA accepts no responsibility for, and makes no warranties in respect of, any representations made by Creative by Design.





Who is Creative by Design?

CREATIVE BY DESIGN EVOLVING WITH THE TIMES

1986 seems such a long time ago and for small business this is indeed a long time to be in business and this is the length of time that Creative by Design and its associated companies has been re-organising peoples' homes in Australia and New Zealand.

During this time we have helped organise and simplify literally thousands of peoples' homes. We have brought order to their lives of chaos, moving from just providing wardrobe solutions to office and furniture design.

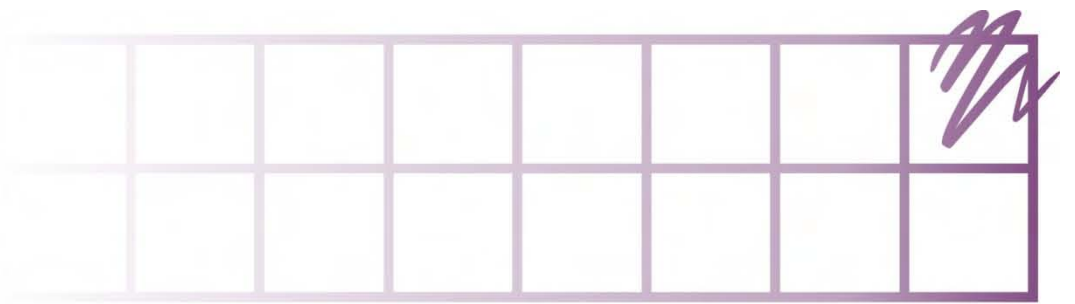
As a franchise group, we have never stood still in responding to changes in consumer demand, shopping patterns or re-structuring the business in an ever increasing competitive business world. Good ideas are always copied, and today faster than ever, especially as the market is more global than ever.

To maintain and preferably expand our market share, our franchise company has continually searched for new product ranges and alternative business structures to deliver the best in home storage and decorating advice.

Since our start, our franchise model was based on a metropolitan located factory with an attached or separate showroom with sales people visiting clients' homes and a team of carpenters installing the product.

Markets do not stand still and the busy life that our clients have lead to an increasing demand for in home services. Our clients are also visiting Europe and the quality expectations have increased as the world market has come to our door step. Creative by Design wanted to respond to these changing needs.





Changes we are making

EXPANDING THE FRANCHISE OPPORTUNITIES AT CREATIVE BY DESIGN

To respond to these demands, the Creative by Design group is embarking on a growth plan so that our franchises are better able to meet the needs of today's clients. Our large metropolitan/factory franchise structure is evolving to be able to meet the demand for an increasing personalised design and manufacturing process.

We have launched a number of innovative marketing projects to maximise our market penetration.

What does this mean for the most important person in our business: the client?

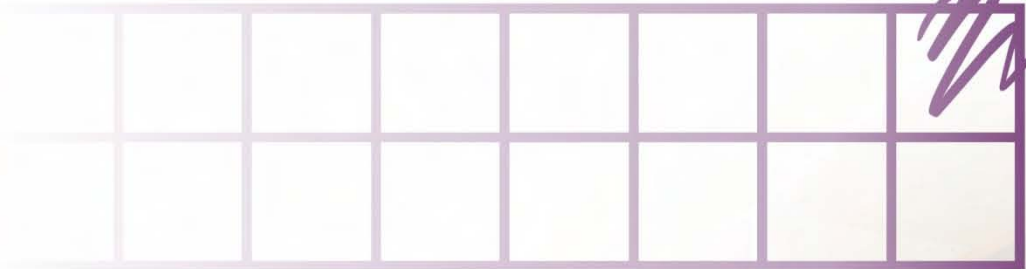
Many of our clients are busy women, juggling demanding careers and home/family life. The truth is that modern society demands leave little time for women to shop, let alone enjoy the experience. So many women we talk to just want someone who is skilled and cares, to come into their home and help re-organise their home. The magic want wish list is alive and well.

Design Studios

We recognise this trend at Creative by Design and decided that the way to help meet the needs of our clients in their busy lives was to take the design service to their home. In specially equipped design mobiles, our designers will visit at times that suit.

The design mobiles as mobile showrooms are more locally located enabling the busy person to visit and dream what their home might look like after Creative have worked their magic.





**WHAT DOES THIS MEAN
FOR THE MOST IMPORTANT PERSON
IN OUR FRANCHISE GROUP?**

...our franchisees

In growing our storage design businesses there are a number of businesses approached being taken, from one large factory servicing a large area to small local factories that exploit the local market.

This approach to the business model allows the essential maintenance of on time and quality delivery of our services and products. The final business model selected by franchisees is determined by the market location and capital available and management skill levels.

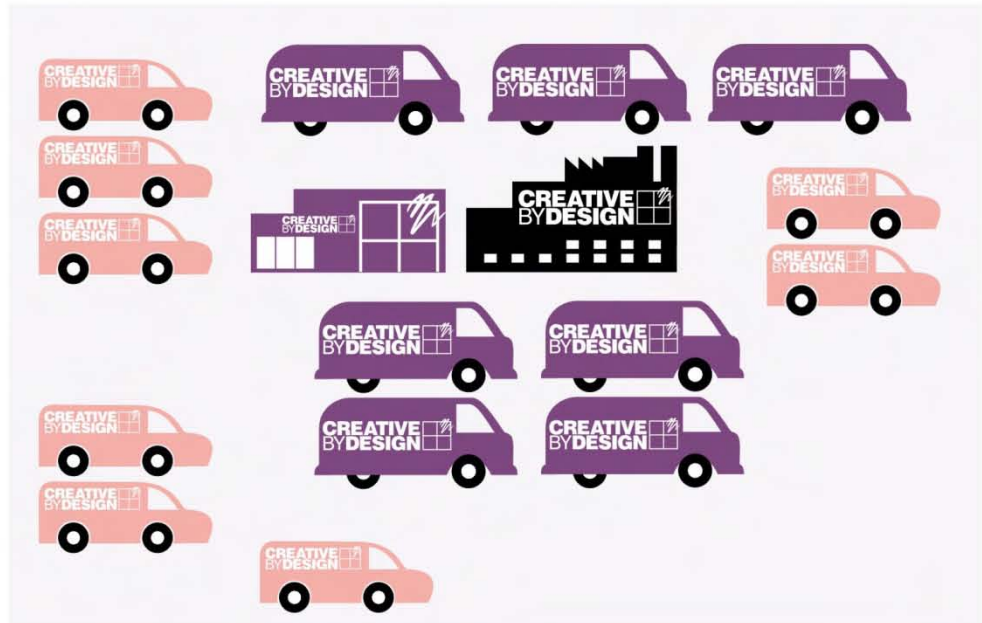
Whether it be a metropolitan or regional franchise, our clients have busy lives and do not want to travel to the city to see our product. So in the mobile franchises we take the design service to their home and is an essential part of the business growth model.

There is no need for the time consuming trips to a showroom to pick colours or designs or material. It is all done in the home where the entire family or residents can be involved in the design process. It saves time and means you know what the ideas look like in the home rather than in a showroom.



Franchise Model

An Example of Franchise Territory Breakup



KEY (Possible Franchise Locations)



FACTORY



Usually a small showroom
is part of the factory

SHOWROOM



INSTALLER VAN



DESIGNER MOBILE

PRODUCT RANGE:

1. WARDROBES

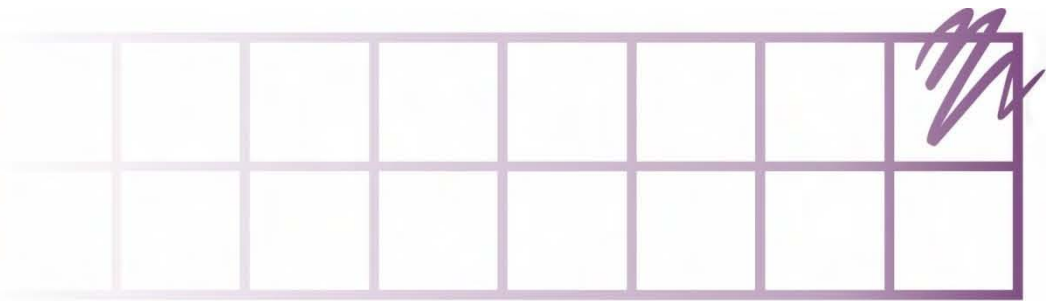
Stanza - Classic - Doors - Dolce - Linear

2. OFFICES

3. FURNITURE

4. STORAGE PRODUCTS





www.creativebydesign.com.au

wardrobes
doors
offices

Simplifying your life...

Franchises Available! Call for a Creative Designer to visit your home and help you with a customised design that will bring order to the chaos.

1300 366 222

CREATIVE BYDESIGN

4/6 Rhodes Street West Ryde

www.creativebydesign.com.au

wardrobes
doors
offices

CREATIVE BYDESIGN

Franchises Available!

Our mobile showroom can come to your home and help you with a customised design that will bring order to the chaos.

ALL SUBURBS
1300 366 222
CALL FOR A CREATIVE DESIGNER TO VISIT

simplifying home and life...

UNIT 4/3 RHODES STREET, WEST RYDE - Open Monday-Friday 9.00am-5.00pm

Franchises Available!

wardrobes-offices-doors

OPENING HOURS Mon/Fri 8.30-4.30pm Sat. 8.30-12pm 3/90 Cnr. Pritchard

www.creativebydesign.com.au

CREATIVE BYDESIGN

wardrobes doors offices

creating valuable space

CREATIVE BYDESIGN

ALL SUBURBS
1300 366 222
CALL FOR A CREATIVE DESIGNER TO VISIT

Our mobile showroom can come to your home and help you with a customised design that will bring order to the chaos.

3/90 Cnr. Pritchard & Bliven Rd. Virginia 4014 QLD - Open Mon.-Fri. 8.30pm-4.30pm, Sat. 8.30-12 Noon

Our History

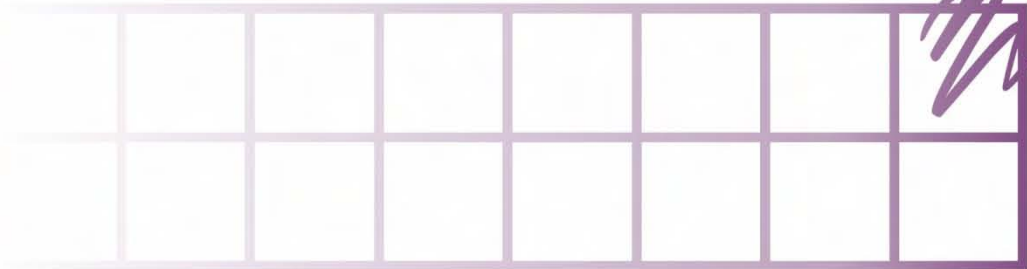
Creative By Design is a company with a long history. Since 1986 we have been 'organising' peoples' lives. Experience does count for a lot in this business. Not just that we know what we are doing but you can be assured that we will still be organising peoples' lives in another eighteen years.

Others have recognised our design and business excellence. We are the recipient of the prestigious Australian Design Mark which recognises our unique design and manufacturing ability.

Our owners have also achieved excellence. One of the owners of the Creative By Design franchise group is a winner of the Telstra Women's Small Business Owner Award. In the past over A.C.T and Western Australia operations have achieved National Franchising Association of Australia awards at the state level

You too can experience the award winning ways of Creative By Design.





The Creative By Design System

THESE ARE THE SUMMARY STAGES TO THE CREATIVE BY DESIGN BUSINESS SYSTEM:

Marketing to generate leads and appointments for the designer to visit the home.
A centralised customer relationship management system assist in the lead, appointment management



In home design presentation and computer aided designs prepared and orders taken.
The design mobile allows the selection of product, colours and materials with home



Debrief the design with the Project co-ordinator



Manufacture of the Product by the certain products outsourced eg: some furniture, desks systems



Collection of the product and installation in the client's home



Client satisfaction visit by the designer



Creative By Design

PRODUCT RANGE

Currently, the franchise offers the following product range to our clients:

Wardrobes: Both internal fit-outs, sliding and hinged doors

Home office systems

Furniture related to storage, eg. home entertainment units

Storage accessories, eg. belt and tie racks, wine racks etc.

In the future, a wider range of furniture products may be added to the range

The built in wardrobe and office range is the exclusive product of the Creative by Design franchisee. The Creative by Design franchisees offer retail storage products to broaden the sales opportunity while in the client's home and to increase the average sale. Some of these products are imported direct by Creative and some are purchased from local sources.

Market sector

Creative by Design's target market is the upper end of the buying segment. Our clients are typically AB sector, upwardly mobile, educated and professional and know what they want.

Our market position is associated with service and quality and the price range of the product reflects this. We are typically in the upper price bracket for our products and any prospective franchisee needs to understand and be comfortable with designing, selling and manufacturing this type of product.

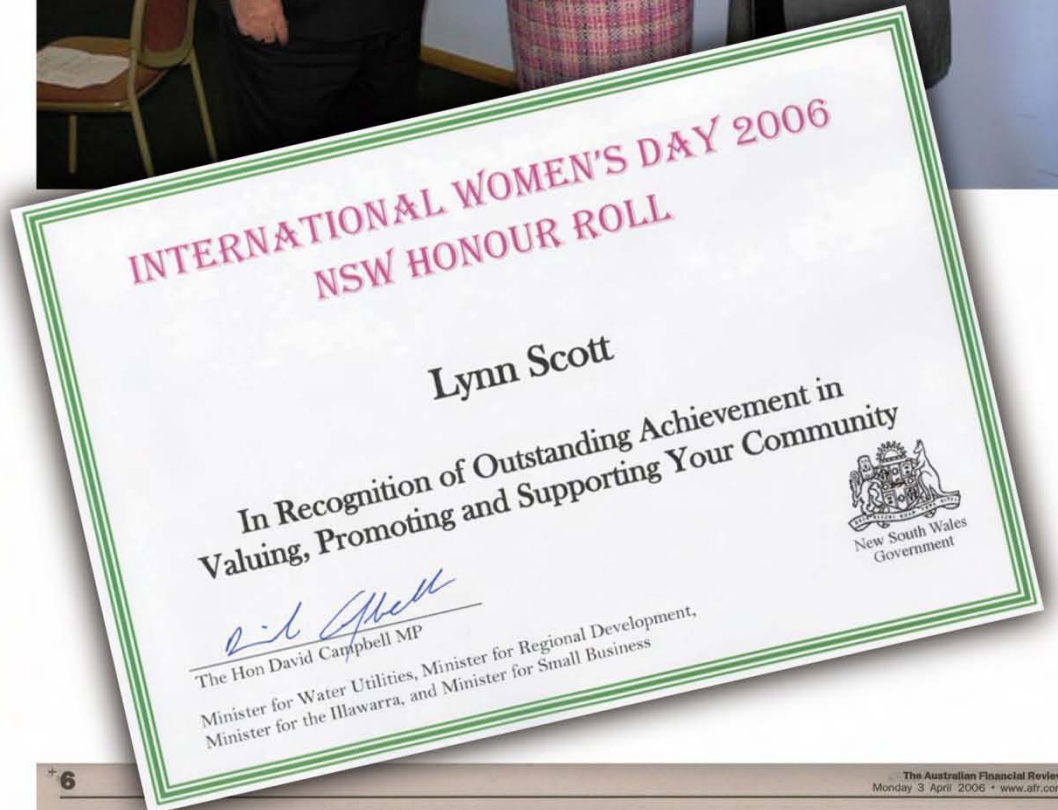
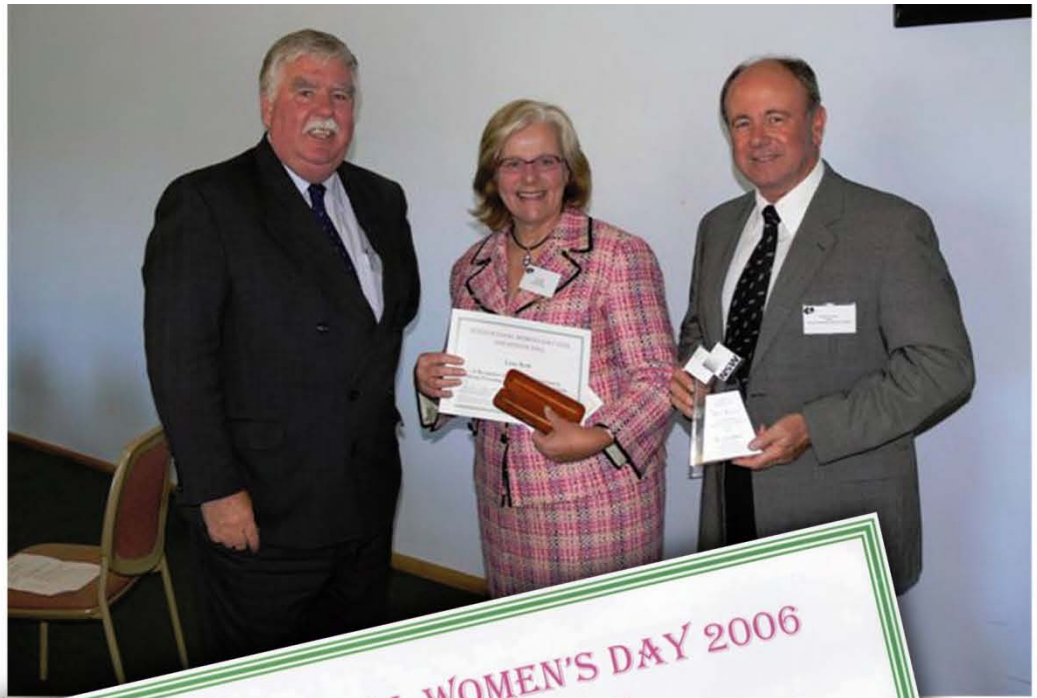
While our products are standardised and we do not design or manufacture one-off joinery, the design and product must be of the highest standard and quality.

We compete on our branding image as being amongst the best in storage design. Our training and marketing help the franchisees understand how to position the brand and the sales process to appeal to the AB market sector.



**CREATIVE
BY DESIGN**





Lemma opens NSW up for business

Steven Scott

Executives including Qantas's Geoff Dixon, Investec's David Gonski and Westfield's Stephen Lowy will meet NSW Premier Morris Lemma today as his first business cabinet begins trying to improve the government's relations with industry, economic performance and efforts to attract business to the state.

The 13 hand-picked executives in the business cabinet are drawn from key sectors in the economy.

The round tables are designed to distance Mr Lemma from the negative perception many business figures held of his predecessor, Bob Carr.

Mr Lemma has also taken over the state and regional development portfolio in a bid to boost business investment in NSW.

"I have often said NSW is open for business. That means listening to the concerns of business at the highest level," Mr Lemma said.

"It will be a forceful, frank and honest discussion."

After the round table was first flagged in the Premier's economic statement in March, an initial core group - St George Bank chief executive Gail Kelly, Commonwealth Bank of Australia chief executive Ralph Norris, Transfield Services chairman Tony Shepherd and Boral chairman Ken Moss - drew up a list of candidates.

The final list of members, to be unveiled today, includes General Property Trust chairman Peter Joseph, BlueScope Steel managing director and chief executive Kirby Adams and Port Waratah Coal Services chairman Eileen Doyle.

Other industry representatives are Casella Wines managing director John Casella, Harris Farm Markets executive director Cathy Harris, and managing director of furniture company Creative by Design Lynn Scott.

SOUND ADVICE
Premier's business cabinet

	1. Kirby Adams BlueScope Steel		8. Often it's only the big end of town that gets heard. Small business is a key stimulator of the economy. -Lynn Scott
	2. John Casella Casella Wines		9. While there is the need for regulation, there is too much, including overlapping regulation between state and federal governments. It stifles entrepreneurship, it stifles business growth. -Ken Moss
	3. Geoff Dixon Qantas		10. In her own furniture company, Ms Scott said she had to pay \$350 insurance on every wardrobe over \$12,000 she designed - the same amount builders paid on \$200,000 constructions, despite the different levels of risk involved. Lengthy fair trading contracts were another nightmare for small firms, she said.
	4. Eileen Doyle Port Waratah Coal Services; OneSteel		11. With the emphasis on resources in other states... perhaps NSW has been sitting back a little bit, waiting for the world to come to it. -Tony Shepherd
	5. Peter Joseph General Property Trust		12. "Often it's only the big end of town that gets heard," Ms Scott said.
	6. David Gonski Investec; Westpac, Investec Bank and Coca-Cola Amatil		13. "Small business is a key stimulator of the economy."
	7. Ralph Norris Commonwealth Bank		14. But she also issued a warning to the Premier: "We don't want this to be a talkfest. We want measurable outcomes."
	8. Cathy Harris Harris Farm Markets		15. Today's two-hour meeting will include presentations from senior bureaucrats about economic pressures that are holding down the state's growth.
	9. Lynn Scott Creative by Design; NSW government's Small Business Development Corp		16. Meetings will be held every three months, with the possibility of sub-groups devising measures to assist businesses in particular sectors.
	10. Stephen Lowy Westfield		
	11. Ken Moss Boral		
	12. Gail Kelly St George Bank		
	13. Tony Shepherd Transfield Services		

Despite recent cuts to workers' pension premiums, an increase in land tax thresholds and payroll tax concessions for businesses setting up in eight regional areas, NSW remains one of the most expensive places to run a business in Australia.

Members of the group who spoke to *The Australian Financial Review* nominated high taxes, excessive government regulation and crumbling infrastructure as areas the NSW government must address to reinvigorate its sluggish economy.

"NSW has got to compete for capital and compete for ideas and compete for jobs. Perhaps NSW has been sitting back a little bit, waiting for the world to come to it," Mr Shepherd said.

He will call for the state government to be proactive in wooing business.

"This level playing field rubbish that we've got caught up with over the last 10 years ranks with political correctness in stupidity in my view," he said.

"We live in a competitive global economy. Investment now moves throughout the world. If you want to attract investment, you may have to make concessions or give incentives."

He comments jar with concerns of NSW Treasurer Michael Costa, who insists the government should focus on developing conditions that are conducive to investment rather than offering incentives to individual businesses or events.

Mr Shepherd said: "There's absolutely nothing wrong with picking winners as long as you're picking winners."

