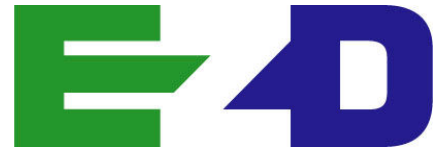


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To: Retail Week
Greater London House
Hampstead Road
London
NW1 7EJ

29th September 2007

Dear Tim Daneher:,

Re: Letters Page

I read with great interest the article on Collaborative Supply Chain and in particular Supply Chain Finance (Retail Week September 14th). The former is arguable a strategy being widely embraced now particularly with the outsourced services available from 3rd party logistics companies and a collaboration internally between buyers, brand managers and designers. Discussing product development with suppliers and retailers long-term goals also adds to the strength of buyer/vendor pairings. Collaboration on Supply Chain Finance seems to be another ball game. Retailers still want extended payment terms for perhaps an increased volume of business and suppliers want upfront payments, particularly in China to fund initial production. Many Far East suppliers still accept letters of credit which are invariably discounted or, on an open account basis they will discount or seek to factor their receivables. Quite a volatile situation when you consider that a future competitive retailer could usurp the supplier's loyalties by being either more generous or flexible on its payment criteria. Equally retailers who don't have the necessary scale, or switch to alternative suppliers often find themselves funding the supply chain from purchase order through to delivery, acceptance and stock turn before they receive the end result,... cash.

So the value of the inventory while moving is pretty much worthless until someone exchanges money for it. The cost for funding this is either on the balance sheet of the retailers or their suppliers. It has been demonstrated that by securitising the asset which is the inventory, by mitigating the risks and managing both the flows of inventory and money we can un-burden both retailers and suppliers by collaboratively analysing the true cost of carrying inventory and packaging the debt to release instant cash-flow to both supplier and retailers. Under the present credit squeeze, as borrowing gets tighter, Far Eastern suppliers will be forced to pay higher premiums, unit costs will get higher, strategic partnerships will be strained and the inventory moving between them will still be completely undervalued. By managing the risks of both money and inventory a valuable cash resource can be delivered thereby adding the final link in true supply chain visibility.

Regards,

Phil Lavin

EZD Limited, Sales & Marketing Director