

RETAILFOODGROUP

STRENGTH IN BRANDS



RESULTS PRESENTATION - FINANCIAL YEAR 2013

FY13 Summary



	Statutory Results					
	FY09	FY10	FY11	FY12	FY13	PCP %
Total Revenue ⁽²⁾	\$130.5m	\$118.6m	\$110.0m	\$101.9m	\$117.0m	14.8%
EBIT	\$40.3m	\$43.8m	\$45.1m	\$47.5m	\$52.8m	11.3%
NPAT	\$23.5m	\$26.0m	\$27.2m	\$28.5m	\$32.0m	12.1%
Basic EPS	23.7 cps	25.3 cps	25.4 cps	26.4 cps	26.0 cps	(1.5%)
Dividend ⁽³⁾	9.25 cps	11.75 cps	14.5 cps	17.5 cps	19.75 cps	12.9%
Dividend Payout Ratio	39.0%	46.4%	57.1%	66.3%	80.9%	
Net Debt	\$90.1m	\$72.8m	\$70.5m	\$98m	\$92.1m	
Gearing Ratio	45.7%	34.4%	31.0%	36.6%	29.6%	
Interest Cover	5.2x	6.2x	6.9x	6.9x	7.4x	
Cash Generating Units ⁽²⁾	4	4	4	6	7	
Franchised Outlets	1,063	1,122	1,148	1,251	1,374	

Core Operations ⁽¹⁾		
FY12	FY13	PCP %
\$50.1m	\$55.9m	11.7%
\$30.3m	\$34.3m	13.3%
28.0 cps	27.9 cps	(0.3%)

(1) Refer to Appendix 1 for a reconciliation of results from 'Core Operations'

(2) Refer to Appendix 1 for definition

(3) FY13 interim dividend paid and FY13 final dividend

Retail Food Group Limited (ASX: RFG)



- ✓ RFG designs, develops and manages retail franchise systems and is the intellectual property owner and licensor of the following Brand Systems:

- Donut King
- Michel's Patisserie
- Brumby's Bakery
- bb's café and Esquires Coffee Houses
- Crust Gourmet Pizza
- Pizza Capers
- The Coffee Guy



- ✓ RFG is also supplier and roaster of coffee and affiliated products in excess of 1.35m kilograms annually, supplying both the Brand Systems and an expanding external customer base



- ✓ Franchise Outlets: 1,374 franchise outlets predominantly in Australia and New Zealand ⁽¹⁾



- ✓ ASX Index: ASX 300 (admitted March 2013)

- ✓ Market capitalisation: \$541m ⁽²⁾

- ✓ Enterprise value: \$640m ⁽²⁾

- ✓ Total Shareholder Return: 59.7% ⁽¹⁾



- ✓ Dividend Yield: 6.8% gross ⁽³⁾



(1) As at 30 June 2013

(2) As at 26 August 2013

(3) Based on FY13 interim & FY13 final dividends, and closing share price of \$4.15 as at 26 August 2013

FY13 Headlines



✓ Financial Headlines:

- TSR: ⁽¹⁾ ⁽²⁾ 59.7% (1 year)
- Core NPAT: \$34.3m (up 13.3% on PCP)
- NPAT CAGR: 28.9% (since listing in 2006)
- Dividends: ⁽¹⁾ 19.75 cps (up 12.9% on PCP) maintaining dividend payout ratio on Core NPAT at circa 75%
- Net debt: \$94.3m with cash and facility headroom of \$40.7m
- Gearing: Conservative gearing ratio of 29.6% and interest coverage of 7.4 times
- Cash flow: Net cash inflows from operating activities of \$31.1m



✓ Growth in core earnings a product of a resilient business model fortified by astute acquisitions, comprising:

- Positive EBIT contributions from FY13 acquisitions, and
- Earnings from existing Brand Systems & coffee roasting activities.



✓ Board renewal:

- Colin Archer – appointed Chairman (May 2013)
- Stephen Lonie – non-executive Director appointment (June 2013) with extensive business and corporate governance experience, including senior Board positions on ASX Listed and private entities

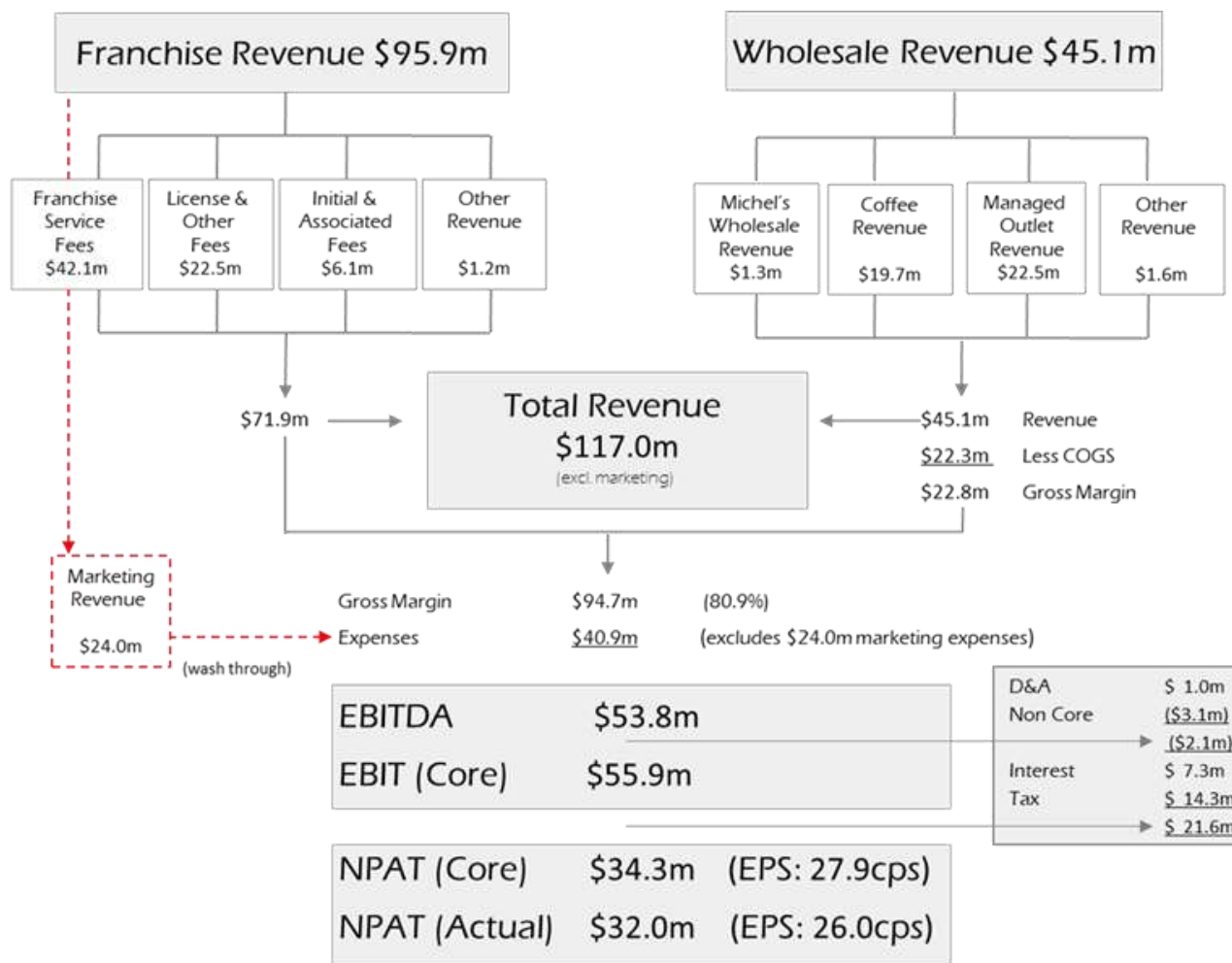


(1) Based on FY13 interim dividend of 9.5 cps and FY13 final dividend of 10.25 cps

(2) Total Shareholder Return (TSR) for the 12 months to 30 June 2013

FY13 Financial Highlights

(1 of 3)

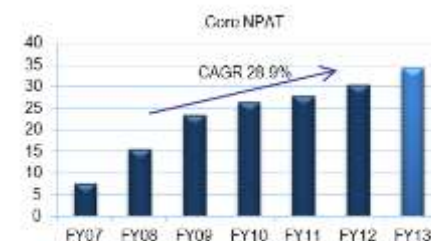


FY13 Financial Highlights

(2 of 3)



- ✓ Core EBIT of \$55.9m represents 11.7% increase on PCP (\$50.1m) comprising:
 - Positive EBIT contributions from 1H13 acquisitions
 - Resilient Brand Systems & coffee roasting activities
 - Notwithstanding:
 - Significant expense due to operation of Michel's bakeries and provision of financial support to Michel's Queensland franchisees, and
 - Brumby's savoury supply challenges
- ✓ Core NPAT of \$34.3 million represents 13.3% increase on PCP (\$30.3m)
- ✓ Statutory NPAT of \$32.0m (FY12:\$28.5m) includes Michel's QLD franchisee support, Michel's bakery expense and acquisition transaction costs
- ✓ Continued robust cash generation:
 - Net cash inflows from operating activities of \$31.1m realised in FY13 contributing to:
 1. Cash flow conversion to EBITDA ratio of 96.5%
 2. Increased dividend payout ratio
 3. \$11.1m in CAPEX investment to support future growth
 4. Increasing interest coverage to 7.4 times
- ✓ Fully franked FY13 dividends of 19.75 cps (up 12.9% on PCP):
 - FY13 final dividend of 10.25 cps (13.9% increase on PCP)
 - 14th consecutive bi-annual dividend increase
- ✓ Payout Ratio ⁽¹⁾ increased to:
 - 75% on Core NPAT (63% PCP)
 - 80.9% on reported NPAT (66% PCP)



(1) Based on FY13 interim & FY13 dividends of 19.75 cps

FY13 Financial Highlights

(3 of 3)



- ✓ Total Revenue increase of 14.8% to \$117.0m, attributable to:
 - 12.7% increase in Franchise revenues
 - 7.2% increase in coffee revenues
 - 52% increase in revenue from managed corporate outlets



- ✓ Franchise revenue increase of \$7.5m to \$71.9m⁽³⁾, attributable to:
 - Significant revenue contribution from Crust Gourmet Pizza acquisition (acquired October 2012)
 - Full year contribution from Pizza Capers (acquired April 2012)
 - Increased license fee receipts



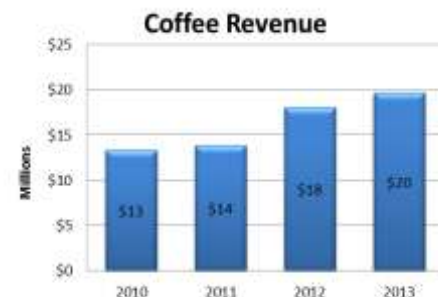
- ✓ Coffee revenue increased \$1.7m to \$19.7m, attributable to:
 - Increased sales volume into the Donut King Brand System
 - Full year contribution from Evolution Coffee Roasters (acquired September 2011)
 - Increased 3rd party wholesale Accounts



- ✓ Enhanced balance sheet:
 - Debt Facility ⁽¹⁾:
 - Net debt \$94.3m
 - Significant cash reserves and debt facility headroom (\$40.7m) to support future acquisitions and Brand System reinvestment
 - Reduced gearing ratio of 29.6% (net debt/(net debt + equity))
 - Compliance with all lending covenants comfortably maintained
 - Extension of existing facility (completed July 2013) to March 2016
 - Capital Raising ⁽²⁾ of \$53.5m via issue of 18.79m ordinary shares @ \$2.85
 - Placement: \$46.5m & SPP: \$7.0m



(1) Refer to Appendix 6 for debt facility details
 (2) Refer to Appendix 7 for capital raising details
 (3) Excludes marketing revenue of \$24m



FY13 Summary of Brand System Performance



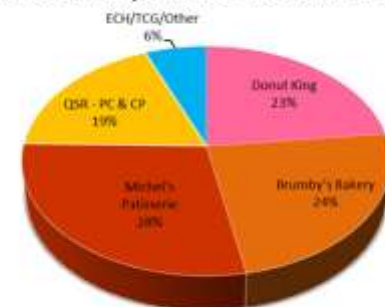
	FY13 Summary	Donut King	Brumby's Bakery	Michel's Patisserie	QSR	Other
GFR (\$m) ⁽¹⁾	84.1	18.4	17.7	27.2	14.1	6.7
FSF (\$m) ⁽¹⁾	43.2	10.5	11.0	9.4	9.8	2.5
EBITDA ⁽¹⁾	54.5	12.7	12.9	15.5	10.1	3.3
GFR/NWS	11.4%	11.1%	8.9%	15.9%	8.9%	15.4%
FSF/NWS	5.9%	6.3%	5.6%	5.5%	6.2%	5.8%
NWS (\$m)	736.7	166.3	198.3	170.4	158.3	43.3
AWS Growth (on PCP) ⁽²⁾	1.3%	4.4%	0.4%	-1.3%	1.5%	0.2%
ATV Growth (on PCP)	4.0%	6.5%	5.1%	1.4%	3.3%	2.1%
Outlet Population						
Australia	1,227	330	283	314	261	39
NZ	127	3	12	1	4	107
Other	20	12	1	2	5	0
Total	1,374	345	296	317	270	146

GFR = Franchise Revenue + net coffee contribution
 FSF = Franchise Service Fee
 BSNS = Brand System Network Sales
 AWS = Average Weekly Sales (QSR = Same Store Sales)
 ATV = Average Transaction Value
 QSR = Pizza Capers + Crust Gourmet Pizza
 Other = Esquires (including bb's Café), The Coffee Guy & sundry

- (1) Values are gross of statutory consolidation adjustments
 (2) Excludes Michel's Patisserie Old

- ✓ Superior EBITDA contribution of QSR testament to RFG's resolve to enter the gourmet pizza sector
- ✓ EBITDA contributions of the respective Brand Systems vindication of RFG's multi-revenue strategy, and reinforces RFG's 'Strength in Brands' philosophy
- ✓ Increased FY13 EBITDA contribution of QSR & Other offset by EBITDA contraction in:
 - DK: IFF discounting strategy
 - MP: Old franchise support & Bakery operations
 - Brumby's: Savoury supply issue
- ✓ c.6.5 month contribution of Crust & The Coffee Guy

FY13 Brand System EBITDA Contribution



FY13 Outlet Population



Brand System	Total Outlets	Australia	NZ	Other
Donut King	345	330	3	12
Esquires / bb's Café	90	38	52	-
Brumby's	296	283	12	1
Michel's	317	314	1	2
Pizza Capers	129	128	-	1
Crust	141	133	4	4
The Coffee Guy	56	1	55	-
Total	1,374	1,227	127	20

✓ FY13 net growth of 165 outlets:

- Record 73 new outlets commissioned, including:
 - Donut King: 19
 - Crust and Pizza Capers: 37
- 175 additional outlets via Brand System acquisition:
 - Crust: 119
 - The Coffee Guy: 56
- Outlet closures includes:
 - RFG rejection of site, renewal or lease terms: 51
 - Relocations: 8
 - Franchisee related: 16
 - Natural disaster related: 8

✓ 23 Non-Voluntary Company Stores returned to franchisee stewardship during FY13

FY13 Operational Achievements



Operational Activity:

- Non QSR Weighted AWS & Weighted ATV growth of 1.3% and 4.2% respectively on PCP⁽¹⁾
- QSR Weighted Store Sales & Weighted ATV growth of 1.5% and 3.3% respectively on PCP⁽²⁾
- New outlet commissionings: 73
- "Project EVO" significantly progressed
- Strong organic growth into respective Brand Systems, by volume and revenue, within coffee business
- Fortification of Brand System personnel complement;
 - Strategic Senior Management and Brand System Head appointments
 - Migration of Sales, Leasing & Legal functions completed
- Integration of Crust, Pizza Capers & The Coffee Guy Brand Systems complete
- Significant investment in additional franchisee support initiatives in recognition of:
 - Challenging retail trading environment; and
 - Specific Brand System and Divisional opportunities



Acquisition activity completed:

- Crust Gourmet Pizza (October 2012)
- The Coffee Guy (November 2012)
- Properties:
 - "Kensington on the Park" Apartments, Southport, Qld (February 2013)
 - Commercial Drive, Ashmore, Qld (April 2013)
 - Octal Street, Yatala, Qld (May 2013)



Commercial Drive, Ashmore

(1) Excludes Michel's Qld network

(2) Weighted Store Sales represents blended metric – Pizza Capers AWS & Crust Same Store Sales performance only

FY13 Review: QSR (Pizza Capers & Crust Gourmet Pizza) (1 of 4)



FY13 - Key Metrics	
Network Sales	\$158.3m
Weighted Store Sales Growth vs PCP	1.5%
ATV Growth vs PCP	3.3%
Gross Franchise Revenue	\$14.1m
Franchise Service Fee Revenue	\$9.8m
FY13 EBITDA Contribution	\$10.1m
Contribution to Group EBITDA	18.5%
New Outlets Commissioned	37 Outlets
Total Outlets at 30 June 2013	270 (incl. 9 international)



- ✓ FY13 EBITDA of \$10.1m exceeded guidance (of \$8.2m) by c.23%:
 - Highest EBITDA contribution per outlet amongst RFG Brand Systems
 - QSR a strong driver of future RFG EBITDA growth (c.6.5 months of Crust contribution in FY13)
- ✓ Pizza Capers & Crust segmentation strategy:
 - Successfully implemented
 - Promotes outlet proliferation, while
 - Minimising direct competition and AWS cannibalisation
- ✓ Exceptional Brand System Team under Michael Logos stewardship (OSR Divisional Director and co-founder of Crust)
- ✓ Continued focus on:
 - E-commerce & delivery
 - Product innovation
 - Outlet proliferation
 - Enhanced franchisee profitability



FY13 Review: QSR (Pizza Capers & Crust Gourmet Pizza) (2 of 4)



- ✓ Domestic category leader in gourmet pizza space



- ✓ International presence (USA, Singapore & NZ)



- ✓ Represents significant growth opportunity outside of shopping centres



- ✓ 156 additional outlets (acquisition: 119, organic: 37)



- ✓ Introduced innovative menu enhancement in both Pizza Capers & Crust



- ✓ Digital enhancement facilitating e-commerce growth



- ✓ Investment in advertising spend translating into robust results



- ✓ Franchisee margin enhancement via ingredient and supplier alignments:

- Commenced 4Q13
- Considerable leverage opportunity

- ✓ Cross pollination of respective Brand System "best practice":

- Digital
- Training
- Marketing
- Operations



FY13 Review: QSR (Crust)

(3 of 4)



- ✓ Acquisition completed October 2012
 - Acquisition price \$41m
 - Performance payment potential: \$4m



- ✓ Crust outlet population:
 - 30 June 2013: 141
 - Net growth: 22 (8 months)



- ✓ Online sales growth:
 - Increased c.70% on PCP
 - Represent c.25% of FY13 network sales (up c.56% on PCP)



- ✓ New menu launched - introduced "degustation" theme & expanded 6 product categories incl. unique pizzas, lamb ribs, black forest crumble & new pasta options



- ✓ Most successful marketing campaign in Crust history – "Sensations":
 - Largest ever above the line spend
 - Multi-channelled (outdoor, cinema, radio, social media, Facebook & sampling)
 - Strong customer count increase (2.25%) & online ATV (to c.\$40)
 - Increased digital visitation to 832,045 unique visits



- ✓ Successful venture into mass event catering at Melbourne F1 Grand Prix:
 - 10,000+ pizza slices sold
 - Confirmed quick service model for future mobile catering events
 - Doubled as unique product sampling opportunity and customer conversion platform



- ✓ Acquired Crust Queensland Master Licence



FY13 Review: QSR (Pizza Capers)

(4 of 4)



- ✓ Pizza Capers (Capers) outlet population:
 - 30 June 2013: 129
 - Net growth: 11



- ✓ Peter Jones appointed Capers Brand System Managing Director:
 - Extensive pizza experience (Domino's Australia, NZ & Middle East)
 - Corporate store management expertise
 - Expertise in territorial development and operational best practice



- ✓ Biggest menu change in Capers history:
 - 4 defined price points
 - New lunch-time 'artisan' range
 - Innovative toppings incl. "pork belly, scallops and chorizo" & "bourbon chicken & bacon"
 - Enhancement of franchisee gross margin



- ✓ ATV increase 5.7% on PCP
- ✓ Online sales increased 100% (to 16% of Network Sales)
- ✓ Delivery increased 33% (to 25% of Network Sales)
- ✓ Awarded Canstar Blue "Most Satisfied Pizza Customers" for 3rd year running
- ✓ "Little Ice Cream Shoppe" launched driving 142% increase in desert sales over PCP
- ✓ "Sliced" concept:
 - Developed
 - Commissioned within Esquires outlet



FY13 Review: Donut King

(1 of 4)



FY13 - Key Metrics	
Network Sales	\$166.3m
AWS Growth vs PCP	4.4%
ATV Growth vs PCP	6.5%
Gross Franchise Revenue	\$18.4m
Franchise Service Fee Revenue	\$10.5m
FY13 EBITDA Contribution	\$12.7m
Contribution to Group EBITDA	23.2%
New Outlets Commissioned – FY13	19 Outlets
Total Outlets at 30 June 2013	345 (incl. 15 international)



- ✓ Excellent AWS & ATV growth:
 - Project EVO product back-fill
 - Refurbishment traction (with Project EVO initiatives incorporated)
 - Increased coffee revenue for 4th successive year
- ✓ EBITDA contracted 9.1% vs PCP:
 - Attributable to FY13 model variation (substitution of initial and other fees for long term Franchise Service Fee growth)
- ✓ 19 outlets commissioned
 - 9 more than FY12
 - New store development (& refurbishment program) delayed in 2H pending EVO implementation
- ✓ Outlet closures (23) influenced by unsatisfactory lease offers or premises not suiting EVO vision

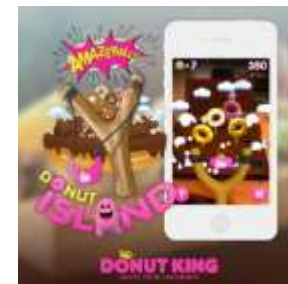


FY13 Review: Donut King

(2 of 4)



- ✓ EVO initiatives influence market position relevance, outlet, AWS & ATV growth:
 - Fresh & exciting
 - New store design
 - Menu extension (incl. savoury category)
 - Fun & interactive experience via digital technology & brand communication
 - Menu built on customisation - "Make It Your Way"
- ✓ First DK EVO concept store commissioned (December 2012)
 - AWS continues to trend at 58% above Donut King outlets positioned in comparative neighbourhood centres
- ✓ DK EVO now in 5 outlets:
 - 3 new – trading 60%+ above FY13 AWS
 - 2 refurbishments – trading c.16% above prior format
- ✓ Backfilled EVO elements into existing network:
 - Supported AWS growth
 - Proliferation of "toasties" – Now represented in c.60% of network
- ✓ Increase in wholesale coffee supply ("Royal Bean"):
 - 12.3% increase in net coffee contribution
 - Driven by baristas & marketing initiatives
- ✓ Launched first augmented reality app with "Amazeballs" game:
 - Supported launch of "Amazeballs" donuts
- ✓ Reached 224,000 fans on Facebook (c. 92% increase on PCP)



From this.... (3 of 4)

DONUT KING



To this.... (4 of 4)

donut
king.





FY13 - Key Metrics	
Network Sales	\$170.4m
AWS Growth vs PCP	(2.2)% (1.3)% excluding Old Network
ATV Growth vs PCP	1.4%
Gross Franchise Revenue	\$27.2m
Franchise Service Fee Revenue	\$9.4m
FY13 EBITDA Contribution	\$15.5m
Contribution to Group EBITDA	28.4%
New Outlets Commissioned – FY13	7 Outlets
Total Outlets at 30 June 2013	317 (incl. 3 international)



- ✓ Reduced Michel's EBITDA contribution (of 11.2%) to \$15.5m; however:
 - Turnaround commenced 4Q13
 - EBITDA contribution per outlet 2nd only to QSR
 - Significant improvement forecast in FY14
- ✓ Franchisee & Brand System performance adversely impacted by independent bakery failures (acute in Old):
 - Franchisees:
 - Reduced menu offer
 - Reduced product
 - Decreased AWS
 - RFG:
 - Financial and other assistance to franchisees
 - Incurred bakery and allied costs
 - Decreased Gross Franchise Revenue
- ✓ New store development and refurbishment program:
 - Delayed to 2Q14 pending EVO implementation; and
 - As a consequence of bakery supply failure.
- ✓ Outlet closures (17) influenced by unsatisfactory lease offers or premises not suiting EVO vision



FY13 Review: Michel's Patisserie

(2 of 5)



- ✓ Steven Pagett appointed Brand System Managing Director:
 - Former Brumby's Bakery Managing Director
 - Developed and executed enhanced Brumby's franchisee re-engagement and alignment program
 - Experience & skillsets necessary to commission EVO initiatives and National Bakery Solution



- ✓ Project EVO:
 - Format created to extend footprint into strip locations
 - Re-formulated brand essence based on leading European patisserie trends, coffee & retail excellence incorporating:
 - New store design
 - French patisserie inspired brand & product refresh
 - Reinvigorated cake range
 - Menu extension into lunchtime trade (sandwiches & savoury)
 - Heightened coffee experience (incl. Level 4 Baristas)
 - Facilitation of National Bakery Solution (incl. frozen model & in-store cake customisation)



- ✓ First EVO outlet commissioned 31 July 2013 in Lilydale, Victoria (based on 3 weeks trade):
 - 65% increase on FY13 AWS
 - 85% increase on FY13 Top 10 comparable sub-regional AWS



- ✓ Launched Michel's most successful coffee campaign:
 - 102,755 free coffees given away
 - 3.9% increase in customer count
 - Consumers rated Michel's coffee 4.5/5



- ✓ Won Roy Morgan "Coffee Shop of the Year" (CY12) - for the second year in a row



- ✓ Finalist - Australian Retailers Association 'Retailer of the Year' Awards (only finalist from coffee shop/café industry)



From this.... (3 of 5)



To this.... (4 of 5)
(Michel's Lilydale)



FY13 Review: Michel's National Bakery Solution

(5 of 5)



- ✓ Tullamarine, Victoria facility commissioned (December 2012):
 - Underpins Victorian National Bakery Solution
 - Includes and consolidates RFG Victorian State Offices
 - Incorporates freezer, cool room and finishing stations



- ✓ Yatala, Qld facility (acquired May 2013):
 - Underpins Qld transition to National Bakery Solution
 - Allows development/centralisation of Qld warehousing supply chain
 - Opportunity for net operating savings of c.\$250k pa
 - Refurbishment being undertaken
 - Operational in 2Q14



- ✓ Yatala facility incorporates:
 - Extensive cold & frozen storage
 - Manufacturing areas & specialised delivery docks
 - Product innovation centre to facilitate:
 - Menu diversification
 - Product margin enhancement programs
 - 2nd coffee roasting facility
 - Powders, chocolates & syrups section



- ✓ Frozen Product Range:
 - R&D substantially completed
 - Majority products commissioned
 - Victorian network rollout commenced with select product range
 - Positive franchisee and customer feedback



- ✓ Rollout of in-store freezers commenced in Qld and Vic markets



Octal Street, Yatala

FY13 Review: Brumby's Bakery

(1 of 2)



FY 13 - Key Metrics

Network Sales	\$198.3m
AWS Growth vs PCP	0.4%
ATV Growth vs PCP	5.1%
Gross Franchise Revenue	\$17.7m
Franchise Service Fee Revenue	\$11.0m
FY13 EBITDA Contribution	\$12.9m
Contribution to Group EBITDA	27.7%
New Outlets Commissioned – FY13	4 Outlets
Total Outlets at 30 June 2013	296 (incl. 13 international)



- ✓ 1H13 performance significantly impacted by third party (savory product) supply issues:
 - 1.1% AWS decrease
 - Decrease in franchise revenue

- ✓ FY13 Result commendable:
 - Reversal of AWS contraction in 1H13 to 0.4% full year growth
 - Gross Franchise Revenue contracted 7.3%, however
 - EBITDA decline limited to 1.2% due to:
 - Improvement in franchise operation standards
 - Improvement in compliance
 - Reduction in financial support to non compliant franchisees

- ✓ New store development and refurbishment program delayed to 3Q14 pending EVO implementation

- ✓ Outlet closures (26) influenced by unsatisfactory lease offers or premises not suiting EVO vision



FY13 Review: Brumby's Bakery

(2 of 2)



- ✓ Kevin Waite appointed Brand System Managing Director:
 - Seasoned QSR MD with extensive international multi-brand experience including:
 - New brand development
 - Brand transformation
 - Strategic brand growth



- ✓ Most successful GO! outlet opened - (peak week of retail sales: \$55,000)



- ✓ Sandwiches launched - network up-take 50% and backfill continues



- ✓ "\$5.90 Tradie" promotion & \$2 up-sell drove 13% unit increase across hot cabinet, beverage & sweet categories (after rectification of supply issue)



- ✓ Launched "Bakery Master Classes" - Channel 7 coverage



- ✓ Robust Easter - 50% sales increment on PCP



- ✓ "Footy Finals" app - drove 7% increase in Facebook fans



- ✓ Project EVO:
 - Strategy completed
 - Consumer research completed
 - Brand and menu development commenced
 - Store design and operational enhancements in development
 - First traditional outlet scheduled for commissioning December 2013
 - First GO! outlet scheduled for June 2014



FY13 Review: Esquires, The Coffee Guy, External Wholesale Coffee



FY13 - Key Metrics	
Network Sales (Esquires & The Coffee Guy)	\$43.3m
AWS Growth vs PCP	0.2%
ATV Growth vs PCP	2.1%
Gross Franchise Revenue	\$6.7m
Franchise Service Fee Revenue	\$2.5m
New Outlets Commissioned – FY13	6 Outlets
Total Outlets at 30 June 2013	
- Esquires	90
- The Coffee Guy	56

- ✓ Esquires:
 - 38 Australia (includes 33 bb's Café)
 - 52 New Zealand (includes 12 bb's Café)
- ✓ The Coffee Guy (TCG):
 - 1 Australia
 - 55 New Zealand
- ✓ EBITDA \$3.3m:
 - TCG (7 months) & Esquires: \$2.47m
 - NZ & Australia 3rd party coffee supply: \$0.85m
 - 6.1% contribution to Group EBITDA



FY13 Review: Esquires Coffee

(1 of 3)



- ✓ Project EVO platform for Australia and New Zealand finalised:
 - Re-formulated brand built on leading trends, coffee excellence, technology & sustainability:
 - Individual and unique store design with strong theming
 - Boutique café menu
 - Excellence in coffee via qualified baristas & superior bean quality
 - Cutting edge technology (incl. Wi-Fi, iPads, loyalty app etc.)
 - Reformulated beverage (hot & cold) range to meet changing consumer trends
 - Phase 1 of food invigoration initiative commissioned
- ✓ Currently five EVO outlets commissioned:
 - Australia
 - Enclosed shopping centre traditional outlet (Canelands)
 - Café & Drive Thru incorporating Pizza Capers "Sliced" Concept (Coomera)
 - 8m² 'Hole in the Wall' (Oxenford)
 - New Zealand
 - Shopping centre traditional outlet (Northwood)
 - Café & Drive Thru (East Tamaki)
- ✓ AWS growth in respect of full concept EVO outlets (over FY13 AWS):
 - Australia: 11%
 - New Zealand: 58%
- ✓ bb's Café conversion to Esquires:
 - Conversion format established
 - Australian conversions commenced
 - NZ conversions to be accelerated in 2H14
 - RFG to provide financial assistance to drive program



From this....



From this....



To this....



FY13 Review: The Coffee Guy



- ✓ Acquisition of New Zealand domiciled Brand System:
 - Completed in November 2012 (AUD \$4.1m)
 - NZ market leader in mobile vans
 - 55 outlets
 - Low cost investment
 - Fixed weekly fee
 - Attractive to semi-retired and/or part-time franchisees
 - Potential to increase fixed site outlet population



- ✓ Australian launch:
 - Brand System acquired to proliferate Australian market
 - Supply chain completed
 - Brand System Manager appointed
 - Extensive mobile coffee franchisee sales experience
 - Launched mobile concepts in Australia, UK and USA
 - First van commissioned
 - Proprietary Australian Mobile van undergoing final compliance and certification
 - Organic rollout to commence 3Q14
 - Strong consolidation opportunity
 - Acquisition opportunities being investigated
 - Extends to associated food and beverage concepts



FY13 Review: Wholesale Coffee



- ✓ Roasting facilities:
 - Evolution Coffee Roasters - NZ
 - Caffé Coffee – Australia
 - Facilities service:
 - RFG Brand Systems – 80% of roasted coffee
 - 3rd party wholesale supply – 20% of roasted coffee



- ✓ Green Bean purchases increased c. 10% on PCP:
 - Caffé Coffee - c.73% of production
 - Evolution – c.27% of production



- ✓ Annualised coffee and allied beverages through put now exceeds 1,350 tonnes



- ✓ Purpose-built (chocolate) powder blending room:
 - Being commissioned at Yatala facility
 - Operational date scheduled for 3Q14
 - Will supply RFG Brand Systems and 3rd party Accounts



- ✓ New packaging machine & commercial coffee grinder recently commissioned in New Zealand:
 - Driving increased 3rd party wholesale supply
 - Increasing productivity
 - Gaining new markets and Accounts



- ✓ 3rd party wholesale supply gaining traction:
 - Strengthened management at both facilities
 - Increased sales representation
 - Increased marketing of Wholesale Brands



evolution
COFFEE ROASTERS



3rd party Wholesale Brands

Baristas Choice - Australian Coffee

Roasted Addiction - NZ Coffee

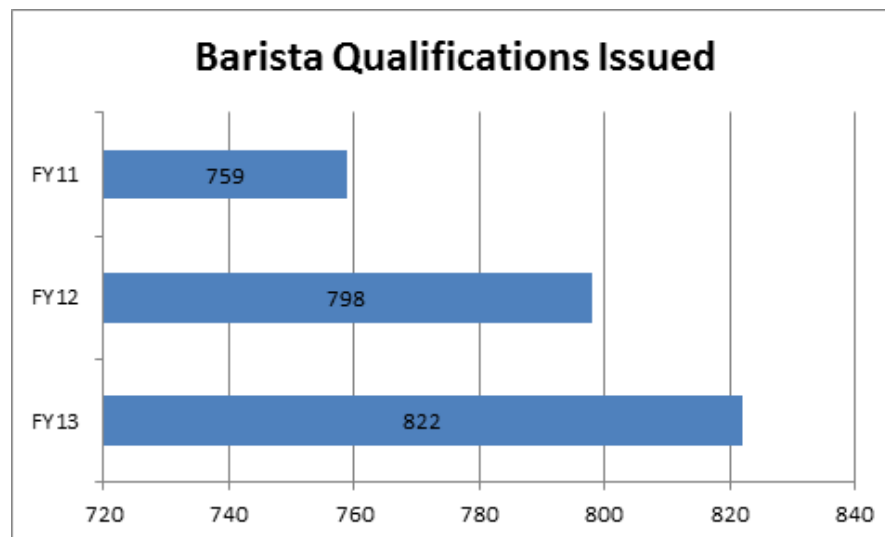
Evil Child - NZ Drinking chocolate

FY13 Review: Coffee Excellence



✓ Excellence in coffee:

- Franchise coffee sales continues to excel with
 - 7.4% increase in EBITDA contribution (to \$11.4m)
 - 13% increase in net franchise margin contribution (to \$12.56m)
- Record 1,990 Coffee Makers/Baristas certified via RFG's Proprietary Barista Training Platform
- Michel's increased in-store coffee makers/Baristas from 524 to 900
- Dedicated Brand System coffee trainers introduced - delivering superior outcomes
 - Southport National Training Academy and
 - Geographically based (Australia and New Zealand)
- Highest number of entrants to RFG Inter-Brand System coffee making competition "Espresso Perfecto" (up 38% on PCP)
- Development of enhanced Barista accreditation (level 4 excellence)



RFG Coffee Awards



- ✓ Michel's Patisserie won Roy Morgan "Coffee Shop of the Year" in 2012 for the second year running



- ✓ Donut King won Roy Morgan "Coffee Shop of the Month" 4 times in 2012



- ✓ Golden Bean - Donut King – Bronze Medal - *Chain Store/Coffee Franchise (Milk Based)*



- ✓ Golden Bean - Michel's Patisserie – Runner Up – *Overall Franchise/Chain Winner*



- ✓ Golden Bean - Michel's Patisserie – Gold Medal – *Chain Store/Coffee Franchise (Milk Based)*



- ✓ Caffe Coffee - maintained six sigma quality (99.99966% of orders satisfied accurately)



RETAILFOODGROUP

STRENGTH IN BRANDS



FY14 Growth Platform & Strategic Initiatives

QSR – Growth Platform



✓ Crust Brand System:

“FY14 will witness sustained domestic growth for Crust, along with increased focus on our international markets. We will continue to focus on extracting enhanced online sales and execution of the brand’s largest marketing campaign to date, including mobile catering and “experiential” activations”

(Michael Rose, Crust Brand System Managing Director)

- Aggressive rollout of domestic outlets (Project QSR400)
- Renewed focus on international markets
- Implementation of new digital platform (incl. best of breed loyalty system)
- Mobile catering & experiential campaigns
- Brand re-articulation scheduled for 2H15



✓ Pizza Capers Brand System:

“During FY14, Pizza Capers will concentrate on operational systems enhancement coupled with a fanatical focus on exceeding our customers’ expectations, digital innovation and initiatives, whilst introducing more new and amazing pizzas, sides and deserts”

(Peter Jones, Pizza Capers Brand System Managing Director)

- Focus on outlet growth - to outperform FY13
- Enhancement of ecommerce channels (incl. mobile & digital apps)
- Menu refinement
- Operational systems improvement
- Application of Project EVO scheduled late CY14



QSR – Project QSR 400



- ✓ Targets accelerated QSR gourmet pizza outlet growth:
 - 340 outlets by 30 June 2014
 - 400 outlets by 3Q15



- ✓ 100+ new territories identified:
 - 65 sites under active consideration of which
 - 13 are committed & 26 are subject to formal offer
 - 10 are under construction (8 franchised/2 corporate)



- ✓ c.\$18m gross investment over project term (net investment peak c.\$12m in 1Q15)
 - Includes provision (\$3m) for 18mth corporate outlet maturity profile
 - Represents investment quantum of c.\$140k per outlet commissioned
 - Compares favourably to QSR per outlet acquisition investment (Crust: c.\$370K Pizza Capers: c.\$270K)
 - End of project term net investment c.\$10m



- ✓ Accelerated outlet growth achieved by:
 - Incentivised fee arrangements
 - Stimulation of MSO (Multi-Site Owner) initiatives
 - Direct investment in corporate owned outlets pending franchising
 - 'Bolt on' acquisition activity



- ✓ Management Structure fortified to facilitate significant increase in outlet population:
 - Restructure of Corporate Retail Division – Julie Bromley (Executive Management Team Member) appointed Divisional Head
 - New QSR Management Level – Brand System General Managers – focused on corporate outlets
 - Dedicated Project Team commissioned



- ✓ Unique & compelling opportunity to leverage RFG resources & expertise:
 - Will deliver c.130 outlets in new markets
 - Drives franchise revenue, scale & efficiencies not otherwise available
 - Cements RFG as market leader in QSR gourmet pizza segment



Donut King – Project EVO & FY14



- ✓ First 'store of the future' established Dec 12



- ✓ EVO successfully incorporated into 5 outlets:
 - New outlet AWS >60% Brand System average
 - Refurbished outlet AWS growth trending at c.16%



- ✓ EVO concepts backfilled into network where appropriate including:
 - Extension of savoury & cold beverage lines
 - Enhanced brand & digital platforms
 - Will continue to drive AWS growth in FY14



- ✓ EVO blueprint to be applied to future outlets/refurbishments:
 - 22 new outlets forecast for FY14; and
 - c. 22 refurbishments



- ✓ Donut King now has ability to be destination driven:
 - Pilot drive-thru scheduled for 3Q14
 - Incorporates drive-thru, 'play park' & extended menu



"Donut King is looking forward to reaping the rewards of several years intensive work aimed at re-invigorating our iconic Australian brand. This behind the scenes work culminates in Donut King's formal Brand relaunch in September 2013 – an event we are looking forward to with much excitement"

(Gary Best, Donut King Brand System Managing Director)

Michel's Patisserie – Project EVO & FY14



- ✓ Launched 'store of the future' in July 2013 (Stockland Lilydale):
 - Culmination of 3 year investment
 - Showcases majority of EVO initiatives (incl. 'frozen model')
 - Initial trading exceptional:
 - >65% above national FY13 AWS
 - 85% above Top 10 comparable MP outlets
 - Anticipate AWS settling at:
 - c.40% above national FY13 AWS
 - c.55% above Top 10 comparable MP outlets
- ✓ EVO principals to be applied to new outlets & refurbishments:
 - 14 new outlets forecast for FY14
 - Skewed to 2H14
 - c.25% of network to be refurbished to EVO standard over 18mths
- ✓ EVO initiatives backfilled into remaining network:
 - 2Q14 commencement
 - Anticipated to drive AWS/ATV consistent with Donut King experience
- ✓ National Bakery Solution – further traction in FY14 including:
 - Yatala facility to be commissioned 2Q14;
 - Transition in Qld/Vic markets with:
 - Pilot of in-store decoration stations; and
 - Rollout of in-store freezers to selected outlets



"With Michel's new concept store now launched & sales far exceeding expectations, we have a model that will take us into the future. The next 12 months will represent exciting times for the brand as we convert many of our existing outlets to our new look whilst introducing innovative products for the entire network"

(Steven Pagett, Michel's Brand System Managing Director)

Brumby's Bakery – Project EVO & FY14



- ✓ Initial EVO phases nearing completion:
 - Traditional concept 'store of the future' – due Dec 13
 - GO! concept 'store of the future' – due June 14



- ✓ EVO contemplates:
 - New store designs;
 - Revitalised brand "look & feel"
 - Extended menu
 - Focus on reducing franchisee entry cost
 - Extension into 'grab & go' locations (GO! concept)



- ✓ FY14 new outlet budget of 14



- ✓ Refurbishment traction anticipated FY15 post EVO



- ✓ Pending full EVO implementation, Brumby's will be driven by:
 - New product development
 - Enhanced 'above the line' marketing
 - Renewed focus on operational excellence
 - Iconic 'Brand Ambassador' appointment (Sept 13)



"FY14 will see the biggest transformation in Brumby's for over 20 years with the launch of class leading new concept stores and the introduction of an iconic Australian as brand ambassador. Both of these ground breaking initiatives will be underpinned by breakthrough marketing and franchisee centric operations"

(Kevin Waite, Brumby's Brand System Managing Director)

Esquires – Project EVO & FY14



- ✓ Project EVO initiatives have enjoyed success driving double digit growth in AWS



- ✓ Development program forecast:
 - 6 new outlets forecast for FY14
 - 15 refurbishments



- ✓ Continued focus on:
 - Converting bb's Café to Esquires
 - Increasing drive-thru & 'Hole in the Wall' concepts
 - Increasing Esquires awareness
 - Increasing in-store coffee experience
 - Food that is fresh, boutique & inspiring



- ✓ Pilot of Pizza Capers "Sliced" concept in Esquires Coomera



"The Esquires brand is on a journey to carve out its own niche in the coffee market. We are committed to providing coffee drinkers premium barista crafted coffee and freshly made café inspired food via convenience channels including drive thru, 'hole in the wall' and traditional concepts"

(Khim Puseman, Esquires/bb's Café Brand System Manager)

Project EVO Timeline



BRAND SYSTEM	STRATEGY DEVELOPMENT	RESEARCH	CONCEPT DEVELOPMENT	LAUNCH	TRIAL / RE-ARTICULATE	BACK-FILL
Donut King	✓	✓	✓	DEC 12	✓	FY14
Esquires	✓	✓	✓	DEC 12	✓	FY14
Michel's Patisserie	✓	✓	✓	JULY 13	✓	FY14
Brumby's Bakery	✓	✓	✓	1H14		
Brumby's GO!	✓	✓	✓	2H14		
Pizza Capers	✓			1H15		
Crust Gourmet Pizza	✓			2H15		

- ✓ Key brand concepts to be showcased at the RFG International Franchise Conference in Sept 2013;
- Over 1000 delegates to be in attendance across all RFG Brand Systems
 - Showcasing the latest Evo "Stores of the Future" including:
 - New product range, branding, packaging, uniforms and other
 - Store design, layout, theming, colour pallet, livery, theatre and digital engagement
 - Excellent platform to accelerate franchisee refurbishment program



EVO Rollout – Franchisee Financial Accommodation



- ✓ RFG motivated to accelerate:
 - EVO conversions; and
 - New outlet growth



- ✓ Financial accommodation will be afforded to franchisees, including:
 - Suspension of initial or other fees
 - Traditional funding & interest
 - Traditional funding with repayment terms subject to pre-determined KPIs
 - Deal specific Franchise Service Fee increase



- ✓ c.\$12m investment anticipated over 18 months to assist:
 - New franchisee entry
 - EVO platform conversion
 - Transition to Michel's National Bakery Solution



- ✓ Consistent with Project QSR400, Project EVO funding initiatives:
 - Represent superior use of resources/capital
 - Will ultimately procure enhanced
 - Outlet growth
 - Franchise revenues
 - Positive Stakeholder outcomes (franchisees and RFG shareholders)
 - Provides benefits not otherwise achievable in comparable time frame



Coffee & Allied Beverages Strategy



✓ Notwithstanding strong historical growth, coffee opportunity remains untapped:

- Segmentation strategy implemented incorporating
 - Boutique roasting blends
 - Convenience driven channels
 - Vertical integration of allied products
 - Expanded third party wholesale business



✓ 2H14 scheduled commissioning of new roaster at Yalata facility providing:

- Increased growth capacity
- Redundancy option for existing roaster (Granville, NSW)
- Distribution advantages



✓ Appointment of Scott Roworth (Head of Strategy & New Business):

- Extensive Senior Management, Legal and Franchisee positions
- Drive coffee & beverage strategy, including
 - Acquisition opportunity (incl. boutique premium brands)
 - Allied products (including powders, chocolates & syrups)
 - Optimisation of RFG 'scale'



✓ The Coffee Guy represents one element of strategy:

- Drives wholesale channel & entry into new markets
- Opportunity for mobile coffee industry consolidation



✓ Coffee excellence amongst Brand Systems via:

- Enhanced training
- Innovation
- Re-positioning as "coffee experts"



Acquisitive Activity



- ✓ Board mandated conservative & measured approach; however
 - Acquisition opportunity remains significant growth platform
 - Historical performance a testament to 'strength in brands' strategy



- ✓ Plethora of acquisition opportunity exists within:
 - Franchise industry
 - Markets allied to existing business
 - Coffee assets
 - Vertical integration opportunities



- ✓ During CY13, RFG has undertaken:
 - Extensive due diligence enquiry on 4 acquisition/growth opportunities
 - Investigated numerous other businesses



- ✓ Whilst above have not translated into formal transactions, RFG:
 - Remains focused on growth via acquisition
 - Is presently identifying/investigating numerous acquisition opportunities
 - Will continue to seek out complementary businesses which are capable of:
 - Fortifying earnings
 - Increasing supply-side scale; and
 - Enhancing the number of Brand Systems & outlets under stewardship



Property Portfolio Facilitating Growth



- ✓ Commercial Drive, Ashmore:
 - Fitout completion scheduled Sept 13
 - Accommodates present business and future acquisitive growth
 - Affords efficient relocation of personnel & support functions



- ✓ "Kensington on the Park", Southport:
 - 4 apartments acquired 3Q13
 - Affords opportunity for flexible training solutions
 - Offers scope to reduce annual corporate travel costs



- ✓ Octal Street, Yatala:
 - Handover scheduled 2Q14, facilitating:
 - Development/centralisation of Michel's supply chain
 - National Bakery Solution in Qld (incl. frozen model)
 - Commissioning of 2nd coffee roaster
 - Specialised Barista training
 - Product innovation centre & test kitchen



- ✓ National Training Academy, Southport:
 - FY14 expansion to accommodate:
 - Expanded coffee focused training capability (up to 20 espresso machines)
 - Improved training competencies amongst Project EVO initiatives & menu innovation (incl. Michel's National Bakery Solution)
 - Dedicated 'brand first' QSR training facilities, which support
 - Project QSR400 initiative &
 - Increasing QSR training demands



"Kensington on the Park", Southport



Capital Management & Outlook



Capital Management:

- ✓ RFG has multiple capital management opportunities given:
 - Strong net free cash flow generation
 - Robust share price
 - Cash & Senior Debt Facility headroom of c.\$40m
 - Strong banking relationships
- ✓ Absent significant acquisition execution:
 - All existing growth initiatives to be funded by cash or existing debt facilities
- ✓ RFG will keep market informed of acquisitive developments & revision of funding position



Outlook:

- ✓ RFG remains extremely enthusiastic & confident of prospects given:
 - Significant momentum generated in FY13
 - Strategic corporate enhancement
 - Establishment of extensive management team
 - Appointment of exceptional Brand System and Divisional Heads
 - Acquisitive opportunity
 - Vindication of 'strength in brands' model post ASX Listing
- ✓ However, FY14 challenging & unpredictable given:
 - Continued economic & retail trading headwinds
 - Continued Michel's bakery challenges
 - Short term departure from 'franchise only' model (ie Project QSR400)
- ✓ Notwithstanding the above, RFG provides Guidance as follows:
 - FY14 Statutory NPAT growth c.15%
 - Consistent with FY13, performance will be skewed to 2H
 - Status and update (including traction in respect of QSR400) to be provided at time of 1H14 Results publication



Appendices



Appendix 1 – Core Earnings Reconciliation



Appendix 2 – Earnings Performance



Appendix 3 – Cash flow Performance



Appendix 5 – Debt Structure



Appendix 6 – Capital Management



Appendix 1 – Core Earnings Reconciliation



Reconciliation of Statutory result to 'Core Earnings'



	FY13 \$'m	FY12 \$'m
Statutory EBIT	52.8	47.5
Administration of failed Michel's supplier operations (including direct financial assistance provided to franchisees)	2.1	1.7
Corporate restructuring & redundancy costs	0.2	0.7
Acquisition transactions costs	0.7	-
Other	0.1	-
Loss on cash flow hedges (interest rate swaps)	-	0.2
EBIT from 'Core Operations'	55.9	50.1
Statutory NPAT	32.0	28.5
Post-tax impact of non-core EBIT adjustments	2.3	1.8
NPAT from 'Core Operations'	34.3	30.3

'Core' EBIT & 'Core' NPAT are non-IFRS profit measures used by management and the directors to assess the underlying performance of the Group

Total Revenue – excludes revenue derived from marketing activities (FY13: \$24.0m; FY12: \$14.5m; FY11: \$15.7m; FY10: \$15.4m; FY09: \$12.6m)

Cash Generating Units (CGU) – in the FY13 Preliminary Final Report RFG identified 7 CGU for the purposes of impairment testing, being 6 CGU attributable to Brand Systems (Donut King, Michel's Patisserie, bb's/Esquires, Brumby's Bakery, QSR [Pizza Capers & Crust Pizza] and The Coffee Guy), and Evolution Coffee Roasters forming the 7th CGU

Appendix 2 – Earnings Performance



	FY13 \$'m	FY12 \$'m
Revenue from franchising operations	95.9	78.9
Revenue from wholesale / retail operations	45.1	37.5
Cost of sales	141.0	116.4
Gross margin	(22.8)	(20.1)
Gross margin %	118.2	96.3
Operating & Overhead expenses	83.8%	82.7%
Marketing expenses	(40.2)	(33.3)
Other gains and losses	(24.2)	(14.5)
EBITDA	-	(0.1)
Depreciation	53.8	48.4
EBIT	(1.0)	(0.9)
Interest expense	52.8	47.5
EBT	(7.3)	(7.0)
Income tax expense	45.5	40.5
NPAT	(13.5)	(12.0)
Earnings per share	32.0	28.5
Dividends per share	26.0 cps	26.4 cps
	19.75 cps	17.5 cps

- ✓ Franchise, licensing & other fees up 12.7% to \$73.0m, reflecting contributions from acquisitions 1H13 (Crust & The Coffee Guy), organic growth, and licence fee renewals
- ✓ Wholesale coffee revenues up 7.2% to \$19.7m, reflecting organic growth in system sales and contract roasting
- ✓ Additional retail revenue attributable to non-voluntary company owned stores and Project Evo pilot outlets
- ✓ Operating expense increase attributable to business acquisitions, Michel's bakery management, and an increase of corporate outlets during FY13; specifically an additional \$1.7m was incurred on Michel's bakery management and assistance provided to Michel's Patisserie franchisees in affected regions
- ✓ "Other" losses reduced to nil on expiration of interest rate swap contracts
- ✓ Interest expense increase attributable to increased average net debt in FY13 compared to PCP and the interest rate swap tail off in 1H13, offsetting a reduction in the FY13 effective interest rate compared to PCP.
- ✓ Record Statutory NPAT of \$32.0m achieved, representing a 12.1% increase on PCP, and includes Michel's supply chain costs and acquisition transactions costs incurred.
- ✓ Strong earnings performance and operating cash flows supports an increasing dividend payout ratio

Appendix 3 – Cash Flow Performance



	FY13 \$'m	FY12 \$'m
Receipts from customers	150.3	120.6
Payments to suppliers and employees	(98.4)	(77.4)
Gross operating cash flows	51.9	43.2
EBITDA	53.8	48.4
Ratio of gross operating cash flows to EBITDA	96.5%	89.3%
Interest and other costs of finance paid	(7.0)	(7.2)
Income tax paid	(13.8)	(11.7)
Net operating cash inflows	31.1	24.3
Dividends paid	(22.2)	(17.3)
Debt reduction	(11.0)	(10.0)
Acquisitions of business and intangibles	(38.3)	(33.2)
Acquisition of property, plant & equipment	(11.1)	(1.0)
Net capital raising	52.7	0.7
Proceeds from borrowings	9.0	35.4
Funding Marketing Fund R&D initiatives	(5.4)	-
Other cash activities	(0.8)	(1.3)
	(27.1)	(26.7)
Net (decrease) / increase in cash reserves	4.0	(2.4)
Cash reserves at year end	16.8	12.8

✓ Continuing strong cash flows – a feature of RFG's business model – supported by balanced investment and financing activities







✓ 96.5% conversion of operating cash flow into EBITDA reflects "real" cash earnings of the business

✓ Operating cash flows used to fund the increased scale of Michel's Bakery operations, and increased short-term funding of Marketing & Innovation programs undertaken by the marketing funds

✓ Excess free cash derived from operations and capital raising used to fund

- Acquisition of Crust & Coffee Guy franchise systems
- investment in property, plant & equipment including property acquisitions to support growth, and fit out of purpose built bakery & distribution facility in Victoria
- Increased FY13 dividend payout ratio to 75.0% (on core NPAT)

Appendix 4 – Financial Position

	FY13 \$'m	FY12 \$'m	
 Assets:			
Cash reserves	16.8	12.8	✓ Significant cash holdings from superior operating cash flows to EBITDA conversion rate, notwithstanding the increase in dividend payout to \$22.2m
 Trade receivables	19.0	16.5	
Financial assets	12.7	4.7	✓ Working capital increases attributable to FY13 acquisitions, increased funding of marketing initiatives, Landlord contributions receivable on new outlets and capital funding provided to franchisees on new store openings
Inventories	5.2	3.7	
 Plant & equipment	18.7	8.3	
Intangibles	297.4	248.5	
Other	1.6	1.7	✓ Increase in intangible assets including franchise networks, brand names and trademarks, reflects FY13 acquisitions of Crust and Coffee Guy Intangible assets supported by valuations indicating significant 'headroom' (+\$122m) using conservative forecasts
	371.4	296.2	
Liabilities:			
Trade payables	10.0	6.4	
 Provisions	3.9	1.9	
Tax payable	4.8	4.9	
Borrowings	108.9	110.8	✓ Borrowings of \$108.9m classified as non-current liability reflecting March 2016 maturity. Gearing ratio of 29.6% is conservative and compliance with all lending covenants comfortably maintained
Other (includes Crust earn out & interest rate swaps)	3.4	2.5	
	131.0	126.5	
Equity:			
 Share capital	160.5	99.9	✓ Share capital increase of \$60m reflecting \$53m capital raising and \$7m equity issue related to the Crust acquisition
Reserves	-	(0.3)	
Retained earnings	80.0	70.1	✓ Reserves uplift of \$0.3m on cessation of hedge accounting of expired interest rate swap contract
	240.5	169.7	
			

Appendix 5 – Debt Structure



✓ Facility headroom (including cash) at 30 June 2013 of \$40.7m



✓ Gross debt of \$109m at 30 June 2013:

- \$50m of debt on fixed interest rate to June 2014
- \$59m of debt subject to variable interest rates
- Allocation of debt between fixed and floating interest rates at the discretion of management



✓ Weighted average interest rate as at August 2013 is 5.15%

- Margin over BBSY currently 1.9%



✓ Compliance with all lending covenants as at 30 June 2013 comfortably maintained



✓ Management successfully extended term facility date to March 2016



'NAB' Facility	FY13
Net debt	\$94.3m
Interest expense	\$7.4m
Interest cover (times)	7.4x
Leverage ratio	1.88
Gearing ratio (net debt / (net debt + equity))	29.6%
Total Facility	\$135.0m

Appendix 6 – Capital Management



	Shares	Price	Proceeds/Value (\$m)
Shares on issue 1 st July 2012	108,422,615		
Institutional/Sophisticated Investor Placement	16,330,000	2.85	46.54
SPP	2,455,946	2.85	7.00
Crust acquisition – partial consideration	2,358,462	2.968	7.00
ESOP – exercise of options	710,833	1.41	1.00
Shares 30th June 2013	130,277,856		
Share Value ⁽¹⁾			\$61,542m

- ✓ Institutional placement and SPP considerably over subscribed
- ✓ Proceeds utilised to
 - Strengthen balance sheet
 - Increase cost and debt facility headroom
 - Assist in funding acquisition activity

(1) Before issue costs and associated expenses of \$1.7m