



RESULTS PRESENTATION FOR THE
HALF-YEAR ENDED 28 DECEMBER 2014



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Half-year financial year highlights

- Consolidated EBITDA of \$7.8m, an increase of 10.3% on the previous year
- NPAT attributable to owners of the company of \$5.6m, an increase of 10.7% on the previous year
- Diluted EPS of 2.15c, an increase of 7.3% over the previous year.
- A fully-franked interim dividend of 2.0 cents per share representing a payout ratio in excess of 90%.
- Acquisition of TAF Booragoon, the largest store in the TAF network under the TAF partnership program, bringing the total number of partnership stores to six
- Three new Merrel retail stores opened during the period, taking the total number of such stores to 18

Results table for the half-year

	Half-year to 28 Dec 2014	Half-year to 29 Dec 2013	% Change
<u>Financial performance</u>			
The Athlete's Foot EBITDA	5,594	5,759	-2.9%
RCG Brands EBITDA	4,123	2,853	44.5%
RCG Corporate EBITDA	(1,720)	(1,390)	-23.7%
Inter-company eliminations	(174)	(127)	-37.0%
Consolidated EBITDA	7,823	7,095	10.3%
Depreciation & Amortization	(695)	(522)	-33.1%
Consolidated EBIT	7,128	6,573	8.4%
Interest earned	420	451	-6.9%
Consolidated PBT	7,548	7,024	7.5%
Taxation	(1,930)	(1,993)	3.2%
Consolidated NPAT	5,618	5,031	11.7%
Less: non-controlling interests	(49)	0	0.0%
NPAT Attributable to owners of the company	5,569	5,031	10.7%
<u>Number of shares on issue (in thousands)</u>			
Weighted ave. for the purposes of the Basic EPS calculation	254,093	243,813	4.2%
Weighted ave. for the purposes of the Diluted EPS calculation	259,120	251,139	3.2%
<u>Earnings Per Share</u>			
Basic earnings per share (cents)	2.19	2.06	6.2%
Diluted earnings per share (cents)	2.15	2.00	7.3%
<u>Dividends per share</u>			
Ordinary fully franked dividend (cents)	2.00	2.00	0.0%

The  **Athlete's Foot**



TAF half-year highlights

- Total group sales of \$94.8m, an increase of 1% on the previous year
- Australian like-for-like(LFL) sales were down 1% on the previous year. As reported at November's AGM, there were several specific influencing factors in the early part of the financial year that resulted LFL's for Q1 being 3% below the prior year. These factors are not part of a long term trend and in their absence Q2 LFL's grew by 1.5%
- TAF's EBITDA was down 2.9% to \$5.6m for the first half of the financial year
- Despite experiencing a tough half-year, particularly in the first quarter, management is confident in TAF's ability to continue to drive growth and sustainability through its highly compelling, distinctive and defensible consumer offer. TAF's key January trading period was strong and the momentum has continued into February (see trading update)



RCG
BRANDS



RCG Brands half-year highlights

- RCG Brands continues to grow and thrive with its complementary and growing stable of quality international brands
- EBITDA of \$4.1m, an increase of 44.5% on the prior year
- Wholesale sales grew 42.7% to \$17.7m as a result of both growth in its established brands (Merrell and Cat) and as a consequence of the acquisition of the Saucony and Sperry businesses
- Retail sales grew 139% to \$12.6m as a consequence of both the growth in new retail stores and the acquisition of the Podium business in December 2013. LFL sales were in line with those of the previous year
- Three new Merrell Retail stores opened during the half-year, including two clearance stores. This takes the total number of Merrell stores to 18
- In August 2014, RCG entered into a distribution agreement with Instride Shoes LLC to become the exclusive distributor of the Instride brand in Australia. Instride is a brand of comfort footwear often prescribed by podiatrists and other medical professionals and is distributed exclusively through TAF. Securing this brand is part of our ongoing business strategy to acquire brands that can be distributed through own retail channel, particularly TAF

Outlook and other important information

Outlook and other important information

Trading update: The Athlete's Foot

- Australian like-for-like sales during the all important back-to-school month of January were up 6% and positive like-for-like have continued into February

Trading update: RCG Brands

- RCG's vertical retail business also delivered positive like-for-like sales in the period since the beginning of January
- Wholesale sales to external customers for the first seven weeks of the new calendar year are also up on the same period last year and the wholesale business is trading to plan

Dividends

- RCG has declared a 2.0 cent fully franked interim dividend, the same as the previous year's interim dividend.
- RCG is committed to continuing to deliver exceptional returns on shareholders funds. Its strong balance sheet and cash flows will continue to allow it to pay out a high proportion of its after tax profits as dividends until it identifies investment opportunities which provide better returns to shareholders.

Acquisition opportunities

- RCG continues to seek to grow its business through the acquisition of new licences, retail formats and/or other relevant businesses that augment its compelling , defensible retail offering and its complementary stable of brands.

Guidance

- The market remains volatile and unpredictable and these conditions prevent us from providing guidance for FY15. The business is well placed to face the challenges over the remainder of the financial year and expects another year of profit growth.