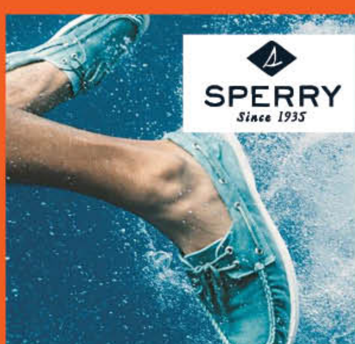
RCG CORPORATION

RESULTS PRESENTATION FOR THE
HALF-YEAR ENDED 27 DECEMBER 2015



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Half-year highlights

EARNINGS	▪ Consolidated EBITDA of $30.3m, an increase of 287% on the prior year ▪ Underlying[(a)] NPAT of $17.3m, an increase of 208% on the prior year ▪ Underlying[(a)] diluted EPS of 3.73 cents per share, an increase of 74% on the prior year
TRADING	▪ Accent retail like-for-like sales growth of 25% ▪ TAF like-for-like sales growth of 4.3% ▪ RCG Brands retail like-for-like sales growth of 6.9%
CAPITAL STRUCTURE	▪ A fully franked interim dividend of 2.5c per share, an increase of 25% on the prior year ▪ Cash generated from operations of $18.5m ▪ Announcement of a $50m fully underwritten private placement to pay down debt and fund future growth
OUTLOOK & OTHER	▪ New Skechers distribution agreement extending the term to 11 years, providing RCG with the ability to accelerate the store rollout ▪ FY2016 full-year EBITDA forecast upgraded to $58m - $60m ▪ FY2016 underlying EPS growth forecast upgraded to 40% - 45%

a) References to “underlying” results are references to non-IFRS financial information, which management believes is more meaningful for investors than reported (IFRS) financial information. A reconciliation between underlying and reported financial information is provided in the Appendix.

Results table for the half-year

Underlying Profit ($000's)	Half-year to 27 Dec 2015	Half-year to 28 Dec 2014	% Change
Segment EBITDA:			
The Athlete's Foot EBITDA	5,649	5,594	1%
RCG Brands EBITDA	4,285	3,949	9%
Accent Group EBITDA	22,320	-	
RCG Corporate EBITDA	(1,987)	(1,720)	-16%
Consolidated EBITDA	**30,267**	**7,823**	**287%**
Underlying depreciation & amortisation	(4,427)	(695)	-537%
Underlying Consolidated EBIT	**25,840**	**7,128**	**263%**
Net interest (paid) / received	(1,601)	420	-481%
Underlying Consolidated PBT	**24,239**	**7,548**	**221%**
Pro-forma taxation at the effective tax rate[a]	(6,891)	(1,930)	-257%
Underlying Net Profit After Tax [b]	**17,348**	**5,618**	**209%**

a) Pro-forma taxation is calculated by multiplying the underlying PBT by the effective tax rate
b) See Appendix for the reconciliation between underlying and reported profit

Earnings and dividends per share

$000's	Half-year to 27 Dec 2015	Half-year to 28 Dec 2014	% Change
Underlying Diluted Earnings Per Share			
Underlying Net Profit After Tax [a]	17,348	5,618	209%
Less non-controlling interests	(69)	(49)	-41%
NPAT used in the calculation of underlying EPS	17,279	5,569	210%
Weighted average number of shares (in thousands)	463,583	259,120	79%
Underlying Earnings Per Share (cents)	**3.73**	**2.15**	**74%**
Reported Diluted Earnings Per Share			
Reported Net Profit After Tax [a]	16,167	5,618	188%
Less non-controlling interests	(69)	(49)	-41%
NPAT used in the calculation of underlying EPS	16,098	5,569	189%
Weighted average number of shares (in thousands)	463,583	259,120	79%
Reported Earnings Per Share (cents)	**3.47**	**2.15**	**62%**
Dividends per share			
Ordinary fully franked dividend (cents)	**2.50**	**2.00**	**25%**

a) See Appendix for the reconciliation between underlying and reported profit

Distribution agreement update

A number of distribution agreements have been, or are in the process of being, renewed:

- The phenomenal growth of the Skechers globally has resulted in the brand becoming the second largest footwear brand in the US, as well as being named 2015 Company of the Year by Footwear Plus for the seventh time, and Company of the Year by Footwear News twice. Skechers continues to build its presence and grow its sales in the United States and in worldwide markets.
- In order to capitalise on this growth, RCG has sought and has been granted an additional five-year distribution term, taking the total remaining term to 11 years (expiring 31 December 2026)
- With a long term distribution agreement in place, RCG intends to accelerate the rollout of its mono-branded Skechers stores and increase its investment across all Skechers distribution channels. RCG currently expects to be able to open an additional 80 – 100 Skechers stores over the next five years, taking the total number of Skechers stores to between 120 and 140

- The option to extend the Timberland distribution agreement for a further two year period has been exercised (expiring 31 December 2017) , and discussions with VF Corporation regarding a new long term agreement beyond that point have commenced

- The CAT footwear agreement, which expired on 31 December 2015, has been renewed for an additional three year term

Distribution agreement update

- The terms of a new three-year Vans distribution agreement, expiring 31 December 2018, have been agreed in-principle and are in the process of being finalised. Under the agreement, VF Hong Kong Limited ("VF") has an option to terminate the agreement effective anytime from 31 December 2017 by giving 12 months' prior notice.
- This option relates to a strategic review of the Asia Pacific market that VF is undertaking as part of their five-year planning. VF has indicated to RCG that it is committed to a long term, mutually beneficial relationship with RCG, particularly in light of the importance of the Accent retail business to the Vans brand in this market.
- The NPAT contribution attributable to the Vans distribution agreement is expected to be approximately $1.5m - $2m in FY16. If VF exercises its option, or the distribution agreement is otherwise not renewed at the expiry of the term, the impact to earnings, based on the current expected growth and rollout of the Skechers and Platypus businesses, is not anticipated to be material at that time.

- The commercial terms for a new five year distribution agreement, expiring 31 December 2021, have been agreed in principle. Formal documentation is in the process of being prepared.

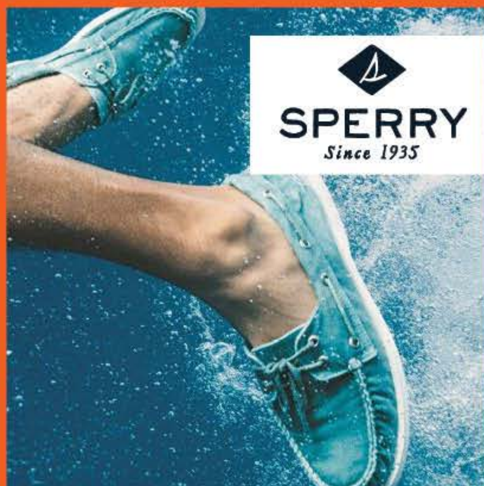
- The Stance distribution agreement expires on 6 June 2016, after being automatically renewed for a further one-year term. Discussions regarding a new long term agreement are well advanced.


The Athlete's Foot

TAF Highlights

HALF-YEAR FINANCIAL HIGHLIGHTS	▪ Like-for-like ("LFL") sales growth of 4.3% for the half-year ▪ Total group sales of $98.1m, an increase of 3.5% on the previous year ▪ EBITDA of $5.6m, an increase of 1% on the previous year ▪ The investment over the last 2-3 years in key business initiatives including CRM, retail management and business intelligence systems is beginning to deliver tangible benefits that are driving growth
TRADING UPDATE AND OUTLOOK	▪ Positive sales momentum has continued, with the business recording 5.5% LFL's for the seven weeks since the end of the half-year. YTD LFL's to the middle of February 2016 stand at 4.9% ▪ Management expects to be able to maintain this positive momentum and deliver low single digit LFL sales growth for the year, resulting in low single digit EBITDA growth for the year ▪ The strategic review of TAF's market position and consumer offering has now been completed. The implementation of the strategic initiatives has begun, with the first trial stores expected to be in the market before the end of the financial year. It is expected that these initiatives will set a platform for growth over the coming years

RCG BRANDS


SPERRY
Since 1935


MERRELL


saucony


podiumsports


InStride


CAT

RCG Brands Highlights

HALF-YEAR FINANCIAL HIGHLIGHTS	- EBITDA of $4.3m, an increase of 8.5% on the previous year - Wholesale sales grew by 7.6% driven primarily by the strong performance of the CAT brand - Retail sales grew by 15.2%, with LFL sales growing by 6.9%
TRADING UPDATE AND OUTLOOK	- Positive sales momentum has continued, with the business recording strong sales in January and into February in both wholesale and retail . YTD retail LFL's to the middle of February 2016 stand at 8.3% - Management expects to be able to maintain this positive momentum and deliver the high single digit wholesale sales growth and mid single digit LFL retail sales growth for the full year - RCGB has continued its conservative forex hedging strategy and has now fully covered FY2017 at an average net rate of 0.70 - As a result of the lower exchange rate, the business expects gross margin compression of 2% - 3%, resulting in EBITDA margin compression of approximately 1%, for FY16

Accent Group

Accent Group Highlights

HALF-YEAR FINANCIAL HIGHLIGHTS

- EBITDA of $22.3m
- Total retail sales grew by 70%, with LFL sales growing by 25%.
- Wholesale sales grew by 7.9%, driven predominantly by the strong performance of the Skechers brand
- Accent rolled out 18 new stores during the half-year, taking the total number of stores to 127 as shown in the table below

STORE NETWORK UPDATE

	Stores at 1 Jul 15			Stores opened during the half-year			Stores at 27 Dec 15		
	Aus	NZ	Total	Aus	NZ	Total	Aus	NZ	Total
Platypus	52	8	60	7	2	9	59	10	69
Skechers	33	3	36	5		5	38	3	41
Vans	10	—	10	3		3	13	—	13
Timberland	2	—	2	1		1	3	—	3
Online	1	—	1	—		—	1	—	1
Total stores	**98**	**11**	**109**	**16**	**2**	**18**	**114**	**13**	**127**

Accent Group Highlights

TRADING UPDATE AND OUTLOOK: RETAIL

- Positive sales momentum has continued, with the business continuing to record exceptionally strong LFL's in January and into February. YTD retail LFL's to the middle of February 2016 stand at 25%
- In forecasting growth for the second half of FY16, management has taken a more conservative approach, budgeting for low double digit LFL sales for the remainder of the year
- The board and management is delighted with the ongoing performance of the Accent business and is providing all the necessary support to the Accent team to enable it to continue to outperform the forecasts and maintain its current momentum
- An additional 10 stores are expected to open before the end of this financial year, taking the total number of stores at financial year end to 137, with the expectation of opening a further 25 - 30 stores in the following financial year
- Given the strength of the Skechers brand both globally and domestically, and the extension of the distribution agreement to the end of 2026, Accent is gearing up to accelerate the rate of the rollout of Skechers stores into FY2017 and beyond, with a view to having 120-140 Skechers stores within five years
- Furthermore, given the strength of the Platypus business, we believe that there is an opportunity to increase the Platypus network to a 100 stores over the next 3 -5 years

Accent Group Highlights

TRADING UPDATE AND OUTLOOK: WHOLESALE	▪ The wholesale division, driven by Skechers, has continued its first half momentum and is performing to management expectations. Wholesale sales are expected to experience high single-digit growth for the financial year ▪ The Skechers brand is continuing to perform exceptionally well globally . In its latest quarterly release, Skechers announced global sales for the 2015 calendar year of USD3.14 billion, which was 32% growth on the prior year
FOREX AND MARGIN	▪ Accent has adopted RCG's conservative forex hedging strategy and has now fully covered FY2017 at an average net rate of 0.70. ▪ RCG expects Accent's full-year gross profit and EBITDA margins to be in line with those of the half-year


Corporate Matters:
Guiding principles
Key priorities
Capital raising
Dividends
Guidance

Corporate Matters

GUIDING PRINCIPLES	

- Management's decision making continues to be driven by the following guiding principles:
  - Delivery of outstanding, long-term returns to shareholders through the delivery of sustainable sales and profit growth across its businesses
  - Delivery of sustainable and growing dividends flowing from the high quality cashflows from its defensible and desirable businesses
  - Maintenance of a strong, conservatively geared balance sheet

KEY PRIORITIES

- The focus over the remainder of FY16 is to ensure that the strategic initiatives and priorities of each business unit are delivered and that, as a combined group, we continue to unlock the strategic benefits arising from the Accent acquisition, including:
  - Cross-branded distribution opportunities
  - Streamlining of supply chain and logistics
  - Cross-pollination of management expertise
  - Exploration of new retail formats
- Whilst the front end of the businesses continues to operate independently, we have made material progress in strengthening and enhancing certain shared services functions including: Supply chain, IT, financial management, eCommerce, and property & leasing

Corporate Matters

CAPITAL RAISING

- RCG has announced that it intends to raise $50m via a fully underwritten private placement to institutional and sophisticated investors via a book-build following the release of its half year results. An indicative timetable is provided in the Appendix to this presentation.
- The purpose of the capital raising is to strengthen the balance sheet and set the platform for accelerated growth. In particular, the funds are intended to be used as follows:
  - To pay down debt – RCG intends to utilise $28m to repay the vendor note that was used to part fund its acquisition of the Accent Group. Although the note is not repayable until May 2017, RCG is exercising its right to repay it early in order to reduce its overall debt exposure.
  - To fund growth – RCG has already opened 18 stores this financial year and plans to open an additional 35 – 40 stores over the next 18 months. The remaining funds raised will be used to fund this growth.
- The strengthening of the balance sheet also provides RCG with increased flexibility to take advantage of acquisition opportunities should they arise and increase its future dividends from operating cashflows.
- The reduction in finance costs resulting from the above activity will materially offset the dilutionary effect of the additional number of shares on issue, resulting in an expected overall impact to underlying earnings per share of approximately 1% in FY16.

Corporate Matters

DIVIDENDS

- The strength of the RCG businesses and the strong cash flows that they generate has allowed RCG to increase its dividends and consequently RCG has declared a dividend of 2.5 cents per share, payable on 24 March 2016 to shareholders registered on 2 March 2016
- This represents a 25% increase on the interim dividend in respect of the prior year
- RCG expects its dividend payout ratio to be between 75% and 80% of underlying earnings per share in respect of FY16 and for this ratio to increase with the continued growth of its businesses over time

GUIDANCE

- As a consequence of the continued strong performance of all underlying business, particularly through the key December and January trading periods, RCG is upgrading its guidance for FY16
- Consolidated group EBITDA is now expected to be in the range of $58m - $60m for the full financial year
- This will result in an increase in underlying EPS of 40% - 45%
- Forecast net capital expenditure for the year is approximately $14m

Appendix

Appendix

RECON. OF UNDERLYING PROFIT TO REPORTED PROFIT

$000's	Half-year to 27 Dec 2015	Half-year to 28 Dec 2014	% Change
Underlying Net Profit After Tax	17,348	5,618	209%
Add back pro-forma taxation	6,891	1,930	
Consolidated PBT from normal operations	24,239	7,548	221%
Less: Amortisation of intangibles arising on acquisition of Accent	(1,650)		
Profit before tax per statutory accounts	22,589	7,548	199%
Taxation	(6,422)	(1,930)	-233%
Reported Net Profit After Tax	**16,167**	**5,618**	**188%**

NON-IFRS FINANCIAL INFORMATION

- Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards and includes items such as underlying EBITDA, EBIT, PBT, NPAT and EPS.
- All care is taken to clearly identify non-IFRS financial information to enable the reader to differentiate it from reported/IFRS financial information. Moreover, where necessary non-IFRS information is reconciled to reported/IFRS financial information, including in the table above.
- RCG management believes that the presentation of additional non-IFRS information in its investor presentations
- provides readers with a greater understanding of the underlying performance of the business and the way in which performance is monitored.
- The Australian Securities and Investments Commission (ASIC) acknowledges the relevance of non-IFRS financial information in providing "meaningful insight" as long as it does not mislead the reader.

Appendix

INDICATIVE TIMETABLE – CAPITAL RAISING

The timetable below is indicative only and subject to change. RCG reserves the right to alter the below dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth). All times below represent Sydney, Australia time.

• Commence trading halt	Wednesday, 24 February 2016
• Book-build for the capital raising	Wednesday, 24 February 2016
• Shares in RCG to resume trading	Friday, 26 February 2016
• RCG shares quoted on an "ex" (dividend) basis	Monday, 29 February 2016
• Dividend record date	Wednesday, 2 March 2016
• Settlement date for the capital raising	Wednesday, 2 March 2016
• Allotment of Placement Shares	Thursday, 3 March 2016
• Placement Shares to commence trading on ASX	Thursday, 3 March 2016

Appendix

IMPORTANT NOTICE AND DISCLAIMER

This presentation contains summary information about RCG Corporation Limited ("RCG") which is current as at the date of this presentation.

This presentation contains certain forward-looking statements, including indications of, and guidance on, future earnings and financial position and performance. Such forward-looking statements are based on estimates and assumptions that, whilst considered reasonable by RCG, are subject to risks and uncertainties. Forward-looking statements are not guarantees of future performance and are provided as a general guide only. They should not be relied upon as an indication or guarantee of future performance. Actual results and achievements could be significantly different from those expressed in or implied by this information. Neither RCG nor its directors give any assurance that the forecast performance in the forecasts or any forward-looking statement contained in this presentation will be achieved.

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Appendix

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Appendix

INTER-NATIONAL OFFER RESTRICTIONS

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- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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