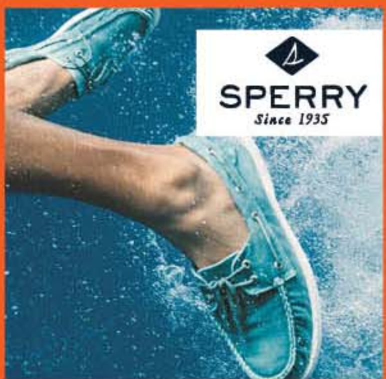
RCG CORPORATION

ACQUISITION OF
HYPE DC PTY LTD



Important notice and disclaimer

This presentation has been prepared by RCG Corporation Limited (RCG) in relation to RCG's proposed acquisition of Hype DC Pty Ltd (Hype).

This presentation contains summary information about RCG and Hype which is current as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in RCG or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth). No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, RCG and its affiliates and related bodies corporate, and their respective officers, directors, employees and agents disclaim any liability (including, without limitation, any liability arising from fault or negligence for any loss arising from any use of this presentation (or its content) or otherwise arising in connection with it).

This presentation contains certain forward-looking and unaudited information. Such information is based on estimates and assumptions that, whilst considered reasonable by RCG, are subject to risks and uncertainties. Actual results and achievements could be significantly different from those expressed in or implied by this information. RCG's forward-looking statements, intentions, forecasts, prospects, returns, expectations, statements in relation to future matters or other forward looking statements contained in this presentation may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. 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.

This presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. This presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire securities and does not and will not form any part of any contract for acquisition of securities. Each recipient of this presentation should make its own enquiries and investigations regarding all information in this presentation (including , without limitation, the assumptions, uncertainties and contingencies which may affect the future operations of RCG and or Hype and the impact that different future outcomes may have on RCG and or Hype).

This presentation has been prepared without taking into account any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. An investment in RCG's shares is subject to known and unknown risks, some of which are beyond the control of RCG. RCG does not guarantee any particular rate of return or the performance of RCG.

Table of contents

Transaction overview

RCG CORPORATION

TRANSACTION SUMMARY

- Subject to certain conditions, RCG has entered into a binding agreement to acquire 100% of the shares in Hype DC Pty Limited ("Hype"), an Australian retailer of branded athleisure and style footwear
- The purchase price is expected to be approximatively $105m based on six times Hype's normalised maintainable EBITDA for the financial year ending 30 June 2016
- The purchase price is to be funded as follows:
  - 50% ($52.5m) by way of a share placement to the Hype vendors which will be subject to a two year escrow
  - 12.5% ($13.1m) by way of an unsecured vendor note (subject to the adjustment described on page 11)
  - 37.5% ($39.4m) by way of a combination of secured senior bank debt and cash

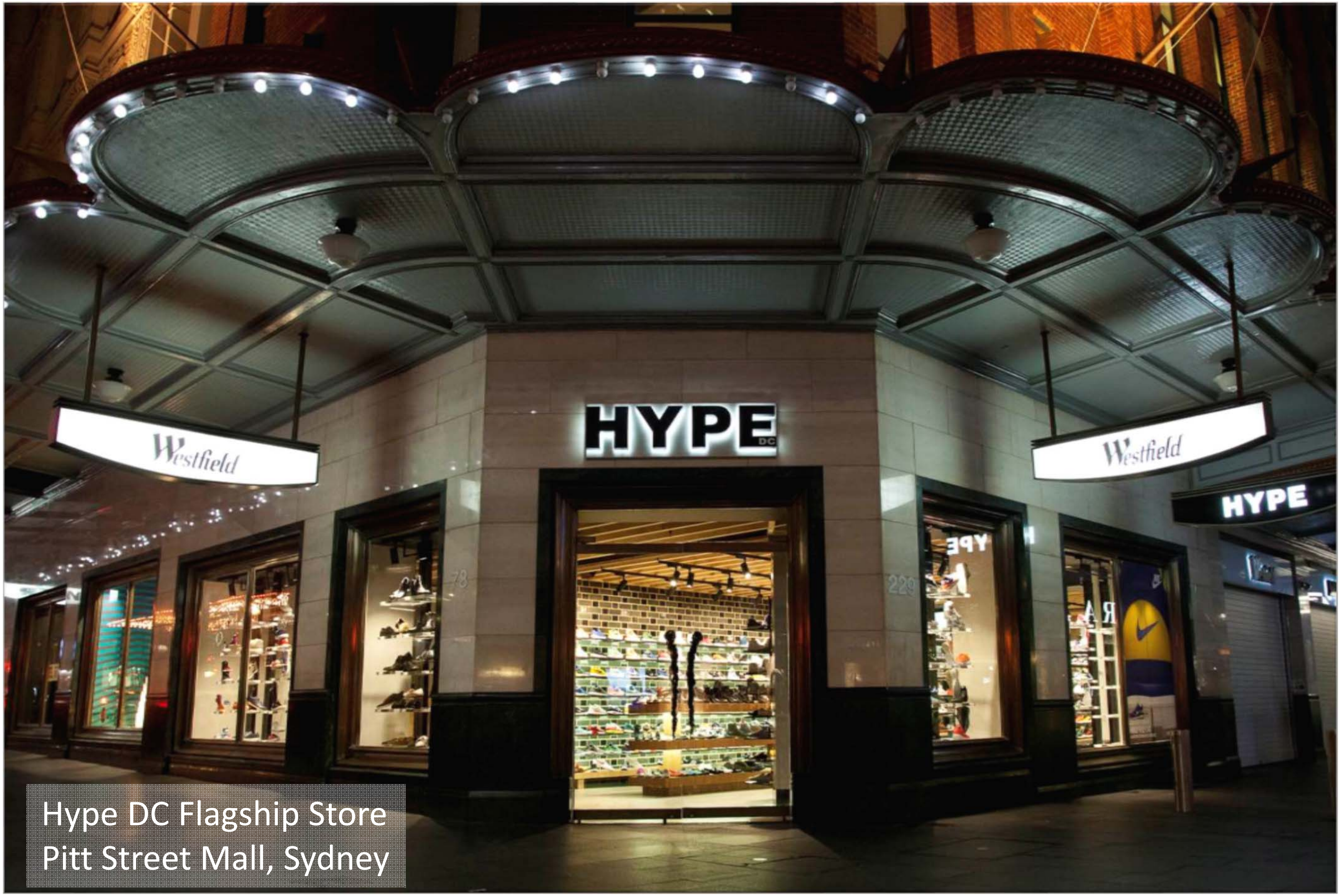
IMPACT OF TRANSACTION ON RCG

- As a combined entity on a pro-forma historical basis for the 12 months ending June 2016[(a)]:
  - Underlying EBITDA would have increased by approx. 30% to $77.5m
  - Underlying EPS would have increased by approx. 16%
- The directors believe that the transaction will be materially EPS and EBITDA accretive in FY17[(b)]
- RCG does not expect the transaction to adversely impact its dividend policy

a) These calculations are based on unaudited pro-forma consolidated numbers for the 12 months ending 30 June 2016, using the top-end of RCG's market guidance range and the mid-point of Hype's expected profit range, adjusted for the expected change in finance costs, but excluding any acquisition related amortisation, synergies or integration costs.

b) This statement should be read in conjunction with the disclaimer on page 1.

About Hype



Hype DC Flagship Store
Pitt Street Mall, Sydney

About Hype

Hype DC Emporium, Melbourne

About Hype

Shubar Eastland, Melbourne

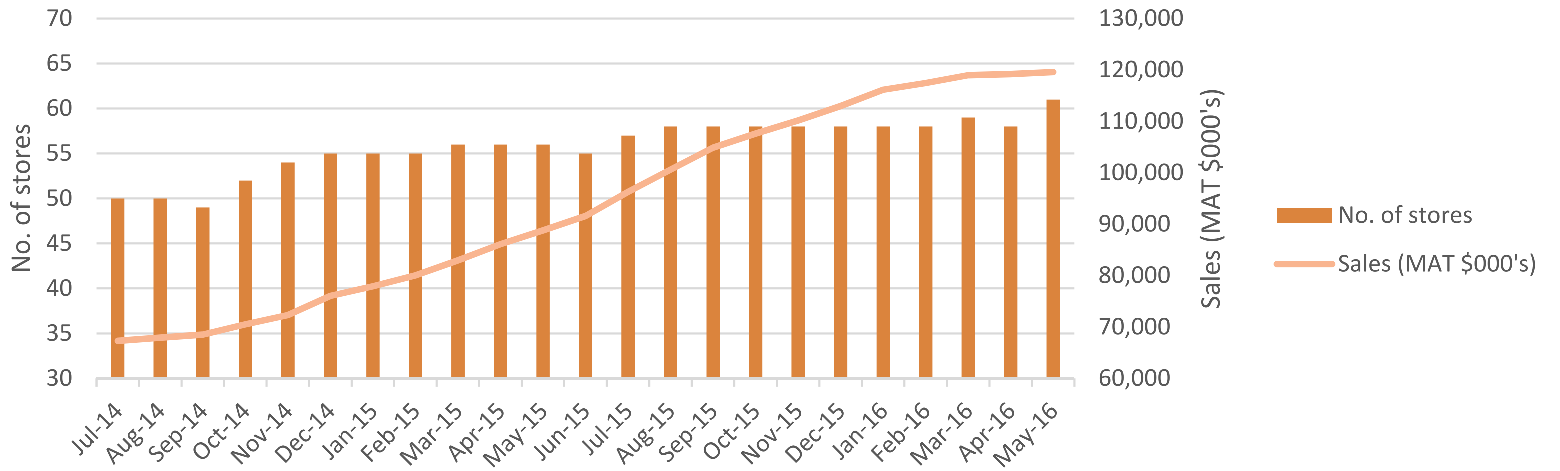
About Hype

HYPE DC Premium. Limited. Exclusive.

SHUBAR®

ABOUT HYPE

- Hype operates 57 Hype DC and 3 Shubar retail stores across Australia, predominantly in metro and major regional locations.
- In addition, Hype operates a substantial and growing fully-integrated online retail business under both the Hype DC and Shubar banners.
- Hype DC is a retailer of premium, exclusive and limited edition sneakers, curated from the world's leading brands. In addition, Hype DC carries a focussed range of premium fashion footwear, predominantly in the vertically owned Shubar brand.
- The mono-branded Shubar stores carry the full range of men's and women's Shubar shoes, boots and sandals as well as a tight range of other premium brands (including several of RCG group's brands). Shubar's mission is to uncover global trends and make them accessible to the fashion conscious individual.
- The business has experienced significant growth over the last several years, particularly the last two, as can be seen from the following chart:



Strategic rationale

The Board believes that the acquisition of Hype is highly strategic for the reasons summarised below.

	Immediate financial benefit	Medium & long term financial benefits	
		Benefit of scale	New opportunity
Immediate EBITDA and EPS accretion[a]	✓		
Portfolio diversification	✓	✓	
Strengthens market leadership position		✓	✓
Opportunities of scale	✓	✓	
Enhanced vertical strategy	✓	✓	
New retail formats		✓	✓
Complementary management skills			✓

a) The directors believe that the transaction will be materially EPS and EBITDA accretive in FY17 (prior to any synergies and integration costs). This statement is to be read in conjunction with the disclaimer on page 1.

Strategic rationale

RCG CORPORATION

KEY STRATEGIC BENEFITS

- **Earnings accretion** – Significant earnings accretion as previously described.
- **Portfolio diversification** – By adding another major retail chain RCG continues to diversify its retail portfolio.
- **Strengthens RCG's market leadership in branded footwear** – With over 350 stores representing nine distinct retail offerings and exclusive distribution rights for 12 brands, RCG's position as a regional leader in the retail and distribution of branded footwear will be enhanced.
- **Opportunities of scale** – With another 60 stores, RCG will have greater flexibility and scale to explore both new revenue opportunities and potential cost-saving and efficiency improvements.
- **Enhanced vertical strategy** – Both Hype and Shubar are prime channels for a number of brands distributed by the combined RCG / Accent business. The Board believes that the acquisition will enable the group to accelerate the rollout of this strategy which will be more likely to bring greater certainty both for the brands it distributes and the retail channels it supports.
- **New retail formats** – With the combined stable of brands, existing retail network and management expertise, new retail formats will be easier to develop and rollout.
- **Complementary management skills** – Hype has an outstanding and experienced senior management team with a proven track record of delivering exceptional results that will complement and strengthen the group's management team.

Transaction mechanics

RCG CORPORATION

PURCHASE PRICE CALCULATION AND ADJUSTMENT MECHANISM	▪ Prior to completion of the transaction, the parties will agree on an estimate of Hype's FY16 EBITDA and will calculate the purchase price accordingly. The purchase price will be equal to a multiple of 6 times Hype's normalised maintainable FY16 EBITDA, less working capital and net debt adjustments. ▪ 20% of the cash consideration will be held in an escrow account until Hype's FY16 audited financial accounts have been signed off, following which a purchase price adjustment ("PPA") will be made, if applicable. ▪ To the extent that the PPA is a positive amount, the issue price of the vendor note will be increased. If the PPA is a negative amount, the purchase price will be reduced by decreasing the retention amount by the PPA and, in circumstances where the PPA is more than the retention amount, then the amount of the PPA above the retention amount will be reduced against the vendor note.
EQUITY PLACEMENT TO VENDORS	▪ $52.5 million in RCG shares will be issued to the Hype vendors as part consideration at a price of $1.425 each (being $1.50 less 5%). This will result in 36.84 million new shares being issued to the Hype vendors. ▪ The shares will be issued under RCG's 15% placement capacity under ASX Listing Rule 7.1. ▪ These shares will be subject to voluntary escrow for two years from completion. ▪ Immediately following completion of the transaction no Hype vendor will have an interest in more than 5% of RCG's shares

Transaction mechanics

VENDOR NOTE

- The purchase price will be part-funded by an unsecured vendor note of $13.1 million (the note is subject to the adjustment as previously described)
- The vendor note is repayable by RCG on 30 June 2018, but RCG may elect to repay all or part of the note earlier at its discretion

BANK FUNDING

- RCG has entered into a binding agreement with National Australia Bank ("NAB") whereby NAB has agreed (subject to the satisfaction of certain conditions precedent) to advance RCG $27 million in senior debt financing to part fund the purchase of Hype[a].
- Following completion of this transaction, the group will have drawn senior debt of $77m, which is approximately 1 x pro-forma FY16 EBITDA[b] of the combined group

TRANSACTION TIMING

- Completion of the transaction is expected within 30 days of this announcement, once a number of conditions precedent have been satisfied.
- However, subject to completion of the transaction, RCG will acquire Hype with effect from 1 July 2016.

BOARD AND MANAGEMENT

- Danny and Cindy Gilbert, who founded Hype, will continue to manage the business on a day-to-day basis in their capacity as Joint CEO of Hype
- Danny Gilbert will join the RCG Board as an executive director

a) RCG has received $42m in additional funding commitments from NAB in connection with this transaction, which includes $27m to part fund the purchase of Hype and an additional $15m for working capital and other facilities.
b) Following the completion of the transaction, RCG will have a total of $157m in facilities from NAB.

Transaction mechanics

RCG CORPORATION

APPROVALS, CONSENTS AND CONDITIONS

- Key conditions precedent to the acquisition of Hype include:
  - the RCG Board appointing Danny Gilbert as a director of RCG; and
  - RCG and the Hype vendors receiving consent from landlords of certain key leases.
- RCG will seek shareholder approval pursuant to section 260B of the Corporations Act 2001 (Cth) at its 2016 Annual General Meeting with respect to the financial assistance being provided in connection with the Transaction. If shareholders do not approve this resolution, there will be an event of default under the NAB senior facility. The RCG Board will recommend that shareholders vote in favour of this resolution, and the directors intend to vote their shares in favour of this resolution.
- RCG and the Hype vendors each have the right to terminate the share sale and purchase deed prior to completion if the other party fails to comply with any of its material terms (including a breach of warranty).

INDICATIVE TIMETABLE

Transaction announcement	04 Jul 2016
Expected Completion of the acquisition of Hype	02 Aug 2016
RCG's 2016 Annual General Meeting	25 Nov 2016

Hype historical financial performance

RCG CORPORATION

	FY14 Actual	FY15 Actual	FY 16 Forecast
Ave. no of stores	**48**	**53**	**56**
Sales	65,859	91,256	120,042
Cost of sales	(28,207)	(40,696)	(54,659)
Gross profit	**37,652**	**50,560**	**65,383**
GP%	*57.2%*	*55.4%*	*54.5%*
Net operating expenses	(32,146)	(40,024)	(47,883)
Normalised EBITDA	**5,506**	**10,536**	**17,500**
EBITDA %	*8.4%*	*11.5%*	*14.6%*
Depreciation	**(2,107)**	**(2,572)**	**(2,900)**
Normalised EBIT	**3,399**	**7,964**	**14,600**
EBIT%	*5.2%*	*8.7%*	*12.2%*
Sales Comp growth		**21%**	**21%**

Commentary

- **Sales growth** – Sales growth over the last two years has come primarily from like-for-like sales growth in excess of 20%. This growth is consistent with RCG's Platypus Shoes business. Like-for-like sales growth in the first half of FY16 was particularly strong at just over 30%.

  In considering its acquisition of Hype, RCG has assumed that maintainable like-for-like store sales growth for FY17 and beyond will be in the range of 5% - 8%

- **Gross Profit** – Given that Hype sources over 90% of its purchases from domestic suppliers, its exposure to exchange rate fluctuations is low. GP margins in FY17 are therefore expected to be in line with those of FY16.

- **New stores** – New store growth over the last few years has been moderate. However, Hype has opened four new in the last quarter of FY16, and it has committed to an additional eight new stores in FY 17, and will be closing two stores.

  RCG believes that Hype can open a further five stores per annum over the following five years

Trading update and FY17 guidance

RCG CORPORATION

TRADING UPDATE

For the financial year ended 26 June 2016:

- RCG expects to deliver underlying EBITDA of ***c.* $60m**, which is at the top end of its guidance range.
- The Athlete's Foot:
  - Delivered Australian store like-for-like sales growth of 3.5%
- Accent Group:
  - Delivered like-for-like retail sales growth of 20%
  - Opened 29 stores taking the total number of stores to 138
  - Delivered wholesale sales growth of 13%
- RCG Brands:
  - Delivered like-for-like retail sales growth of 7%
  - Delivered wholesale sales growth of 4%

Trading update and FY17 guidance

RCG CORPORATION

FY17 GUIDANCE

RCG is targeting annualised underlying group EBITDA of **$90m**[a] in FY17, based on the following assumptions:

- The Athlete's Foot:
  - Like-for-like sales growth of 4%
  - No changes to store numbers
- Accent Group:
  - Like-for-like retail sales growth of 7%
  - 30 new stores
  - Wholesale sales to be in line with FY16
  - Gross profit margins to improve by 2% - 3% as a consequence of the retail proportion of total sales growing
- RCG Brands:
  - Like-for-like retail sales growth of 5%
  - Two new stores, including a pilot store for a new concept, and one store closure
  - Wholesale sales to remain flat, with gains across most brands being offset by the loss of more than $2.5 million in sales as a result of one of RCG Brand's largest customers closing 38 of its 55 stores as part of a major restructure
  - Gross profit margins to compress by approximately 3% as a result of falling exchange rate (FY17 forward cover at 0.70 Vs FY16 at 0.79), with limited ability to pass price increases on to customers
- Hype:
  - Like-for-like retail sales growth of 5%
  - Eight new stores, two store closures
- Group Capex: $20m

a) Assumes 12 months' earnings from Hype, noting that Hype's earnings between signing and Completion are required, under the accounting standards, to be treated as a reduction in the purchase price of Hype.