retail cube

29 August 2005

Company Announcements Office
Australian Stock Exchange Limited

By Electronic Lodgment

Dear Sir,

RE: PRESS RELEASE AND BROKER PRESENTATION – RESULTS FOR YEAR ENDED 30 JUNE 2005

In connection with the company's Appendix 4E Report given to ASX for the year ended 30 June 2005 we now enclose copies of the following documents:

1. Press Release
2. Broker and Investor Presentation

Yours faithfully,

Howard Knapp
Company Secretary

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RETAIL CUBE - FOUNDATIONS LAID FOR GROWTH

In spite of a difficult retail environment, ASX listed Retail Cube Group (RCG) opened 19 new stores across its three brands King of Knives, The Athletes Foot and Amazing Paints in the financial year ended June 05.

The company has locked in plans to open a further ten stores this financial year with another eleven in various stages of planning and implementation.

The combination of the introduction of a Vendors Tax in NSW, low retail confidence and increasing interest rates led to a significant softening in the building and renovation markets which impacted upon Amazing Paints. Likewise, the homewares market also suffered from the general economic downturn impacting the performance of King of Knives. In spite of these difficulties, the company opened ten new King of Knives outlets and in June 2005 sold its first two franchise operations.

The Athletes Foot benefited from the prior positioning implemented by its management and in spite of a volatile and highly competitive landscape continued to grow sales and profits. The Athletes foot also opened 8 new stores the company is confident that it will continue to enjoy sales growth this financial year.

"The company is very happy with the progress made toward centralizing its financial, IT, company secretarial, leasing and business development services and believes it will realise considerable efficiencies as a result. Likewise, it has begun to upgrade human resource management" said Retail Cube CEO Robert Estcourt.

"The results are in line with what we indicated in our May Directors Update. Importantly the company continues to take positive steps towards its longer term objective of increasing sustainable value growth by implementing a matrix of interrelated initiatives. These include, strengthening the operational management where necessary, selectively expanding the foot print of each of the operating companies, reviewing each store's location, performance and contribution potential, upgrading our retail presence in selected areas, implementing a robust re-furbishment programme and introducing franchising to the King of Knives." Said Estcourt "As a result of these initiatives we expect an improved performance in the new financial year."

Retail Cube produced revenues of $60,115,000 and a net profit after tax figure of $1.09 million. It declared a fully franked dividend of 1.20 cents for the half year ending December 2004.

For more information about this announcement or to speak with Retail Cube Management please contact Nicholas Karandonis at Media Conduits on 02 9954 9696 or 0412 977 888

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About Retail Cube Limited (ASX: RCG)

Retail Cube Limited was established in 2004 and is a listed diversified specialty retail investment holding company. RCG focuses on sourcing and investing in specialty retail companies that are active in the franchise and company owned store sectors of the retail market. At present RCG has three diversified investments being The Athlete's Foot, King of Knives and Amazing Paints.

The Athlete's Foot is a specialist retailer focusing on selling specialist branded athletic and leisure footwear. The Athlete's Foot operates under licence from The Athlete's Foot Marketing Associates Inc of Atlanta, USA. The Athlete's Foot operates both franchise and corporate stores throughout Australia and New Zealand. At present The Athlete's Foot has 112 stores, 104 in Australia and 8 in New Zealand. 96 of the Australian and 4 of the New Zealand stores are franchised.

The King of Knives is a specialist boutique retailer that primarily sells cutting and sharpening instruments to the domestic, trade and professional hospitality markets in Australia and New Zealand. The King of Knives group also trades under the Chef King brand which incorporates additional lines of bake ware and cookware. At present the King of Knives group has 64 stores, 57 in Australia and 7 in New Zealand. A franchising initiative commenced in the last quarter of the 2005 financial year and at present two franchise stores have been sold. It is management's intention to continue to franchise a substantial portion of this group.

Amazing Paints is a specialist retailer of paint and accessories in New South Wales, Queensland and ACT. It is also a paint manufacturer producing amongst others the Permalast, Robertson's, Tile Master and Blitz range of products. Amazing Paints stores provide a one stop specialist paint shop offering a selection of major brands and their own brand. At present all 35 of the stores are company owned.

Results for the year ended 30 June 2005

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KING OF KNIVES

The Athlete's Foot

amazing paints

Your one stop paint shop

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Presentation Outline

Financial Results
For the year ended
30 June 2005

- Opening Comments
- Group Performance
- Business Unit Results
  - Amazing Paints
  - King of Knives
  - The Athlete's Foot
- Outlook

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Group Performance

Financial Results
For the year ended
30 June 2005

Year Ended 30 June ($000's)	2005 Actual	2005 Budget	Variance (%)
Revenues from ordinary activities	60,115	66,401	(9.5)
Operating gross profit	33,327	37,094	(10.1)
EBITA	2,557	6,125	(58.2)
Less Interest	328	296	(10.8)
Less Amortization	746	626	(19.2)
Less Tax	474	1,561	69.6
Net profit	1,009	3,642	(72.3)
Earnings per share (cents)	1.2		
Dividends per share (cents)	1.2		
Dividend payout ratio	100%		

Opening Comments

Challenges

- Housing sector weak
- Retail softened throughout the year
- Fierce competition in King of Knives segment
- Competitive Footwear sector
- Aggregation and Listing
- Need to strengthen management resources

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Opening Comments

Financial Results
For the year ended
30 June 2005

Management's Response

- Professionalised the group: resources, reporting and control structure
- 19 New store openings across the group (one closed)
- Further openings already secured
- POS system rollout at Amazing Paints
- Significant re-engineering of Amazing Paints business
- Refurbishment of Amazing Paints stores
- New Amazing Paints management structure
- New management and management structure at King of Knive
- Upgrading of King of Knives positioning and merchandising
- Consolidating King of Knives & The Athlete's Foot Business development activities
- Commenced franchising at King of Knives
- The Athlete's Foot traded well in a difficult environment

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Business Unit Results Amazing Paints

Financial Results For the year ended 30 June 2005

Year Ended 30 June ($000's)	2005 Actual	2005 Budget	Variance (%)
Revenues from ordinary activities	14,024	17,835	(21.4)
Pre tax Profit	(142)	1,600	(108)
Retail Sales	12,264	15,622	(21.5)
Factory Sales — Internal	3,164	3,418	(7.4)
Factory Sales — External	1,170	1,582	(26.0)
Stores trading @ 30 June 2004	33		
Stores trading @ 30 June 2005	34		
Forecast stores trading @ 30 June 2006	36		

Business Unit Results
Amazing Paints

Financial Results
For the year ended
30 June 2005

The Challenges

- Weak housing sector lead to sharp fall in sales
- Sharp fall in Solver support
- Raw material price increases
- Fierce price competition
- External factory sales under pressure

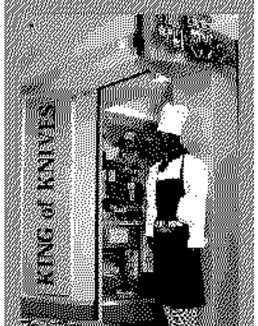
Management's Response

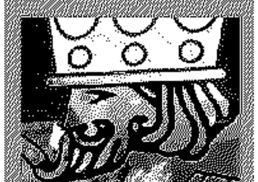
- New POS system
- Full review of products and their pricing
- Introduction of new products and labels throughout year
- Altered the sales mix and improved margins (47% to 51% at year end)
- Refurbished stores
- New management structure
- New recruiting and training programs
- New sales materials and initiatives
- Increased emphasis on external sales
- Better results expected

Business Unit Results
King of Knives

Financial Results
For the year ended
30 June 2005

Year Ended 30 June ($000's)	2005 Actual	2005 Budget	Variance (%)
Revenues from ordinary activities	27,352	30,166	(9.3)
Pre tax profit	1,020	2,879	(64.8)
Stores trading @ 30 June 2004	54		
Stores trading @ 20 June 2005	64		
Forecast stores trading @ 30 June 2006	76		





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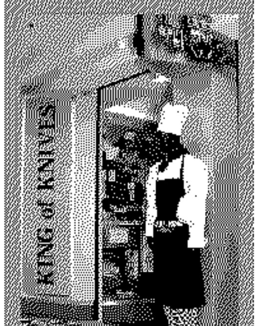
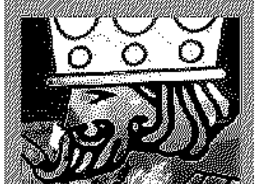
Business Unit Results
King of Knives

Financial Results
For the year ended
30 June 2005





The Challenges

- Retail sector weak
- Fierce competition
- Late opening of stores & delivery of stock
- Management systems and processes weak
- Christmas came late

Management's Response

- Opened eight new stores
- Planned twelve new stores in the current year
- POS system upgrading commenced
- Implemented new management and staff structure
- Significantly strengthening management resources
- Implemented new recruiting and training processes
- Updated inventory control and ranging and operational practices
- Franchised two stores, third just completed, fourth well advanced
- Head Office moving to Stanmore
- Profit recovery will begin this year

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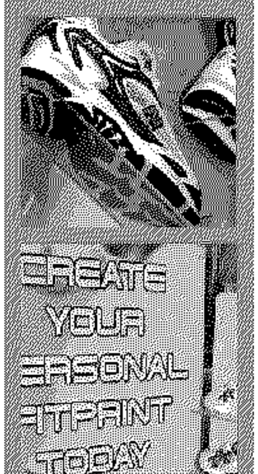
Business Unit Results The Athlete's Foot

Financial Results For the year ended 30 June 2005

Year Ended 30 June ($000's)	2005 Actual	2005 Budget	Variance (%)
Revenues from ordinary activities			
Corporate stores	12,298	13,243	(7.1)
Other revenue	6,431	6047	6.4
Total	18,729	19,290	(2.9)
Pre Tax profit	2,765	2,657	4.0
Stores trading @ 30 June 2004	105		
Stores trading @ 31 December 2005	112		
Forecast stores trading @ 30 June 2006	118		

Business Unit Results
The Athlete's Foot

Financial Results
For the year ended
30 June 2005



The Challenges

- Fierce competitive pressure, particularly around Christmas
- Corporate stores under pressure

Management's Response

- Franchised stores did well
- Strong growth in six months to June
- Seven new store openings (net) to June 05
- Continued expansion planned, 5 stores in December half
- Renewed emphasis on New Zealand
- Launched CRM pilot
- Further growth in results expected this year

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Balance Sheet

Financial Results
For the year ended
30 June 2005

Year Ended 30 June ($000's)	June 2005	Proforma Consolidated June 2004
ASSETS		
Current Assets	12,082	16,888
Non current Assets	41,259	37,824
Total Assets	53,341	54,702
LIABILITIES		
Current Liabilities	11,822	13,886
Non Current Liabilities	2,591	2,246
Total Liabilities	14,413	16,132
NET ASSETS	38,928	38,580
STOCK	10,288	13,103
CURRENT RATIO	1.02	1.26
INTEREST COVER	5.52	N/A

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Outlook

Financial Results
For the year ended
30 June 2005

- Continued expansion and sales growth
- Retail environment weak with fierce competition
- Housing market soft which impacts on Amazing Paints
- Indications are that renovations market is starting to kick-in
- Maintenance of higher margins and increased external sales
- KOK re-engineering will increasingly impact as year advances
- The Athlete's Foot on track
- Leverage the platform
- Acquisitions being looked at
- Balance sheet remains strong
- Profit recovery will start this year

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Half Year Results

Financial Results
For the year ended
30 June 2005

Questions