

A group of four runners (two men and two women) are jogging on a paved path at night. They are wearing athletic gear in various colors: dark blue, purple, green, and pink. The scene is illuminated by a bright light source on the left, creating long shadows and a high-contrast atmosphere. The background is dark with some blurred lights and structures.

RCG

CORPORATION

ANNUAL GENERAL MEETING
11 NOVEMBER 2014

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2014 financial year highlights

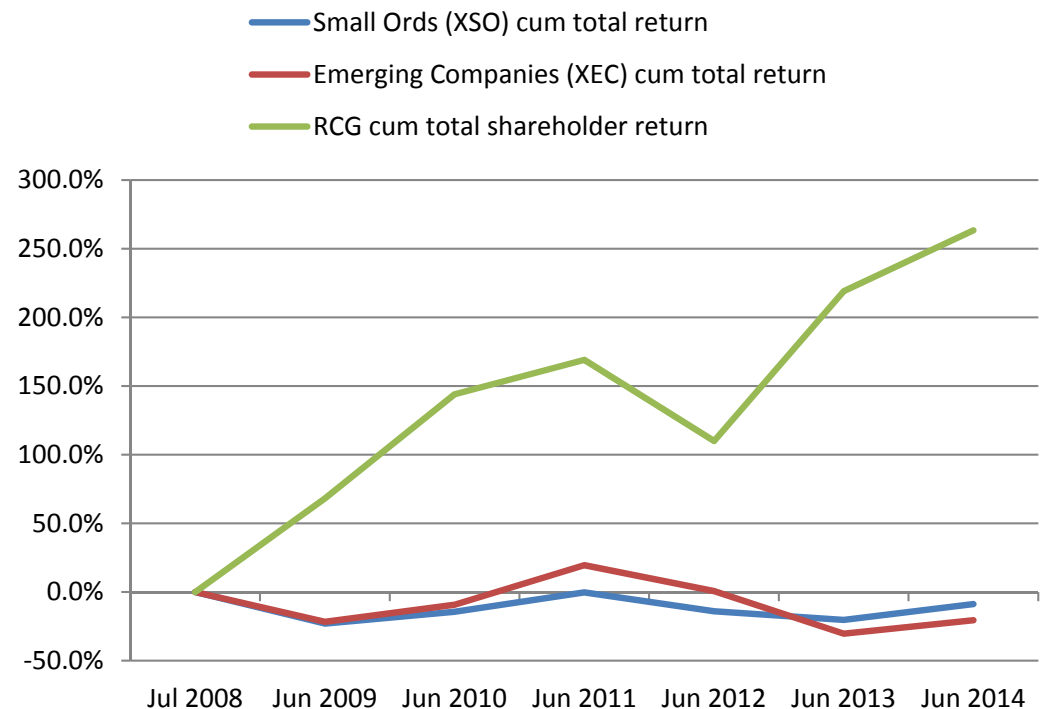
- Consolidated EBITDA of \$16.9m, an increase of 12.0% on the previous year
- NPAT attributable to owners of the company of \$11.8m, an increase of 11.2% on the previous year
- Diluted EPS of 4.58c, an increase of 6.3% over the previous year, after the weighted average number of shares on issue increased 4.5% from 244.1m to 255.1m
- A final ordinary dividend of 2.5 cents per share in respect of FY2014 resulting in ordinary dividends for the full financial year of 4.5 cents per share, an increase of 12.5% on the prior year.
- Net cash on hand at year end (after interest bearing liabilities) of \$11.8m
- Acquisition of the Saucony and Podium Sports businesses completed in December 2013

2014 financial year highlights

RCG continues to be defined by the exceptional returns it delivers on shareholders funds, its outstanding operating cashflow, and its strong, ungeared balance sheet. The following chart shows RCG's shareholders return performance compared to relevant indices:

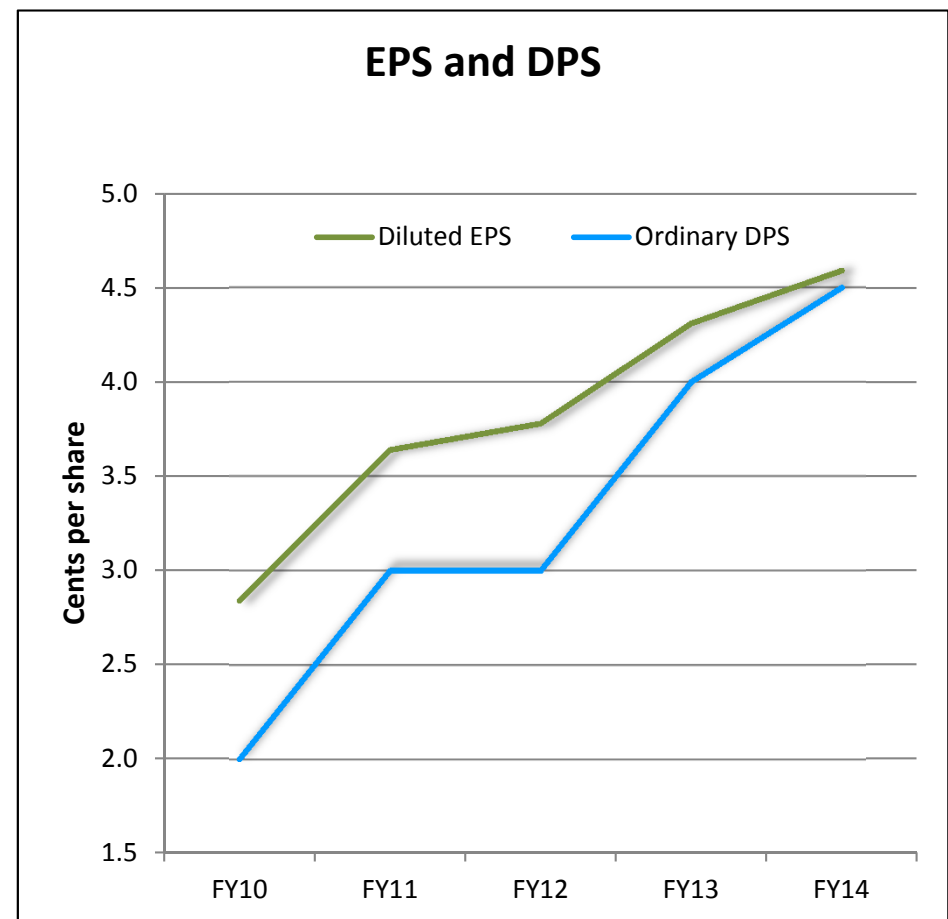
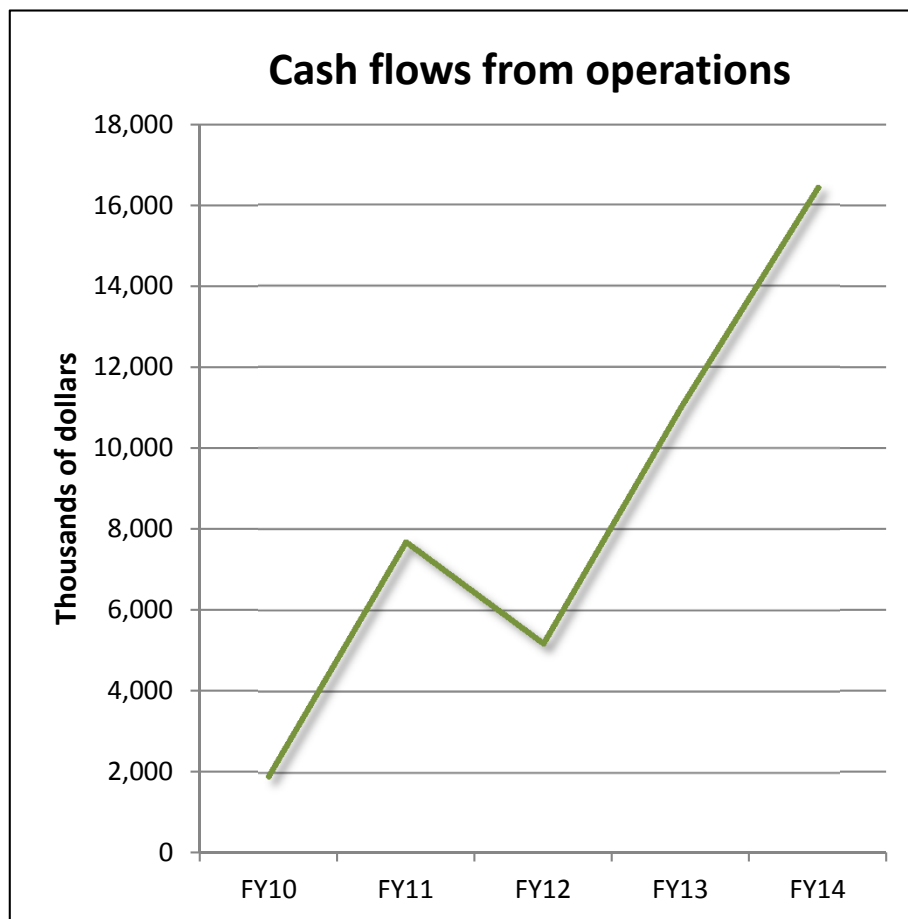
- Total shareholder return over six years to June 2014 is 263%
- This represents a compound Annual Growth Rate (CAGR) of 24%
- This is an outstanding return both in absolute terms and when compared to the Small Ordinaries Accumulation indices, both of which are in negative territory over the same period

RCG Total Shareholder Returns Over 6 Years



2014 financial year highlights

The following charts shows how RCG's cash flows, earnings and dividends have grown over the last five years:



Results table

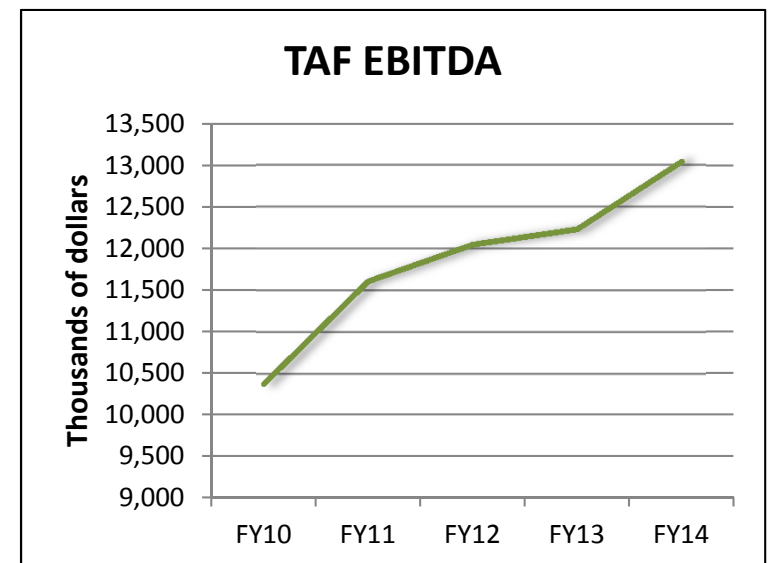
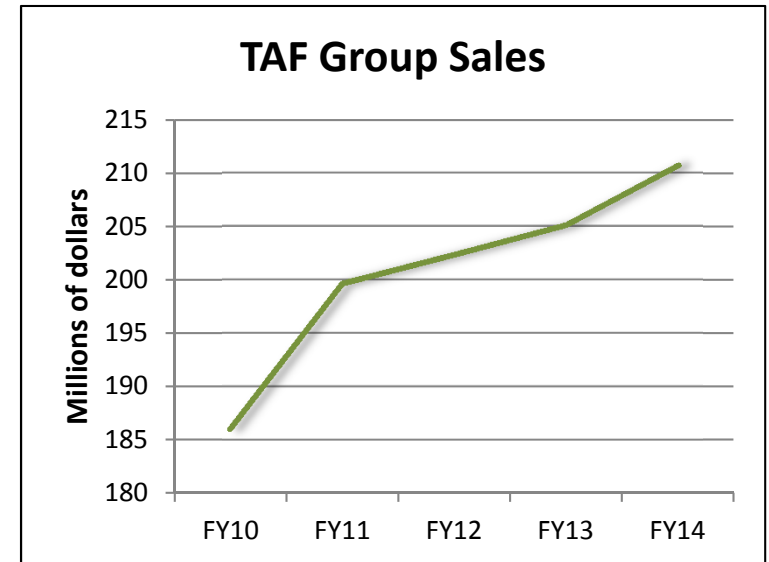
Continuing Operations	FY2014	FY2013	% Change
The Athlete's Foot EBITDA	13,039	12,230	6.6%
RCG Brands EBITDA	6,891	5,005	37.7%
RCG Corporate EBITDA	(2,724)	(2,229)	-22.2%
Inter-company eliminations	(317)	79	-501.3%
Consolidated EBITDA	16,889	15,085	12.0%
Depreciation & Amortization	(1,147)	(900)	-27.4%
Consolidated EBIT	15,742	14,185	11.0%
Interest earned	881	848	3.9%
Consolidated PBT	16,623	15,033	10.6%
Taxation	(4,853)	(4,518)	-7.4%
Consolidated NPAT	11,770	10,515	11.9%
Less: non-controlling interests	(74)	0	0.0%
NPAT Attributable to owners of the company	11,696	10,515	11.2%
<u>Earnings per share from continuing operations</u>			
Basic earnings per share (cents)	4.72	4.34	8.8%
Diluted earnings per share (cents)	4.58	4.31	6.3%
<u>Dividends per share</u>			
Ordinary fully franked dividend (cents)	4.50	4.00	12.5%

The  **Athlete's Foot**



TAF financial year highlights

- Like-for-like sales growth of 2.7%
- Total group sales of \$210.7m, an increase of 3.0% on the previous year
- EBITDA grew 6.6% to \$13.04m
- TAF continues to drive growth and sustainability through its highly compelling, distinctive and defensible consumer offer. During FY14 the business successfully completed a number of key long-term projects designed to reinforce and strengthen this market position. These include the following:



TAF financial year highlights

- Key projects delivered:
 - The completion of the rollout of Fitzi, TAF's proprietary new fitting technology which is believed to be the most advanced system of its type. The system is designed to deliver an unparalleled in-store customer experience and reinforce TAF's expertise in service and fit.
 - The completion of the rollout of Erply, TAF's new generation point of sale and retail management system. Real time access to performance metrics, both at store and group level, is already beginning to drive insights in the ongoing quest to refine the all-for-customer service objective
 - The successful implementation and deployment of Adobe Campaign, one of the world's leading customer relationship management and cross-channel marketing platforms, providing even greater insights into customer behaviours across all channel and enabling more targeted and customised consumer messaging
 - The successful launch of the "Partnership Program" with six partnership stores now operational. This program is designed to add energy and renewal to the franchise network through the partnering with outstanding new franchisees
 - Continued advancement of, and investment in, the leveraging off the digital space as an enabler to get closer to customers, both existing and new, by delivering a fully integrated cross channel experience



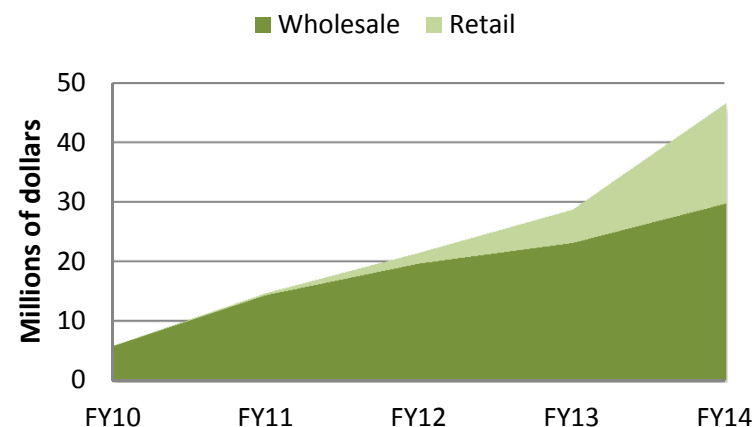
RCG
BRANDS



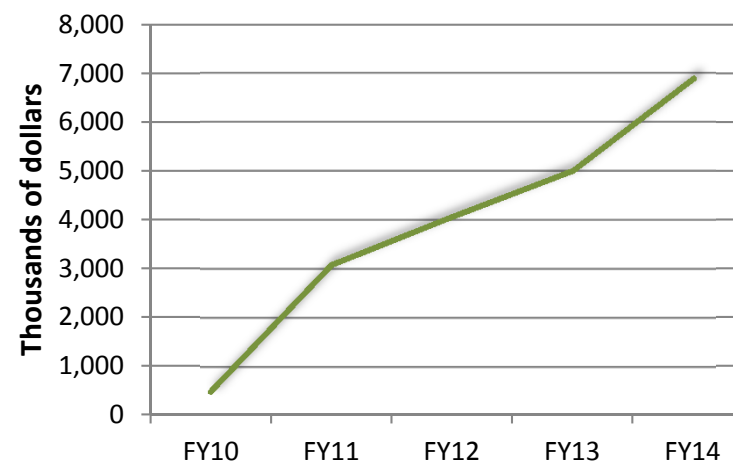
RCG Brands financial year highlights

- RCG Brands continues to grow and thrive with its complementary and growing stable of quality international brands
- EBITDA of \$6.9m, an increase of 37.7% on the prior year
- Total sales of \$46.6m, an increase of 62% on the previous year
- Wholesale sales grew 29% to \$29.8m as a result of both growth in its established brands (Merrell and Cat) and as a consequence of the acquisition of the Saucony business in December 2013.
- Retail sales grew 200% to \$16.8m, as a result of Merrell Retail sales growing by 78.5%, with like-for-like sales growth of 5.8%, as well as the acquisition of the Podium sports business in December 2013
- Seven new Merrell Retail stores opened during the year, including three clearance stores. This takes the total number of Merrell stores to 15.

RCG Brands Sales



RCG Brands EBITDA



Outlook and trading update

Outlook and trading update

Dividends

- RCG paid a 2.5c fully franked final dividend in respect of FY14, taking the total dividends in respect of the year to 4.5c, an increase of 12.5% on the prior year.
- The company is committed to continue to delivering exceptional returns on shareholders funds. Its strong balance sheet and cash flows will continue to allow RCG to pay out a very 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 and/or other relevant businesses that augment its compelling , defensible retail offering and its complementary stable of brands.
- 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 trading update

Trading update

- TAF's like-for-like sales for the first quarter of FY15 were down 3% on the prior year. However, this trend has now reversed and the business recorded positive Like-For-Like (LFL) growth of 1% in October. Whilst negative LFL's are always disappointing, there were several specific influencing factors in Q1 that are not part of a long term trend. These include:
 - The short term impact of changes to TAF's loyalty program which are designed to increase long term loyalty and brand stickiness; and
 - Unprecedented and unsustainable price discounting activity by some market participants during the first quarter.

These factors are not ongoing and we remain confident of achieving positive sales growth for the year.

- For the first quarter of the financial year, RCG's vertical retail business was in line with the previous year on LFL basis. The business recorded positive LFL's in the October of 3%.
- Wholesale sales to external customers are up by more than 30% over the four months to October.
- Three new Merrell retail stores are scheduled to open before Christmas, taking the total number of such stores to 18.
- The market remains volatile and unpredictable and these conditions prevent us from providing guidance for FY15. Our management team has developed and implemented processes, structures and plans suited to countering the threats and capitalising on the opportunities that we expect to face over the remainder of the financial year and we expect another year of profit growth.