

OROTONGROUP

24 March 2009

NPAT RESULTS INCREASE 20% ON PRIOR HALF YEAR

OrotonGroup today reported:

- ❖ A net profit of \$12.5 M for the half year ended 24 January 2009 an increase of 20.4% on HY08 (\$10.4 M).
- ❖ Overall revenue increased 11.4% to \$74.4 M (HY08 : \$66.8 M).
- ❖ Like for like store sales performance for the period was 12% for the Group, 20% for Oroton and 5% for Polo Ralph Lauren.
- ❖ An interim fully franked dividend of 16.0 cents per ordinary share has been declared (HY08: 15 cps). The record date for determining the entitlement is 8th April 2009 and payment will be made on 22nd April 2009.
- ❖ EBIT for the period was \$18.0 M or 24.5% of sales (HY08: \$15.3 M or 23.3% of sales) while EBITDA was \$20.1 M or 27.4% of sales (HY08: \$18.0 M or 27.5% of sales).
- ❖ The cost reduction program announced in FY07 has continued to drive total expenses down to 47.0% in HY09 compared to 50.3% of sales in HY08.
- ❖ A \$40 M bank facility of which \$37 M is available until May 2011.
- ❖ Bank debt of \$1.7 M (HY08: \$2.0 M) at the end of the financial half year and a conservative debt to equity ratio of 6.0%.
- ❖ Strong cash flows with an operating cash flow of \$13.3 M for the period (HY08: \$11.0 M).
- ❖ The Group opened 10 new stores (7 first retail, 1 concession and 2 factory outlets) and closed 2 stores (due to landlord re-developments) in the half to take the store total from 59 at the end of FY08 to 67 at HY09. A further 2 new stores are planned for late H209 as well as an ongoing store refurbishment program.

OrotonGroup CEO, Sally Macdonald, commented: "We are pleased with our 20% increase in profit for the first half of FY09 in what is considered to be the weakest economic climate for many years. Our like for like results demonstrate the strength of our assets as well as our ability to navigate through volatile trading conditions. Coupled with the structural changes that we have implemented over the past 24 months, and our focused strategy of being leaders within our competitive segments, we have a healthy foundation for the future.

The increased interim dividend reflects the strength of the Company's position today with minimal bank debt, strong cash flow generation and a healthy balance sheet."

	H109 \$ M	H108 \$ M	% Change
Revenue	74.4	66.8	+11.4%
Net Margin (%)	69.9%	71.6%	-
Total Expenses (%)	47.0%	50.3%	-
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	20.1	18.0	+11.8%
Earnings Before Interest and Tax (EBIT)	18.0	15.3	+17.8%
EBIT Margin	24.5%	23.3%	-
Net Profit After Tax (NPAT)	12.5	10.4	+20.4%
Earnings Per Share (EPS) (Cents)	30.6	24.6	+24.5%
Interim Dividend Per Share (DPS) (Cents – Fully franked)	16.0	15.0	+6.7%
Like for Like (%) (Sales) – Group	12%	14%	-
Like for Like (%) (Sales) – Oroton	20%	12%	-
Like for Like (%) (Sales) - Polo	5%	17%	-
Operating Cash Flow	13.3	11.0	+21.0%
Operating Cash Flow Margin (%)	18.1%	16.8%	-
Bank Debt	1.7	2.0	-11.2%
Bank Debt to Equity (%)	6.0%	8.8%	-
ROCE (%)	82.0%	79.2%	-
No. of Stores	67	59	+13.6%

For further information contact Sally Macdonald, CEO Tel: +61 2 8275 5775.