

## RCG says Athlete's Foot sales grew 10%

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RCG Corporation Ltd says its Athlete's Foot sports shoe retail chain posted 10 per cent like-for-like sales growth for the four months to October as the company rolls out larger stores.

Sales at its large format stores grew 30 per cent in the four months to October compared with the corresponding period the year before, RCG said in a statement on Monday.

RCG had opened 11 large format Athlete's Foot stores so far, converting five small stores and opening six new outlets, and plans to open a further 10 by the end of this financial year.

"Directors continue to be delighted with the consistently exceptional performance of The Athlete's Foot," chairman Ivan Hammerschlag said in the statement.

"It is a testament to the highly competent and focussed management team, as well as the consistency and strength of the brand message."

RCG said the establishment of a wholesale and distribution business was almost complete, and would start shipping outdoor apparel maker Merrell's products as soon as the contract begins in January 2010.

RCG confirmed that the company's profit was unlikely to benefit from the three-store Shoe Superstore chain, which now was integrated into the company's infrastructure.

"We stick by our earlier assessment that Shoe Superstore is unlikely to have a material impact on group earnings for the next two to three years," Mr Hammerschlag said.

Mr Hammerschlag said the company had a liquid balance sheet and strong earnings so would be able to pay out about 70 per cent of after-tax earnings to shareholders in dividends.

"If the company continues to prosper and does not need its cash reserves to make acquisitions, we intend to return approximately 70 per cent of the after tax earnings to the shareholders by way of both interim and final dividends," he said.

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