

Athlete's Foot helps kickstart RCG dividend

Blair Speedy | From: *The Australian* | February 23, 2010 12:00AM

RCG Corporation, the company behind sports shoe franchise The Athlete's Foot, has declared its first interim dividend in five years after booking a 17 per cent rise in first-half profit.

But chairman Ivan Hammerschlag has warned that the pace of growth will slow in the second half. The company reported a net profit of \$2.91 million for the six months to December 27, up from \$2.49m for the comparable period a year earlier.

Sales were up 1.6 per cent to \$11.54m, including an 11.4 per cent surge in sales from the 141-store Athlete's Foot chain, which posted sales growth of 8.4 per cent when the benefit of six new store openings was excluded.

Mr Hammerschlag said the company was able to produce such a strong sales result despite tight consumer spending conditions because store owners cultivated links with podiatrists and sports clubs, who were keen on the chain's computerised "Fitprint" system, which recommends shoes to suit the customer's gait.

Meanwhile Shoe Superstore, a three-outlet chain focused on "comfort" footwear, which RCG acquired in September, was close to break-even for the period, with sales of \$1.45m over the four months of RCG ownership, up 20 per cent on the comparable period.

The company declared an interim dividend of 0.75c per share, its first interim payout since 2005, the year it listed on the stock exchange.