

MEDIA RELEASE

27 August 2008

RCG Corporation Limited results for the financial year ending 29 June 2008

- Net profit after tax of \$4.89m, up 152.6%
- Earnings per share of 2.71 cents, up 42.1%
- The Athlete's Foot network turnover of \$145.6m, up 13.9%
- The Athlete's Foot EBITDA of \$7.22m, up 59.9%
- Cash on hand grows to \$22.1m and all interest bearing debt paid out

RCG Corporation announces a record result for FY2008

RCG Corporation Limited (ASX:RCG) today announced a record full-year result for the financial year ending 29 June 2008. As summary of the Group's performance relative to the previous financial year is shown in the following table:

Description	FY08 (\$'000's)	FY07 (\$'000's) ¹	% Change
The Athlete's Foot EBITDA	7,220	4,514	59.9%
RCG Corporate expenses	(1,652)	(1,593)	-3.7%
Consolidated EBITDA	5,568	2,921	90.6%
Consolidated EBIT	4,676	2,300	103.3%
Net interest earned/(paid)	1,291	(266)	-
Impairment of tangible assets	-	(131)	-
Consolidated Profit Before Taxation	5,967	1,903	213.6%
Consolidated Profit After Tax	4,891	1,936	152.6%
Earnings per share (cents)	2.71	1.90	42.1%

¹ FY07 figures are for continuing operations only

Chairman Ivan Hammerschlag said:

“It is pleasing to see that the tough decisions taken by the board during the previous financial and the focused dedication of both management and staff through the 2008 financial year have paid off handsomely. This was an excellent year for the business and one in which The Athlete's Foot delivered an outstanding result, despite deteriorating market conditions.

The resilience and strength of The Athlete's Foot brand in a volatile market has been, and continues to be, remarkable and, whilst no retail business is immune to the effects of a rapidly slowing economy, The Athlete's Foot is better placed than most to withstand any downturn that may occur.

As a result, we are forecasting double-digit sales and profit growth for The Athlete's Foot in FY09. We are really pleased with the way the new financial year has started, achieving 17% sales growth in July.

On the corporate side of the RCG business, we are in a very strong position. As at the end of June 2008 we have \$22.1m in cash at call and no interest bearing debt at all. We are actively focussed on the task of identifying and examining potential acquisitions that are synergistic with our existing business where our skills and resources can be leveraged to maximum effect.

However, whilst we are actively pursuing opportunities, we will continue to be patient, diligent and thorough in our approach in order to ensure that we not only make an appropriate acquisition, we also protect our existing business from any increase in risk. We believe that many acquisition opportunities will arise over the coming months with the vendors' price expectations becoming more realistic.”

About RCG Corporation

RCG Corporation Limited (ASX:RCG) is an investment holding company that owns The Athlete's Foot Australia Pty Limited, Australia's largest speciality retailer of athletic footwear, which now operates 132 stores across Australia and New Zealand. RCG Corporation has a highly liquid balance sheet and is actively seeking synergistic acquisition opportunities that enable it to leverage its human and financial resources to maximum effect.

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