



## **RCG COMMENCES OPERATIONS AS MERRELL DISTRIBUTOR AND ISSUES 6,500,000 EMPLOYEE OPTIONS TO MERRELL EXECUTIVES**

**4 January 2010**

Further to the announcement made by RCG Corporation Limited (ASX: RCG) on 24 August 2009, RCG Brands Pty Limited, a wholly owned subsidiary of the Company, has today commenced operations as the Australian distributor of the Merrell brand of outdoor, comfort, active lifestyle, performance footwear and apparel.

RCG Brands has secured the services of the entire existing Merrell sales and management team, all of whom commenced their employment today. Consistent with its policy of encouraging senior employees to participate in, and be aligned with, long-term shareholder value creation, RCG has today issued a total of 6,500,000 Employee Options under the RCG Employee Option Plan to four senior executives in the Merrell team.

These Employee Options have an exercise price of \$0.40 each, being the approximate Volume Weighted Average Price (VWAP) of RCG's ordinary shares in the 30 days immediately preceding the execution of the Merrell distribution agreement. In addition to the exercise price, each option has been issued for an option fee of \$0.052, which the Company has lent to each executive in accordance with the terms of the RCG Employee Option Plan.

The Employee Options vest in equal annual instalments over 5 years provided that the optionholder remains an employee of the RCG Group at each vesting date.

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