

4 July 2007

Company Announcement Office
Australian Stock Exchange Limited

By Electronic Lodgment

Dear Sir,

MARKET RELEASE

RCG Corporation Limited (ASX:RCG) today announced that it had determined not to proceed with the proposed transaction referred to in its announcement of 28 June 2007.

RCG is currently reviewing a number of other opportunities and will keep the market informed of any developments.

Yours faithfully
RCG CORPORATION LIMITED



Howard Knapp
Company Secretary