

**RCG CORPORATION LIMITED ANNOUNCES
ORDINARY AND SPECIAL DIVIDEND
9 June 2009**

RCG Corporation today announced:

- **An Ordinary fully franked dividend of 1.5 cents per share**
- **A Special fully franked dividend of 2.2 cents per share**
- **That Directors intend to exercise vested options worth \$4.9 million**
- **Like-for-like sales growth for 2nd half of financial year (5 months to May) up 17%**

Dividend announcement

The Directors of RCG Corporation Limited (ASX: RCG), parent of The Athlete's Foot Australia, today announced the group would pay a fully franked dividend of 3.7 cents per share. The dividend, which will be paid on 18 August 2009 to shareholders registered by 5:00pm on 4 August 2009 (the Record Date), will be in two parts:

- *Ordinary Dividend* – RCG will pay a fully franked Ordinary dividend of 1.5 cents per share for the year ending 30 June 2009 in light of continued strong trading results
- *Special Dividend* – RCG will pay a fully franked Special dividend of 2.2 cents per share in light of the Company's recent historical performance and its strong, liquid balance sheet

Chairman Ivan Hammerschlag said "We are delighted to be in a position to pay a substantial dividend to our loyal shareholders. The Athlete's Foot continues to perform exceptionally well despite challenging market conditions. Like-for-like sales growth in the second-half of the financial year for the five months to the end of May 2009 was 17%. Year to date like-for-like sales growth now stands at 10% and we are therefore confident that RCG will comfortably achieve its profit guidance for the financial year."

"While we continue to actively pursue synergistic acquisition opportunities, we will not make an investment unless we believe that it will deliver considerable long term shareholder value. We believe that value will begin to materialize in the second half of the calendar year as asset values continue to fall," he said.

"In the meantime", continued Mr Hammerschlag, "The Athlete's Foot continues to be both highly profitable and cash generative and there is therefore every reason to pay out a substantial portion of the profits as dividends, while retaining our core cash reserves to fund any potential future acquisitions."

Exercise of Options

RCG's directors have indicated that, prior to the Record Date, they intend to exercise vested options over a total of approximately 41 million new shares for a combined exercise price of \$4.9 million. One executive director has indicated that he intends to sell up to 2 million RCG shares to enable him to exercise his options.

Mr Hammerschlag said "This unequivocally demonstrates the continued commitment of the directors to the business and its strategy". He went on to note that the cash inflow from the exercise of the options will almost entirely offset the cash outflow associated with the special dividend.

"We are delighted that we are able to pay this dividend without it impacting our acquisition plans," concluded Mr. Hammerschlag.

The dividend reinvestment plan will not apply to this dividend.

For further information contact:

Ivan Hammerschlag

Chairman, RCG Corporation Limited

0417-442-929

ihammer@wandoora.com.au