

Form 605
Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme RCG Corporation Limited

ACN/ARSN 108 096 251

1. Details of substantial holder (1)

Name RCG Corporation Limited and each of the companies set out in part 1 of annexure A (together known as the 'Group Companies')

ACN/ARSN (if applicable) 108 096 251

The holder ceased to be a substantial holder on 30/09/08

The previous notice was given to the company on 07/08/07

The previous notice was dated 07/08/07

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
14/09/2007	RCG Corporation Limited and the Group Companies	Dilution from issue of 19,500,000 shares issued by way of placement	Nil	14,912,013 fully paid ordinary shares	14,912,013
28/09/2007	RCG Corporation Limited and the Group Companies	Dilution from issue of 437,001 shares issued by way of exercise of options	Nil	14,912,013 fully paid ordinary shares	14,912,013
15/10/2007	RCG Corporation Limited and the Group Companies	Dilution from issue of 45,717,391 shares issued by way of placement	Nil	14,912,013 fully paid ordinary shares	14,912,013
01/11/2007	RCG Corporation Limited and the Group Companies	Dilution from issue of 1,400,000 shares issued by way of placement	Nil	14,912,013 fully paid ordinary shares	14,912,013
31/07/2008	RCG Corporation Limited and the Group Companies	Increase in voting power as a result of a buy-back of 1,780,000 shares	Nil	14,912,013 fully paid ordinary shares	14,912,013
30 September 2008	RCG Corporation Limited and the Group Companies	See part 2 of annexure A	See part 2 of annexure A	7,456,006 fully paid ordinary shares	7,456,006

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

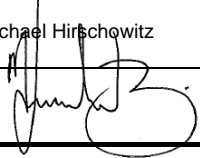
Name and ACN/ARSN (if applicable)	Nature of association

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
RCG Corporation Limited and Group Companies	Unit 8, 29 Bridge Road, Stanmore NSW 2048

Signature

print name	Michael Hirschowitz	capacity	Company Secretary
sign here		date	02 / 10 /2008



Company Secretary
Dated: 2 October 2008

Annexure A

Part 1

The Athlete's Foot Australia Pty Limited (ACN 001 777 582)
T.A.F Constructions Pty Limited (ACN 097 684 430)
HMC Imports Pty Limited (ACN 125 433 972)

Part 2

RCG Corporation Limited entered into a Deed of Guarantee and Indemnity with McNeil Nominees Pty Ltd on 18 September 2008, replacing the Deed of Guarantee and Indemnity with Tricom Nominees Pty Ltd entered into on 3 August 2007. Pursuant to the Deed, RCG Corporation Limited has the right to direct McNeil Nominees Pty Limited to enforce its powers under Share Mortgages between McNeil and each of Rosedale Road Pty Limited and R&R Super Pty Limited. The Share Mortgages take security over shares in RCG Corporation Limited held by Rosedale Road Pty Limited and R&R Super Pty Limited. The Deed of Guarantee and Indemnity and Share Mortgages together secure certain obligations of King of Knives Holdings Pty Limited and King of Knives Holdings (NZ) Limited as buyers under Share Sale Agreements entered into with RCG Corporation Limited on 3 August 2007 in connection with the sale of the King of Knives subsidiaries.

Subsequent to the initial sale agreements (and as announced in August 2008) RCG Corporation Limited, the Buyers and interests associated with the Baskin Family (including Rosedale Road Pty Limited and R&R Super Pty Limited) agreed certain amendments affecting the payment of the deferred purchase price for the King of Knives subsidiaries. The relevant terms of the revised payment arrangements involve the payment of a cash payment to RCG Corporation Limited of \$2.25 million, which it received on 30 September 2008, and the release in favour of Rosedale Road Pty Limited of half of the shares in RCG Corporation Limited subject to the Share Mortgages upon payment of the \$2.25 million in cash.