Retail Food Group Limited
AGM 2015

Managing Director's Address
26 November 2015

[Slide 1]

[Slide 2]
A Global Vision

Good afternoon ladies and gentlemen and thank you Mr. Chairman.

As we embark upon our 10th year as a Listed entity, we reflect upon FY15 as both a remarkable and momentous period for RFG, during which the Company's operational platform and reach were elevated to the global stage, forever transformed by an ambitious, albeit successful, M&A program that has delivered immediate earnings growth and a plethora of new opportunities while re-invigorating existing platforms.

Supported by the advancement and execution of numerous organic initiatives, RFG has established a veritable suite of revenue drivers able to deliver enhanced and sustainable shareholder outcomes all of which underpin long term growth.

Importantly, notwithstanding the rapid development witnessed over the past 12 months, and indeed, over the course of RFG's relatively brief journey as a Listed entity, the underlying values and drivers of the Group remain aligned to the vision and strategy that compelled the Company to undertake an IPO in 2006.

That vision contemplated:

- Consolidation of a fragmented domestic retail food franchising industry via strategic and prudent acquisition activity;
- Franchise outlet and revenue growth;
- Innovation capable of retaining customer loyalty and sustaining Brand System relevance;
- Pursuing vertically integrated commercial pursuits; and
- International growth.

Now firmly cementing itself as Australia's leading multi-brand retail food franchise operator, RFG is possessed of a dozen Brand Systems, the largest of which are not only category leaders, but also represent the most highly recognizable franchise operations in the country.

As well, and whereas the opportunity has arisen on numerous occasions to waver, RFG has remained resolute in abiding by another founding principle: that of being the ultimate intellectual property owner of its wholesale brands and Brand Systems.

That being said, FY15 transformational programs have elevated RFG's aspirations and strategic mindset, which now encapsulates a passion and commitment to attain leadership within the franchising and coffee industries beyond domestic boundaries.

The steadfast belief in the 'strength in brands' philosophy, which has served as a guiding thematic throughout RFG's journey to date, not only remains relevant, but represents the foundation upon which international growth will now be escalated.

[Slide 3]
An Ambitious M&A Program

FY15 acquisition activity has once again demonstrated not only the validity of 'strength in brands', but significantly, has increased the scale of RFG's operational activity and reach, both domestically and abroad.

Firstly, RFG solidified its position in the mobile coffee market with the acquisition of Cafe2U in September of last year. This transaction propelled the Company to undisputed leadership in the coffee van market, with a global presence of 341 units across The Coffee Guy and Cafe2U Brand Systems as at the close of FY15.

That transaction was promptly followed by acquisition of the globally recognized coffee house and roasting business, the Gloria Jean's Coffees Group, which settled in December 2014.

Having long been a prize sought by RFG, and dwarfing all other acquisitive activity undertaken by the Group, the transaction delivered:

- The World intellectual property rights associated with the Gloria Jean's Coffees and It's A Grind Brand Systems;
- Stewardship over a network of circa 800 outlets operating in some 45 countries;
- Additional annualized coffee product throughput approximating 2.9m kilograms;
- In excess of threefold growth in coffee roasting capacity via two state-of-the-art coffee roasting facilities situated in Sydney and Los Angeles;
- The benefit of an established international master franchise partner complement that provides scope for accelerated exploitation of RFG's other Brand Systems within foreign markets;
- An experienced management team and dedicated human resources complement, including the architect of Gloria Jean's Coffees' worldwide development, Nabi Saleh; and
- Access to the closed (patented) Caffitaly coffee capsule delivery system, which provides opportunity for exploitation of new markets together with enhanced penetration of RFG's Brand Systems into the 'in-home' environment.

The M&A program was closed out in February this year, with acquisition of Australia's leading specialty coffee brand wholesaler, Di Bella Coffee.

Augmenting RFG's stable of brands by introducing a reputable specialist coffee operation, Di Bella Coffee complements and extends the Company's existing coffee operations and domestic market penetration, and as well, represents a valuable platform for leveraging emerging espresso coffee culture within international markets.

[Slide 4]
Strength in Diversity

The Group is now represented in 58 licensed territories, with roasting facilities in Brisbane, Sydney, Auckland and Los Angeles supporting and supplying franchise partners, contract clients and wholesale customers.

It is the custodian of 12 Brand Systems, a clutch of wholesale coffee brands, and a network that is approaching 2,500 outlets.

That being said, a vast array of opportunity for the Company remains unexploited.

RFG's Board and management have been pleasantly surprised by not only the post settlement performance of FY15 acquired assets, but as well:

- The scale of synergistic and other opportunity arising from their integration within the Company's existing business; and

- The strong culture embodied in each acquired business, fortified by a motivated, loyal and team orientated complement of franchisees and staff.

These realizations and performance outcomes further demonstrate the veracity in RFG's pursuit of a multi-brand and multi-revenue based business model.

Indeed, the Group's business model continues to afford unrivalled opportunity for increased scale, an expanding number of Brand Systems and franchisees, increased roasting capacity and an expanded in-house vertically integrated product supply chain.

It is a model that has provided unprecedented global access for Brand Systems, licensees, joint venture partners and exclusive supply arrangements, as well as a variety of international growth opportunities.

It is also a model that is unique with few, if any, comparable peers in terms of intellectual property ownership, scale and breadth of Brand System and allied commercial operations. It is that very uniqueness that enables:

- Optimization of Brand System performance, resource allocation and scale not otherwise available in the case of single Brand System management; and

- The Company to remain vigilant, agile and responsive to emerging trends and opportunities in new markets, whether this be relevant to new products, geographic locations or coffee and allied beverage supply.

These attributes are amply demonstrated in the Group's FY15 activity and outcomes.

[Slide 5]
FY15 Performance

Retail Food Group has a proud history of rewarding shareholders with robust financial outcomes, notwithstanding a conservative dividend payout ratio that supports acquisitive and organic growth strategies.

That history was further embellished during FY15, with the Group having delivered record outcomes for the ninth successive year since Listing.

Underlying[1] NPAT of $55.1m, an increase of 49.3% on the prior year, was consistent with guidance and translated into:

- Record underlying EPS of 35.6cps, an increase of 34.3% on prior period;
- A record dividend of 23.25cps, an increase of 5.7% on FY14's dividend; and
- A Total Shareholder Return of 26.9%.

These results were the product of a diverse and resilient business model, supported and underscored by the following achievements:

- Underlying EBITDA having increased 50.2% to a record $88.8m, buttressed by a $19.8m contribution from acquired assets, exceeding due diligence expectations by 8.2%;
- The establishment of a joint venture to exploit the Gloria Jean's Coffees Brand System within the Chinese market;
- Weighted Same Store Sales (SSS) and Average Transaction Value (ATV) growth of 2.9% and 3.4% respectively across the Company's Brand Systems, despite a continually challenged retail environment and strong competitor activity;
- Record FY15 new outlet commissionings of 200, being 25% above Guidance and which demonstrated;
    - The continuing relevance, and inherent breadth, of the Group's franchise offer vis-à-vis the franchisee candidate market; and
    - A strong Master Franchisee Partner complement which contributed 81 (or circa 40%) of commissionings;
- Burgeoning International and Coffee Wholesale platforms which accelerated the contribution to underlying Group EBITDA to 26% against 4% in the prior period;
- The continued rollout of the Company's Project EVO initiative across RFG's Traditional Brand Systems, extending penetration to 27% of the Donut King, Michel's Patisserie and Brumby's Bakery networks; and
- Acceleration of the Michel's Patisserie National Bakery Solution, which has demonstrated early positive results within those markets where it has been commissioned.

[1] Refer FY15 Results Presentation published 27 August 2015 for reconciliation to Statutory results

Furthermore, the ability to undertake large scale acquisitions, successfully integrate new businesses, enhance vertical integration opportunities and create new revenue streams whilst maintaining focus on the execution of organic growth initiatives amongst existing businesses, evidences an adroit and loyal senior management team and staffing complement committed to the delivery of elevated performance outcomes.

Whilst often overlooked, this expertise represents a most valuable asset that will continue to drive positive future Group outcomes.

[Slide 6]
Update – Acquired Businesses

Each of the businesses acquired by RFG in FY15 met or exceeded the pre-acquisition KPIs established, and as previously indicated, surpassed anticipated FY15 EBITDA contribution by some 8.2%.

Subsequent performance has been no less impressive.

Cumulative FY16YTD EBITDA contribution (to 31 October 2015) is presently tracking above expectation, providing comfort that the FY16 EBITDA contribution will meet guidance of circa $35m.

This outperformance is all the more meritorious given a range of integration programs and synergy benefits are programmed for completion in 2H16.

In particular the Gloria Jeans Coffee's Group acquisition continues to outperform in all aspects, including:

- Roasting throughput and efficiency dividends;
- International licence revenues;
- Domestic same store sales;
- Domestic new outlet opportunity; and
- Due Diligence identified growth initiatives now being executed upon (in particular the Drive Thru coffee house opportunity that will be further addressed in this presentation).

[Slide 7]
Rationalization and Restructuring Activity

Initially advised in October 2014, with subsequent updates during the 2014 AGM and 1H15 Results Presentation, RFG formally detailed a restructuring and consolidation program in June 2015, whose objectives included:

- Resource liberation;
- Removal of sub scale operations (as a direct consequence of the FY15 acquisition program); and
- Prioritization of the most compelling growth opportunities available to the Group.

Set to capture an additional circa $16m EBITDA contribution over a three year period, the program is well advanced with the majority of cash and non-cash investment in an amount of $29.6m (including asset acquisition costs of $5.7m) having been expensed or provisioned during FY15.

As previously detailed, the balance of the Company's investment within these programs (circa $5.2m) will be recognized in FY16.

[Slide 8]
Coffee & Allied Beverage

It is now opportune to discuss RFG's coffee and allied beverage pursuits.

Representing one of the World's most valuable commodities, over 8.8b kilograms of coffee is consumed globally.

Considered recession resistant given solid growth despite the GFC, economic headwinds and retail uncertainty, global consumption is expected to increase by a further 1.7% over the course of FY16.

This growth will be in part driven by increased consumption amongst Asian markets, which is evidenced, for example, by a doubling of cafes in China between 2007 and 2013.

Aided by an extensive roasting infrastructure and expertise, together with growing access to foreign markets complemented by a robust international Master Franchise Partner regime and the recently commissioned joint venture to exploit the Gloria Jean's Coffees brand in China, RFG is well positioned to tap both domestic and global demand.

Indeed, since entering the wholesale coffee market in 2008, the Company has developed a Coffee & Allied Beverages Division such that it is now the steward of a business unit with annualized throughput of circa 6m kilograms – some 75% of which is directly attributable to the FY15 acquisition activity already detailed.

YTD performance of the Division continues to demonstrate the rectitude of RFG's decision to increase its investment in coffee, with anticipated 1H16 performance currently tracking to internal budget forecasts.

[Slide 9]
RFG's Coffee Story

Those familiar with the Company's 2015 Annual Report would have noted the link provided therein to a short video that showcases RFG's coffee operations. We would now like to take a brief moment to share that video with today's attendees.

[PLAY COFFEE VIDEO LINKED TO 2015 ANNUAL REPORT]

[Slide 10]
FY16 Initiatives

(1) Coffee roasting and allied beverage consolidation

Notwithstanding flattering historic growth outcomes nor the prospect of additional volumes to be derived from existing infrastructure, RFG has no intention of remaining idle within the coffee and allied beverage space.

During CY15, the Company successfully migrated the entirety of its former Granville, NSW, coffee roasting operations to the Castle Hill, facility - procured via the Gloria Jean's Coffees Group acquisition.

Coffee roasting and supply for the entirety of RFG's Brand Systems (save certain international networks supported by the Company's Auckland and Los Angeles facilities) is now centralized within the Castle Hill facility.

Likewise, domestic wholesale operations have been centralized within the Company's Di Bella Coffee roasting facility situated in Brisbane.

These initiatives, coupled with the global scale now enjoyed by the Group, have liberated otherwise redundant coffee roasting infrastructure that will shortly be redeployed overseas in order to more efficiently service the Company's existing international networks and unlock further growth opportunity.

This program is well advanced, with redundant roasters now fully re-furbished and the first of an additional three programmed roasting and distribution hubs scheduled for 2H16 commissioning.

As well, the Company's Los Angeles roasting facility has been re-faced as Di Bella Coffee, and putative steps taken to infiltrate the lucrative North American market via exploitation of that brand within that territory.

These initiatives will also be supported by:

- The Company's recent entry into an exclusive machinery and capsule supply agreement for the patented Caffitaly 'Professional Program';

- The Group's entry into drinking powder manufacturing operations; which will be supplemented by

- Development of a syrups and cordials business able to service the Company's existing Brand Systems' appetite and wholesale customers.

[Slide 11]

(2) Powders & Syrups

Insofar as powder and syrups manufacture is concerned, we are pleased to confirm that RFG has successfully completed pilot testing and this month commenced commercial phase production from the first of its powder production lines commissioned at the Company's Gold Coast, Yatala, facility.

Initially focused on the production of chocolate powders, the facility will ultimately accommodate the manufacture of additional products including white powders, chais, syrups and cordials.

Chocolate powders are presently being stockpiled in anticipation of a February 2016 product launch, with distribution initially satisfying demand of RFG's Brand Systems and domestic Di Bella Coffee wholesale accounts.

Initial annualized throughput is scheduled to be in excess of 500,000 kilograms.

Phase 2 production, which comprises white powders and syrups, is programmed for commissioning in CY16.

[Slide 12]
(3) Caffitaly Professional System

Additionally, the Company has this month entered into an exclusive machinery and capsule supply agreement for the patented Caffitaly 'Professional Program' capsule delivery system in respect of Australia and New Zealand (ANZ).

This agreement enables penetration into new markets via the exploitation of a commercial (as opposed to domestic) capsule and capsule machine, targeted at meeting the needs of myriad small business and institutional clients whose coffee volumes or circumstances would not otherwise accommodate a traditional espresso coffee offer.

This machine is on display today, and for those present, we will be only too pleased to demonstrate the features and uniqueness of the same on conclusion of the AGM.

RFG has forecast ANZ market penetration of circa 25,000 units within the initial 24 months of the agreement term, with the first order programmed for delivery in February 2016.

If achieved, this machine penetration is forecast to generate annualized capsule throughput at maturity of between 100m and 150m units.

Further, the Professional Program will represent an additional platform for embellishment of the Company's equipment rental program, with a tailored machine licensing arrangement having been developed in connection with the opportunity.

This initiative will represent the first occasion by which RFG has initiated or extended its rental program beyond existing Brand System networks and – where due diligence is proved satisfactory – will be fortified by further exclusive equipment/product opportunities in the near term.

[Slide 13]
(4) Gloria Jean's Drive Thru

Subsequent to acquisition of the Brand System, RFG has successfully piloted the Gloria Jean's Coffees drive thru model, with three outlets currently in operation.

Research has identified significant opportunity to develop and proliferate this model nationally, aligned with 3rd party development activity associated with travel centre and convenience retail concepts.

The Company has resolved to formally commission the program, initially on the Eastern Seaboard. In this respect, a dedicated team has been established and is presently evaluating in excess of 50 sites of which approximately a third have thus far been sanctioned post a rigorous evaluation process.

Furthermore, the Company is of the view that:

- There exists potential to rapidly grow outlet numbers, with circa 25 outlets to be committed to by the end of CY16; and indeed

- Scope for the segregation and licensing of the drive thru model via a master franchising arrangement.

[Slide 14]

(5) Capital Management

It is with pleasure that we announce that the Company has agreed terms in connection with an extension and increase of its present Senior Debt Facilities via a bi-lateral banking arrangement between NAB and the Westpac Bank.

The amended and restated Senior Debt Facilities provide increased facility limit, structured tenure over five years, ongoing security and further flexibility – particularly in terms of accommodating the Company's increasing roasting, warehousing and international operations.

Whereas NAB has been, and continues to be, a long term supporter and principal banker to RFG, the bi-lateral arrangement introduces the Westpac Bank as a senior banker to the Group.

The new 'stepped' $300m bi-lateral facility represents an increase of c.$75m to the present two year facilities[(2)] and extends maturity from September 2017 to December 2020.

All other terms and conditions, including lending covenants, are consistent with existing facilities, save for increased flexibility.

On behalf of the RFG Board, we extend a sincere welcome to the Westpac Bank and acknowledge with gratitude the exemplary and ongoing service and support afforded by the NAB over many years.

RFG is pleased to be partnering with two robust banking institutions whose appreciation of the Company's business model is evidenced by their commitment to this enlarged facility.

[Slide 15]

(6) RFG's Future Home

Finally, after an exhaustive evaluation process - having exceeded the physical confines of the Company's Southport offices and training facilities and already outgrowing the capacity of the Castle Hill facility - RFG has entered into contracts to acquire property in Ashmore, on the Gold Coast, that will serve as the Company's future global headquarters and principal operational base.

Combined, the adjoining properties represent a total land area of c.24,000m^2 with 9,500m^2 under roof, which will ultimately house multiple office facilities, warehousing infrastructure, manufacturing pursuits (coffee and allied products), loading docks, multiple access points and on-site parking for 200+ vehicles.

The site will comfortably accommodate RFG's longer term expansion aspirations, including the centralization of existing and disparate operational, training and manufacturing pursuits, whilst affording scope to up-scale existing endeavours.

Although contracts are subject to due diligence investigation, the Company's interest in these properties represents a commitment not just to a new global headquarters, but security in terms of future growth and long term stability.

[2] RFG's present NAB Senior Debt Facility is c.$225m, exclusive of additional short term funding in an amount of $50m

The Company's investment in the new facilities, which includes substantial renovation and refurbishment works, will be offset by the divestment of RFG's existing real property portfolio comprising properties in Southport, Ashmore and Yatala, resulting in a forecast net additional investment of circa $5m over a five year period.

Further information regarding the acquisition will be provided with the Company's 1H16 Results Presentation.

[Slide 16]
Trading Update – Franchise Division

(1) Outlet Growth

Pleasingly, the positive outcomes achieved or in progress amongst the Company's broader business are being replicated amongst RFG's franchising division.

The Company is well placed to achieve FY16 new outlet commissionings guidance of 250, which represents a 25% increase on FY15's tally.

This is as a result of a strong start to the financial year with current commissionings, both domestic and international, tracking ahead of budget, in part as a result of:

- Strong performance amongst international networks, where FY16YTD outlet growth presently exceeds 50 outlets, aided by:
    - Robust growth within the Malaysian, Chinese and Turkish markets; and
- Strong domestic demand driven by:
    - Innovative promotional activity to attract new franchisee candidates; and
    - The liberation of pent-up demand for outlet growth within the QSR and Gloria Jean's Coffees Brand Systems.

With respect to 1H16 outlet population, RFG now anticipates net population growth of circa 60 outlets, exceeding budget by 16 (or 36%), comprising:

- Organic new outlet growth of circa 140, being 25 outlets (or 22%) greater than budgeted; and
- Outlet closures of circa 80, being 9 outlets over budget, principally as a consequence of:
    - The QSR Division: where an additional five Pizza Capers outlets have been closed consistent with RFG's realignment strategy to focus that Brand System's growth within Queensland, Northern NSW and Western Australian 'strongholds'; and
    - The Michel's Patisserie Brand System: where 1H16 closures are now anticipated to be 24, given decommissioning of 12 outlets not suitable for alignment with the National Bakery Solution.

RFG will review outlet growth performance at the time of 1H16 Results publication and provide upgraded full year guidance, should present traction continue.

[Slide 17]
(2) Brand System Performance

Innovative promotional activity, menu refinement, Project EVO and National Bakery Solution traction, and a focus on delivering programmed outcomes in an expedited manner, continue to drive Brand System performance.

The Company's Traditional Brand Systems (Donut King, Michel's Patisserie and Brumby's Bakery) have maintained the positive momentum generated during FY15, with FY16YTD weighted SSS and ATV growth of 2.3% and 2.4% respectively, supported by innovative marketing activity and new product development.

For those present, products now available at Michel's Patisserie via the National Bakery Solution are on display and will be available for sampling following the AGM. Including tiered cake options, customization and 'on trend' flavour and design profiles, these innovative products demonstrate the enhanced quality and consistency of product now available to Michel's Patisserie's valued customers.

Coffee Retail FY16YTD SSS growth was a credible 2.1% having regard to the impressive performance of the division during FY15. Strong YTD ATV growth of 2.7% has been influenced by menu development and a focus on Gloria Jean's coffee credentials.

QSR YTD SSS decline of 0.9% has been impacted by price discounting within the pizza sector.

In this respect, it is not RFG's intention to enter the ultimately destructive and unsustainable behavior presently being witnessed within the value segment of the pizza industry, as is apparent following the well documented challenges faced by two of the largest pizza volume businesses in Australia.

Both Pizza Capers and Crust Gourmet Pizza Bar have respectively launched reinvigorated menus in October and November, supported by strong promotional activity, and relaunch of the Pizza Capers online ordering platform, which is expected to energize performance for the remainder of the 1H16 and into the 2H.

Whereas customer counts have decreased in both QSR Brand Systems, it is pleasing to note that ATV over the last 20 weeks continues to strengthen at circa 5.5% above the PCP.

RFG's philosophy is to remain focused on quality products, exceptional service and a retail pricing structure which not only appropriately recognizes the gourmet nature of the products and menu on offer, but importantly, derives a sustainable margin to franchise partners.

In terms of the Group's international networks, North American operations have been bolstered via the appointment of a well credentialed VP of Operations, together with positive engagement with the franchisee community that has stimulated renewed optimism and reinvigoration of the network.

That optimism is also evident amongst the remainder of the Group's international markets.

[Slide 18]
(4) Outlook

RFG is possessed of a unique business model that supports both acquisitive and organic growth strategies. This has facilitated investment in and advanced rollout of programs that not only derive additional earnings of themselves, but as importantly, leverage the Company's increasing size, scale and geographic reach for the benefit of shareholders.

With the plethora of acquisition and growth initiatives undertaken in FY15, RFG entered the current financial year with positivity and confidence as to enhanced performance and outcomes.

It is pleasing to report today that, based upon financial year to date performance, such optimism is well placed with 1H16 underlying NPAT anticipated to be a circa 25% increase on PCP[3]. On a like for like basis[4] the increase over PCP is circa 35%.

Consequently, the Board and management have no hesitation in reaffirming the Company's FY16 guidance of circa 20% underlying NPAT growth, with a positive performance bias to the 2H16.

[Slide 19]
Closure

At this juncture, a special acknowledgement and thankyou is extended to Nabi Saleh and Phillip Di Bella who have not only entrusted the stewardship of their respective business ventures to RFG, but who have themselves seamlessly transitioned to RFG Team Membership with each having accepted, and are executing upon, a much more diverse corporate mandate.

As well, it is appropriate to endorse the Chairman's expression of gratitude to our valued franchisee community, shareholders and customers who continue to support the Company, its Brand Systems and commercial pursuits.

[Slide 20]
Executive Management

Finally, and from a personal perspective, that gratitude extends to the Company's Executive Management Team who magnanimously invest time, effort and application which manifestly exceeds that required by their respective job descriptions. It is the executive membership, together with the entire complement of RFG Team Members, who have presided over, and successfully executed upon the most prophetic growth phase in the Company's history.

Frankly, if not for this dedication, perseverance to reach new heights, attain new goals and push new boundaries, the achievements and milestones of FY15 would not have been achieved within the timeframe enjoyed, if at all.

Thank you.

[3] 1H15 Underlying NPAT: $25.3m – refer Appendix 2 of 1H15 Results Presentation, published 25 February 2015, for details
[4] Like for Like adjusts for the China Joint Venture licence fee revenue and accounting policy adoption – refer Appendix 2 of 1H15 Results Presentation, published 25 February 2015, for details

MANAGING DIRECTOR'S ADDRESS

A.J. (Tony) Alford | **Managing Director, Retail Food Group Limited**

RETAILFOODGROUP
STRENGTH IN BRANDS

A GLOBAL VISION

- ‘Strength in Brands’ philosophy represents the foundation upon which historical performance has been achieved & from which future growth will be attained
- Now Australia’s leading multi-brand retail food franchise operator, possessed of a range of category leading, highly recognisable wholesale brands & Brand Systems
- FY15 acquisitions have reinforced international leadership ambitions within the franchising & coffee industries

AN AMBITIOUS M&A PROGRAM

September 2014 cafe2U – World's largest mobile coffee franchise

December 2014 Gloria Jean's Coffees – Global coffee house franchise & significant coffee roaster

February 2015 Di Bella Coffee – Australia's leading specialty coffee brand

STRENGTH IN DIVERSITY

- 12 Brand Systems
- 58 international licensed territories
- c.2,500 outlets
- 12 wholesale brands via Evolution Roasters, Roasting Australia & Di Bella Coffee
- 4 coffee roasting facilities

FRANCHISE				WHOLESALE / COMMERCIAL		
Traditional	QSR	Mobile	Coffee Retail	Specialty		Manufacture
donut king	crust Gourmet Pizza Bar	THE COFFEE GUY	Gloria Jean's Coffees	Di Bella COFFEE	BARISTA'S CHOICE	ROASTING AUSTRALIA
Brumby's BAKERY EST. 1975	PIZZA CAPERS GOURMET KITCHEN	cafe2u the supreme bean machine	IT'S A GRIND COFFEE HOUSE	umami COFFEE ROASTERS	Evil Child	Di Bella COFFEE
Brumby's BAKERY GO!			ESQUIRES COFFEE / bb's	COFFEE KICK+	Roasted Addiction	evolution COFFEE ROASTERS
Michel's PATISSERIE			Di Bella COFFEE	TORQ	CAFÉ PALAZZO	Maranatha COFFEE ROASTERS
						Caffe COFFEE

FY15 PERFORMANCE

Performance	NPAT increased 49.3% to $55.1m(1) EBITDA increased 50.2% to $88.8m(1) Record Dividend of 23.25cps resulting in EPS of 35.6cps(1) Positive weighted SSS & ATV growth across the Group 200 new outlets exceeding guidance by 25%
Acquisitions	Cafe2U, Gloria Jean's Coffees, It's A Grind & Di Bella Coffee
Opportunities	Joint Venture, Gloria Jean's Coffees China
Initiatives	Project EVO penetration: 27% of Traditional network Continued diversification of business pursuits International & Coffee Wholesale contributed 26% to Group EBITDA Acceleration of Michel's Patisserie National Bakery Solution Rationalisation of sub scale operational platforms

(1) Underlying – refer Appendix 1 of FY15 Results Presentation

UPDATE: ACQUIRED BUSINESSES

- Each acquired asset met or exceeded acquisition KPIs
- FY15 EBITDA contribution target exceeded by 8.2%
- Acquired assets on track to achieve FY16 EBITDA Guidance of c.$35m

FY15 KPI Metrics	EBITDA	Outlets	Coffee Throughput (annualised)
Cafe2U	$1.6m	236	0.07m kg
Gloria Jean's Coffees	$15.3m[(1)]	780	2.90m kg
Di Bella Coffee	$2.9m	-	1.40m kg
Total	**$19.8m**	**1,016**	**4.37m kg**

(1) Excludes China Joint Venture EBITDA of $5.7m

RATIONALISATION & RESTRUCTURING

Clear Objectives	Prioritise most compelling growth opportunities Liberate resources Remove sub-scale operations
Truncated Timeframe	85% investment during FY15 Remainder to be recognised in FY16
Driving Outcomes	Enhanced platform for accelerated growth c.$16m additional EBITDA to be realised over three years

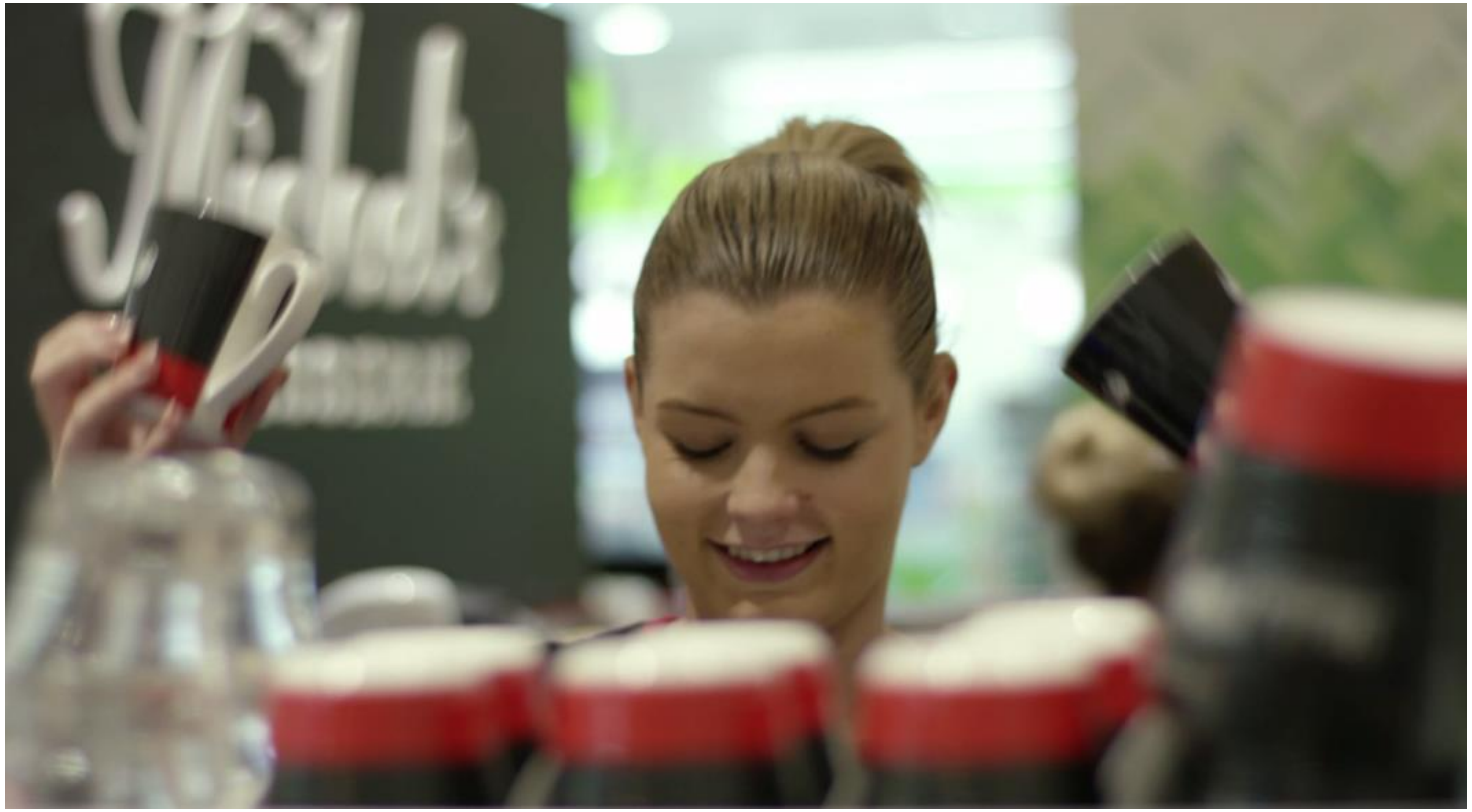
EBITDA Realisation	FY15	FY16	FY17	FY18
Annual	$1.7m	$5.2m	$6.0m	$3.1m
Cumulative	$1.7m	$6.9m	$12.9m	$16.0m

COFFEE & ALLIED BEVERAGE

- Since market entry in 2008, Coffee & Allied Beverage Division has become the steward of leading wholesale brands & a global supply chain
- Currently generating annualised throughput in excess 6m kilograms
- Additional growth through emerging espresso coffee markets in China, South East Asia and the USA

Bean Origins	RFG Facilities	Markets	End Users
Brazil Colombia Nicaragua Ethiopia Sumatra	Brisbane Sydney Auckland Los Angeles	Domestic 78% International 22%	RFG Brand System 44% Wholesale Coffee 56%

RFG'S COFFEE STORY



COFFEE & ALLIED BEVERAGE CONSOLIDATION

- Plethora of opportunity within franchise & wholesale
- Actively pursuing opportunities within the coffee & allied beverage space
- Undertaking consolidation activity to unlock future growth opportunities
- Commissioning new roasting facilities & distribution hubs internationally

Consolidated Sydney coffee roasting facilities

Domestic wholesale centralised within Brisbane facility

Los Angeles facility re-faced to launch Di Bella Coffee

POWDERS & SYRUPS

- Commenced production from inaugural drinking chocolate powder facility
- Paves way for CY16 production of complementary products including white powders, chais, syrups & cordials

CAFFITALY PROFESSIONAL SYSTEM

- Entered into exclusive machinery & capsule supply agreement for the patented Caffitaly 'Professional Program' capsule delivery system
- Set to exploit commercial coffee capsule machine opportunities within ANZ
- Forecast penetration of c.25,000 units within initial 2 years & annualised capsule consumption upon maturity of 100m-150m
- Market includes small business, professional offices, hotels, clubs, sporting venues & conference facilities

GLORIA JEAN'S DRIVE THRU

- Successfully piloted Gloria Jean's Coffees drive thru model with three outlets presently trading (Queensland & New South Wales)
- Opportunity to expedite development & proliferate model nationally
- Dedicated team to drive project
  - Established relationships with transit hub developers & property owners
  - 50 sites presently under investigation
  - Supported by strong franchisee appetite
  - Development pipeline indicates up to 25 sites committed by CY16 end
- Excellent site characteristics:
  - Long term tenure of 10-15 years
  - Significantly higher AWS per outlet vs traditional model
  - Destination outlet with limited direct competition

CAPITAL MANAGEMENT

- Agreed terms to extend & increase Senior Debt Facilities via a bi-lateral banking arrangement with NAB and the Westpac Bank
- $300m total Senior Debt Facility – $75m increase on current 2 year facility
- Layered 3 year and 5 year tenure to December 2020
- Lending covenants consistent with existing facilities
- Significantly increased flexibility
- c.$18m associated facilities

RFG'S FUTURE HOME

- Entered into contracts to acquire adjoining properties in Ashmore, Gold Coast
- Ultimately serve as RFG's future global headquarters & principle operations base
- Subject to short due diligence period

Combined Site Attributes

- 24,000m^2
- 9,500m^2 under roof
- Separate warehouse, office & manufacturing buildings
- 200+ car parks
- Multiple access points

Investment Schedule

- Up to 3 years before full occupation
- Substantial refurbishment & renovation required
- c.$5m investment over five years (net of disposition of existing Gold Coast properties)
- Future reduction in Group property costs

RETAILFOODGROUP
STRENGTH IN BRANDS

TRADING UPDATE: NEW OUTLET GROWTH

- Forecast 1H16 new outlet growth of c.140
  - Exceeds original budget by 25 outlets (22%)
- YTD momentum suggests FY16 Guidance (250 new outlet commissionings) will be comfortably achieved
- Strong performance amongst international networks
  - FY16YTD commissioned 50 outlets
  - Tracking 20% ahead of budget
  - Underpinned by robust growth within Malaysian, Turkish & Chinese territories
- Domestic outlet growth tracking 10+ outlets ahead of budget
  - Innovative franchise recruitment promotional activity
  - Continued strong appetite for Gloria Jean's Coffees & QSR outlets

TRADING UPDATE: BRAND SYSTEMS

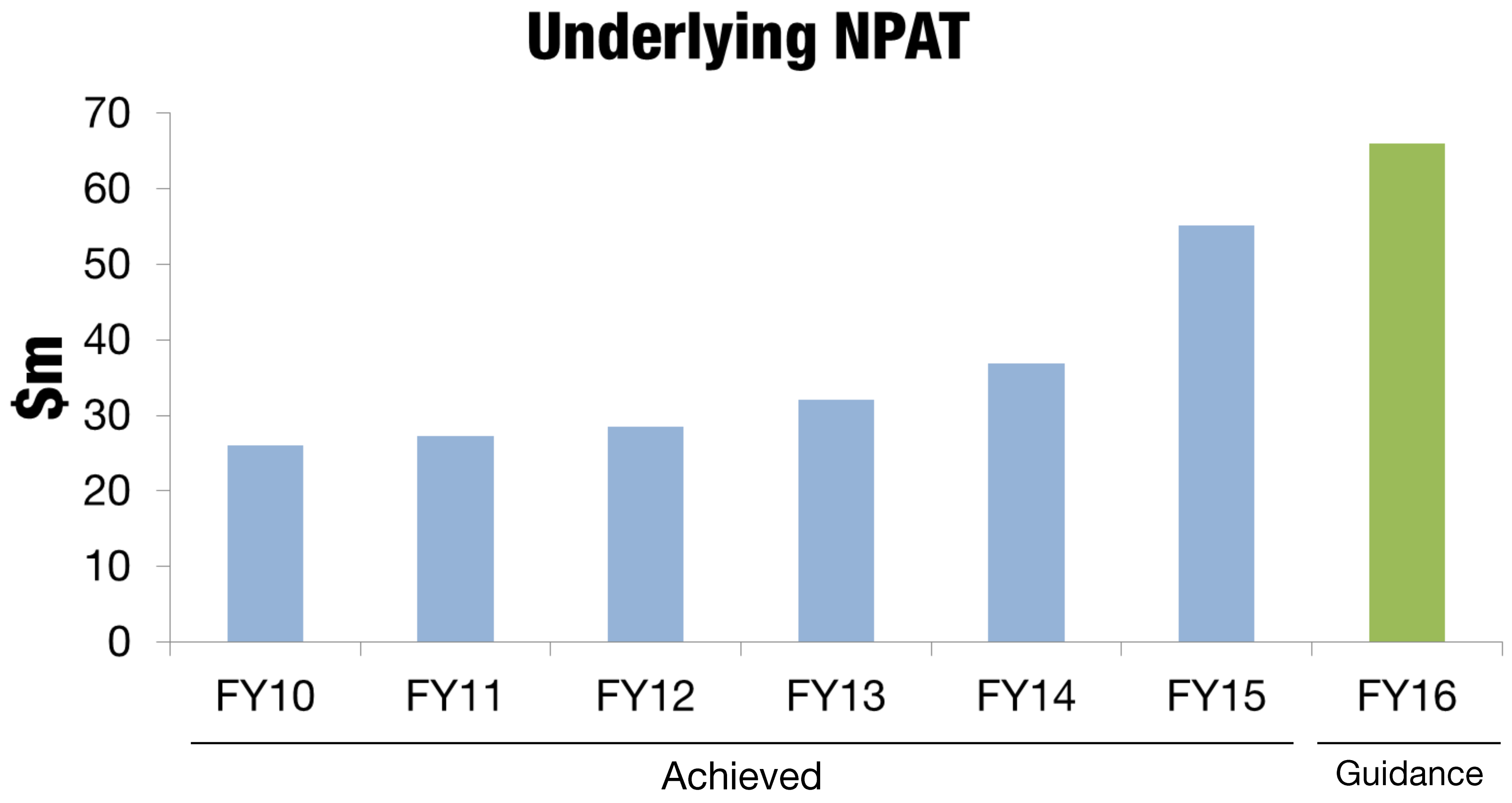
FY16YTD	SSS	ATV
Traditional	2.3%	2.4%
Coffee Retail	2.1%	2.7%
QSR	(0.9)%	5.5%

- Innovative promotional activity, menu refinement, Project EVO & National Bakery Solution traction continue to drive Brand System performance
- Group focus on product innovation & coffee credentials to deliver enhanced customer experience
- ATV growth reflects philosophy to preserve & enhance franchisee margins without engaging in destructive price deflation activity
- QSR impacted by increased sector discounting activity; focus remains on quality products, exceptional service & premium offer

OUTLOOK

1H16 Underlying NPAT increase of c.25% on PCP[(1)]
c.35% growth over PCP on Like for Like basis[(2)]

FY16 Guidance reaffirmed: Underlying NPAT growth of c.20%[(3)]



(1) 1H15 Underlying NPAT: $25.3m - refer Appendix 2 of 1H15 Results Presentation, published 25 February 2015, for details
(2) 1H15 Like for Like NPAT ($23.3m) adjusts for the China Joint Venture licence fee revenue and accounting policy adoption – refer Appendix 2 of 1H15 Results Presentation, published 25 February 2015, for details
(3) FY15 Underlying NPAT: $55.1 - refer Appendix 1 of FY15 Results Presentation, published 27 August 2015, for details

CLOSE

FY15 performance has again demonstrated the enduring nature of a unique business model.

RFG expresses its genuine thanks to our valued franchisee community, shareholders & customers who continue to support the Company, its Brand Systems and commercial pursuits.

EXECUTIVE MANAGEMENT

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