
APPENDIX 4D

HALF-YEAR REPORT

1. Company details

Name of entity:	OrotonGroup Limited
ABN:	14 000 038 675
Reporting period:	Half-year ended 23 January 2010
Previous corresponding period:	Half-year ended 24 January 2009

2. Results for announcement to the market

Revenues from operating activities	up	9.8%	to	\$ 81,620,000
Profit from ordinary activities after tax attributable to the owners of OrotonGroup Limited	up	23.5%	to	\$ 15,442,000
Profit for the period attributable to the owners of OrotonGroup Limited	up	23.5%	to	\$ 15,442,000

Dividends

	Amount per security	Franked amount per security
Final dividend paid on 28 October 2009	22.000 cents	22.000 cents
Special dividend paid on 28 October 2009	3.000 cents	3.000 cents

On 10 March 2010 the directors declared a fully franked interim dividend of 22 cents per ordinary share, out of current period profits, with a record date of 24 March 2010 to be paid on 7 April 2010.

Comments

Refer to the company announcement on 11 March 2010.

3. NTA backing

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	73.80 cents	69.50 cents

4. Control gained over entities

Name of entities (or group of entities)	Not applicable.	
Date control gained		
Contribution of such entities to the reporting entity's profit/(loss) from operating activities during the period (where material)		\$ -
Profit/(loss) from operating activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period (where material)		\$ -

5. Loss of control over entities

Name of entities (or group of entities)	Not applicable.	
Date control lost		
Contribution of such entities to the reporting entity's profit/(loss) from operating activities during the period (where material)		\$ -
Profit/(loss) from operating activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)		\$ -

6. Dividends

Current period

	Amount per security	Franked amount per security
Final dividend paid on 28 October 2009	22.000 cents	22.000 cents
Special dividend paid on 28 October 2009	3.000 cents	3.000 cents

On 10 March 2010 the directors declared a fully franked interim dividend of 22 cents per ordinary share, out of current period profits, with a record date of 24 March 2010 to be paid on 7 April 2010.

Previous corresponding period

	Amount per security	Franked amount per security
Final dividend paid on 31 October 2008	13.000 cents	13.000 cents
Special dividend paid on 31 October 2008	7.000 cents	7.000 cents

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

Not applicable.

The last date(s) for receipt of election notices for the dividend or distribution plans:

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Current period	Previous corresponding period	Current period	Previous corresponding period
Not applicable.				
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit(loss) from operating activities before income tax				\$ -
Income tax on operating activities				\$ -

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The accounts were subject to a review by the auditors and the review report is attached as part of the Interim Report.

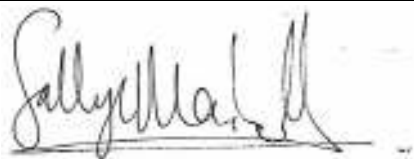
11. Attachments

Details of attachments (if any):

The Interim Report of OrotonGroup Limited for the half-year ended 23 January 2010 is attached.

12. Signed

Signed:



Date: 11 March 2010

Sally L Macdonald
Managing Director
Sydney

OrotonGroup Limited
ABN 14 000 038 675

Interim Report - 23 January 2010

OrotonGroup Limited
Directors' report
23 January 2010

The directors present their report on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of OrotonGroup Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 23 January 2010.

Directors

The following persons were directors of OrotonGroup Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Ross B Lane
Sally L Macdonald
John P Schmoll
J Will Vicars
Samuel S Weiss

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Retailing and wholesaling of leather goods, fashion apparel and related accessories under the OROTON and POLO RALPH LAUREN labels.
- Licensing of the OROTON brand name.

Dividends

Dividends paid to the owners of OrotonGroup Limited during the financial half-year were as follows:

	23 Jan 2010	24 Jan 2009
	\$'000	\$'000
Final ordinary dividend for the year ended 25 July 2009 of 22.0 cents (2009: 13.0 cents) per fully paid share paid on 28 October 2009	8,994	5,289
Special dividend 3.0 cents (2009: 7.0 cents) per fully paid share paid on 28 October 2009	<u>1,226</u>	<u>2,844</u>
	<u><u>10,220</u></u>	<u><u>8,133</u></u>

On 10 March 2010 the directors declared a fully franked interim dividend of 22 cents per ordinary share, out of current period profits, with a record date of 24 March 2010 to be paid on 7 April 2010, an estimated distribution of \$8,994,000 based on the number of ordinary shares on issue as at 23 January 2010.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$15,442,000 (24 January 2009: \$12,501,000).

Refer to the company announcement on 11 March 2010.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 2 March 2010 OrotonGroup Limited entered into a new exclusive license agreement with The Polo/Lauren Company, L.P. for the Australian and New Zealand territory commencing on 1 July 2010. The agreement is for a 3 year term with renewal for an additional 2 years subject to satisfaction of confidential business performance hurdles.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 23 January 2010 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

OrotonGroup Limited
Directors' report
23 January 2010

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Commonwealth or State law.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Ross B Lane
Executive Chairman

Dated this 11th day of March 2010
Sydney

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the review of OrotonGroup Limited for the half year ended 23 January 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of OrotonGroup Limited and the entities it controlled during the period.



Paddy Carney
Partner
PricewaterhouseCoopers

Sydney
11 March 2010

OrotonGroup Limited
Financial report
For the half-year ended 23 January 2010

Contents

	Page
Financial report	
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	15
Independent auditor's review report to the members of OrotonGroup Limited	16

General information

The financial report covers OrotonGroup Limited as a consolidated entity consisting of OrotonGroup Limited and the entities it controlled. The financial report is presented in Australian Dollars.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

OrotonGroup Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Unit 15
Level 2
409 George Street
Waterloo NSW 2017

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 11 March 2010. The directors have the power to amend and reissue the financial report.

OrotonGroup Limited
Statement of comprehensive income
For the half-year ended 23 January 2010

		Consolidated	
	Note	23 Jan 2010	24 Jan 2009
		\$'000	\$'000
Revenue	3	81,620	74,362
Other income	4	9	22
Expenses			
Cost of sales		(26,242)	(22,355)
Warehouse and distribution		(1,439)	(2,147)
Marketing		(2,171)	(2,612)
Selling		(23,975)	(21,426)
Administration		(6,207)	(7,810)
Finance costs	5	(340)	(277)
Profit before income tax expense		21,255	17,757
Income tax expense		(5,813)	(5,256)
Profit after income tax expense for the half-year attributable to the owners of OrotonGroup Limited		15,442	12,501
Other comprehensive income			
Foreign currency translation		(72)	87
Changes in fair value of cash flow hedges, net of tax		(828)	3,765
Other comprehensive income for the half-year, net of tax		(900)	3,852
Total comprehensive income for the half-year attributable to the owners of OrotonGroup Limited		<u>14,542</u>	<u>16,353</u>
		Cents	Cents
Basic earnings per share	11	37.85	30.63
Diluted earnings per share	11	37.66	30.03

The above statement of comprehensive income should be read in conjunction with the accompanying notes

OrotonGroup Limited
Statement of financial position
As at 23 January 2010

		Consolidated	
	Note	23 Jan 2010	25 Jul 2009
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	6	329	197
Trade and other receivables		5,606	3,704
Inventories		21,779	24,615
Total current assets		<u>27,714</u>	<u>28,516</u>
Non-current assets			
Property, plant and equipment		21,091	19,427
Intangibles		510	558
Deferred tax		4,104	3,801
Total non-current assets		<u>25,705</u>	<u>23,786</u>
Total assets		<u>53,419</u>	<u>52,302</u>
Liabilities			
Current liabilities			
Trade and other payables		12,216	12,278
Borrowings	7	440	1,325
Derivative financial instruments		813	1,443
Income tax		4,428	4,509
Provisions		171	169
Total current liabilities		<u>18,068</u>	<u>19,724</u>
Non-current liabilities			
Borrowings	8	2,400	4,319
Deferred tax		-	18
Provisions		2,270	2,017
Total non-current liabilities		<u>4,670</u>	<u>6,354</u>
Total liabilities		<u>22,738</u>	<u>26,078</u>
Net assets		<u>30,681</u>	<u>26,224</u>
Equity			
Contributed equity		22,523	22,523
Reserves		(1,532)	(767)
Retained profits		9,690	4,468
Total equity		<u>30,681</u>	<u>26,224</u>

The above statement of financial position should be read in conjunction with the accompanying notes

OrotonGroup Limited
Statement of changes in equity
For the half-year ended 23 January 2010

	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Consolidated				
Balance 27 July 2008	23,521	(1,130)	(328)	22,063
Total comprehensive income for the half-year	-	3,852	12,501	16,353
<i>Transactions with owners in their capacity as owners:</i>				
Share buy-back	(998)	-	-	(998)
Net movement in share-based payments reserve	-	232	-	232
Net movement in share-based payments trust reserve	-	(475)	-	(475)
Dividends paid	-	-	(8,133)	(8,133)
Balance 24 January 2009	<u>22,523</u>	<u>2,479</u>	<u>4,040</u>	<u>29,042</u>
	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Consolidated				
Balance 26 July 2009	22,523	(767)	4,468	26,224
Total comprehensive income for the half-year	-	(900)	15,442	14,542
<i>Transactions with owners in their capacity as owners:</i>				
Net movement in share-based payments reserve	-	(384)	-	(384)
Net movement in share-based payments trust reserve	-	519	-	519
Dividends paid	-	-	(10,220)	(10,220)
Balance 23 January 2010	<u>22,523</u>	<u>(1,532)</u>	<u>9,690</u>	<u>30,681</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

OrotonGroup Limited
Statement of cash flows
For the half-year ended 23 January 2010

	Note	Consolidated	
		23 Jan 2010 \$'000	24 Jan 2009 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		89,702	81,820
Payments to suppliers (inclusive of GST)		(65,358)	(61,640)
		<u>24,344</u>	<u>20,180</u>
Interest received		2	39
Interest and other finance costs paid		(340)	(277)
Income taxes paid		(6,082)	(6,633)
		<u>17,924</u>	<u>13,309</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(4,662)	(6,603)
Payments for software		(123)	(132)
		<u>(4,785)</u>	<u>(6,735)</u>
Cash flows from financing activities			
Proceeds from borrowings		18,220	12,000
Dividends paid	9	(10,220)	(8,133)
Repayment of borrowings		(20,220)	(12,000)
Payments for share buy-back		-	(998)
Payments for share-based payments trust purchases		(12)	(475)
		<u>(12,232)</u>	<u>(9,606)</u>
Net cash outflow from financing activities			
Net increase/(decrease) in cash and cash equivalents		907	(3,032)
Cash and cash equivalents at the beginning of the financial half-year		(576)	1,297
Effects of exchange rate changes on cash		(2)	2
		<u>(2)</u>	<u>2</u>
Cash and cash equivalents at the end of the financial half-year	6	<u>329</u>	<u>(1,733)</u>
Financing arrangements	8		

The above statement of cash flows should be read in conjunction with the accompanying notes

OrotonGroup Limited
Notes to the financial statements
23 January 2010

Note 1. Significant accounting policies

This general purpose financial report for the interim half-year reporting period ended 23 January 2010 has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 25 July 2009 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Segment information

Change in accounting policy from 26 July 2009

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The Board of Directors have been identified as being the CODM as they are responsible for the allocation of resources to segments and assessing their performance.

Accounting policy up to 25 July 2009

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

New, revised or amending Standards and Interpretations

The consolidated entity has adopted all of the new, revised or amending Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant and effective for the current reporting period.

The adoption of the new, revised or amending Standards and Interpretations did not have any impact on the financial performance or position of the consolidated entity. The consolidated entity has not early adopted any new, revised or amending Standards and Interpretations that have been issued by the AASB but are not yet effective. The following new, revised or amending Standards and Interpretations are most relevant to the consolidated entity:

AASB 101 Presentation of Financial Statements (2007) ('AASB 101R')

The consolidated entity has applied AASB 101R from 26 July 2009 and now presents a statement of comprehensive income, which incorporates the income statement and all non-owner changes in equity. As a result, the consolidated entity now presents all owner changes in the statement of changes in equity.

AASB 8 Operating Segments ('AASB 8')

The consolidated entity has applied AASB 8, which replaces AASB 114 Segment Reporting, from 26 July 2009. AASB 8 requires a management approach to segment reporting based on the information reported internally. Refer to note 2.

OrotonGroup Limited
Notes to the financial statements
23 January 2010

Note 2. Segment information

Identification of reportable segments

The consolidated entity has two operating segments. These segments have been determined based on the internal reports that are reviewed and used by the Board of Directors (collectively referred to as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. The operating segments have been aggregated in accordance with AASB 8 on the basis that they share similar economic characteristics.

Types of products and services

The reportable segment operates principally in the retailing and wholesaling of luxury fashion apparel and accessories.

Note 3. Revenue

	Consolidated	
	23 Jan 2010	24 Jan 2009
	\$'000	\$'000
<i>Sales revenue</i>		
Sale of goods	80,952	73,406
Licence and franchise fees	666	917
	<u>81,618</u>	<u>74,323</u>
<i>Other revenue</i>		
Interest	<u>2</u>	<u>39</u>
Revenue	<u>81,620</u>	<u>74,362</u>

Note 4. Other income

	Consolidated	
	23 Jan 2010	24 Jan 2009
	\$'000	\$'000
Other revenue	<u>9</u>	<u>22</u>

OrotonGroup Limited
Notes to the financial statements
23 January 2010

Note 5. Expenses

	Consolidated	
	23 Jan 2010	24 Jan 2009
	\$'000	\$'000
Profit before income tax includes the following specific expenses:		
<i>Depreciation and amortisation of assets</i>		
Depreciation of plant and equipment	2,759	1,895
Amortisation of software	171	250
	<u>2,930</u>	<u>2,145</u>
Total depreciation and amortisation of assets		
<i>Finance costs</i>		
Interest and finance charges paid/payable	340	277
	<u>340</u>	<u>277</u>
Finance costs expensed		
<i>Net loss on disposal</i>		
Net loss on disposal on sale of property, plant and equipment	236	48
	<u>236</u>	<u>48</u>
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	9,067	8,112
Amortisation of deferred lease incentives	(276)	(281)
	<u>8,791</u>	<u>7,831</u>
Total rental expense relating to operating leases		
<i>Superannuation expense</i>		
Defined contribution superannuation expense	724	858
	<u>724</u>	<u>858</u>

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	23 Jan 2010	25 Jul 2009
	\$'000	\$'000
Cash at bank	326	178
Cash on deposit	3	19
	<u>329</u>	<u>197</u>

	Consolidated	
	23 Jan 2010	24 Jan 2009
	\$'000	\$'000
<i>Reconciliation to cash at the end of the financial half-year</i>		
The above figures are reconciled to cash at the end of the financial half-year as shown in the statement of cash flows as follows:		
Cash and cash equivalents	329	144
Bank overdraft	-	(1,877)
	<u>329</u>	<u>(1,733)</u>
Balance as per statement of cash flows		

OrotonGroup Limited
Notes to the financial statements
23 January 2010

Note 7. Current liabilities - borrowings

	Consolidated	
	23 Jan 2010	25 Jul 2009
	\$'000	\$'000
Bank overdraft	-	773
Deferred lease incentives	440	552
	<u>440</u>	<u>552</u>
	<u><u>440</u></u>	<u><u>1,325</u></u>

Deferred lease incentives represent the unamortised value of lease incentive payments received from lessors at the time of entering new leases.

Refer to note 8 for the non-current portion of deferred lease incentives.

Note 8. Non-current liabilities - borrowings

	Consolidated	
	23 Jan 2010	25 Jul 2009
	\$'000	\$'000
Bank loans	-	2,000
Deferred lease incentives	2,400	2,319
	<u>2,400</u>	<u>2,319</u>
	<u><u>2,400</u></u>	<u><u>4,319</u></u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	23 Jan 2010	25 Jul 2009
	\$'000	\$'000
Bank overdraft	-	773
Bank loans	-	2,000
	<u>-</u>	<u>2,773</u>
	<u><u>-</u></u>	<u><u>2,773</u></u>

OrotonGroup Limited
Notes to the financial statements
23 January 2010

Note 8. Non-current liabilities - borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	23 Jan 2010	25 Jul 2009
	\$'000	\$'000
Total facilities		
Bank overdraft	3,000	3,000
Working capital facilities	37,000	37,000
	<u>40,000</u>	<u>40,000</u>
Used at the reporting date		
Bank overdraft	-	773
Working capital facilities *	3,831	8,374
	<u>3,831</u>	<u>9,147</u>
Unused at the reporting date		
Bank overdraft	3,000	2,227
Working capital facilities	33,169	28,626
	<u>36,169</u>	<u>30,853</u>

* Working capital facilities used includes bank loans of \$nil (25 July 2009: \$2,000,000).

The financing arrangements are secured by a first mortgage over the consolidated entity's assets.

The bank overdraft facilities and bank bill acceptance facility may be drawn at any time. In addition to the unused credit facilities disclosed above, the consolidated entity has access to the cash balances as disclosed in note 6. Bank facilities are arranged with the general terms and conditions being set and agreed from time to time. The \$3m bank overdraft facility is repayable and terminable on demand and the \$37m working capital facilities are due for renewal on 9 May 2011.

Note 9. Equity - dividends

	Consolidated	
	23 Jan 2010	24 Jan 2009
	\$'000	\$'000
Final ordinary dividend for the year ended 25 July 2009 of 22.0 cents (2009: 13.0 cents) per fully paid share paid on 28 October 2009	8,994	5,289
Special dividend 3.0 cents (2009: 7.0 cents) per fully paid share paid on 28 October 2009	1,226	2,844
	<u>10,220</u>	<u>8,133</u>

On 10 March 2010 the directors declared a fully franked interim dividend of 22 cents per ordinary share, out of current period profits, with a record date of 24 March 2010 to be paid on 7 April 2010, an estimated distribution of \$8,994,000 based on the number of ordinary shares on issue as at 23 January 2010.

OrotonGroup Limited
Notes to the financial statements
23 January 2010

Note 10. Events occurring after the reporting date

On 2 March 2010 OrotonGroup Limited entered into a new exclusive license agreement with The Polo/Lauren Company, L.P. for the Australian and New Zealand territory commencing on 1 July 2010. The agreement is for a 3 year term with renewal for an additional 2 years subject to satisfaction of confidential business performance hurdles.

Apart from the dividend declared as disclosed in note 9, no other matter or circumstance has arisen since 23 January 2010 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Note 11. Earnings per share

	Consolidated	
	23 Jan 2010	24 Jan 2009
	\$'000	\$'000
Profit after income tax attributable to the owners of OrotonGroup Limited	<u>15,442</u>	<u>12,501</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	40,800,139	40,811,019
Adjustments for calculation of diluted earnings per share:		
Options	<u>204,745</u>	<u>813,551</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>41,004,884</u>	<u>41,624,570</u>
	Cents	Cents
Basic earnings per share	37.85	30.63
Diluted earnings per share	37.66	30.03

OrotonGroup Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 23 January 2010 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



Ross B Lane
Executive Chairman

Dated this 11th day of March 2010
Sydney

Independent auditor's review report to the members of OrotonGroup Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of OrotonGroup Limited, which comprise the statement of financial position as at 23 January 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the OrotonGroup Limited Group (the consolidated entity). The consolidated entity comprises both OrotonGroup Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 23 January 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of OrotonGroup Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

**Independent auditor's review report to the members of
OrotonGroup Limited (continued)**

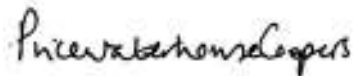
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of OrotonGroup Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 23 January 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



Paddy Carney
Partner

Sydney
11 March 2010