

OROTONGROUP

OrotonGroup announces agreement to franchise

Gap Inc. brands

31 October 2013

OrotonGroup is pleased to announce it has signed an exclusive franchise agreement with the leading global retailer Gap Inc. to develop the Gap brand in Australia and New Zealand. In addition, OrotonGroup will have the first right to develop the Banana Republic brand in the same countries and the opportunity to develop Old Navy should Gap Inc. decide to franchise the Old Navy brand in these countries.

The Franchise agreement is for an initial term of ten (10) years with an option to renew for a further ten years. OrotonGroup can operate free standing stores, department store shop in shops and clearance stores. OrotonGroup will also have the opportunity to operate a local ecommerce site. OrotonGroup and Gap Inc. may elect to enter into a 50/50 Joint Venture agreement for fair market value after five years in certain circumstances. Gap Inc. also has a purchase option for 100% of the franchised business which it may exercise any time after five years based on a fair market value basis.

Gap Inc. is a leading global retailer offering clothing, accessories and personal care products for men, women, children and babies. With about 3,100 company-operated stores and over 300 franchise stores, the company's presence is felt around the world.

Founded in 1969 in San Francisco, the Gap brand offers iconic, yet modern clothing and accessories and gives customers the freedom to express their individual sense of style. The brand includes Gap, GapKids, babyGap, GapMaternity and GapBody. For more information go to www.gap.com

Commenting on the partnership, Mr. Mark Newman CEO/MD of OrotonGroup said, "The Gap Inc. brands are recognized around the world and the Gap brand already has a loyal customer base here through the existing stores and online. This partnership is an endorsement of our skills and expertise in managing premium international brands in our home country. We are looking forward to building on the existing business by rolling out more stores and further strengthening the presence of the brand. We look forward to working with Gap Inc. to develop a long and successful partnership."

"We are extremely excited to be partnering with OrotonGroup, who have demonstrated their ability to manage premium international apparel brands," said Stefan Laban, Senior Vice President Gap International. "We look forward to working with them and continuing to grow Gap brand's presence in Australia and New Zealand."

Gap originally entered the Australian market in 2010 with a previous franchisee who opened three stores, at Westfield CBD, Sydney and Chadstone Shopping Centre and Melbourne Central in Victoria. OrotonGroup will operate these stores with immediate effect and currently expects to open the first additional stores by summer 2014.

OrotonGroup's current expectation is that there will be up to 20 Gap stores operational within ten years.

For further information please contact Mark Newman, CEO/MD or Kevin Fine, CFO/Company Secretary. Tel +61 2 8275 5775.