APPENDIX 4D HALF-YEAR REPORT

1. Company details

Name of entity: ABN: Reporting period: Previous corresponding period: OrotonGroup Limited 14 000 038 675 Half-year ended 26 January 2013 Half-year ended 28 January 2012

2. Results for announcement to the market

Revenues from ordinary activities	up	2.4%	to	\$ 101,481,000
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	up	0.3%	to	\$ 28,383,000
Earnings Before Interest and Tax (EBIT)	up	0.8%	to	\$ 24,365,000
Profit from ordinary activities after tax attributable to the owners of OrotonGroup Limited	up	2.1%	to	\$ 16,402,000
Profit for the period attributable to the owners of OrotonGroup Limited	up	2.1%	to	\$ 16,402,000

Dividends

	Amount per security	Franked amount per security
Final dividend for the year ended 28 July 2012 paid		
on 24 October 2012	28.000 cents	28.000 cents

On 21 March 2013 the directors declared a fully franked interim dividend of 22 cents per ordinary share with a record date of 3 April 2013 to be paid on 17 April 2013.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$16,402,000 (28 January 2012: \$16,066,000).

Profit after income tax expense reconciles to EBIT and EBITDA as follows:

	26 Jan 2013 \$'000	28 Jan 2012 \$'000
Profit after income tax expense Interest received	16,402	16,066
Finance costs	(5) 544	737
Income tax expense	7,424	7,357
Earnings Before Interest and Tax (EBIT) Depreciation and amortisation expense	24,365 4,018	24,160 4,136
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	28,383	28,296

Refer to the company announcement on 21 March 2013 for further information and explanation of the Appendix 4D.

3. Net tangible assets

	Net tangible assets backing per ordinary security	Reporting period 100.71 cents	Previous corresponding p 86.89 cents	perioo	t
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 ordinary activities during the period (where material)			\$	-
	Profit/(loss) from ordinary 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 ordinary activities during the period (where material)			\$	-
	Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	I		\$	-

6. Dividends

Current period		
	Amount per security	Franked amount per security
Final dividend for the year ended 28 July 2012 paid on 24 October 2012	28.000 cents	28.000 cents
On 21 March 2013 the directors declared a fully fra date of 3 April 2013 to be paid on 17 April 2013.	nked interim dividend of	22 cents per ordinary share with a record
Previous corresponding period	Amount per security	Franked amount per security
Final dividend for the year ended 30 July 2011 paid	Amount per security	Tranked amount per security

on 26 October 2011 28.000 cents 28.000 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

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

Foreign entities 9.

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

All foreign subsidiaries were prepared under the International Financial Reporting Standards ('IFRS').

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 26 January 2013 is attached.

12. Signed

Signed:

Date: 21 March 2013

Sally L Macdonald Managing Director and CEO Sydney

OrotonGroup Limited

ABN 14 000 038 675

Interim Report - 26 January 2013

OrotonGroup Limited Directors' report 26 January 2013

The directors present their report, together with the financial statements, 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 26 January 2013.

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 Eddy Chieng 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 RALPH LAUREN labels.
- Licensing of the OROTON brand name.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$16,402,000 (28 January 2012: \$16,066,000).

Refer to the company announcement on 21 March 2013 for further information and explanation of the Appendix 4D.

Significant changes in the state of affairs

On 16 August 2012 the consolidated entity announced that its current exclusive licence agreement with Ralph Lauren Corporation (RLC) in Australia and New Zealand, which expires on 30 June 2013, will not be renewed or extended beyond that date.

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

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.

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Ross B Lane Executive Chairman

21 March 2013 Sydney



Auditor's Independence Declaration

As lead auditor for the review of OrotonGroup Limited for the half year ended 26 January 2013, 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 **V** Partner PricewaterhouseCoopers

21 March 2013

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OrotonGroup Limited Financial report 26 January 2013

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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, which is OrotonGroup Limited's functional and presentation currency.

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:

Level 2 409 George Street Waterloo NSW 2017 Australia

A description of the nature of the consolidated entity's operations and its principal activities are 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 21 March 2013.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: www.orotongroup.com.

OrotonGroup Limited Statement of comprehensive income For the half-year ended 26 January 2013

	Note		lidated 28 Jan 2012 \$'000
Revenue	3	101,481	99,138
Other income		5	-
Expenses Cost of sales Warehouse and distribution Marketing Selling Administration Finance costs Profit before income tax expense Income tax expense	4	(31,478) (1,652) (2,603) (34,815) (6,568) (544) 23,826 (7,424)	(29,288) (2,472) (2,558) (33,647) (7,013) (737) 23,423 (7,357)
Profit after income tax expense for the half-year attributable to the owners of OrotonGroup Limited		16,402	16,066
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i> Net change in the fair value of cash flow hedges taken to equity, net of tax Foreign currency translation		565 143	1,420 (70)
Other comprehensive income for the half-year, net of tax		708	1,350
Total comprehensive income for the half-year attributable to the owners of OrotonGroup Limited		17,110	17,416
		Cents	Cents
Basic earnings per share Diluted earnings per share	10 10	40.12 39.97	39.35 39.21

OrotonGroup Limited Statement of financial position As at 26 January 2013

	Note	Conso 26 Jan 2013 \$'000	lidated 28 Jul 2012 \$'000
Assets			
Current assets	_		
Cash and cash equivalents	5	5,059	473
Trade and other receivables Inventories		7,176	7,650
Tax receivable		32,766	34,555 67
Total current assets		45,001	42,745
		43,001	42,745
Non-current assets			
Property, plant and equipment		16,319	18,996
Intangibles		533	571
Deferred tax		4,005	4,759
Total non-current assets		20,857	24,326
Total assets		65,858	67,071
Liabilities			
Current liabilities			
Trade and other payables		13,117	13,067
Borrowings	6	-	1,904
Derivative financial instruments		395	722
Income tax		4,451	3,379
Provisions		809	778
Total current liabilities		18,772	19,850
Non-current liabilities			
Borrowings	7	-	5,500
Provisions		5,383	5,396
Total non-current liabilities		5,383	10,896
Total liabilities		24,155	30,746
Net assets		41,703	36,325
Equity			
Issued capital		22,523	22,523
Reserves		(3,644)	(4,067)
Retained profits		22,824	17,869
Total equity		41,703	36,325

OrotonGroup Limited Statement of changes in equity For the half-year ended 26 January 2013

Consolidated	lssued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 31 July 2011	22,523	(6,228)	13,392	29,687
Profit after income tax expense for the half-year Other comprehensive income	-	-	16,066	16,066
for the half-year, net of tax		1,350	-	1,350
Total comprehensive income for the half-year	-	1,350	16,066	17,416
<i>Transactions with owners in their capacity as owners:</i> Net movement in share-based				
payments reserve Net movement in share-based	-	(953)	-	(953)
payments trust reserve Dividends paid (note 8)	-	1,431 -	- (11,447)	1,431 (11,447)
Balance at 28 January 2012	22,523	(4,400)	18,011	36,134
	lssued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Consolidated Balance at 29 July 2012	22,523	(4,067)	17,869	36,325
Profit after income tax expense for the half-year Other comprehensive income	-	-	16,402	16,402
for the half-year, net of tax		708		708
Total comprehensive income for the half-year	-	708	16,402	17,110
<i>Transactions with owners in their capacity as owners:</i> Net movement in share-based				
payments reserve Dividends paid (note 8)	-	(285) -	- (11,447)	(285) (11,447)
Balance at 26 January 2013	22,523	(3,644)	22,824	41,703

OrotonGroup Limited Statement of cash flows For the half-year ended 26 January 2013

	Note	Conso 26 Jan 2013 \$'000	lidated 28 Jan 2012 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		112,654	107,300
Payments to suppliers and employees (inclusive of GST)		(81,416)	(84,103)
		31,238	23,197
Interest received		5	-
Interest and other finance costs paid		(544)	(737)
Income taxes paid		(5,773)	(6,122)
Net cash from operating activities		24,926	16,338
Cash flows from investing activities			
Payments for property, plant and equipment		(1,272)	(2,885)
Payments for software		(90)	(119)
Payments for security deposits		(242)	(95)
Proceeds from sale of property, plant and equipment		115	
Net cash used in investing activities		(1,489)	(3,099)
Cash flows from financing activities			
Proceeds from borrowings		26,500	24,500
Dividends paid	8	(11,447)	(11,447)
Repayment of borrowings		(32,000)	(26,500)
Net cash used in financing activities		(16,947)	(13,447)
Net increase/(decrease) in cash and cash equivalents		6,490	(208)
Cash and cash equivalents at the beginning of the financial half-year		(1,431)	(1,497)
Cash and cash equivalents at the end of the financial half-year	5	5,059	(1,705)

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 26 January 2013 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 28 July 2012 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 principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New, revised or amending Accounting Standards and Interpretations adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

The consolidated entity has applied AASB 2011-9 amendments from 29 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation.

Note 2. Operating segments

Identification of reportable operating 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.

The CODM reviews both EBIT (earnings before interest and tax) and EBITDA (earnings before interest, tax, depreciation and amortisation) on a monthly basis.

Types of products and services

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

Note 3. Revenue

	Conso	
	26 Jan 2013 \$'000	28 Jan 2012 \$'000
Sales revenue		
Sale of goods	100,773	98,365
Licence and franchise fees	703	773
	101,476	99,138
Other revenue		
Interest received	5	
Revenue	101,481	99,138
Note 4. Expenses		
	Conso	lidated
	26 Jan 2013 \$'000	28 Jan 2012 \$'000
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation of assets		
Depreciation of plant and equipment	3,890	3,973
Amortisation of software	128	163
Total depreciation and amortisation of assets	4,018	4,136
Finance costs		
Interest and finance charges paid/payable	544	737
Net foreign exchange loss/(gain)		
Net foreign exchange loss/(gain)	(78)	(156)
Net loss on disposal	-	
Net loss on disposal of property, plant and equipment	5	62
Rental expense relating to operating leases		
Minimum lease payments Amortisation of deferred lease incentives	12,651 (301)	11,810 (285)
		<u>, </u>
Total rental expense relating to operating leases	12,350	11,525
Superannuation expense	4.040	4 000
Defined contribution superannuation expense	1,042	1,006
Employee benefits expense excluding superannuation	44.007	14.000
Employee benefits expense excluding superannuation	14,287	14,930

Note 4. Expenses (continued)

	Consolidated 26 Jan 2013 28 Jan 2012		
	20 Jan 2013 \$'000	\$'000	
<i>Other charges against assets</i> Inventories	779	000	
		888	
Other expenses Royalties and licence fees paid/payable	3,204	3,116	
Note 5. Current assets - cash and cash equivalents			
	Conso 26 Jan 2013 \$'000		
Cash at bank	5,059	473	
Note 6. Current liabilities - borrowings			
		Consolidated 26 Jan 2013 28 Jul 2012	
	26 Jan 2013 \$'000	28 Jul 2012 \$'000	
Bank overdraft	<u> </u>	1,904	
Note 7. Non-current liabilities - borrowings			
	Consolidated 26 Jan 2013 28 Jul 2012 \$'000 \$'000		
Bank loans		5,500	
<i>Total secured liabilities</i> The total secured liabilities (current and non-current) are as follows:			
	Consolidated 26 Jan 2013 28 Jul 2012 \$'000 \$'000		
Bank overdraft Bank loans	-	1,904 5,500	
		7,404	
		.,	

Note 7. Non-current liabilities - borrowings (continued)

Financing arrangements

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

	Conso	Consolidated	
	26 Jan 2013 \$'000	28 Jul 2012 \$'000	
Total facilities			
Bank overdraft	5,000	3,000	
Working capital facilities	35,000	57,000	
	40,000	60,000	
Used at the reporting date			
Bank overdraft	-	1,904	
Working capital facilities *	4,687	11,848	
	4,687	13,752	
Unused at the reporting date			
Bank overdraft	5,000	1,096	
Working capital facilities	30,313	45,152	
	35,313	46,248	

* Working capital facilities used includes bank loans of \$nil (28 Jul 2012: \$5,500,000).

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 5. Bank facilities are arranged with the general terms, conditions and covenants being set and agreed from time to time. The \$5m bank overdraft facility is repayable and terminable on demand and the \$35m working capital facilities are due for renewal on 31 October 2015.

Note 8. Equity - dividends

	Consolidated	
	26 Jan 2013 \$'000	28 Jan 2012 \$'000
Final dividend for the year ended 28 July 2012 of 28.0 cents (28 Jan 2012: 28.0 cents) per fully paid ordinary share paid on 24 October 2012 fully franked based on a tax rate		
of 30%	11,447	11,447

On 21 March 2013 the directors declared a fully franked interim dividend of 22 cents per ordinary share with a record date of 3 April 2013 to be paid on 17 April 2013.

Note 9. Events after the reporting period

On 16 August 2012 the consolidated entity announced that its current exclusive licence agreement with Ralph Lauren Corporation (RLC) in Australia and New Zealand, which expires on 30 June 2013, will not be renewed or extended beyond that date.

On 28 February 2013 the consolidated entity and RLC signed an asset purchase agreement confirming RLC's obligation to purchase inventory and store assets as well as providing for employment of retail store team members and transition of lease arrangements as at the end of June 2013. Accordingly, various balances and provisions will be reassessed, the financial impact of which is not expected to be material. In addition, the agreement provides for a payment by RLC to the consolidated entity of USD1,500,000.

Apart from the dividend declared as disclosed in note 8, no other matter or circumstance has arisen since 26 January 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 10. Earnings per share

		lidated 28 Jan 2012 \$'000
Profit after income tax attributable to the owners of OrotonGroup Limited	16,402	16,066
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share Adjustments for calculation of diluted earnings per share: Options	40,880,902	40,823,366
	159,642	149,843
Weighted average number of ordinary shares used in calculating diluted earnings per share	41,040,544	40,973,209
	Cents	Cents
Basic earnings per share Diluted earnings per share	40.12 39.97	39.35 39.21

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 26 January 2013 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company 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 303(5) of the Corporations Act 2001.

On behalf of the directors

Ross B Lane Executive Chairman

21 March 2013 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 report of OrotonGroup Limited, which comprises the statement of financial position as at 26 January 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the OrotonGroup Limited (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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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 a 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 26 January 2013 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. 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.

Independence

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

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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 26 January 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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PricewaterhouseCoopers

Paddy Carney Partner

21 March 2013