

APPENDIX 4D

HALF-YEAR REPORT

1. Company details

Name of entity:	OrotonGroup Limited
ABN:	14 000 038 675
Reporting period:	Half-year ended 24 January 2009
Previous corresponding period:	Half-year ended 26 January 2008

2. Results for announcement to the market

Revenues from operating activities	up	11.4%	to	\$ 74,362,000
Net profit from ordinary activities after tax attributable to members	up	20.4%	to	\$ 12,501,000
Net profit for the period attributable to members	up	20.4%	to	\$ 12,501,000

Dividends

	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

On 24 March 2009 the directors declared a fully franked dividend of 16 cents per ordinary share, out of current period profits, with a record date of 8 April 2009 to be paid on 22 April 2009.

Comments

Refer to the company announcement on 24 March 2009.

3. NTA backing

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	69.50 cents	51.33 cents

4. Control gained over entities

Name of entities (or group of entities)	N/A
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)	N/A
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

	Amount per security	Franked amount per security
<i>Current period</i>		
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
On 24 March 2009 the directors declared a fully franked dividend of 16 cents per ordinary share, out of current period profits, with a record date of 8 April 2009 to be paid on 22 April 2009.		
<i>Previous corresponding period</i>		
Final dividend paid on 31 October 2007	10.000 cents	10.000 cents
Special dividend paid on 31 October 2007	7.000 cents	7.000 cents

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

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

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to net profit/(loss) (where material)	
	Current period	Previous corresponding period	Current period	Previous corresponding period
N/A				
<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:

N/A

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 for the half-year ended 24 January 2009 for OrotonGroup Limited is attached.

12. Signed

Signed: 

Date: 24 March 2009

Kevin Fine
Company secretary
Sydney

OrotonGroup Limited
ABN 14 000 038 675

Interim Report for the half-year ended 24 January 2009

OrotonGroup Limited
Directors' report
24 January 2009

The directors present their report on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of OrotonGroup Limited and the entities it controlled for the half-year ended 24 January 2009.

Directors

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

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.

Review of operations

Refer to the company announcement on 24 March 2009.

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

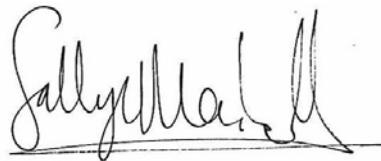
The company is of a kind referred to in Class 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding-off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand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



Sally L Macdonald
Chief Executive Officer (CEO) and Managing Director

Dated this 24th day of March 2009
Sydney

PricewaterhouseCoopers
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Auditor's Independence Declaration

As lead auditor for the review of OrotonGroup Limited for the half year ended 24 January 2009, 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.



Eddie Wilkie
Partner
PricewaterhouseCoopers

Sydney
24 March 2009

OrotonGroup Limited
Financial report
For the half-year ended 24 January 2009

Contents

	Page
Financial report	
Income statement	4
Balance sheet	5
Statement of changes in equity	6
Cash flow statement	7
Notes to the financial statements	8
Directors' declaration	13
Independent auditor's review report to the members of OrotonGroup Limited	14

General information

This financial report covers OrotonGroup Limited as a consolidated entity consisting of OrotonGroup Limited and its subsidiaries. The financial report is presented in Australian currency.

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

Suite 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 this financial report.

The financial report was authorised for issue by the directors on 24 March 2009.

OrotonGroup Limited
Income statement
For the half-year ended 24 January 2009

		Consolidated Half-year	
	Note	2009 \$'000	2008 \$'000
Revenue from operating activities	3	74,362	66,760
Other income	4	22	29
Expenses			
Cost of sales		(22,112)	(18,582)
Warehouse and distribution		(2,147)	(2,008)
Marketing		(2,612)	(3,581)
Selling		(21,426)	(19,623)
Administration		(8,053)	(7,597)
Finance costs		(277)	(172)
Net profit before income tax expense	5	17,757	15,226
Income tax expense		(5,256)	(4,847)
Net profit after income tax expense attributable to members of OrotonGroup Limited		<u>12,501</u>	<u>10,379</u>
		Cents	Cents
Basic earnings per share	16	30.63	24.60
Diluted earnings per share	16	30.03	24.22

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

OrotonGroup Limited
Balance sheet
As at 24 January 2009

		Consolidated	
		24 January	26 July
		2009	2008
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	6	144	1,297
Trade and other receivables		6,852	6,116
Inventories		25,440	22,343
Derivative financial instruments		3,369	-
Tax receivable		-	106
Total current assets		35,805	29,862
Non-current assets			
Property, plant and equipment		17,755	13,002
Intangibles		630	748
Deferred tax		2,738	3,644
Total non-current assets		21,123	17,394
Total assets		56,928	47,256
Current liabilities			
Trade and other payables		16,779	14,935
Borrowings	7	2,124	315
Derivative financial instruments		-	399
Tax payable		3,897	5,627
Provisions		1,133	983
Total current liabilities		23,933	22,259
Non-current liabilities			
Borrowings	8	1,225	815
Deferred tax		974	24
Provisions		1,754	2,095
Total non-current liabilities		3,953	2,934
Total liabilities		27,886	25,193
Net assets		29,042	22,063
Equity			
Contributed equity	10	22,523	23,521
Reserves		2,479	(1,130)
Retained profits/(accumulated losses)		4,040	(328)
Total equity		29,042	22,063

The above balance sheet should be read in conjunction with the accompanying notes

OrotonGroup Limited
Statement of changes in equity
For the half-year ended 24 January 2009

	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Consolidated				
Balance 29 July 2007	30,372	34	(3,596)	26,810
Exchange differences on translation of foreign operations	-	(149)	-	(149)
Changes in the fair value of cash	-	156	-	156
Employee option expense	-	24	-	24
	<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expense) recognised directly in equity	-	31	-	31
Net profit after income tax expense	-	-	10,379	10,379
	<hr/>	<hr/>	<hr/>	<hr/>
Total recognised income/(expense) for the half-year	-	31	10,379	10,410
Share buy-back	(6,851)	-	-	(6,851)
Net movement in share-based payments trust reserve	-	(826)	-	(826)
Dividends paid	-	-	(7,296)	(7,296)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance 26 January 2008	<u>23,521</u>	<u>(761)</u>	<u>(513)</u>	<u>22,247</u>
Consolidated				
Balance 27 July 2008	23,521	(1,130)	(328)	22,063
Exchange differences on translation of foreign operations	-	87	-	87
Changes in the fair value of cash flow hedges, net of tax	-	3,765	-	3,765
	<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expense) recognised directly in equity	-	3,852	-	3,852
Net profit after income tax expense	-	-	12,501	12,501
	<hr/>	<hr/>	<hr/>	<hr/>
Total recognised income/(expense) for the half-year	-	3,852	12,501	16,353
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance 24 January 2009	<u>22,523</u>	<u>2,479</u>	<u>4,040</u>	<u>29,042</u>

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

OrotonGroup Limited
Cash flow statement
For the half-year ended 24 January 2009

	Note	Consolidated Half-year	
		2009 \$'000	2008 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		81,820	73,044
Payments to suppliers (inclusive of GST)		<u>(61,640)</u>	<u>(59,909)</u>
		20,180	13,135
Interest received		39	120
Interest and other finance costs paid		(277)	(172)
Income taxes paid		<u>(6,633)</u>	<u>(2,084)</u>
Net cash inflow/(outflow) from operating activities		<u>13,309</u>	<u>10,999</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(6,603)	(5,065)
Payments for software		<u>(132)</u>	<u>(93)</u>
Net cash inflow/(outflow) from investing activities		<u>(6,735)</u>	<u>(5,158)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	7,000
Dividends paid	11	(8,133)	(7,296)
Payments for share buy-back		(998)	(6,851)
Payments for share-based payments trust purchases		<u>(475)</u>	<u>(1,180)</u>
Net cash inflow/(outflow) from financing activities		<u>(9,606)</u>	<u>(8,327)</u>
Net increase/(decrease) in cash and cash equivalents		(3,032)	(2,486)
Cash and cash equivalents at the beginning of the financial half-year		1,297	7,534
Effects of exchange rate changes on cash		<u>2</u>	<u>-</u>
Cash and cash equivalents at the end of the financial half-year	6	<u><u>(1,733)</u></u>	<u><u>5,048</u></u>

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

OrotonGroup Limited
Notes to the financial statements
24 January 2009

Note 1. Significant accounting policies

This general purpose financial report for the interim half-year reporting period ended 24 January 2009 has been prepared in accordance with 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 26 July 2008 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.

Note 2. Segment information

Business and geographical segments

The consolidated entity operates in one industry and one geographical segment. The consolidated entity is a retailer, wholesaler and brand manager operating predominantly in Australia.

Note 3. Revenue

	Consolidated Half-year	
	2009	2008
	\$'000	\$'000
<i>Sales revenue</i>		
Sale of goods	73,406	65,535
Licence and franchise fees	917	1,105
	<u>74,323</u>	<u>66,640</u>
<i>Other revenue</i>		
Interest received	39	120
Revenue from operating activities	<u>74,362</u>	<u>66,760</u>

Note 4. Other income

	Consolidated Half-year	
	2009	2008
	\$'000	\$'000
Other income	<u>22</u>	<u>29</u>

OrotonGroup Limited
Notes to the financial statements
24 January 2009

Note 5. Expenses

	Consolidated Half-year	
	2009	2008
	\$'000	\$'000
Profit before income tax includes the following specific items:		
Expenses		
<i>Depreciation, amortisation and impairment of assets</i>		
Depreciation, amortisation and impairment of assets	2,145	2,733
<i>Finance costs</i>		
Interest and finance charges paid/payable	277	172
<i>Net loss on sale</i>		
Net loss on sale of property, plant and equipment	48	-
<i>Rental expense</i>		
Property lease payments and concessional rental	8,112	7,815
<i>Defined contribution superannuation expense</i>		
Defined contribution superannuation expense	858	756

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	24 January	26 July
	2009	2008
	\$'000	\$'000
Cash at bank	120	1,258
Cash on deposit	24	39
	144	1,297

	Consolidated	
	24 January	26 January
	2009	2008
	\$'000	\$'000
For the purpose of the half-year cash flow statement, cash and cash equivalents at the end of the financial half-year are reconciled as follows:		
Cash at bank	120	5,039
Cash on deposit	24	9
Bank overdraft (note 7)	(1,877)	-
Balance as per cash flow statement	(1,733)	5,048

OrotonGroup Limited
Notes to the financial statements
24 January 2009

Note 7. Current liabilities - borrowings

	Consolidated	
	24 January	26 July
	2009	2008
	\$'000	\$'000
Bank overdraft	1,877	-
Deferred lease incentives	247	315
	<u>2,124</u>	<u>315</u>

Refer to note 9 for further information.

Note 8. Non-current liabilities - borrowings

	Consolidated	
	24 January	26 July
	2009	2008
	\$'000	\$'000
Deferred lease incentives	1,225	815

Note 9. Financing arrangements

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

	Consolidated	
	24 January	26 July
	2009	2008
	\$'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>

A new \$40 million facility is in place of which \$37 million is available to May 2011 and a \$3 million facility repayable and terminable on demand. The bank overdraft and bank bill acceptance facilities may be drawn at any time. The bank facility imposes certain covenants on the Group. The Group was in compliance with these covenants during the financial half-year.

OrotonGroup Limited
Notes to the financial statements
24 January 2009

Note 10. Equity - contributed

	Consolidated		Consolidated	
	24 January 2009 Shares	26 July 2008 Shares	24 January 2009 \$'000	26 July 2008 \$'000
Ordinary shares - fully paid	<u>40,880,902</u>	<u>41,165,902</u>	<u>22,523</u>	<u>23,521</u>

Movements in ordinary share capital during the half-year

Details	Date	No of shares	Price	\$'000
Balance	27 July 2008	41,165,902		23,521
Cancelled shares pursuant to on-market share buy-back	26 September 2008	<u>(285,000)</u>	\$3.50	<u>(998)</u>
Balance	24 January 2009	<u>40,880,902</u>		<u>22,523</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

Note 11. Equity - dividends

	Consolidated Half-year	
	2009 \$'000	2008 \$'000
Final ordinary dividend for the year ended 26 July 2008 of 13.0 cents (2008: 10.0 cents) per fully paid share paid on 31 October 2008	5,289	4,292
Special dividend 7.0 cents (2008: 7.0 cents) per fully paid share paid on 31 October 2008	<u>2,844</u>	<u>3,004</u>
	<u>8,133</u>	<u>7,296</u>

Note 12. Contingent liabilities

The directors believe that the public liability claim made against the company during a previous financial year lacks substance. The directors do not anticipate any material adverse impact on cash flow as a result of this claim.

Note 13. Events occurring after balance date

On 24 March 2009 the directors declared a fully franked dividend of 16 cents per ordinary share, out of current period profits, to be paid on 22 April 2009, a total estimated distribution of \$6,541,000 based on the number of ordinary shares on issue as at 24 March 2009.

Apart from the dividend declared discussed above, no other matter or circumstance has arisen since 24 January 2009 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
Notes to the financial statements
24 January 2009

Note 14. Polo license

The current license expires on 30 June 2010 unless renewed by agreement of the parties. The parties are currently in discussion and will update the market when these discussions are concluded.

Note 15. Reconciliation of EBITDA

Profit from operating activities after income tax expense is reconciled to earnings before interest, tax, depreciation and amortisation as follows:

	Consolidated Half-year	
	2009	2008
	\$'000	\$'000
Profit before related income tax expense	17,757	15,226
Depreciation and amortisation	2,230	2,475
Impairment/(reversal of impairment) of fixed assets	(85)	258
Interest received	(39)	(120)
Finance costs	277	172
Earnings before interest, tax, depreciation and amortisation (EBITDA)	20,140	18,011

Note 16. Earnings per share

	Consolidated Half-year	
	2009	2008
	\$'000	\$'000
Net profit attributable to members of OrotonGroup Limited	12,501	10,379
Weighted average number of ordinary shares used in calculating basic earnings per share	40,811,019	42,189,703
Adjustments for calculation of diluted earnings per share:		
Options	813,551	655,236
Weighted average number of ordinary shares used in calculating diluted earnings per share	41,624,570	42,844,939
	Cents	Cents
Basic earnings per share	30.63	24.60
Diluted earnings per share	30.03	24.22

OrotonGroup Limited
Directors' declaration

In the directors' opinion:

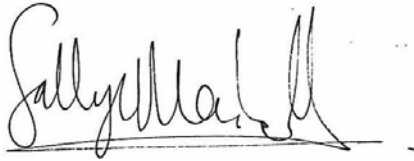
- the attached financial statements and notes thereto comply with the Accounting Standards, the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 24 January 2009 and of its performance for the financial half-year ended on that date;
- 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



Sally L Macdonald
Chief Executive Officer (CEO) and Managing Director

Dated this 24th day of March 2009
Sydney

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
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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 balance sheet as at 24 January 2009 and the income statement, statement of changes in equity and cash flow statement 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 24 January 2009 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.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

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.

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

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

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 24 January 2009 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



Eddie Wilkie
Partner

Sydney
24 March 2009