

ASX ANNOUNCEMENT

Date: 2 August 2016



The Athlete's Foot Selects MilestonePod for In-store Trial

- Milestone Sports selected by leading athletic footwear specialty retailer [The Athlete's Foot](#) to begin an **in-store trial of its MilestonePod and MilestoneConnect platform**
- The Athlete's Foot is a fully owned subsidiary of **ASX listed RCG Corporation Limited (ASX:RCG)**, an ASX 200 investment holding company which operates a large number of footwear and apparel businesses, including The Athlete's Foot, Platypus Shoes, Podium Sports, Skechers, Merrell, CAT, Vans, Dr. Martens, Saucony, Timberland, Sperry Top-Sider, K-Swiss, InStride, Palladium and Stance.
- *The Athlete's Foot* to offer the MilestonePod in three of its largest stores throughout Australia utilising the MilestoneConnect Platform to form part of its customer communications
- Milestone and *The Athlete's Foot* continue to work on planning for a **joint project for the entire The Athlete's Foot system**
- *The Athletes Foot* is a leading specialty footwear retailer with over **135 stores in Australia**, offering the widest selection of athletic footwear from the worlds most renowned brands
- **Purchase order already placed for 2,000 units** for the initial one-month trial commencing 15 August 2016 across its three largest stores
- **Significant revenue potential** as the parties continue to collaborate on planning for a joint project across the entire franchise
- Company continues to seek additional distribution and strategic partnerships in the region to increase its availability and accessibility in the market

Victory Mines Limited (ASX:VIC) (or 'the Company') provides an update on Milestone Sports Limited, with which Victory has a binding Heads of Agreement to acquire 100% of the issued capital of Milestone Sports Limited, to be renamed Milestone Connex, Ltd ('Milestone').

Milestone Sports is delighted to announce it has been selected by leading athletic footwear speciality store [The Athlete's Foot](#), a fully owned subsidiary of ASX listed RCG Corporation Limited (ASX:RCG) to commence an in-store trial of its MilestonePod and MilestoneConnect platform in Australia.

The Athletes Foot is a leading specialty footwear retailer with over 135 stores in Australia. It offers the widest selection of premium athletic footwear from over 50 of the world's most renowned brands including Nike, Adidas, Asics, New Balance, Saucony and many more. It is this broad selection that makes it the perfect partner for Milestone, given that the MilestoneConnect Platform and MilestonePod work with any shoe; users simply lace and go. It is low cost, easy-to-use, with no buttons and no recharging required.

The trial will begin in three of its largest stores in NSW, Victoria and Queensland (Bondi, Ballarat and Carrindale) and will run for an initial period of one-month, commencing from 15 August 2016. **The Athlete's Foot has already placed an order for 2,000 units for the trial.** *The Athlete's Foot* will utilise the MilestoneConnect platform to deliver automated marketing and coaching communications to drive consumer engagement and customer retention.

The platform enables *The Athlete's Foot* to determine when a runner needs a new pair of shoes and even their running style so that they can offer shoe replacement guidance and advice.

The partnership opens up the Australian market for Milestone and *The Athlete's Foot* has the potential to become a key partner for Milestone in the region, holding the position as one of the largest footwear retailers in the country.

Throughout the trial *The Athlete's Foot* will be assessing the demand for the product and the level of engagement from consumers following the sale of the product. **A successful trial is expected to result in the joint development of an enhanced in-store loyalty program**, integration of the MilestonePod and MilestoneConnect platform into all stores nationally and a branded mobile application integrated with *The Athlete's Foot* ClubFit loyalty program.

Milestone has existing distribution partnerships throughout the US and other countries and continues to seek further distribution and strategic partnerships, in order to increase its availability and presence in the global market.

Yaron Garmazi, CEO, Milestone Sports commented: "This agreement represents potentially one of the largest retailers we have partnered with to date and signifies our expansion into the Australian market. The MilestonePod has the ability to work with any shoe across *The Athlete's Foot* range making it a product that can be offered to their entire customer base. **The trial is a clear validation of the demand and appeal for both the MilestonePod and a platform to enhance customer engagement, increase customer loyalty and ultimately drive sales.**"

Mark Teperson, Director of Multichannel, RCG Corporation, the parent company of *The Athlete's Foot* commented: "The MilestonePod and MilestoneConnect platform offer a unique solution to enable us to further the **engagement and loyalty among our customer base**. We offer the widest range of premium athletic footwear and therefore it was important for us to choose a solution that works with any shoe. Importantly the platform creates a fantastic value exchange with our customers. Providing valuable running data and insights to improve their run, at the same time allowing *The Athlete's Foot* to understand customer activity and meet their needs in a richer way than ever before. **The affordability of the MilestonePod makes it an attractive product for consumers and the unique metrics it delivers will be popular among runners.**"

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Update on Acquisition of Milestone Sports Limited

The acquisition of 100% of the issued capital of Milestone Sports Limited by the Company remains conditional on the satisfaction of various conditions precedent, including obtaining the approval of both Milestone Sport and the Company's shareholders. The full conditions precedent are contained in the announcement of 6 April 2016.

Until all of these conditions precedent are satisfied (or waived) the Company will continue to trade as Victory and the Company will not own Milestone Sport.

For further information, please contact:

Investor Relations:
Erik Tyler
VP Investor Relations
erik@milestonepod.com

Media:
Andrew Ramadge
Media and Capital Partners
0475 797 471
andrew.ramadge@mcpartners.com.au

About Milestone Sports Limited

Milestone Sports, Ltd. is focused on connecting retailers and brands to consumers through its Wearable Marketing Platform (WMP). The platform collects comprehensive data from a low-cost sensor worn on the consumer's shoe that wirelessly syncs to a mobile device. This rich, real-life data results in meaningful, personal, and timely marketing: the future of retailer and brand loyalty. For more information, visit www.milestonepod.com

About The Athlete's Foot (Australia)

The Athlete's Foot Australia operates online & through over 135 stores, most of which are franchised. It is the largest retailer of athletic footwear in Australia stocking over 50 brands across the stores. It is currently owned by ASX listed company RCG Corporation Limited ("RCG").