

COUNTRY ROAD

20 JULY 2010

STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

TRADING UPDATE FOR THE 12 MONTHS TO 30 JUNE 2010 (UNAUDITED)

Country Road today announced that sales for the year ending 30 June 2010 were 8.5% up on the corresponding period of the prior year. Comparable Country Road like for like sales were up 1.5%.

Against the corresponding period last year, key factors underlying the performance include:

- Total sales increase of 8.5%;
- Total retail sales up 13.2% inclusive of new brand Trenery, with comparable Country Road like-for-like sales up 0.8%; and
- Total concession sales up 3.7% with comparable like for like store sales up 3.5%.

Sales	FY10	FY09		
	\$m	\$m		△%
Total sales	372.1	343.1	↑	8.5%
Total Retail sales	289.3	255.7	↑	13.2%
Total Concession sales	82.3	79.4	↑	3.7%
Total Wholesale sales	0.5	8.0	↓	-84.0%

Country Road advised that the highly competitive discount led market conditions had impaired margins and this combined with the material start up costs of Trenery was likely to result in profits being below that of last year. At this stage the company estimates full year profit before tax will be somewhere between 15% and 20% down on last year. A full result will be provided in August.

CEO John Cheston, who joined the business on 1 July stated, "During the year, Australia passed the anniversary of the 2008/9 government stimulus payments and faced six interest rate increases. This impacted consumer spending and created a highly competitive retail market in the country".

Mr Cheston emphasised that the immediate economic outlook remains challenging but the business remains cautiously optimistic for the year ahead. "The last year has been challenging for our business however we will continue to focus on our store rollout strategy for our two brands, whilst continuing to review and implement cost saving initiatives".

For further information, please contact:

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