

COUNTRY ROAD

20 JANUARY 2011

STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

TRADING UPDATE FOR THE SIX MONTHS TO 31 DECEMBER 2010 (UNAUDITED)

Country Road today announced that sales for the first half ending 31 December 2010 were 6.4% up on the corresponding period of the prior year. Despite difficult trading conditions through the first half, Country Road expects a profit after tax growth of between 3% and 5% on the prior year for the same period.

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

- Total retail sales, including new stores, were marginally up on prior year with comparable like for like sales down 9.6%;
- Total concession sales, inclusive of the new concession arrangements with Woolworths in South Africa, were up 25.0%. Concession like for like store sales in Australia were down 10.7%.

Sales	1H11 \$m	1H10 \$m		△%
Total sales	209.4	196.8	↑	6.4%
Total Retail sales	153.6	153.4	↑	0.0%
Total Concession sales	55.1	44.1	↑	25.0%
Total Wholesale sales	0.7	(0.7)	↑	N/A

“The challenging trading conditions were brought about by a significant drop in consumer spending through the half. These difficult conditions were anticipated and significant cost saving initiatives were implemented throughout the half to offset the impact of softer trading. These cost reductions, combined with stricter inventory management have resulted in modest levels of profit growth for the half” said Director Ian Moir.

“The retail outlook for the next six months remains challenging. Our expectations on sales remain conservative but we will continue to manage our inventories and cost base appropriately” said Moir.

For further information, please contact:

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