

COUNTRY ROAD

17 FEBRUARY 2011

STATEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE

AUDITED RESULTS FOR THE HALF ENDING 31 DECEMBER 2010

Country Road today announced a profit after tax for the half ending 31 December 2010 of \$9.4m, up 4.4% against the corresponding period last year. Country Road also announced an interim dividend of 5.64 cents per share fully franked payable on 16 March 2011.

Financial Performance Summary	1H11	1H10		Δ%
	\$m	\$m		
Total Revenue	217.8	202.2	↑	7.7%
Total Sales	209.4	196.8	↑	6.4%
Total Retail sales	153.6	153.4	↑	0.1%
Total concession sales	55.1	44.1	↑	24.9%
Total Wholesale sales	0.7	(0.7)	↑	n/a
Profit Before Tax (PBT)	13.2	13.0	↑	1.5%
Profit After tax (PAT)	9.4	9.0	↑	4.4%

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

- Total revenue growth of 7.7%;
- Total sales increase of 6.4%;
- Total retail sales were marginally up (0.1%), however comparable Country Road like-for-like sales down 9.6%;
- In Australia seven new stores were opened, three Country Road and four Trenerly. In addition Country Road undertook a major expansion of one store and Trenerly was added into two existing Country Road stores (Melbourne Central and Camberwell).
- The new online business was successfully launched for both brands.
- Inclusive of the South African business total concession sales up 24.9%, with comparable like for like store sales down 10.7%;
- Expenses were well controlled and inventories well managed; and
- Profit before tax of \$13.2m was up 1.5% on prior year of \$13.0m.

“The challenging trading conditions were brought about by a significant drop in consumer spending through the half” says Director Ian Moir. “Despite the difficult trading conditions a continued focus on reducing costs and strict inventory management enabled the business to improve overall profitability for the first half.”

Mr Moir emphasised that the immediate economic outlook remained uncertain. “The Directors remain cautious about growth prospects in 2011 and will remain focussed on cost and inventory management”.

For further information, please contact:

David Thomas
Chief Financial Officer
Country Road Limited
(03) 9267 1400

Appendix 4D Half-Year Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Country Road Limited

ABN

78 006 759 182

Half Year Ended

31 December 2010**For Announcement to the Market**

Operating Results		\$'000	
Revenues from sale of goods	up	6.4% to	209,390
Total revenues	up	7.7% to	217,785
Profit before interest and tax	up	3.2% to	13,602
Profit before tax	up	1.5% to	13,166
Profit after tax attributable to members	up	4.2% to	9,389
Dividends and Distributions		Amount per security	Franked amount per security
Interim dividend		5.64c	Fully franked
Previous corresponding period		5.19c	Fully franked
Record date for determining entitlements to the dividend		2 March 2011	
Other Disclosures		Consolidated Current Period	Consolidated Previous Corresponding Period
Net tangible asset backing per ordinary security		\$1.04	\$1.06
Weighted average number of ordinary shares outstanding		69,056,822	69,056,822
There were no entities over which control was gained or lost during the period.			
No interest is held in any joint ventures or entities over which the consolidated entity has significant influence.			

This half year report should be read in conjunction with the most recent annual financial report.

Directors' Report

Your Directors submit their report for the half-year ended 31 December 2010.

DIRECTORS

The Directors of Country Road Limited in office during the half-year and at the date of this report are as follows:

Ian Moir

Simon Susman

Norman Thomson

Sophie Holt

David Thomas (appointed 29 September 2010)

Glenn Gilzean (resigned 29 September 2010)

John Cheston (appointed 1 July 2010 and resigned 13 September 2010)

REVIEW AND RESULTS OF OPERATIONS

The July to December 2010 period was challenging for Country Road. During the comparable period of 2009, the Australian economy was still experiencing the positive effects of government stimulus combined with low interest rates, discretionary spending was strong and retailers were benefiting. In 2010 there were no further injections of government stimulus and there were several interest rate increases. This significantly impeded retail consumer spending in Australia. Country Road sales in Australia and New Zealand were 2.3% down for this period. Total company sales were up 6.4% inclusive of Country Road and Trenerly sales in South Africa.

Despite the difficult trading conditions a continued focus on reducing costs and strict inventory management enabled the business to improve overall profitability for the first half. Profit after tax for the period was 4.2% up on prior year at \$9,389,000.

The reaction of the South African market to both Country Road and Trenerly continues to be positive. We have further expanded our South African operations and have implemented a more optimal operating structure. This continues to allow Country Road to drive the success of both brands in that market.

In Australia and New Zealand we invested over \$6.5 million in capital programs during the half, which included three new Country Road stores and one further expansion. In addition we launched Trenerly in four new stores in Southland (Vic), Mid City (NSW), Robina (QLD), Newmarket (NZ) as well introducing the Trenerly ranges into our existing Camberwell and Melbourne Central stores.

The launch of our new online business in August has had a very encouraging start. Customers are responding well to both the Country Road and Trenerly brands through this new channel allowing a much broader reach for both brands in Australia and New Zealand.

The Directors are pleased to announce an interim dividend of 5.64 cents per fully paid ordinary share, fully franked. This represents 8.70% growth on last years interim dividend. The record date for determining entitlement is 2 March 2011, with a scheduled payment date of 16 March 2011.


The Directors remain cautious about growth prospects in 2011, and will remain focussed on cost and inventory management.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$'000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors Ernst & Young which is attached to this report. Signed in accordance with a resolution of the Directors.



IAN MOIR

Director

Melbourne, 16 February 2011

Auditor's Independence Declaration to the Directors of Country Road Limited

In relation to our review of the financial report of Country Road Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten version of the Ernst & Young logo, with 'Ernst' and 'Young' written in a cursive style and a stylized 'EY' symbol in between.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Glenn Carmody'.

Glenn Carmody
Partner

16 February 2011

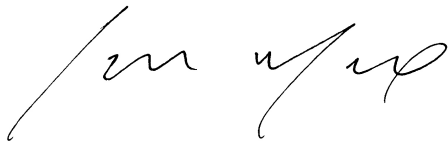
Directors' Declaration

In accordance with a resolution of the Directors of Country Road Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, and:
 - (i) give a true and fair view of the financial position as at 31 December 2010 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134: 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Ian Moir', written in a cursive style.

IAN MOIR

Director

Melbourne, 16 February 2011

Income Statement**FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Note	Consolidated	
		2010 \$'000	2009 \$'000
Total revenues	2	217,785	202,164
Cost of sales		(91,737)	(85,786)
Gross profit		126,048	116,378
Employment expenses		(47,302)	(46,320)
Occupancy expenses		(40,632)	(34,628)
Depreciation and impairment expenses	2	(6,498)	(5,333)
Marketing expenses		(8,012)	(7,629)
Other expenses		(10,002)	(9,284)
		(112,446)	(103,194)
Profit before finance expenses and income tax expense		13,602	13,184
Finance expenses	2	(436)	(208)
Profit before income tax expense		13,166	12,976
Income tax expense		(3,777)	(3,968)
Net profit for the period		9,389	9,008
Basic earnings per share (cents per share)		13.60c	13.04c
Diluted earnings per share (cents per share)		13.60c	13.04c

Balance Sheet**AS AT 31 DECEMBER 2010**

	Note	Consolidated	
		As at 31 December 2010 \$'000	As at 30 June 2010 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		26,171	2,466
Trade and other receivables		7,727	7,438
Inventories		47,023	39,113
Income tax receivable		-	941
Prepayments		1,536	1,063
Derivative financial instruments		182	2,294
Total current assets		82,639	53,315
NON-CURRENT ASSETS			
Receivables		11	15
Plant and equipment		56,420	56,072
Intangible assets		11,306	11,293
Deferred tax assets		12,561	8,189
Prepayments		226	310
Total non-current assets		80,524	75,879
TOTAL ASSETS		163,163	129,194
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		42,004	27,743
Interest bearing loans and borrowings		-	3,000
Related party payables		13,434	-
Income tax payable		724	-
Provisions		5,488	7,569
Derivative financial instruments		11,938	1,911
Total current liabilities		73,588	40,223
NON-CURRENT LIABILITIES			
Provisions		6,509	4,179
Total non-current liabilities		6,509	4,179
TOTAL LIABILITIES		80,097	44,402
NET ASSETS		83,066	84,792
EQUITY			
Issued capital		74,087	74,087
Reserves	4	(8,811)	(196)
Retained profits		17,790	10,901
Total equity		83,066	84,792

Cash Flow Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated	
		2010 \$'000	2009 \$'000
Cash flows from operating activities			
Receipts from customers		235,088	215,922
Payments to suppliers and employees		(199,862)	(198,281)
Rental income receipts		291	320
Other revenue		349	262
Interest received		106	128
Retail services fee revenue from related party		2,325	-
Retail licence fee revenue from related party		1,312	-
Interest and other costs of financing paid		(436)	(208)
Income taxes and withholding taxes paid		(2,894)	(9,133)
Net cash flows from operating activities		36,279	9,010
Cash flows from investing activities			
Payments for acquisition of plant and equipment		(7,014)	(13,369)
Proceeds from sale of plant and equipment		-	6
Net cash flows used in investing activities		(7,014)	(13,363)
Cash flows from financing activities			
Repayment of borrowings		(3,000)	-
Dividends paid		(2,500)	(5,614)
Net cash flows used in financing activities		(5,500)	(5,614)
Net increase (decrease) in cash and cash equivalents		23,765	(9,967)
Add cash and cash equivalents at 30 June		2,466	25,804
Effect of exchange rate changes on opening balance		(60)	(6)
Cash and cash equivalents at end of period		26,171	15,831

Statement of Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated	
	2010 \$'000	2009 \$'000
Net profit for the period	9,389	9,008
Other comprehensive income		
Foreign currency translation differences for foreign operations	(391)	7
Effective portion of changes in fair value of cash flow hedges	(8,224)	205
Other comprehensive income for the period, net of income tax	(8,615)	212
Total comprehensive income for the period	774	9,220

Statement of Changes in Equity
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Ordinary Shares \$000's	Hedge Reserve \$000's	FCTR \$000's	Retained Earnings \$000's	Total \$000's
At 1 July 2010	74,087	571	(767)	10,901	84,792
Profit for the period	-	-	-	9,389	9,389
Other comprehensive income	-	(8,225)	(391)	-	(8,616)
Total comprehensive income for the period	-	(8,225)	(391)	9,389	773
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(2,500)	(2,500)
At 31 December 2010	74,087	(7,654)	(1,158)	17,790	83,065
At 1 July 2009	74,087	(6,094)	(780)	7,768	74,981
Profit for the period	-	-	-	9,008	9,008
Other comprehensive income	-	205	7	-	212
Total comprehensive income for the period	-	205	7	9,008	9,220
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(5,614)	(5,614)
At 31 December 2009	74,087	(5,889)	(773)	11,162	78,587

Notes to the Half-Year Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The condensed interim financial report for the half-year ended 31 December 2010 relates to the consolidated entity comprising Country Road Limited and its subsidiaries.

The half-year financial report was authorised for issue in accordance with a resolution of the Directors on 16 February 2011.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Country Road Limited as at 30 June 2010, which was prepared based on Australian Accounting Standards which include International Financial Reporting Standards (IFRS).

It is also recommended that the half-year financial report be considered together with any public announcements made by Country Road Limited and its controlled entities during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half-year financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

(a) Basis of accounting

The general purpose condensed financial report for the half-year ended 31 December 2010 has been prepared in accordance with AASB 134: 'Interim Financial Reporting' and the Corporations Act 2001.

The half-year financial report has been prepared on a historical cost basis, except for derivative financial instruments, which are measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

In preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the annual financial report for the year ended 30 June 2010.

Changes in accounting policy

From 1 January 2010 the Group has adopted the following Standards and Interpretations.

Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the group.

AASB 127 (Revised) *Consolidated and Separate Financial Statements*.

AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 2 and AASB 127*

Notes to the Half-Year Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

Changes in accounting policy (continued)

The adoption of the following new and amended standards has had no impact on the half year report:

AASB Int. 16	<i>Hedges of a New Investment in a Foreign Operation</i>
AASB 2009-4	<i>Amending Paragraph 14 to the Interpretation</i>
AASB Int. 17 &	<i>Distributions of Non-cash Assets to Owners and consequential amendments to</i>
AASB 2008-13	<i>Australian Accounting Standards AASB 5 and AASB 110</i>
AASB Int. 18	<i>Transfers of Assets from Customers</i>
AASB 3 (Revised)	<i>Business Combinations</i>
AASB 2008-6	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements</i>
AASB 2008- 8	<i>Amendments to Australian Accounting Standards - Eligible Hedged Items</i>
AASB 2008-11	<i>Amendments to Australian Accounting Standard - business Combinations Among Not-for-Profit Entities (AASB 2)</i>
AASB 2009-4	<i>Amendments to Australian Accounting Standards arising from th Annual Improvement project (AASB 2 and AASB 138 and AASB Interpretation 9 & 16)</i>
AASB 2009-7	<i>Amendments to Australian Accounting Standards (AASB 5,7,107,112 136 & 139 and Interpretation 17)</i>
AASB 2009-5	<i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 8, 101, 117, 118, 136 & 139)</i>
AASB 2009-8	<i>Amendments to Australian Accounting Standards - group Cash-settled Share-Based payments Transactions (AASB 2)</i>

The Group has not elected to early adopt any new standards or amendments.

Notes to the Half-Year Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Consolidated	
	2010 \$'000	2009 \$'000
2 REVENUES AND EXPENSES		
(a) Revenue		
<i>Sales revenue</i>		
Sale of goods	209,390	196,760
Royalties	634	473
	210,024	197,233
<i>Other revenue</i>		
Tender forfeits	349	262
Rent revenue	291	319
Interest revenue	106	128
Agency Fee Revenue	(i) 7,007	-
Retail services fee revenue from related party	(ii) -	1,198
Retail licence fee revenue from related party	(iii) -	2,903
Other	8	121
	217,785	202,164
<i>Related party transactions</i>		
(i) During the year the Group received agency fee revenue from Woolworths Pty Ltd, a wholly owned subsidiary of Woolworths Holdings Ltd, the ultimate controlling entity incorporated in South Africa, for the sale of inventory owned by Woolworths Pty Ltd on normal commercial terms and conditions. Amounts charged totalled \$7,006,542 (2009:Nil).		
(ii) In the previous year the Group charged retail services fees to Woolworths Pty Ltd, on normal commercial terms and conditions. Amounts charged in the previous year totalled \$1,197,972.		
(iii) In the previous year the Group earned licence fee revenue from Woolworths Pty Ltd on normal commercial terms and conditions. Amounts earned for the period totalled \$2,903,000.		
(b) Expenses		
Depreciation expense	6,239	5,333
Impairment expense	(i) 259	-
Total depreciation and impairment expenses	6,498	5,333
Interest expense	311	141
Facility fees	125	67
Total financing expenses	436	208
<i>Impairment Expense</i>		
(i) During the period the Group has made a formal estimate of the recoverable amount of its plant and equipment. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. The total impairment expense for the period is \$259,160 (2009:Nil).		

Notes to the Half-Year Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Consolidated	
	2010	2009
	\$'000	\$'000
3 DIVIDENDS		
(a) Dividends paid		
Final fully franked dividend for 2010 at 3.62 cents per share (2009: 8.13 cents)	2,500	5,614
(b) Dividends not recognised at balance date		
After balance date, the Directors announced an interim dividend of 5.64 cents per fully paid ordinary share (2010: 5.19 cents) fully franked based on tax paid at 30%. The aggregate amount of the dividend scheduled to be paid on 16 March 2011 out of profits earned in respect of the financial year ending 30 June 2011, but not recognised as a liability at balance date, is	3,895	3,584
4 RESERVES		
Exchange differences on translation of foreign operations	(1,158)	(773)
Hedging reserve - cash flow hedges	(7,653)	(5,889)
	(8,811)	(6,662)
Exchange differences on translation of foreign operations		
Balance at beginning of period	(767)	(780)
Exchange differences on translation of foreign operations during period	(391)	7
Balance at end of period	(1,158)	(773)
Hedging reserve - cash flow hedges		
Balance at beginning of period	571	(6,094)
Revaluation - net of tax	(8,224)	205
Balance at end of period	(7,653)	(5,889)
5 ISSUED CAPITAL		
<i>Ordinary shares</i>	31 December	31 December
	2010	2009
Issued and fully paid	69,056,822	69,056,822
6 SUBSEQUENT EVENTS		
There are no subsequent events after balance date that affect the operating results or financial position of the Company and its controlled entities.		
7 OTHER MATTERS		
During the period legal proceedings commenced against Country Road Limited arising from the cessation of the employment of former CEO John Cheston. The Company is defending the claim, which is still ongoing and there have been no provisions recognised at reporting date.		

Notes to the Half-Year Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2010****8 OPERATING SEGMENTS****Segment Information**

The Group has identified its operating segments based on the internal management reports that are reviewed by the Chief Executive Officer.

The operating segments are identified by management based on the manner in which the product is sold and the nature of the services provided. Discrete financial information about these operating businesses is reported to the Chief Executive Officer on a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the products sold and the method used to distribute the products.

The Group operates in one reportable segment, being the design and retail sale of apparel, homewares and related accessories.

The accounting policies used by the Group in reporting segments are the same as those contained in Note 1 to the accounts and in the prior period. Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before finance expenses and income tax as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment profit is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Consolidated			Total
	Retail	Other	Unallocated	
	\$000's	\$000's	\$000's	\$000's
31 December 2010				
Sales to external customers	208,651	739	-	209,390
Other revenue from external customers	7,356	634	-	7,990
Total segment revenue	216,007	1,373	-	217,380
Reportable segment profit before tax	43,252	530	-	43,782
Interest revenue	-	-	106	106
Finance costs	-	-	(436)	(436)
Depreciation and impairment	5,004	119	1,375	6,498
Reportable segment assets	97,006	917	-	97,923
Capital expenditure	6,325	-	621	6,946
31 December 2009				
Sales to external customers	197,444	(684)	-	196,760
Other revenue from external customers	262	4,574	-	4,836
Total segment revenue	197,706	3,890	-	201,596
Reportable segment profit before tax	44,586	4,207	-	48,793
Interest revenue	-	-	128	128
Finance costs	-	-	(208)	(208)
Depreciation	4,229	38	1,065	5,332
Reportable segment assets	87,690	3,230	-	90,920
Capital expenditure	11,560	130	1,645	13,335

Notes to the Half-Year Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated	
	2010	2009
	\$000's	\$000's
8 OPERATING SEGMENTS (continued)		
Reconciliation of reportable segment information		
Total segment revenue	217,380	201,596
Other revenue from continuing operations	405	568
Total revenue per income statement	217,785	202,164
Revenue from external customers by geographical location is detailed below. Revenue is attributed to geographic locations based on the location of the customers. The company does not have external revenue from external customers that are attributable to any foreign country other than as shown below:		
Australia	180,157	182,939
New Zealand	15,581	15,809
South Africa	22,047	3,416
Total revenue	217,785	202,164
Reconciliation of reportable segment net profit before income tax		
Segment net profit before income tax	43,782	48,793
Other income	405	568
Unallocated amounts - other corporate expenses	(31,021)	(36,385)
Net profit before income tax	13,166	12,976
Reconciliation of reportable segment assets		
Segment assets	97,923	90,920
Derivative assets	182	377
Deferred tax assets	13,541	13,073
Unallocated assets	51,517	43,624
Total assets	163,163	147,994

To the members of Country Road Limited

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Country Road Limited (the company), which comprises the condensed statement of financial position as at 31 December 2010, the condensed income statement and statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, other information as set out in Appendix 4D to the Australian Stock Exchange (ASX) Listing Rules and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the half year end or from time to time during the 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 and the *Corporations Act 2001* and complies with the ASX Listing Rules as they relate to Appendix 4D. The directors are also responsible for such internal controls that the directors determine are 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 Interim and other Financial Reports 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 31 December 2010 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of Country Road Limited and the entities it controlled during the half year, 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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 Country Road Limited is not in accordance with:

- a. the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
 - ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b. the ASX Listing Rules as they relate to Appendix 4D.



Ernst & Young
Ernst & Young

Glenn Carmody
Partner
Melbourne
16 February 2011