

COUNTRY ROAD

20 JANUARY 2010

STATEMENT TO THE AUSTRALIAN STOCK EXCHANGE

TRADING UPDATE FOR THE SIX MONTHS TO 31 DECEMBER 2009 (UNAUDITED)

Country Road today announced that sales for the first half ending 31 December 2009 were 12.6% up on the corresponding period of the prior year. Comparable Country Road like for like sales were up 4.5%.

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

- Total sales increase of 12.6% ;
- Total retail sales up 18.0% which were inclusive of new brand Trenergy, with comparable Country Road like-for-like sales up 4.5% ;
- Total concession sales up 5.5% with comparable like for like store sales up 5.1% ;

Sales	1H10	1H09		
	\$m	\$m		△%
Total sales	196.8	174.8	↑	12.6%
Total Retail sales	153.4	130.0	↑	18.0%
Total Concession sales	44.1	41.8	↑	5.5%
Total Wholesale sales	(0.7)	3.0		N/A

“The 6 months to end December 2009 saw a tough and competitive environment. This placed pressure on margins as we sought to compete. That said, we are pleased to see good growth in all channels of our business” said Acting CEO Glenn Gilzean.

Country Road also launched a new brand Trenergy in September 2009 and customer reaction was very positive with strong initial sales. The group however incurred significant set up costs and this combined with margin pressures in the Country Road brand is likely to constrain profit to a level approximately 10% to 12% below the last year figure of \$14.6m.

“The outlook for the six months remains challenging. Whilst we expect sales to continue to grow, our expectations are of single digit growth” said Glenn Gilzean.

For further information, please contact:

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