

OROTONGROUP

2007 ANNUAL GENERAL MEETING

Wednesday, 28 November 2007

SAM WEISS

Introduction:

Good morning, my name is Sam Weiss. I am the lead independent director of OrotonGroup Limited, and on behalf of Ross Lane our executive chairman who is not able to be here, I would like to welcome you to the 2007 Annual General Meeting of OrotonGroup Limited. Ross and his wife Sara are grieving over the loss earlier in the week of Sara's mother Isabelle Salleras and I know that you will join me in extending our sympathy to Sara and Ross and their families.

It is 10:00am and the Company Secretary, Mr Kevin Fine has confirmed that the meeting is properly constituted, a quorum is present, and that the proxies have been inspected and all those lodged have been accepted. I therefore declare the meeting open.

Before we begin, I should like to alert you to a change in today's meeting: resolution 3, which was listed in the notice of meeting that was mailed to shareholders, has been removed.

Firstly, I would like to introduce my fellow directors:

- Will Vicars, Non Executive Director;
- John P. Schmoll, Non Executive Director;
- Sally Macdonald, Managing Director

Let me also introduce Kevin Fine, our company secretary and CFO, who joined the group in February, and Karen Mennie, our Merchandise Director who leads both store operations and buying. Both these individuals played a

very important part in the turnaround in results this past 12 months.

Also present today, is Eddie Wilkie, a Partner with PricewaterhouseCoopers, our auditors. Thank-you Eddie for the use of this conference room. We also welcome our legal adviser from Watson Mangioni, Peter Velez. Welcome also to Nick O'Brien from Westpac Banking Corporation, our bankers for over 50 years.

We welcome you all to this AGM and to the OrotonGroup.

The last Annual General Meeting of the company was held on Friday, 8 December 2006. As Chairman, I have signed the minutes of that meeting and copies are available for your inspection at the registration desk.

We'll begin this year's AGM with a brief overview of the past financial year. I will then invite Sally to present an overview of the company, as well as an update on business activities since the new financial year began.

After Sally has spoken there will an opportunity for you to ask questions.

We then have 2 resolutions to discuss and put to vote before we conclude today's meeting, and invite you to share tea and coffee with members of the Board and management team.

I am pleased to announce that we delivered on our commitment to you in 2007. It was a year of many changes for OrotonGroup as we pared down to 2 core brands and restructured the business to simplify it, reduce costs as well as drive profits.

In summary the Group's financials for the year in the continuing operations of Polo and Oroton were:

- A record net profit after tax of \$9.8 M, up 22.6% over the previous year and reflecting a \$19.2 million turnaround in performance from a loss in 2006;

- Earnings before interest, tax, depreciation and amortisation of \$20.3 million, up 18.5% on FY06; and
- Sales of \$110.2 million, a 2.6% increase over last year.
- We also declared and you will have now received a fully franked dividend of 23 cents per share over the past 12 months. This is in comparison to the 5.0 cents per share for the previous year and means the total shareholder return of OrotonGroup was a very healthy 145% these past 12 months – a combination of strong share price gains and increased dividends.

In the twelve months since Ross became the Chairman of the company we have worked on a number of initiatives at the Board level:

- The Board has been reduced in size which has enabled it to more effectively resolve the issues and opportunities that the company faces.
- A smooth transition from Ross to Sally as Managing Director which has included two visits to the United States to meet with the senior executives at Polo/Ralph Lauren, Inc.
- And most importantly, an ongoing exchange of the knowledge and history between Ross and Sally that is representative of the Lane family's seventy-five year history with the company.

Some of the key activities and changes that your management team worked on during the course of the year include:-

- Sale and exit of 3 businesses – Marcs, Morrissey and Aldo;
- Closure of non-performing stores, mostly in the factory store segment
- Opening 9 new Oroton stores – across NSW, Vic, WA and Qld as well

as an online shopping boutique last November

- The reduction of wholesale sales in both brands to focus on our core retail business.
- Reduced headcount from a base of approximately 165 people in head office to approximately 70 people today
- There were many other small changes and as I am sure you will appreciate, retail is a business of details but the results speak for themselves and to that end we commit to you as shareholders to remain a very lean and focused player.

Ross and I spoke over the weekend about a personal message that he wanted to share with you today and I shall endeavour to deliver it with the same grace and good humour that he would have used.

"It is terrific to be involved in the group today. Whilst my family and I sold a parcel of our shares earlier this month we remain long term committed shareholders and are extremely positive when we look at the group's future. What started in 1938 as a family owned fabric importing business with a strong understanding of fashion trends in Australasia has evolved into a leading retail brand company with two of the region's strongest and most loved brands – and a very profitable business model."

It is our privilege to have one of the Lane family here today, a face that I know is familiar to almost all of you. Ladies and gentlemen, Mr. Robert Lane.

Thank-you to all staff, customers and shareholders for your continued support.

I will now hand over to Sally Macdonald

Hand over to Sally	
Sally Macdonald	<p>Thank you Sam. And thank-you all for coming.</p> <p>Financial year 2007 was indeed a big year for the Group and the result was not achieved alone. I would like to emphasise that it was very much a team effort and I have an extraordinary amount of appreciation for the loyalty and hard work of the entire OG team. It was a relentless pace overall and whilst it's definitely a relief to be standing here 12 months on with the work of consolidation and clean-up largely behind us, it's also motivating to know that OrotonGroup's best days are still very much ahead. There's a lot of untapped potential in the company today as we shift our focus from turnaround to growing the business profitably for all shareholders.</p> <p>Let me give you an overview of the company as it stands today.</p> <p>Today we have 37 Oroton stores – 5 factory stores and 32 full price stores throughout Australia and New Zealand. Since July we have opened 2 new stores – 1 in Newcastle and our first flagship store in the QVB in Sydney city which opens next Monday and that we're very excited about. These stores sell a broad range of products from leather bags and wallets, travel accessories, belts, ties, scarves, umbrellas, beach towels, and other premium gifting products. In addition to these freestanding stores we have a healthy department store business with David Jones, and a solid market</p>

share of some key categories in men's socks and underwear, women's lingerie and men's and women's sunglasses. These specific categories are run by licensed partners and generally sold through department stores and boutiques.

Oroton also has an active online presence. In fact, I strongly encourage you all to visit www.orothon.com and stock up for Christmas. About 30% of our customers who visit this internet store are based overseas and traffic and sales are building well. We particularly enjoy this channel as it is very data rich. Tracking customers shopping habits – how long they stay online, which pages they visit, how much they spend, even when they visit – helps us understand what they want. We have been delighted by the success of sales of our \$1000 limited edition evening bag which is made of Swarovski crystal over the internet. The online consumer is not to be underestimated and it is a good forum to drive direct marketing efforts as well as gain some understanding of international consumers over time.

With regard to Polo Ralph Lauren today there are 24 stores – 7 full price stores, and 4 factory stores and 13 concession stores within department stores. This includes the 8 new concessions we opened in Myer in September. In addition to these concession stores we also wholesale Polo to certain David Jones doors and boutique customers.

Polo is comprised of 4 main businesses – 1) menswear which accounts for about 60% of sales and is both retailed and wholesaled, 2) womenswear which accounts for approx 20% and is sold in retail stores only, and 3) children's wear and 4) PJC comprise the balance. To further simplify the business we will have closed all 3 PJC retail stores by mid January. We will also close the last remaining Aspect multi-brand factory store in Australia in January in North Sydney. This will complete our store consolidation effort

commenced last year.

So that is an overview of the business – now about 500 staff and 59 stores in all by the end of January.

In summary, we are now

- A manager/developer of 2 of the strongest premium brands in the region.
- We have a strong retail focus
- We are becoming a much leaner operator that drives for high performance across every aspect of our business

It is indeed a new OrotonGroup from the company we knew 12 months ago.

The first quarter of 2008 has met expectations and has continued strong like for like sales performances in both brands. Please bear in mind that historically Q1 has represented approximately only 10-15 per cent of the year's total expected profits, so the year is still very much ahead of us.

It is a very good time for premium or luxury brands generally and we are especially pleased with our performance in Polo concessions where we have regularly beaten local and international competitors with less than a quarter of the doors. This is what 4 of our largest wholesale doors looked like a year ago. This is how they look today. Whilst it is still early days of trading, this is the difference you can make as a focused retailer.

The strategy in Oroton today is to operate the business at full price and not repeat the discounting of previous years. We will discount selectively in key promotional periods but we are retraining our customers to buy beautiful

product at full price. Oroton is Australia's leading premium accessory brand and this strategy is important to maintain brand health for another 70 plus years of business and beyond.

As you can see from the screen behind me we launched some very strong marketing programs these past few months, and are pleased to have recently been awarded a WORLD LUXURY AWARD for our Spring Summer seasonal catalogue which was shot at nearby Boy Charlton Pool here in Sydney, and distributed on the back of Vogue magazine in August of this year. Please pick up a copy. There were 10 winners overall, including BMW, L'Oreal, and other international brands, as determined by a Swiss-based group of judges. We were the only Australian or Asian brand to have been awarded a prize.

Customers are reacting well to the new Oroton design team's product, which launched in August and gross margins are building appropriately. I feel we now have a very talented design team in place and there is more to come. Overall, however, I would say we are about a third of the way there in terms of progress still to be made in Oroton -- across the look and feel of the stores, in optimising the product mix, expanding into new categories, increasing staff training levels, and so on. Whilst our stores remain some of the most productive in most malls we believe there is further room for improvement, and we intend to continue to grow the store base and expand into new categories as well. We are launching men's business shirts next week in select stores.

In our Polo business, we have been busy this financial year as well. We have refurbished 2 Polo factory stores which are trading about 10% up as a result - and signed off a program of capital works with New York/Polo management for our 2 largest stores as expected.

Since July year end we have also moved head office from the city to Waterloo and are enjoying the benefits of a better working environment at a lower cost.

On the IT and logistics/warehouse front there is much ongoing review and analysis to improve efficiency. We have changed freight forwarder recently, and are assessing a small investment in a merchandise planning system, to improve this core skill across both Orotan and Polo.

On new stores specifically there are a further 2 new stores planned for Orotan towards the end of the financial year and we are exploring a number of store openings across both brands for the next financial year and beyond.

In summary, we are focused on Christmas trading and on driving shareholder returns. I look forward to seeing you at the half year.

Hand over to Sam

Questions	I now invite you to ask any questions. Please state your name and direct your question to Sally, Kevin or myself.
Notice of Meeting	<p>We now move to the formal business of the meeting.</p> <p>The Notice of the Annual General Meeting was mailed to all registered shareholders of OrotonGroup Limited within the required notice period. Copies of the Notice are available at the registration desk and if there are no objections, I propose the Notice of Meeting to be taken as read.</p> <p>Would someone like to second the motion?</p> <p>Thank you.</p> <p>When shareholders vote, on this and subsequent motions, please raise the yellow cards in your hands. If there are any shareholders who are eligible to vote at the meeting who have not received a yellow card, please see a representative from Link Market Services Limited at the registration desk.</p> <p>Visitors holding a blue card are not eligible to vote or speak to the meeting.</p>
Reports	<p>The first item of ordinary business is to receive and consider the Financial Reports of OrotonGroup Limited and its controlled entities and the reports of the Directors and the Auditor for the period ended 28 July 2007 which were circulated to all shareholders with the Notice of Annual General Meeting.</p> <p>In consideration of these reports, I now open the floor to questions on the financial statements. This is an opportunity to ask PricewaterhouseCoopers, the Company's external auditor, any questions you may have on the conduct</p>

	<p>of the audit.</p> <p>I request that any person wishing to speak, please first identify yourself and show the yellow voting card which was given to you at registration.</p> <p><i>[Allow adequate time for questions]</i></p> <p>There being no further questions, I propose the Financial Reports of OrotonGroup Limited and its controlled entities and the reports of the Directors and the Auditor for the period ended 28 July 2007 be received.</p> <p>Would someone like to second the motion?</p> <p>Thank you.</p>
<p>Resolution 1 Remuneration Report</p>	<p>The next item of ordinary business is Resolution 1 – Adoption of Directors’ Remuneration Report.</p> <p>The second item of ordinary business is to adopt the Remuneration Report, which is included in the Directors’ Report of the 2007 OrotonGroup Limited Annual Report.</p> <p>In accordance with section 250R of the Corporations Act 2001, the vote on this resolution is advisory only and does not bind the Directors or the Company.</p> <p>The Directors’ recommend shareholders approve this resolution. Those Directors’ who hold shares in the Company and are not excluded from voting intend to vote their shares in favour of this resolution.</p> <p>In consideration of this report, and in anticipation of the vote of its adoption, I now open the floor to questions on the remuneration report and request that any person wishing to speak, first please identify yourself and show the yellow voting card which was given to you at registration.</p>

	<p>I move that the Director's Remuneration Report, for the financial period ended 28 July 2007 be adopted.</p> <p>As Chairman of the Meeting I confirm that I am holding 25,286,078 proxies from 129 shareholders in respect of this resolution of which 23,896,657 will be voted for the resolution. There will be 300,078 voted against the resolution and 1,089,343 will be open votes.</p> <p>Voting will be a show of hands. I now put the motion.</p> <p>All those in favour please show your yellow voting card.</p> <p>All those against please show your yellow voting card.</p> <p>I declare the resolution carried.</p>
<p>Resolution 2 Election of a Director – Ross Lane</p>	<p>In accordance with the Constitution of the Company and the Corporations Act 2001 all Directors who have been appointed since the last Annual General Meeting must retire by rotation at each Annual General Meeting. All Directors must retire by rotation at least every three years. As at the date of the Notice of Meeting the Company has received no nominations for Directors other than those current Directors standing for re-election.</p> <p>The next item for ordinary business is Resolution 2 – Re-election of a Director, Mr Ross B Lane.</p> <p>Mr Ross Lane retires by rotation in accordance with the Constitution and the Corporations Act 2001, being eligible, offers himself for election.</p> <p>Mr Ross Lane has held various positions within the Consolidated Entity over the past 18 years. For 10 years from 1996 to 2006, Mr Lane was Managing Director of OrotonGroup Limited and from 2001-2003 Mr Lane held the roles of Chairman and Managing Director. In December 2006 Mr Lane resigned from his role as Managing Director and was appointed Executive Chairman.</p> <p>I move that Mr Ross Lane be elected as a Director of the Company.</p>

	<p>As Chairman of the Meeting I confirm that I am holding 25,287,136 proxies from 131 shareholders in respect of this resolution of which 23,086,390 will be voted for the resolution. There will be 1,111,403 voted against the resolution and 1,089,343 will be open votes.</p> <p>Voting will be a show of hands. I now put the motion.</p> <p>All those in favour please show your yellow voting card.</p> <p>All those against please show your yellow voting card.</p> <p>I declare the resolution carried.</p>
<p>Other Business</p>	<p>Is there any other business that can be lawfully brought forward?</p> <p>I would now like to give you an opportunity to ask any questions.</p>
<p>Meeting Close</p>	<p>There being no (more) questions, I now declare the 2007 Annual General Meeting closed. Thank you all for your attendance at today's meeting. Please join us for refreshments.</p>