

OROTONGROUP

OROTONGROUP CONTINUES TRADING UNDER VOLUNTARY ADMINISTRATION 30 NOVEMBER 2017

OrotonGroup Limited (ASX:ORL) (the "Company") today announced:

- The Strategic Review process has failed to secure a viable option for the Company and an Administrator has been appointed
- Oroton stores will continue to trade and employ on a business as usual basis
- The GAP store closure by 31 January 2018 is on schedule and will continue on the timetable previously advised
- The Administrators will re-engage with interested parties and stakeholders to progress a sale or recapitalisation

The Company announced on 17 May, 2017 that it was experiencing challenging trading conditions and posted an earnings downgrade in addition to the commencement of a Strategic Review. Since then, the Company's secured financier has received critical credit support from one of its major shareholders, Mr J Will Vicars and entities controlled by him. This support allowed the Company time and flexibility to explore various strategic options over the past 6 months, including the termination of the licence agreement with GAP Inc, and a strategic process to explore sale and recapitalisation options.

Despite a comprehensive process, the strategic review has not resulted in any viable option for recapitalising or selling the Company at this point in time which could achieve a better outcome than voluntary administration.

Accordingly, the company today appointed Deloitte Restructuring Services partners Vaughan Strawbridge and Glen Kanevsky as Joint and Several Administrators of OrotonGroup Limited ACN 000 038 675, OrotonGroup (Australia) Pty Ltd ACN 000 704 129 and OrotonGroup (Licence Company) Pty Ltd ACN 166 068 695, (together, "OrotonGroup").

Administrator Vaughan Strawbridge said "our focus is on continuing to operate the business, as we seek a recapitalisation or sale of this iconic brand. The flexibility of the voluntary administration process enhances the ability to further restructure OrotonGroup in a manner which makes it possible to achieve the best possible outcome in these circumstances. Our ambition is that a stronger Oroton business will emerge from this process".

Interim CEO and Managing Director Ross Lane said "We have made every effort to avoid taking this decision but have been unable to source a viable solution which could achieve a better outcome than voluntary administration. The Board is disappointed that it has had to take this step after running such a comprehensive process. However, having carefully considered the options available to the Company at the conclusion of its strategic review, it is apparent that voluntary administration is necessary to protect the Oroton business and the future of this iconic Australian brand. We thank Oroton's employees, loyal customers and suppliers for their ongoing support. The Board wishes to also express its gratitude and thanks to Mr J Will Vicars for his long standing and critical support of the company and all of its stakeholders."

The Administrator has advised the Company's AGM planned for the 1st December 2017 will not proceed as scheduled, but will be deferred to a date to be advised. There will be a first meeting of creditors on Monday 11th December 2017.

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