



5 June 2018

FY18 Earnings Update

Retail Food Group Limited (ASX: **RFG**) provides the following update in relation to expected FY18 earnings.

The Group expects FY18 underlying NPAT to be approximately \$34.5 million and statutory NPAT to be a loss of approximately \$87.6 million, taking account of the substantial impairment charges booked at 31 December 2017.

This expected FY18 NPAT does not include approximately \$3.0 million of anticipated international licence fee revenues that may occur before the year end, but are sufficiently uncertain to be included at this date, nor any potential accounting impairment adjustments that may be made as the year end accounts are being completed.

Trading performance has continued to be impacted by a combination of previously noted persistent difficult retail market conditions, the cumulative impact of planned domestic outlet closures, and ongoing negative sentiment regarding both retail franchising and RFG in particular.

The Statutory FY18 NPAT figure is also impacted by termination payments to former Managing Director, Andre Nell, and other additional one-off turnaround expenses.

The Group also continues to maintain dialogue with its bankers and their advisers in regard to its expected FY18 result and forecast FY19 result, in line with the 31 December 2017 results announcement in early March 2018 that outlined the Group's banking position.

The Group will provide a detailed market update with the FY18 results announcement in August 2018.

ENDS

About Retail Food Group Limited:

RFG is a global food and beverage company headquartered in Queensland. It is Australia's largest multi-brand retail food franchise owner, a roaster and supplier of high quality coffee products, and an emerging leader in the foodservice, dairy processing and wholesale bakery sectors. For more information about RFG visit: www.rfg.com.au