

RETAILFOODGROUP

RFG

STRENGTH IN BRANDS

FY17 RESULTS

RETAIL FOOD GROUP (ASX:RFG)

RFG is a global food & beverage company headquartered in Queensland. It is Australia's largest multi-brand retail food franchise owner, developer & manager, with a network of >2500 outlets across 12 Brand Systems spanning 81 international territories. RFG is also a roaster & supplier of high quality coffee & affiliated products & an emerging leader in the foodservice, dairy processing & wholesale bakery sectors.

CORPORATE

ASX Code	RFG
Index	ASX200
Share Price[1]	$5.04
Shares on Issue	176.7m
Market Cap[1]	$891m
Net Debt[1]	$271m
Enterprise Value[1]	$1.2bn
Fully Franked Final Dividend (FY17)	15cps

BOARD & EXECUTIVE

Colin Archer	Independent Non-executive Chairman
André Nell	Managing Director
Stephen Lonie	Independent Non-executive Director
Jessica Buchanan	Independent Non-executive Director
Kerry Ryan	Independent Non-executive Director
Russell Shields	Independent Non-executive Director
Peter McGettigan	Chief Financial Officer
Mark Connors	Director Corporate Services/Company Secretary
Mike Gilbert	Chief Executive – International

[1] As at 18 August 2017

MAJOR BRAND SYSTEMS (FRANCHISE)

BAKERY/CAFÉ

COFFEE RETAIL

QSR

COFFEE & ALLIED BEVERAGE

SPECIALTY COFFEE & ALLIED BEVERAGE

ROASTING FACILITIES



COMMERCIAL

FOODSERVICE

MANUFACTURING

DYNAMIC GROWTH PILLARS

VISION: CREATING COMPELLING OPPORTUNITIES FOR GLOBAL SUCCESS

FRANCHISE

A diverse portfolio of market leading Brand Systems across bakery, café, retail coffee & QSR segments, supported by an engaged complement of Franchise & Master Franchise Partners

INTERNATIONAL

A "world of opportunity" – expanding RFG's global footprint & providing a platform for sustainable long-term growth

COFFEE & ALLIED BEVERAGE

State-of-the-art infrastructure, significant expertise & growing global demand, allied with a diverse market platform, offers significant opportunity to enhance earnings

COMMERCIAL

Provides access to multiple opportunities whilst laying the foundation for an enhanced vertically integrated foodservice & manufacturing base that supports further diversification

M&A

15+ strategic acquisitions since Listing have driven RFG's evolution into a global food & beverage company – prudent & measured M&A approach driving additional growth opportunity

FY17 PERFORMANCE SUMMARY

FY17 UNDERLYING GROUP PERFORMANCE[1]

RFG	FY16	FY17	% Change
Revenue	$275.1m	$349.3m	27.0%
EBITDA	$110.2m	$123.5m	12.1%
NPAT	$66.4m	$75.7m	14.0%
EPS	40.5cps	43.7cps	7.9%
Dividend (Full Year)	27.5cps	29.75cps	8.2%
Dividend Payout Ratio	67.9%	68.1%	
Net Operating Cash Flow	$64.8m[2]	$63.8m	
Net Debt	$191.8m	$247.1m	
Gearing Ratio	34.2%[2]	34.7%	
Interest Cover	11.5x	13.2x	

GROUP HIGHLIGHTS

- Revenue growth up +27% (to $349.3m)
- EBITDA (+12.1%) & NPAT (+14%) growth across Group
  - Product of increasingly diversified earnings base
- Translated to underlying EPS growth of 7.9%
- Final dividend of 15cps (fully franked) represents
  - 68.1% payout ratio
    - Rewards shareholders
    - Supports organic & acquisitive growth initiatives
  - Contributed to FY17 Dividends of 29.75cps
    - 8.2% increase on PCP

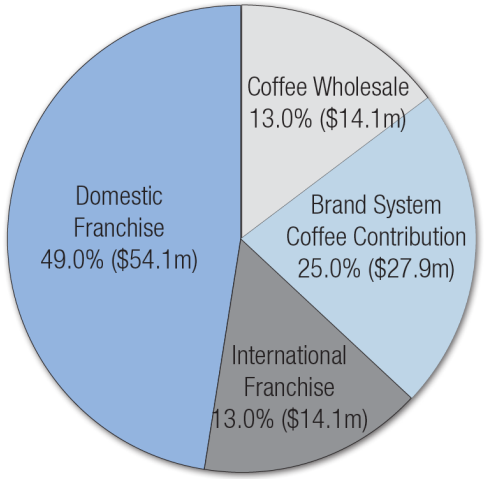
- The Group's statutory accounts for each of FY15 & FY16 have been restated – refer Appendix 1. The restatement in those prior years has no impact on the underlying profit of the Group.

[1] Refer Appendix 2 for reconciliation report [2] FY16 restated: as further detailed in the notes to the FY17 Financial Statements

GROWING DIVERSIFICATION

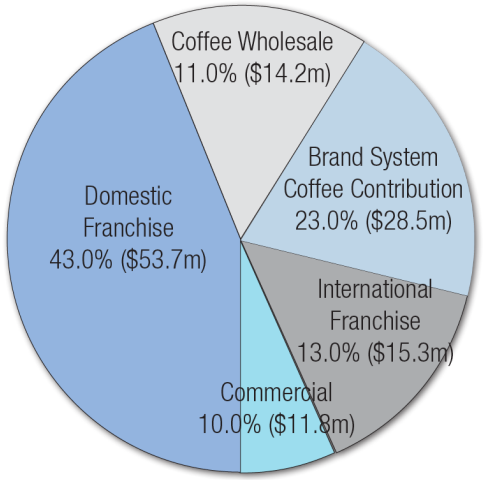
VERTICALLY INTEGRATED GLOBAL MODEL PROVIDES ENHANCED REVENUE DIVERSIFICATION

FY16 EBITDA ($110.2m)



+$13.3m
+12.1%

FY17 EBITDA ($123.5m)



Divisional EBITDA Contribution[1]	FY16	FY17	% Change
Brand Systems (Domestic)	$78.0m	$78.1m	0.1%
Brand Systems (International)	$18.1m	$19.4m	7.5%
TOTAL BRAND SYSTEM EBITDA	$96.1m	$97.5m	1.5%
Coffee Wholesale[3]	$14.1m	$14.2m	0.7%
Commercial Division	N/A	$11.8m	N/A
TOTAL GROUP EBITDA	**$110.2m**	**$123.5m**	**12.1%**

Divisional EBITDA Breakdown[1]	FY16	FY17	% Change
Domestic Franchise Operations Domestic Coffee Contribution[2]	$54.1m $23.9m	$53.7m $24.4m	(0.8%) 2.1%
International Franchise Operations International Coffee Contribution[2]	$14.1m $4.0m	$15.3m $4.1m	8.9% 2.5%
TOTAL BRAND SYSTEM EBITDA	$96.1m	$97.5m	1.5%
Domestic Coffee Wholesale International Coffee Wholesale	$13.5m $0.6m	$13.9m $0.3m	3.0% (50.0%)
Commercial Division	N/A	$11.8m	N/A
TOTAL GROUP EBITDA	**$110.2m**	**$123.5m**	**12.1%**

[1] Underlying – Refer Appendix 2

[2] EBITDA Contribution from coffee & allied beverage sales to Brand System Franchise Partners

[3] Excludes EBITDA contribution from coffee & allied beverage to Brand System Franchise Partners

FINANCIAL POSITION

- Increases in Working Capital, PP&E & Intangible assets primarily attributable to the acquisitons of Hudson Pacific Corporation & Associated Foodservice in the year
- Other movements include:
  - $5.6m increase in commercial trade receivables
  - Financial assets increase of $8.5m attributable to increase in franchise financing (c.$5m) & commercial equipment initiatives
- Investment in property, plant & equipment including
  - Construction of new RFG Global Headquarters
  - Enhanced IT systems & infrastructure investment in digital capabilities
  - Capacity investment in manufacturing operations
- Borrowing increase of $44.1m primarily to fund FY17 acquisitions
- Share capital increase of $78.4m reflecting equity issues for Hudson Pacific Corporation acquisition ($36.2m), DRP & dividend shortfall placement, including oversubscriptions ($42.2m)
- FY16 balances restated include Financial assets, Intangible assets, Deferred tax liabilities & Retained earnings. See Appendix 1 for reconciliation

ASSETS:	FY16[(1)] ($m)	FY17($m)
Cash reserves	17.4	10.3
Trade receivables	44.4	85.8
Financial assets	15.2	23.7
Inventories	15.7	28.5
Plant & equipment	51.1	95.6
Intangibles	595.5	668.9
Other	14.1	16.9
	753.4	929.7

LIABILITIES:	FY16[(1)] ($m)	FY17($m)
Trade Payables	22.4	69.8
Provisions	3.8	7.8
Tax Payable	N/A	2.5
Borrowings	205.9	250.0
Derivative Financial Instruments	N/A	1.8
Deferred Tax Liabilities	115.9	119.4
Contingent Consideration	21.8	7.0
Other	7.5	6.2
	377.3	464.5

EQUITY:		
Share capital	324.1	402.5
Reserves	1.5	0.1
Retained Earnings	50.5	62.6
	376.1	465.2

(1) FY16 restated: as further detailed in the notes to the FY17 Financial Statements

CASH FLOW STATEMENT

	FY16[1] ($m)	FY17($m)
Receipts from customers	332.8	456.0
Payments to suppliers & employees	(239.7)	(361.3)
Gross operating cash flows	93.1	94.7
EBITDA	92.7	106.5
Ratio of gross operating cash flows to EBITDA	100.4%	88.9%
Interest & other costs to finance paid	(9.0)	(9.4)
Income taxes paid	(19.3)	(21.5)
Net operating cash inflows	64.8	63.8
Dividends paid	(31.5)	(42.9)
Acquisition of business & intangibles	(7.5)	(67.7)
Payments for property, plant & equipment	(14.4)	(30.7)
Net capital raising	-	35.1
Net Debt increase	-	40.0
Other cash activities	(8.9)	(5.0)
	(62.3)	(71.2)
Net (decrease)/increase in cash reserves	2.5	(7.4)
Cash reserves at year end[2]	17.0	9.6

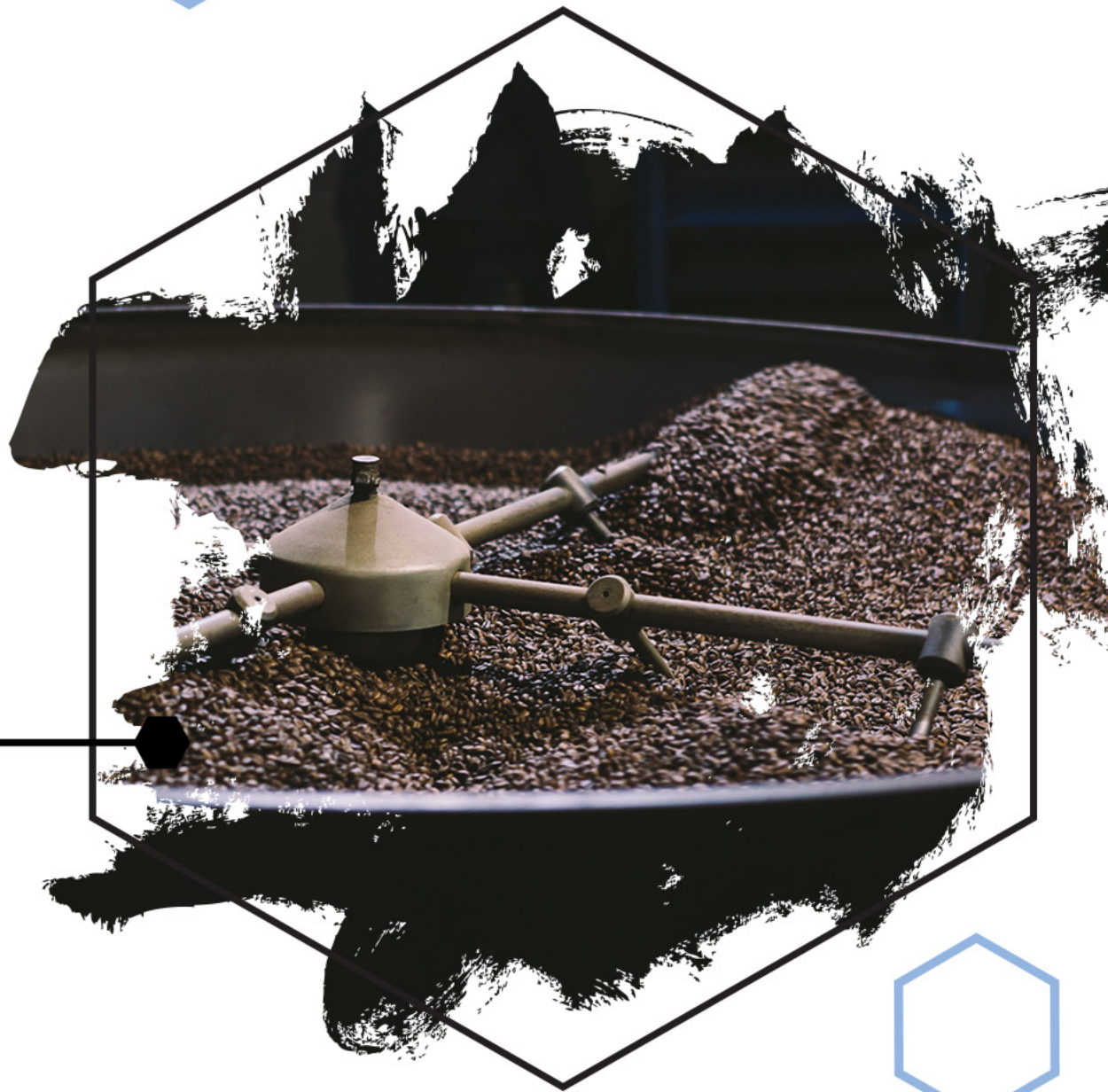
- Cash conversion to EBITDA ratio of 88.9% reflects increased working capital commitments of acquired businesses, offset by $5.2m non-cash asset impairment charges
- Gross operating cash flows includes c.$11.2m cash outflows arising from acquisiton, integration & restructing costs
- Excess free cash derived from operations used to fund
  - FY16 final dividend (14.50 cps) & 1H17 interim dividend (14.75 cps)
  - Acquisition of Hudson Pacific Corporation & Associated Foodservice
  - Earn-out hurdles achieved relating to Gloria Jean's Coffees & Di Bella Coffee acquisitions
- Investment in property, plant & equipment including
  - Construction of new RFG Global Headquarters
  - Enhanced IT systems & infrastructure investment in digital capabilities
  - Systems integration of acquired businesses
  - Capacity investment in manufacturing operations

[1] FY16 restated: as further detailed in the notes to the FY17 Financial Statements

[2] Excluding restricted cash balances of $0.7m (FY16: $0.4m)

DIVISIONAL OVERVIEW

- FRANCHISE
- INTERNATIONAL
- COFFEE & ALLIED BEVERAGE
- COMMERCIAL



FRANCHISE DIVISION METRICS[3]

GLOBAL

DIVISION	NEW OUTLET COMMISSIONINGS	TOTAL OUTLETS	EBITDA[1] ($m) FY17	PCP (%)	CONTRIBUTION TO GROUP EBITDA %	GROSS FRANCHISE REVENUE ($m)	PCP (%)
BCD	41	819	43.7	(0.5%)	35.4%	55.3	(6.0%)
CRD	159	1,386	40.8	9.0%	33.0%	58.1	0.9%
QSR	10	311	13.0	(11.7%)	10.5%	19.6	(10.9%)
GROUP TOTAL	**210**	**2,516**	**97.5**	**1.5%**	**78.9%**	**133.0**	**(3.9%)**

DOMESTIC

SSS	ATV	CPO[2] ($'000) FY17	PCP (%)	NETWORK SALES ($m)	PCP (%)
1.7%	1.7%	54.1	5.7%	433.9	(6.9%)
0.6%	1.6%	40.3	16.3%	239.1	(2.9%)
(0.6%)	2.1%	41.7	(6.6%)	182.9	(9.4%)
0.9%	**1.8%**	**47.0**	**6.1%**	**855.9**	**(6.4%)**

- Positive weighted SSS/ATV growth (+0.9%/+1.8%)
  - Credible performance in challenging retail market
  - Disciplined pricing policies sustain SSS/ATV & protect franchisee margin
  - Donut King stand out performer (SSS + 4.7% & ATV + 2.7%)
- Commercial Division realising synergies benefiting franchise network

- 210 organic commissionings
- Net outlet movement (14) outlets
  - Influenced by Michel's Patisserie/Pizza Capers outlet contraction (c.45 outlets combined)
- Bakery Café NWS & GFR impacted by decline in outlet population, primarily within Michel's Patisserie
- QSR Division GFR & EBITDA impacted by
  - FY16 periodic revenues not recurring in FY17
  - Pizza Capers outlet reduction attributable to rationalisation of trading corporate outlets & geographic repositioning (also impacting QSR Division NWS)

(1) Underlying – Refer Appendix 2 (2) CPO: EBITDA Contribution per Outlet (3) Refer Appendix 5 for Brand System Metrics

LEVERAGING NEW IDEAS & TECHNOLOGY TO INVEST IN OUR FRANCHISE NETWORKS

Innovative product developments, cutting-edge digital solutions & first-to-market brand initiatives accelerate customer engagement & bolster Franchise Partner profitability

RFG BUSINESS INTELLIGENCE



SPECIALIST SUPPORT
ACROSS RFG DIVISIONS & BRAND SYSTEMS

DATA DRIVEN, MARKET LEADING INITIATIVES
PREDICTIVE MODELLING SUPPORTS NETWORK OPTIMISATION
STRATEGIC CUSTOMER & OPERATIONAL INSIGHT

donutkang DONUT RUSH



REACHED #1
RANKING: GOOGLE PLAY & APPLE APP STORE

c.400,000 DOWNLOADS & OVER 30m MINUTES OF GAMEPLAY

ACHIEVED **343%** OF TARGETED **COUPON REDEMPTIONS**

416% OF ESTIMATED ADVERTISING **VALUE OVER CAMPAIGN PERIOD**

Brumby's BAKERY — BREAD LOVERS LOYALTY CARD



LAUNCHED
NATIONALLY (JAN 17) AFTER PILOT TRIAL

>28,000 REGISTERED MEMBERS

DRIVING **c.30% ATV PREMIUM** AMONGST MEMBERS

Michel's PATISSERIE — IMAGE PRINTERS



NATIONAL ROLLOUT LAUNCHED 1H17
PRODUCT CUSTOMISATION NOW AT **CUSTOMERS FINGERTIPS**

WINNER: BEST DIGITAL INITIATIVE AWARD (2017 QSR Media Awards)

RFG FOUNDATIONS — BUILD YOUR BEST BUSINESS

INNOVATIVE PARTNERSHIP WITH NRA National Retail Association

AVAILABLE TO ALL RFG FRANCHISE PARTNERS

PROVIDES MEMBERS ACCESS TO
TRAINING, ONLINE RESOURCES & WORKPLACE ADVICE

crust Gourmet Pizza Bar



STRATEGIC FOCUS
ON PREMIUM UPPER CRUST SEGMENT

NEW MENU ADDITIONS BOOSTING SALES { **+8.6% ON PCP**

donutkang FRIES



DISRUPTIVE
SNACK TARGETING MILLENNIAL CUSTOMERS

OVER 40,000
UNITS SOLD DURING TWO-MONTH PROMOTION

Gloria Jean's COFFEES



FRESH IS BEST
NEW PRODUCT RANGE

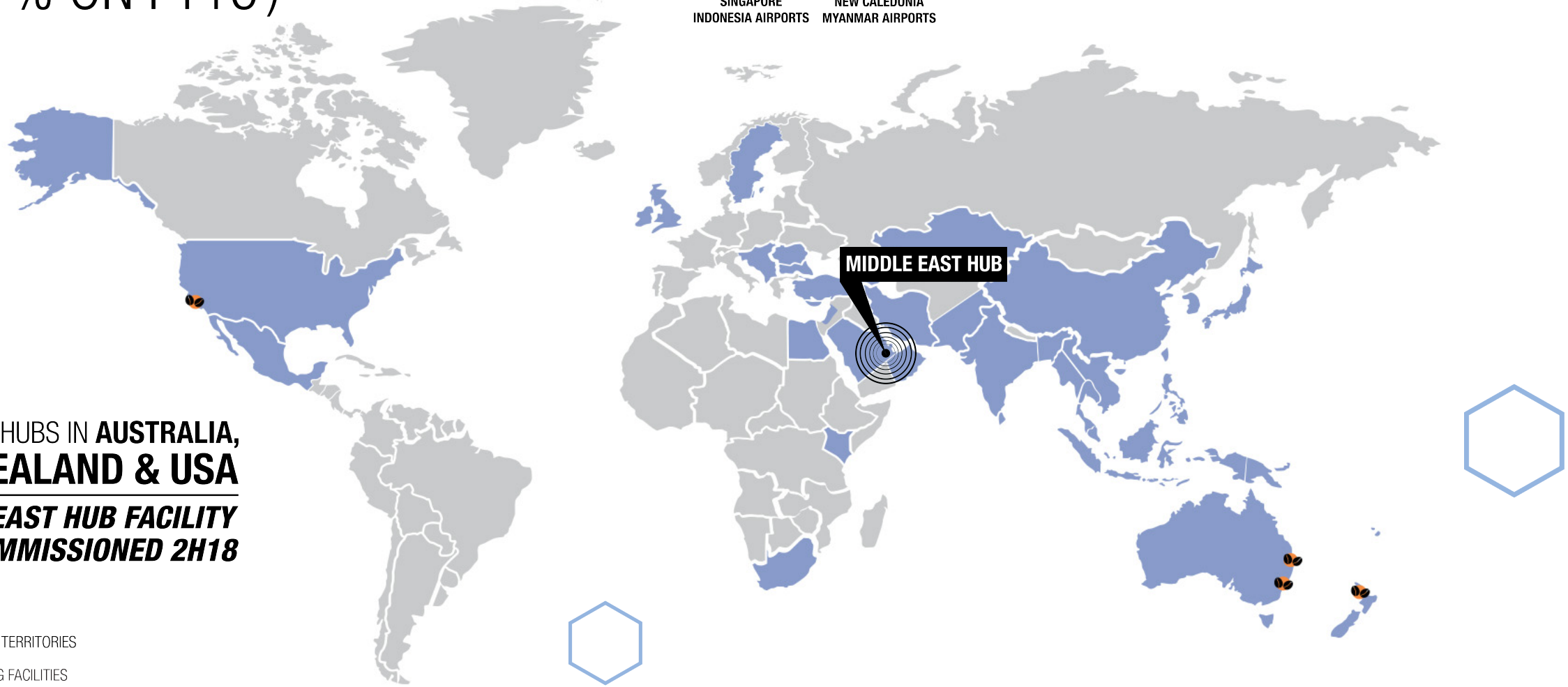
QUALITY INGREDIENTS
MADE FRESH IN STORE { *PRECURSOR TO WIDER BRAND EVOLUTION*

CURRENT GLOBAL FOOTPRINT

81 TERRITORIES ACROSS
10 BRAND SYSTEMS
(+17% ON FY16)

15 NEW LICENSES GRANTED ACROSS 5 BRAND SYSTEMS

Gloria Jean's Coffees	donut king	It's A Grind Coffee House	Pizza Capers Gourmet Kitchen	Brumby's Bakery
UNITED KINGDOM	SWEDEN	SAUDI ARABIA & KUWAIT	INDIA	FIJI
CHICAGO & INDIANA	MYANMAR			
KENYA				
SINGAPORE				
INDONESIA AIRPORTS				
VANUATU				
SAMOA				
FRENCH POLYNESIA				
NEW CALEDONIA				
MYANMAR AIRPORTS				



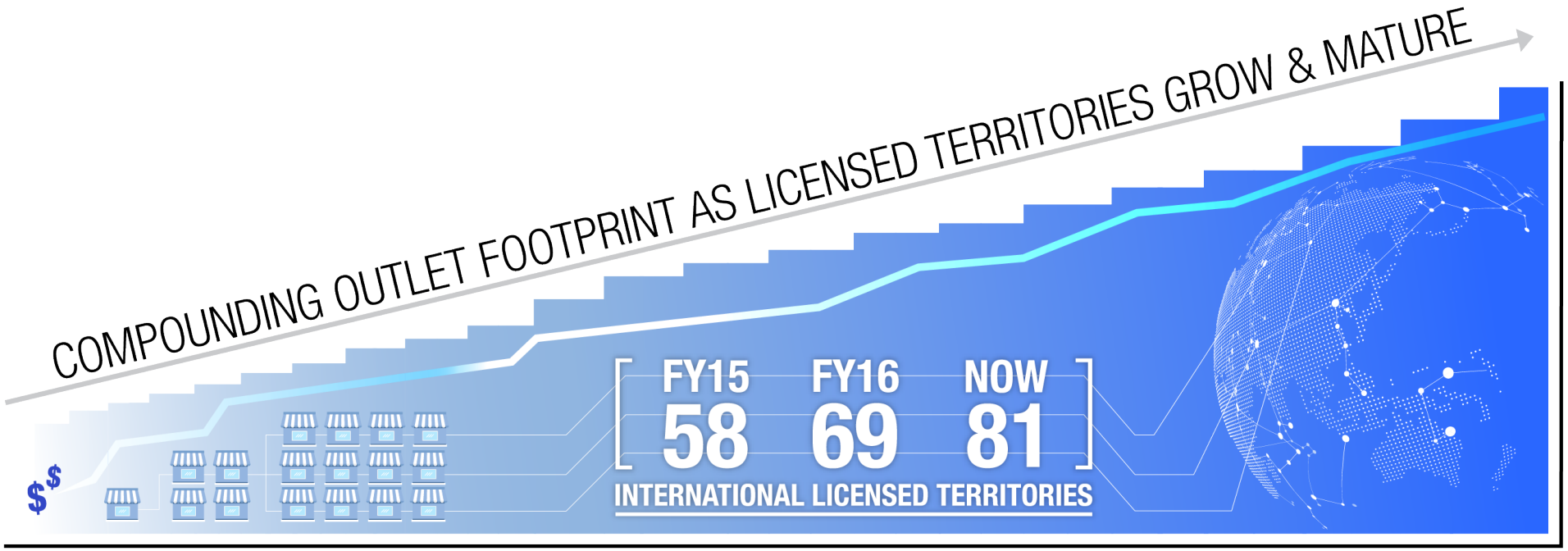
ROASTING HUBS IN **AUSTRALIA, NEW ZEALAND & USA**

MIDDLE EAST HUB FACILITY *TO BE* ***COMMISSIONED 2H18***

LEGEND
- RFG EXISTING TERRITORIES
- RFG ROASTING FACILITIES

GROWING INTERNATIONAL PLATFORM

SETS FOUNDATION FOR ENHANCED MEDIUM TO LONG-TERM GROWTH



BUILDING REVENUE STREAMS

SHORT TERM: INITIAL LICENSE & TRAINING FEES

LONG TERM: GROWING RECURRENT REVENUE STREAMS
ROYALTIES, NEW OUTLET/RENEWAL/TRANSFER FEES, PRODUCT SUPPLY

INTERNATIONAL HUB STRATEGY

THE HUB

MEDIUM TO LONG-TERM
GROWTH STRATEGY



MIDDLE EAST JOINT VENTURE

- Represents important breakthrough in Hub strategy
  - Fast tracks Brand System licensing & Coffee & Allied Beverage growth
- 50% interest in JVs established with leading UAE-based businesses Al Hathboor Group & HKO Group
- Facilitates establishment of world class coffee enterprise
  - Roast & distribute for MENA region
  - Focused on realising significant untapped commercial coffee opportunities
  - More efficiently services existing Brand System networks
- Accelerates scope for Brand System expansion in Gulf region
  - Focused on greenfield opportunity – existing MFAs retained by RFG
- Low risk capital structure
  - Initial equity funding offset by initial Brand System license fees & sale of excess roasting infrastructure

COFFEE & ALLIED BEVERAGE

	FY16	FY17	CHANGE%
GLOBAL THROUGHPUT	c.6.2m kg	c.6.2m kg	–
REVENUE[1]	$73.4m	$63.7m	(13.2)%
EBITDA[1]	$14.1m	$14.2m	0.7%
EBITDA MARGIN[1]	19.2%	22.3%	1.6%

- Decline in revenue of 13.2% impacted by $10m of external revenues associated with FY16 next generation capsule machine launch into supermarket channel, not recurring in FY17
- Coffee wholesale EBITDA grew 0.7% principally due to
  - Growth in commercial coffee contracts
  - Offset by reduction in lower margin supermarket capsule business

CURRENT



UNDERWAY



FUTURE



REPLICATING SUCCESSFUL AUSTRALIAN MODEL

COFFEE & ALLIED BEVERAGE OPERATIONS **REPOSITIONED UNDER DI BELLA COFFEE CO TO LEVERAGE MARKET REPUTATION & BRAND STRENGTH ACROSS ENTIRE COFFEE BUSINESS**

[1] Excluding C&AB supply to Brand System partners

COMMERCIAL DIVISION

NEW DIVISION FORMED 1H17

	FY17[1]
REVENUE	$100.6m
EBITDA	$11.8m
MARGIN	11.7%

- Dedicated Commercial Division established to extract substantial opportunity arising from FY17 M&A activity
- Represents long-term national growth platform
  - Synergy extraction aligned with expiry of existing contractual obligations
  - Wholesale coffee, dairy & bakery products
  - Growing retail & wholesale channels

ENHANCED THROUGHPUT UNDER RFG STEWARDSHIP

Dairy Country

+6% ON PCP TO c.26.4m kg

VALUE ADDED CHEESE PROCESSING

bakery fresh

+16% ON PCP TO 3.8m kg

BAKERY PRODUCT SUPPLY

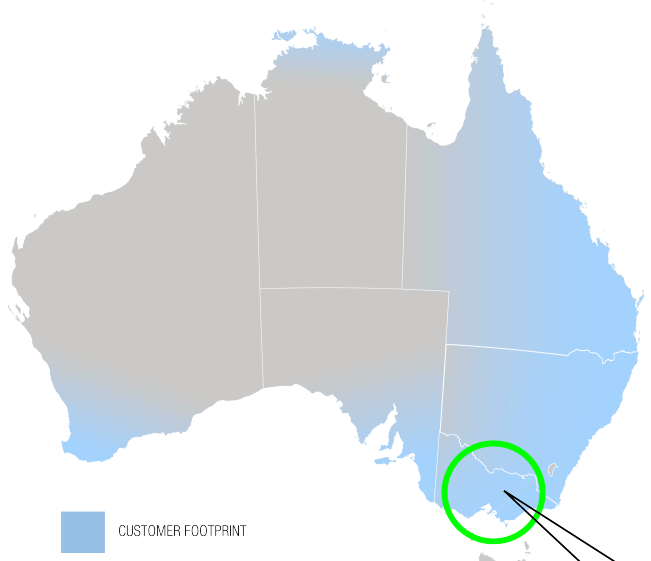
ALIGNMENT OF GROWTH PLATFORM

COMMERCIAL DIVISION STRATEGY

UNDERPINNED BY COMPLEMENTARY GROWTH OPPORTUNITIES

REALISATION OF SCALE BENEFITS

- *OPERATIONAL GROWTH ALIGNED WITH FRANCHISEE/CUSTOMER POPULATION*
- *FAST TRACKS DELIVERY OF VERTICAL INTEGRATION/SYNERGISTIC BENEFITS*



MEDIUM TERM
M&A PROGRAM ALIGNED WITH
EASTERN SEABOARD GROWTH STRATEGY

FY17 AQUISITIONS

HudsonPacific CORPORATION

Associated FOODSERVICE

[1] HPC acquired 22 September 2016

OUTLOOK



OUTLOOK & GUIDANCE

RFG GLOBAL 2020 STRATEGY

- Leveraging diversified platform to drive long-term sustainability
  - Global platform extension leveraging Hub strategy
    - Creating new markets & tapping greenfield opportunity
    - Building medium & long-term growth drivers
  - Customer engagement & stakeholder profitability
    - Winning in the market
    - Building stronger operational platforms
    - Leveraging procurement/foodservice capability
    - Enhancing franchise investment proposition
  - Commissioned transformational development of internal capability to support growth strategy
    - Whole of business initiative
    - Incorporates assessment of operating model & resource alignment

OUTLOOK & GUIDANCE

- RFG optimistic regarding future performance
  - Organic growth across all Divisions
  - Principally driven by International, Commercial & Coffee & Allied Beverage
- M&A focus on Eastern Seaboard Commercial Division extension
- Guidance: FY18 underlying NPAT growth of c.6%[(1)]

[(1)] Excluding acquisition, integration & restructuring costs

APPENDICES

1. RESTATEMENT OF PRIOR YEARS' ACCOUNTS
2. TRADING SUMMARY
3. DEBT STRUCTURE
4. CAPITAL MANAGEMENT
5. BRAND SYSTEM SUMMARY
6. DEFINITIONS
7. DISCLAIMER



APPENDIX 1 – RESTATEMENT OF PRIOR YEARS' ACCOUNTS

Review of accounting treatment of certain items & restatement of financial information for FY15 & FY16

The Group conducted a detailed review of its accounting policies, & having regard to new guidance being released during the year on application of certain accounting standards.

Accounting policies reviewed were with respect to intangible assets, contingent consideration payments for acquisitions & accounting for Brand System marketing funds, and as a consequence, the Group's accounts for the financial years ended prior to and including 30 June 2015 (FY15) and the financial year 30 June 2016 (FY16) will be restated.

This review of the accounting treatment in those prior years has had no impact on the underlying performance of RFG for the financial year ended 30 June 2017 (FY17).

Accounting policy considerations, adjustments & corrections for FY15 & FY16

- Following an agenda decision of the IFRS Interpretation Committee (IFRIC) made in November 2016 with respect to accounting for Intangible Assets, the Group has reviewed the tax effect accounting for its Brand System intangible assets (being indefinite life intangible assets). This has resulted in the recognition of deferred tax liabilities with respect to these intangibles, with the resultant uplift in goodwill recorded in the Group's statement of financial position as at 30 June 2015.

- The review conducted of the Group's accounting policies for intangible assets with the aforementioned IFRIC decision determined the Group's Brand Systems represent an individual CGU (cash generating unit) for the purposes of impairment testing. Impairment testing has been conducted on a retrospective basis. As a result, it has been determined that certain individual Brand Systems were impaired in the financial years prior to & ended 30 June 2015.

- Certain contingent consideration payments for the Gloria Jean's Coffee acquisition that imply a service obligation by the vendor should have been recognised in the Group's profit or loss in FY15 & FY16 rather than recorded as goodwill.

- Following the write-down of advances to marketing funds announced on 21 June 2017, the Group conducted a further detailed review of its accounting policies with respect to franchise system marketing expenditure & accounting for internally generated intangible assets, including research & development expenditure. As a result of this review, the Group has determined that the accounting for Brand System marketing expenditure will be incurred & recovered on an annual basis, with the revenue & expenditure associated with Brand System marketing activities presented net within the Group consolidated statement of profit or loss & other comprehensive income.

- The write-down of advances to marketing funds not recovered prior to & including FY15 & FY16 have been recognised in FY15 & FY16 respectively. The FY16 consolidated statement of profit or loss & other comprehensive income has been restated to present the revenue & expenditure associated with Brand System marketing activities on a net basis & the write-downs attributable to the FY16 year.

It is important to note that the technical accounting changes for intangible assets do not impact on the cash flows of the business, or the manner in which the Group defines & operates its Brand Systems at the CGU & segment level. Indeed, the valuation of the Group's intangible assets, when viewed at the segment & Group level, comfortably exceeds the carrying value of those assets.

Restatement of financial information for FY15 & FY16

The following tables summarise the financial effect of these changes on the Group's accounts for FY15 & FY16.

APPENDIX 1 – RESTATEMENT OF PRIOR YEARS' ACCOUNTS

Consolidated Statement of Financial Position	30-Jun-15 Reported	Deferred tax adjustment	Intangible asset impairment testing adjustment	Contingent consideration adjustment	De-recognition of Marketing Fund receivables	Total 2015 year adjustments	30-Jun-15 Restated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Inventories	20,901	-	-	-	(448)	(448)	20,453
Other financial assets	29,586	-	-	-	(22,734)	(22,734)	6,852
Current tax assets	1,595	-	-	-	6,955	6,955	8,550
Deferred tax assets	8,664	-	(885)	-	-	(885)	7,779
Intangible assets	512,979	130,576	(46,489)	(2,965)	-	81,122	594,101
Total assets	680,048	130,576	(47,374)	(2,965)	(16,227)	64,010	744,058
Deferred tax liabilities	-	130,576	(14,668)	-	-	115,908	115,908
Other	34,024	-	-	(2,115)	-	(2,115)	31,909
Total liabilities	276,266	130,576	(14,668)	(2,115)	-	113,793	390,059
Net assets	403,782	-	(32,706)	(850)	(16,227)	(49,783)	353,999
Foreign currency translation reserve	1,276	-	(1,210)	-	-	(1,210)	66
Retained earnings	87,455	-	(31,496)	(850)	(16,227)	(48,573)	38,882
Total equity	403,782	-	(32,706)	(850)	(16,227)	(49,783)	353,999

Consolidated Statement of Financial Position	30-Jun-16 Reported	Intangible asset impairment testing adjustment	Contingent consideration adjustment	Trade receivables reclassification	De-recognition of Marketing Fund receivables	Total 2015 year adjustments carried forward	30-Jun-16 Restated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Trade and other receivables	48,574	-	-	(4,133)	-	-	44,441
Inventories	16,103	-	-	-	-	(448)	15,655
Other financial assets	42,251	-	-	4,133	(8,436)	(22,734)	15,214
Current tax assets	-	-	-	-	(2,500)	6,955	4,455
Deferred tax assets	8,279	-	-	-	-	(885)	7,394
Property, plant and equipment	51,561	-	-	-	(455)	-	51,106
Intangible assets	514,402	-	-	-	-	81,122	595,524
Total assets	700,786	-	-	-	(11,391)	64,010	753,405
Trade and other payables	21,758	-	615	-	-	-	22,373
Current tax liabilities	5,167	-	-	-	(5,167)	-	-
Deferred tax liabilities	-	-	-	-	-	115,908	115,908
Other	29,892	-	1,500	-	-	(2,115)	29,277
Total liabilities	266,542	-	2,115	-	(5,167)	113,793	377,283
Net assets	434,244	-	(2,115)	-	(6,224)	(49,783)	376,122
Foreign currency translation reserve	1,925	780	-	-	-	(1,210)	1,495
Retained earnings	108,247	(780)	(2,115)	-	(6,224)	(48,573)	50,555
Total equity	434,244	-	(2,115)	-	(6,224)	(49,783)	376,122

APPENDIX 1 – RESTATEMENT OF PRIOR YEARS' ACCOUNTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income	30-Jun-16 Reported	Intangible asset impairment	Contingent consideration adjustment	De-recognition of Marketing Fund receivables	Marketing expenditure reclassification	30-Jun-16 Restated
	$'000	$'000	$'000	$'000	$'000	$'000
Continuing operations						
Revenue from sale of goods	169,269	-	-	-	(4,429)	164,840
Cost of sales	(106,280)	-	-	-	8,605	(97,675)
Other revenue	141,202	-	-	-	(30,945)	110,257
Other gains and losses	640	-	(1,500)	-	835	(25)
Marketing expenses	(28,224)	-	-	-	24,469	(3,755)
Occupancy expenses	(8,265)	-	-	-	670	(7,595)
Administration expenses	(20,992)	-	-	-	795	(20,197)
Other expenses	(7,799)	-	(615)	(8,891)	-	(17,305)
Profit before tax	87,589	-	(2,115)	(8,891)	-	76,583
Income tax expense	(26,287)	-	-	2,667	-	(23,620)
Profit for the period	61,302	-	(2,115)	(6,224)	-	52,963
Exchange differences on translation foreign operations	649	780	-	-	-	1,429
Other Comprehensive Income	649	780	-	-	-	1,429
Total comprehensive income	61,951	780	(2,115)	(6,224)	-	54,392
Earnings per share						
From continuing operations:						
Basic (cents per share)	37.4	-	(1.3)	(3.8)	-	32.3
Diluted (cents per share)	37.4	-	(1.3)	(3.8)	-	32.3

Consolidated Statement of Changes in Equity	Fully Paid Ordinary Shares	Other Reserves	Retained Earnings	Total
	$'000	$'000	$'000	$'000
Balance as at 30 June 2015 (Reported)	315,051	1,276	87,455	403,782
Total 2015 year adjustments	-	(1,210)	(48,573)	(49,783)
Balance as at 30 June 2015 (Restated)	315,051	66	38,882	353,999
Profit for the year ended 30 June 2016 (Reported)	-	-	61,302	61,302
De-recognition of Marketing Fund receivables	-	-	(6,224)	(6,224)
Contingent consideration adjustment	-	-	(2,115)	(2,115)
Profit for the year ended 30 June 2016 (Restated)	-	-	52,963	52,963
Net income recognised directly in equity	-	1,429	-	1,429
Intangible asset impairment adjustment	-	-	(780)	(780)
Issue of ordinary shares net of costs	9,021	-	-	9,021
Payment/Provision of dividends	-	-	(40,510)	(40,510)
Balance as at 30 June 2016 (Restated)	324,072	1,495	50,555	376,122

APPENDIX 2 – TRADING SUMMARY

	FY17	
	UNDERLYING	REPORTED
EBITDA $m	123.5	106.5
NPAT $m	75.7	61.9
EPS cps	43.7	35.7

EBITDA ADJUSTMENTS	$m
REPORTED EBITDA	106.5
M&A COSTS:	
• ACQUISITION	3.3
• INTEGRATION	6.5
• RESTRUCTURING	2.0
ASSET IMPAIRMENT	5.2
UNDERLYING EBITDA	123.5

APPENDIX 3 – DEBT STRUCTURE

SENIOR DEBT FACILITY	FY16	FY17
Net Debt[1]	$191.8m	$247.1
Interest expense[1]	$9.6m	$9.6m
Interest cover (times)[1]	11.5x	13.2x
Gearing ratio (net debt / (net debt + equity)[1][4]	34.2%	34.7%
Total Facility	$304.0m	$344.0m

- Facility headroom (including cash) at 30 June 2017 of $96.9m
- Weighted Average Interest Rate at 30 June 2017 of 3.73%
- Gross debt of $257.3m[2] at 30 June 2017
- Total debt subject to fixed interest rates now $150m or c.61% of gross debt
- Comfortable compliance with all lending covenants as at 30 June 2017
- Deed of variation[3] executed between RFG & its lenders on 27 June 2017 which verified covenants under existing facilities will not be impacted by changes to accounting standards

[1] Calculated in accordance with Senior Debt Facility Agreement

[2] Including ancillary facilities

[3] With reference to the Senior Debt Facility Agreement

[4] FY16 restated: as further detailed in the notes to the FY17 Financial Statements

APPENDIX 4 – CAPITAL MANAGEMENT

	SHARES	PRICE ($)	PROCEEDS/VALUE ($m)
Shares on issue 1 July 2017	164,968,083		
Dividend Reinvestment Plan (Final FY16 Dividend)	509,210	6.71	3.4
Dividend Reinvestment Plan Shortfall Placement (inc. oversubscriptions)	5,197,044	6.85	35.6
Issue of ordinary shares – Acquisition of Hudson Pacific Corporation[2]	5,379,747	6.72	36.2
Dividend Reinvestment Plan (Interim Dividend)	681,982	5.28	3.6
Shares 30 June 2016	176,736,066		
Share Value[1]			78.8

[1] Before share issue costs & associated expenses of $0.4m

[2] Represents fair value of shares issued at acquisition date

APPENDIX 5 – BRAND SYSTEM SUMMARY

GLOBAL | DOMESTIC

DIVISION	NEW OUTLET COMMISSIONINGS	TOTAL OUTLETS	CONTRIBUTION TO GROUP EBITDA %[1]	SSS	ATV	NETWORK SALES ($m)	PCP (%)
donut king	19	333	14.1%	4.7%	2.7%	160.4	(1.4%)
Brumby's BAKERY	20	246	8.6%	1.3%	1.6%	153.3	(4.7%)
Michel's PATISSERIE	2	240	12.7%	(2.0%)	0.6%	120.2	(15.7%)
BAKERY/CAFE	**41**	**819**	**35.4%**	**1.7%**	**1.7%**	**433.9**	**(6.9%)**
CRD	**159**	**1,386**	**33.0%**	**0.6%**	**1.6%**	**239.1**	**(2.9%)**
QSR	**10**	**311**	**10.5%**	**(0.6%)**	**2.1%**	**182.9**	**(9.4%)**
GROUP TOTAL	**210**	**2,516**	**78.9%**	**0.9%**	**1.8%**	**855.9**	**(6.4%)**

[1] Underlying

APPENDIX 6 – DEFINITIONS

NWS	Network Sales
GFR	Gross Franchise Revenue
SSS	Same Store Sales
ATV	Average Transaction Value
PCP	Previous Corresponding Period
CPO	Contribution Per Outlet (EBITDA)
QSR	Pizza Capers & Crust Gourmet Pizza
MENA	Middle East North Africa
COFFEE RETAIL DIVISION (CRD)	Gloria Jean's Coffees, Café2U, The Coffee Guy, It's A Grind, bb's Café, Esquires Coffee
MOBILE	Café2U, The Coffee Guy
COFFEE & ALLIED BEVERAGE (C&AB)	Franchise supply; specialty roasting; in-home/grocery; contract roasting
COMMERCIAL	Hudson Pacific Foodservice, Associated Foodservice, Bakery Fresh, Dairy Country
BAKERY/CAFÉ (BCD)	Donut King, Michel's Patisserie & Brumby's Bakery
JV	Joint Venture
M+A	Mergers & Acquisitions

APPENDIX 7 – DISCLAIMER

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