



Allied Brands Limited
(acn 108 958 274)
Level 8, Suite 1
320 Adelaide Street
Brisbane, QLD 4000

Ph 07 3229 0988
Fx 07 3229 8488
www.alliedbrands.com.au

For Immediate Release to the Market

Allied Brands Limited (ASX:ABQ) 31st August 2010

2010 Results Review

Allied Brands Ltd is reporting a \$35.2 million loss after taxation for the year finished 30th June 2010 on increased revenues of \$57.8 million,

The loss includes significant write downs of goodwill and the carrying value of assets across the group, provisions for the closure of company owned stores and the abandonment of the area developer concept in most segments and significant bad debts relating to this abandonment.

The result has had a significant impact on the balance sheet of the company and while the company still has positive net assets it has negative net tangible assets and as it has breached its covenants relies on its financial institution and note holders to continue as a going concern.

It should be noted that the company is pursuing outstanding loans to former employees and has not written them off.

Since late June several positive steps have been undertaken to return the company to profitability.

Company store closures by Kenny's Cardiology in both Australia and New Zealand will have a positive impact on Kenny's earnings outlook. Trials are soon to be undertaken in company stores to expand the Kenny's Cardiology product range to make it more relevant in today's market place. The company while being interested in an ultimate sale of this business is committed to its profitability and growth while it retains ownership.

The Villa and Hut business has been the subject of a management buy- out offer and terms are currently being negotiated.

For personal use only

The Awesome Water business is being actively marketed and the Company is analysing preliminary offers at the present time. As previously announced the Awesome Entertainment business has been closed and its closure costs have been provided for in the June 2010 results.

Baskin Robbins continues to have store on store growth and projected development numbers for this year are promising. This business remains a key element of Allied Brands moving forward and additional resources will be allocated to it.

Cookie Man will benefit from the closure of the company owned stores and it is reviewing it's business model and product offering over the current year.

Overheads have also been cut across the group with savings that will have a positive impact of several million dollars.

The board has also engaged and is working closely with several outside consultants .Once the board has reviewed the suggestions of these consultants and reviewed the requirements for a recapitalisation of the company a further announcement will be made to the market

The company remains cautiously optimistic of the future and expects a return to profitability in the first half of this fiscal year.

For further information please contact Sean Corbin on 3229 0988