

RESULTS FOR THE FULL YEAR TO 1 August 2015

The directors advise that the audited net profit after tax for the 12 months to 1 August 2015 was \$17.386 million, an increase of 21.77% over the corresponding period last year (\$14.278 million).

Group sales for the period were \$221.520 million, an increase of 6.51% over the corresponding period last year (\$207.984 million).

Total Group Comprehensive Income for the period was \$19.122 million, (\$14.445 million).

Commenting on the result CEO Graeme Popplewell said “the 2014/15 financial year had shown solid growth over the prior year. In particular losses in Australia had been turned around and steady progress was being made in that market. Glassons in New Zealand however has been disappointing by comparison.”

Dividend

The Directors have declared a final dividend of 16.5 cents per share, payable on 4th December 2015 to shareholders on the company’s register as at 5:00pm 27th November 2015. Together with the interim dividend of 14.5 cents per share paid 17th April 2015 the dividend for the full year is 31.0 cents per share (last year 28.5 cents per share). The balance sheet remains strong which enables the Company to continue its dividend policy.

Segment Results

Glassons New Zealand

For the full year sales increased 2.50% and profit after tax was down -16.50%. Changes in executive during the year saw a disruption to the momentum Glassons were experiencing in the earlier part of the year. New management is now in place and are working towards recovering lost ground.

Glassons Australia

In Australia sales improved 18.52% (in Australian dollars). Same store sales increased 12.63%. During the year two new stores were opened and one store closed. Net profit after tax was \$170,000, against a loss of (\$1,505,000) last year.

Hallensteins

For the full year sales 6.82% and profit after tax increased 29.36%. Hallenstein Brothers have firmly cemented their position in the young male fashion market in New Zealand and continue to lead with way through product innovation and engaging marketing campaigns.

Storm

Sales in Storm increased 4.36% and Net Profit after Tax improved 37.59%. Storm continues to deliver solid results in a highly competitive segment of the market.

E-Commerce

Sales account for 5.39% of the total group sales and increased 8.70% during the year. Continued investment and innovation is being made with the objective of growing sales further in this channel.

Future Outlook

Group sales for the first 8 weeks of the season are +4% on the prior year however intense competition has meant sales have been achieved at the expense of margin compared to the same period last year. The impact of a weaker New Zealand and Australian dollar is beginning to exert margin pressure and the ability to raise prices to compensate is limited. It is however not possible to take any real inference from these numbers as the December trading period contributes such a large proportion of sales and profit for the season.

Investment in our stores continues and it is critical we provide a unique and exciting shopping environment. The Glassons new store fitout first trialled in Australia has shown very pleasing results and where lease commitments allow will be further extended in both Australia and New Zealand. The first new look store in Albany Auckland opened during August 2015 and results so far have been positive. A further store will be refurbished in Auckland prior to Christmas plus a new store at Northwest (Auckland) will open October 1.

Hallensteins have now substantially completed their key store refurbishment program. They will also open a new store at Northwest (Auckland) on October 1.

The financial position of the group remains very robust. Stock levels are well managed and the group is focussed on the key trading months of December and January.

Further guidance will be given at the Annual Meeting of Shareholders in December 2015.

Graeme Popplewell
CEO
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