

Early winter Group sales ahead for Hallenstein Glasson

Hallenstein Glasson Group sales for the first six weeks of the Winter 2014 season are +2% on the same period last year, in direct contrast to unaudited net profit for the six months ended February 1, 2014, of \$6.177 million, a decrease of -40% on the prior period last year (\$10.371 million).

In announcing the six months result, CEO Graeme Popplewell, said that while the early winter figures were only a modest improvement, they are a reversal of the trend that was experienced during the first half of the year.

Popplewell said that the six months result was in line with guidance provided to the NZX on January 21, 2014. Total comprehensive income for the period after fair value adjustments was \$6.389 million (2013: \$10.339 million). Group sales for the six months ended February 1, 2014, were \$106.430 million, a decrease of -8% on the prior period last year (\$115.730 million).

“The balance sheet remains robust. Inventories are at acceptable levels at \$14.589 million and cash reserves stand at \$16.4 million, down from \$19.312 million at the start of the year.

We operate in a highly competitive environment which has, of recent times, been increasingly characterised by discounting and sale activity. However, for differing reasons, each chain in the group failed to execute the summer season to potential. There is still considerable work to do to ensure the business recovers earnings to historic levels but we are encouraged by results over the past few weeks. The key winter trading months of May and June will be critical to achieving our targeted earnings for the winter season.

The appointment of Tracy Shaw, after a 15-month search, as new CEO for Glassons, is an important element in returning Glassons to satisfactory performance. Tracy, who commenced with us in February, has a wealth of experience in woman’s fashion on an international stage and brings much needed expertise and drive to that brand” he said.

The Directors have declared an interim dividend of 12 cents per share (last year 16 cents per share) payable April 17, 2014. In addition a supplementary dividend of 2.1176 cents per share will be paid to shareholders not resident for New Zealand tax purposes.

Graeme Popplewell
CEO
+64 21738728

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Hallenstein Glasson Holdings Limited

Level 3, 235 - 237 Broadway - Newmarket - Auckland - New Zealand - PO Box 91-148, Auckland Mail Centre
p: 09 306 2500 - f: 09 306 2523