

Hallenstein Glasson HOLDINGS LIMITED

Address: L3 235 Broadway, Newmarket, Auckland, New Zealand
PO Box: 91148, Auckland, New Zealand
Phone: 64 9 306 2500
Fax: 64 9 306 2523

RESULTS FOR THE FULL YEAR TO 1/8/2013

The directors advise that the audited net profit after tax for the 12 months to 1 August 2013 was \$18.669 million, a decrease of -11.18% over the corresponding period last year (\$21.020 million).

Group sales for the period were \$220.117 million, an increase of 2.10% over the corresponding period last year (\$215.581 million).

Total Group Comprehensive Income for the period was \$20.055 million, (\$22.259 million). Included in Comprehensive Income is a gain of \$1.179 million on revaluation of the Group's property portfolio.

Whilst performance in the first half of the year was satisfactory, results for the winter season have been disappointing.

Both Hallensteins and Storm brands performed to expectations, but Glassons in both New Zealand and Australia have felt the full brunt of a record mild winter and aggressive discounting in the womenswear marketplace during the past 6 months.

Notwithstanding a decline in profit, the balance sheet remains strong. Stock levels are comparable with the previous year and cash reserves stand at \$19.312 million. The group remains debt free.

DIVIDEND

The Directors have resolved that a final dividend of 17.5 cents per share will be paid on 6th December 2013 to shareholders on the company's register as at 5:00pm 29th November 2013. Together with the interim dividend of 16 cents per share paid 19th April 2013 the dividend for the full year is 33.5 cents per share, unchanged from last year. Future dividend will be dependent on Group trading performance and capital expenditure requirements.

SEGMENT RESULTS

Hallenstein Brothers

Sales for the year increased 5.33% and net profit after tax improved 17.71%. Hallensteins continued to redefine its position in the market and has made excellent progress in a challenging market.

During the period 3 non strategic stores were closed:

- Newmarket in July 2013
- Pakuranga in March 2013
- Masterton in July 2013.

Storm

Sales for the year increased 24.06% (same store 19%) and Net Profit after Tax improved 17.23%.

Since balance date Storm has opened its first store in Australia in Chapel Street Melbourne.

Glassons New Zealand

Sales for the year were -3.14% on the prior year, with the winter season proving to be a difficult challenge. Reduced margin resulted in a decline in profit of -21.77% for the full year.

Glassons Australia

Sales for the year (in Australian Dollars) increased 6.45%, with same store sales -5.53%.

Reduced margin saw profit decline to a loss after tax in NZD of -\$1.161 million. Included in that loss is a pre tax amount of NZD 500,000 incurred for store relocation and restructuring.

During the year we opened a further three stores:

- Chermside (Brisbane) in September 2012
- Moorabbin (Melbourne) in March 2013
- Homebush (Sydney) in July 2013

We also closed in Miranda (Sydney) in July 2013 due to Mall refurbishment. Since balance date we have closed a non contributing store at Geelong.

ECOMMERCE

Sales on the internet have continued to grow and will continue to be a key focus for each brand. Continued investment is being made in this part of the business in both technology and people.

FUTURE OUTLOOK

The first 7 weeks of the New Year have been difficult with group sales down on last year -9%. While this period does not have a significant impact on earnings for the future period, it does demonstrate how competitive the environment is at present.

Most of this decline is being felt in womenswear, with Hallensteins continuing to show solid performance.

During October this year both Hallensteins and Glassons are relocating into new premises in Lambton Quay, Wellington. These stores will be the largest footprints for each brand and represent strong brand statements for the future.

Hallensteins are today announcing a partnership with Ekocycle (a collaboration with global music artist will. i. am and The Coca-Cola Company) introducing a collection of men's suits as its latest sustainable product offering, under Hallenstein Brothers' tailored suit label, H Brothers. A separate announcement is included with this release. This collaboration is the first step in exposing Hallensteins to a wider global market. Whilst longer term benefits are anticipated it may take some time for this partnership to deliver meaningful financial results.

Hallenstein Glasson Holdings Limited

Graeme Popplewell

CEO

26th September 2013

+64 21 738728

