



## **PPGL First Half Sales Release**

1st March 2013

Postie Plus Group Ltd 2013 First Half sales release: 6th August 2012 – 3<sup>rd</sup> February 2013.

PPGL has posted continuing operations sales of \$43.288m compared with the same period last year of \$43.931m showing a decrease of 1.5%. The overall Group gross margin % decreased for the period. Expenses continue to be managed well with overall expenses in line with last year. The preliminary first half result will be released on 28<sup>th</sup> March with the expectation of a continuing operations net loss before tax of \$2.557m compared to \$0.924m last year.

The results to date have been impacted by the extent of the difficulties encountered by the company's logistics and distribution service provider in commissioning the new service. It is now apparent that recovering from the commissioning difficulties previously notified has been significantly slower than previously expected. PPGL is in discussions with the service provider, but it is now expected that due to these difficulties the company will report a substantial loss for FY2013. The loss of margin caused by the Distribution Centre commissioning will also result in a breach of PPGL's banking covenants, and the company has commenced discussions with its bank.

PPGL is working intensively with the service provider to accelerate distribution performance and has also engaged independent expertise to assist in this process.

For Further Information Please Contact:

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