



ASX and Media Release – 22 February 2018

Trading Update

Gazal Corporation Limited (“Gazal”) notes the recent press speculation around earnings risk for Australian retailers. In the interests of keeping the market fully informed, Gazal provides the following update on its expectations for key trading results for Gazal including the PVH Brands Australia joint venture (“the JV”) for the 31-week (“7 months”) transitional financial reporting period ended 3 February 2018. Gazal will finalise and release its results for the 7 months period ended 3 February 2018 on Wednesday 21 March 2018.

Due to stronger than expected pre- and post-Christmas trading, the JV’s total revenues are expected to come in at \$144.1 million for the 7 months ended 3 February 2018, a 21.9% increase on the corresponding 7 months period last year, driven in large part by the continued momentum of the CALVIN KLEIN and TOMMY HILFINGER businesses.

This is expected to contribute to Gazal’s forecast pre-tax profit from continuing operations¹ for the 7 months ended 3 February 2018 of between \$8.5 and \$9.0 million. This compares to a pre-tax profit from continuing operations for the same 7 months period last year of \$4.8 million. It should be noted that this forecast pre-tax profit is before any impairment of the \$3.1 million investment in Oroton shares, which is currently being reviewed.

Gazal will provide further details when it releases its results for the 7 months period ended 3 February 2018 on Wednesday 21 March 2018.

Please note that all numbers in this release are subject to review by the auditors.

For further information please contact the Company Secretary, Peter Wood on +61 2 9316 2801.

About Gazal

Based in Sydney and listed on the Australian Securities Exchange, Gazal is a leading apparel supplier and retailer in Australasia. The Company jointly owns and manages PVH Brands Australia Pty Limited, a joint venture company (“the JV”) with PVH Corp. (NYSE: PVH) one of the largest branded lifestyle apparel companies in the world. The JV licenses and operates PVH’s iconic lifestyle apparel brands led by *CALVIN KLEIN* and *TOMMY HILFINGER* as well as other licensed and JV owned brand names such as *Van Heusen*, *Pierre Cardin*, *Bracks*, *Nancy Ganz* and *HoldmeTight*.

Note:

1. Following the completion of the sale of Bisley Workwear, expected results from continuing operations have been restated to exclude results from Bisley Workwear, which will be treated as a discontinued operation in the results for the 7 months period ended 3 February 2018.