For Immediate Distribution **28 August 2014**

THE PAS GROUP FY2014 FULL YEAR RESULTS

Highlights

- Group sales up 5.6% to $245.5 million
- Retail sales up 13.0% to $129.6 million
- Statutory NPAT up 56.0% to $13.0 million [1]
- Pro forma underlying EBITDA[2] up 4.8% to $30.7 million vs $30.3 million Prospectus forecast
- Pro forma underlying NPAT[2] up 0.6% to $16.8 million vs $16.6 million Prospectus forecast
- 36 new stores opened during the year taking total to 235 retail sites
- New licensed brands obtained including Slazenger, Everlast and DKNY Menswear

The PAS Group Limited (ASX: PGR) ("PAS" or "the Company") today reported a statutory net profit after tax (NPAT) of $13.0 million for the year ended 30 June 2014. The increase is due to a number of one-off, significant items, including a tax benefit of $7.6 million on formation of an Australian tax consolidated group and $3.0 million of one-off costs associated with the IPO. Overall revenues increased by 5.6% to $245.5 million over the prior corresponding period.

On a Pro Forma underlying basis, earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 4.8% to $30.7 million and NPAT increased by 0.6% to $16.8 million. On both measures, PAS exceeded the forecast as set out in the Prospectus. PAS has no debt as at 30 June 2014.

Eric Morris, Chief Executive Officer of PAS commented:

"It is pleasing to report that PAS has delivered earnings ahead of its Prospectus forecast. Despite a challenging trading environment in the last quarter, PAS has made strong progress delivering on its strategy such as store rollout, refurbishment program, online sales channel, loyalty programs, several new licensed brands and the management of costs."

1 The increase in the statutory NPAT in FY2014 is primarily due to the tax benefit recognised on formation of an Australian tax consolidation group upon IPO and tax losses not previously brought to account.

2 Pro forma underlying EBITDA / NPAT represent statutory results adjusted for items that are material items of revenue or expense that are unrelated to the underlying performance of the business ('significant items'). PAS believes that presenting underlying profit provides a better understanding of its financial performance by facilitating a more representative comparison of financial performance between financial periods.

A summary of the Company's financial performance for the year ended 30 June 2014 on a pro forma underlying basis is shown below:

KEY ITEMS	PRO FORMA UNDERLYING FY2013	PROSPECTUS FY2014	PRO FORMA UNDERLYING FY2014
Sales ($ m)	232.4	249.3	245.5
Retail Sales ($ m)	114.7	131.0	129.6
Wholesale Sales ($ m)	117.7	118.3	115.9
EBITDA	29.3	30.3	30.7
EBIT ($ m)	24.5	24.3	24.6
NPAT ($ m)	16.7	16.6	16.8
Pro Forma EPS (cps)		12.1	12.3

Retail

Retail sales grew from $114.7 million in FY2013 to $129.6 million in FY2014, an increase of 13.0%. This growth was from the opening of new retail stores and the full year impact of stores opened during FY2013. During the year 36 new retail sites were opened. The total number of retail sites as at 30 June 2014 was 235.

Like-for-like retail sales increased by 3.1 %, below the 4.2% growth set out in the Prospectus. Retail sales were impacted by consumer confidence following the Federal Budget and unseasonably warm weather in the May/June period.

Online sales grew significantly during the year, with sales increasing 60.6% on the prior corresponding period. Online sales now account for 5.1% of retail sales for the Metalicus and Review brands.

Wholesale

Wholesale sales for the year reduced from $117.7 million in FY2013 to $115.9 million in FY2014, a decrease of 1.5%. This was primarily due to the Company's intentional shift from wholesale to retail in Black Pepper. This decrease was partially offset by the growth in licensed brands in Designworks.

Store Roll Out

PAS expects to grow its retail to 275 sites by 30 June 2015. Of 41 new sites due to be opened this financial year, 31 sites have either been secured or are currently under negotiation.

Dividend

In line with the Group's stated dividend policy, the Directors intend to target fully franked dividends in the range of 70%-80% of statutory net profit after tax, with the first dividend payment following the first half FY2015 result.

Outlook

The Company remains on track to deliver FY2015 Pro Forma NPAT of $17.7 million as forecast in the Prospectus. Management is confident that its store roll out program, which is running ahead of plan, some margin headroom due to conservative foreign exchange rate forecasts, new brand licenses contributing to second half revenue growth in FY2015 and disciplined cost management will offset any potential risks associated with weaker like-for-like sales and the faster than anticipated decline in house brand wholesale sales.

Mr. Morris concluded:

"The positive earnings performance relative to Prospectus forecast was achieved despite a challenging trading environment and the slowdown in activity around the Federal Budget. PAS is in a strong financial position and remain firmly focused on delivering our growth strategy."

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