



The PAS Group Limited – FY2015 Results Briefing

28 August 2015

Agenda



- Overview – Eric Morris (CEO)
- FY2015 Results Analysis – Matthew Durbin (CFO & COO)
- Strategy and Outlook – Eric Morris (CEO)
- Appendices

METALICUS

yarra trail

BLACK PEPPER

REVIEW

WHITE RUNWAY

BREAKAWAY



MARCO POLO



SISTA D

MOOKS CLOTHING CO.



Barbie

FIGORELLI



WORLD INDUSTRIES



marie claire PARIS

FREDBARE



Firetrap

CRUSTY DEMONS



paul frank

yo yvonne black

Overview



FY2015 Results Summary



Financial Summary (i)

- Sales of \$253.2 million up 3.1% (H2 up 9.7%)
 - Retail sales up 10.4% (H2 up 11.1%)
 - Wholesale sales down 5.0% (H2 up 8.1%)
 - Online sales up 57.1%
- Underlying EBITDA of \$20.2 million in line with trading update of 15th May 2015
- Underlying NPAT of \$8.8 million (H2 \$5.5m)
- Underlying EPS of 6.4 cents per share (H2 4.0 cents per share)
- Net cash of \$12.5 million an increase of \$12.0m over the year, No debt
- Total full year dividends of 5.0 cents per share fully franked, funded from free cash flow (payout ratio of 78%)
- The FY2015 result was affected by the previously reported impact of reduced Target private label and the Metalicus performance
- Statutory loss of \$31.9 million impacted by the one-off, non cash revaluation of the goodwill, brand name and fixed assets in Metalicus

Operational Summary

- New store roll-out on track: 44 new stores opened, 275 retail sites at 30 June 2015
- Strong growth in loyalty program: membership up 82% to 474,900 since 30 June 2014, an increase of 213,900
- Strong 2nd half performance for Black Pepper and Review
- Strong 2nd half growth in Wholesale driven by Designworks sports division and licensed sales
- New sports category licenses signed for Dunlop and Slazenger brands
- Acquisition of White Runway business completed in July 2015 adding a fast growing online business in the occasion wear and bridal party segment

| Underlying ⁽ⁱ⁾ | FY2015 | FY2014 |
|---------------------------|-----------------|-----------------|
| Sales | \$253.2 million | \$245.5 million |
| EBITDA | \$20.2 million | \$31.7 million |
| NPAT | \$8.8 million | \$17.2 million |

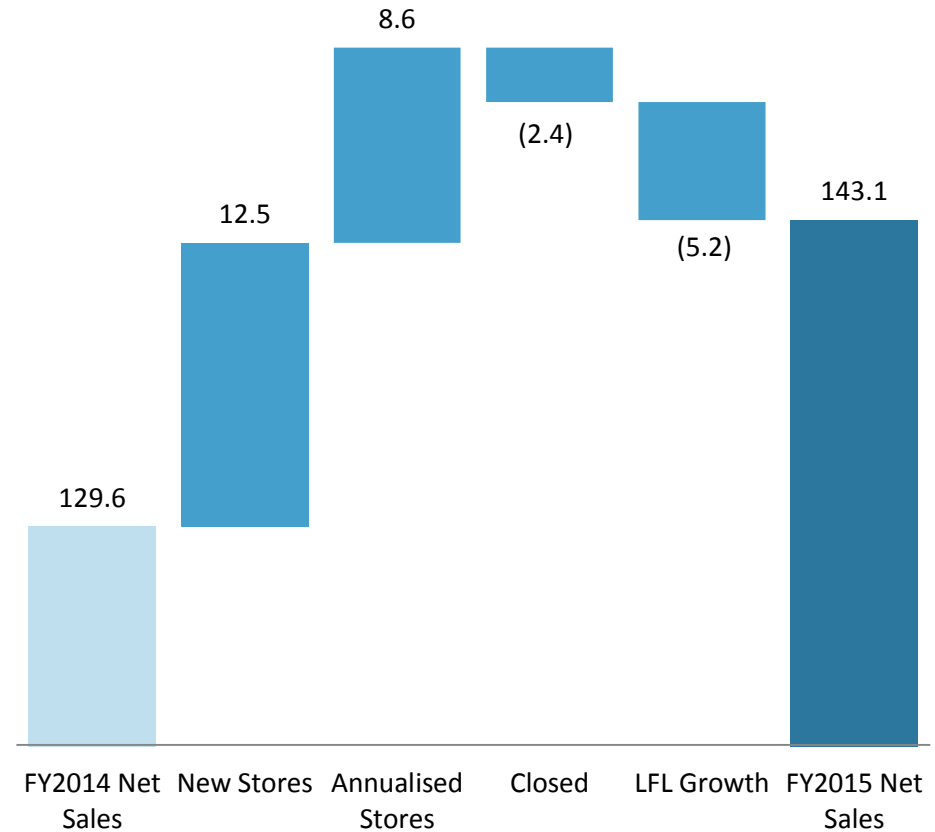
(i) See Underlying to Statutory Income Statement reconciliation on page 23

Retail Sales



- Retail sales grew 10.4% year on year to \$143.1m
- Growth due to impact of 44 new stores opened in FY2015 and annualisation impact of 36 new stores opened in FY2014
- Online sales grew 57.1% in addition to the 60.6% growth achieved in FY2014
- Growing customer loyalty program, loyalty sales represent 69% of total retail sales
- LFL retail sales down 0.9% excluding Metalicus (down 4.1% including Metalicus)
- The LFL result was impacted by the performance of Myer Concessions
- June LFL in Review was affected by a lower level of clearance product, with margin well up for the period
- Performance of Metalicus Airport stores encouraging, with an additional site to open in Sydney Virgin terminal in September

FY2014 to FY2015 Retail Sales Bridge (\$ million)



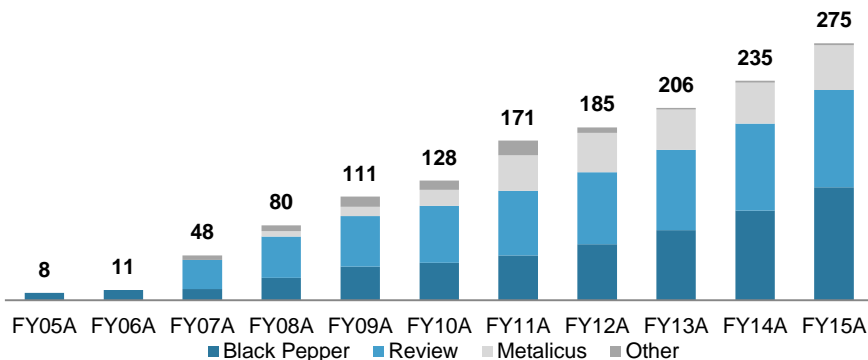
Store Portfolio



Total Retail Sites by Brand

| | FY2014 | Opened | Closed | FY2015 |
|---------------------------|------------|-----------|------------|------------|
| Black Pepper | 96 | 28 | (3) | 121 |
| Review | 93 | 11 | - | 104 |
| Metalicus | 44 | 5 | (1) | 48 |
| Other | 2 | - | - | 2 |
| Total Retail Sites | 235 | 44 | (4) | 275 |

Store Roll-Out Trajectory



- 44 new retail sites opened in FY2015
 - Black Pepper: 28 stores
 - Review: 6 stores, 5 concessions
 - Metalicus: 5 stores (including 1 airport and 1 outlet store)
- 40 retail sites refurbished or refreshed with 31 planned for FY2016 including investment in traffic counters in key doors
- Successful new Black Pepper large format store concept opened in Woden with an up-weighted fit-out and expanded full brand portfolio including Black Pepper, Extra Pepper, Equus and Yarra Trail
- Opportunity to open or upgrade 10-15 more larger format Black Pepper stores over time
- Rigorous approach to store portfolio management

| Forecast | FY2015 | To Open | Potential Closures* | FY2016f |
|---------------------------|------------|-----------|---------------------|------------|
| Black Pepper | 121 | 24 | (3) | 142 |
| Review | 104 | 6 | (6) | 104 |
| Metalicus | 48 | 2 | (6) | 44 |
| Other | 2 | - | (2) | 0 |
| Total Retail Sites | 275 | 32 | (17) | 290 |

* Stores which may close at lease expiry subject to rent negotiations with Landlords

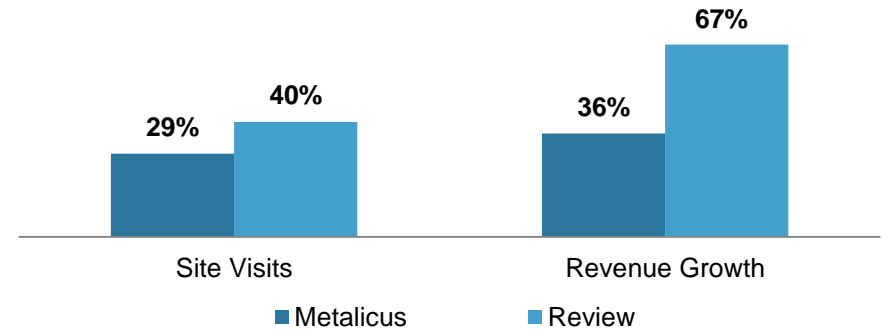
Black Pepper - Woden



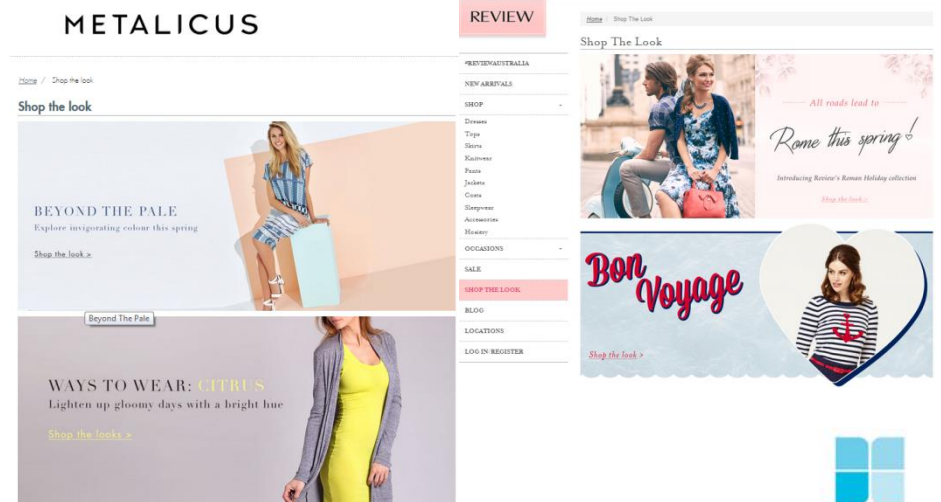


- Online sales up 57.1% in addition to the 60.6% growth achieved in FY2014 and represents 7.3% of retail sales in Review and Metalicus in FY2015 up from 4.9% in FY2014
- Black Pepper online store continues to be one of the top performing Black Pepper stores since its successful launch
- Online and digital continues driving sales growth, consumer insights, consumer communication and traffic to retail stores
- “Click and Collect” successfully rolled out to all Review and Metalicus stores in H2 FY2015
- Dedicated online Review store in Singapore launched in Q4 FY2015
- “Store-to-Door” trial successfully launched in 17 stores across Review and Metalicus with planned roll out to all stores in H1 FY2016, including selected Black Pepper stores
- New initiatives planned for FY2016 include: “Floor-to-Door”, front end update to online stores including enhanced mobile capability, enhanced search, checkout optimisation and improved site navigation, key partner “Drop-Ship”

Online Growth Rates (FY2015 vs. FY2014)



Metalicus and Review Online Stores



Online – White Runway



- In July 2015 acquired White Runway, an online led business in the growing occasion-wear sector
- White Runway offers ready to wear and made to measure bridal party, mother of the bride and occasion wear dresses
- In FY2015 revenue grew 100% on the prior year to \$2.5 million
 - High margin business
- Currently operates showrooms in Sydney, Melbourne and a New York pop-up store offering customers personalised styling and fitting services for the made to measure business
- Complimentary with existing business
- Significant opportunities for growth in White Runway through geographic expansion in Australia and internationally and synergies with our existing business
- The acquisition comprises three tranches, the first of which was funded from available cash. The subsequent two payments are linked to the performance of White Runway and are payable in FY2017 and FY2019 respectively



WHITE RUNWAY WINS AWARD FOR EXCELLENCE AS
BRIDESMAID COUTURE DESIGNER OF THE YEAR
[CLICK HERE TO READ MORE >>](#)

WHITE RUNWAY
*Turning every aisle into a
runway*



Customer Loyalty & Communication

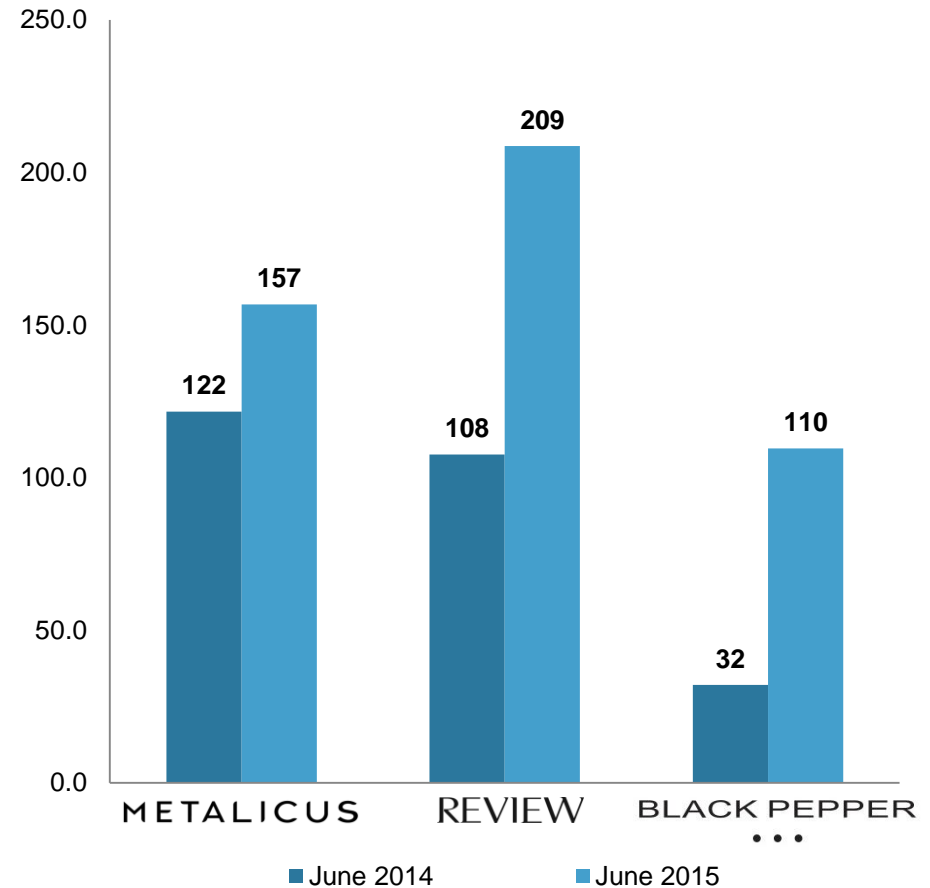


Overview

- Strong growth in loyalty programs continues, providing valuable data for targeted customer communications:
 - Review up c. 1,900 members per week to 208,600
 - Metalicus up c. 675 members per week to 156,700
 - Launched the Black Pepper loyalty program in October 2014, membership up by c. 2,000 members per week to 109,500 (i)
- Strong driver of sales: 80% of Metalicus, 64% of Review, 55% of Black Pepper retail sales are associated with the loyalty program
- Strong customer engagement: 27% open rates on email marketing
- Utilising loyalty data provides a single view of customers which in turn drives frequency and cross shop behaviour across all channels
- New initiatives planned in FY2016 include a new mobile loyalty app and access to emailed receipts in store

(i) Black Pepper converted from the previous VIP program to the current loyalty program at the end of September 2014 with c. 32,000 members

Loyalty Program Members ('000)



Wholesale, Design & Distribution

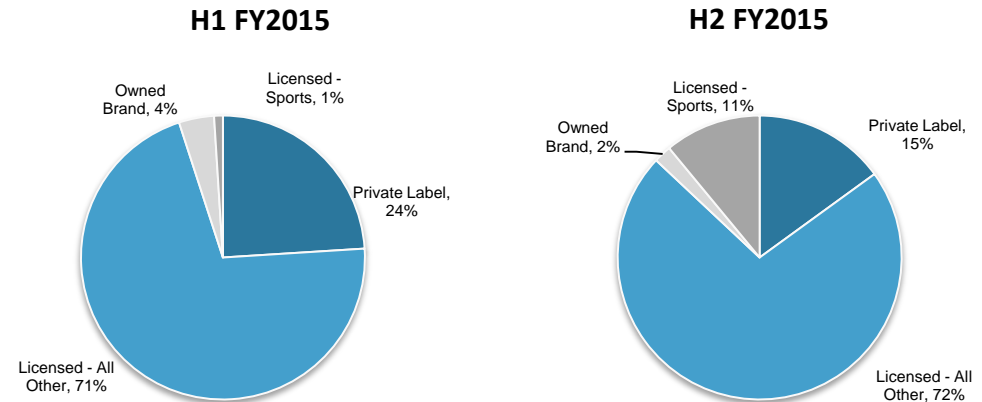


- Wholesale sales of \$110.1m down 5.0%

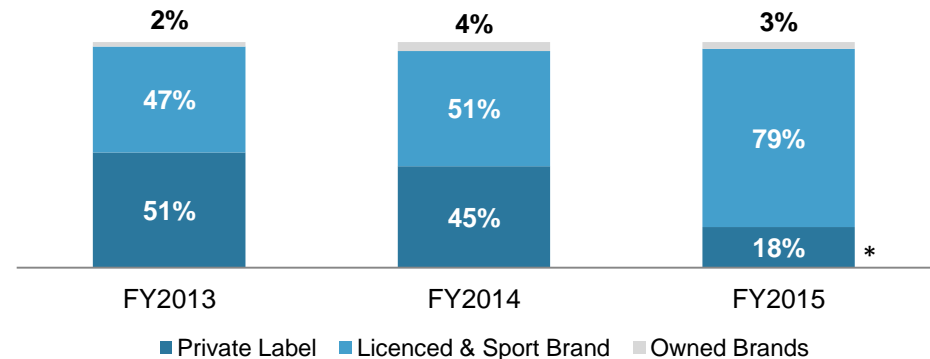
DESIGNWORKS

- FY2015 sales down 0.7% (\$0.5 million)
- H1 impacted by the sales decline in Target private label
- H2 sales up 17.4% driven by the new sports category sales, growth from new character licenses, new Toys“R”Us Japan sales and sales from the new supermarket program
- New growth opportunities in FY2016 from:
 - Expanded product ranges and distribution in the sports division
 - Additional sports category licenses signed for Dunlop and Slazenger brands
 - New character licenses signed including: Hello Kitty, Star Wars, Disney Teenage Mutant Ninja Turtles, Fireman Sam and Angelina Ballerina
- Strong pipeline of new license opportunities attracted by design capability, quality and supply chain speed to market
- Business well positioned for growth in FY2016, driven by the annualisation of the new H2 FY2015 programs

Designworks % Product Mix – H1 v H2 FY2015



Designworks Migration from Private Label to Owned / Licensed Brands Largely Complete



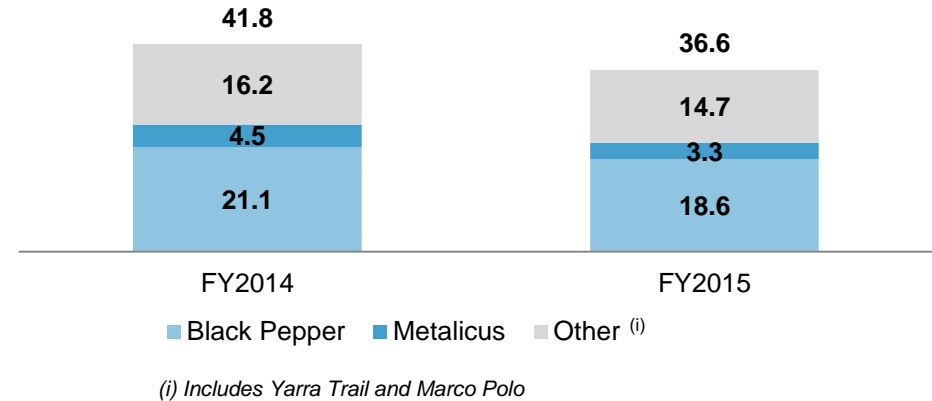
* Private Label is now branded product owned by retailer



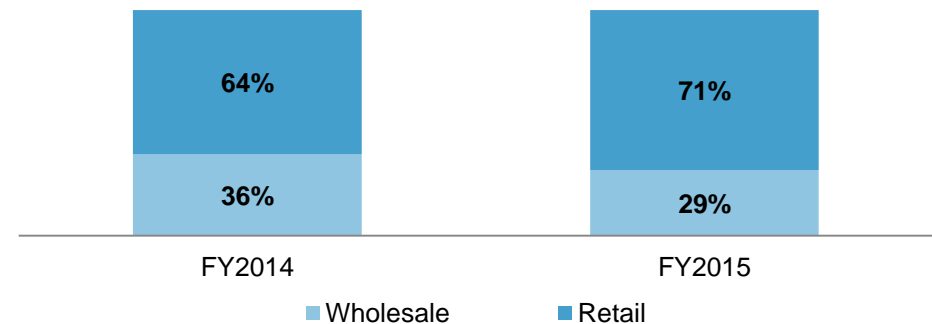
OTHER WHOLESALSA

- Sales down 12.4% primarily driven by:
 - Intentional cannibalisation of wholesale sales due to rollout of new Black Pepper retail stores
 - Reduction in Yarra Trail and Marco Polo independent wholesale sales
 - Performance of Metalicus wholesale
- Decline in Black Pepper wholesale has been lower than expected
- Strong performance of Yarra Trail in H2 FY2015 continuing into Q1 FY2016
- Myer and David Jones brand rationalization has had a negligible impact

Other Wholesale



Black Pepper Wholesale vs. Retail



Exchange Rate Overview



- H1 FY2015 average US dollar purchases at c. \$0.90
- H2 FY2015 average US dollar purchases at c. \$0.86
- H1 FY2016 average US Dollar purchases at c. \$0.78 (Review, Breakaway, Metalicus above \$0.80)
- Forward US dollar currency requirements for Review, Metalicus and Breakaway for the majority of Q3 FY2016 covered at levels above c. \$0.74
- Designworks currency commitments in place based on firm orders through to end of January 2016. Future currency requirements and wholesale pricing are determined when firm orders are received
- The 5% tariff reduction From 1st January 2015 on imports continues to bridge the margin gap in H1 FY2016
- A further benefit not forecast is the potential 5% reduction in clothing imports from the proposed China-Australia Free Trade Agreement
- Negotiations with vendors underway for cost reductions on Autumn/Winter 16 ranges supported by the devaluation of the RMB. Selective price increases also under review

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FY2015 Results Analysis



Income Statement



| Actual Underlying (\$ millions) (i) | FY2014 | FY2015 |
|-------------------------------------|--------------|--------------|
| Revenue from Sales | 245.5 | 253.2 |
| Gross Profit | 141.8 | 143.7 |
| <i>Gross Profit Margin (%)</i> | <i>57.8%</i> | <i>56.8%</i> |
| Cost of Doing Business (CODB) | (110.6) | (124.3) |
| <i>CODB (%)</i> | <i>45.1%</i> | <i>49.1%</i> |
| Other Revenue & Other Gains/Losses | 0.5 | 0.8 |
| EBITDA | 31.7 | 20.2 |
| Depreciation & Amortisation | (6.1) | (6.6) |
| EBIT | 25.6 | 13.6 |
| Net Finance Costs | (0.2) | (0.9) |
| PBT | 25.4 | 12.7 |
| Tax Expense | (8.2) | (3.9) |
| NPAT | 17.2 | 8.8 |

(i) See Underlying to Statutory Income Statement reconciliation on page 23

- Revenue increase of 3.1% driven primarily by the rollout of retail stores and the annualisation of stores opened in FY2014
- Ongoing shift from wholesale to retail sales
- Gross profit margin slightly behind last year, impacted by the reduction in the Target private label business and Metalicus performance
- CODB increase on prior year predominantly due to:
 - variable property and employment costs associated with new stores in FY2015 and full year impact of stores rolled out in the FY2014
 - new infrastructure to support store roll out program
 - increase in Designworks costs due to the shift to brand licenses and new sports infrastructure
 - listed entity costs not incurred in the prior year
- Depreciation increase largely due to new store roll out

Balance Sheet



| Statutory (\$ millions) | 30 June 2014 | 30 June 2015 |
|------------------------------------|--------------|--------------|
| Cash and Cash Equivalents | 0.5 | 12.5 |
| Trade and Other Receivables | 24.8 | 20.7 |
| Inventory | 22.8 | 26.6 |
| Property, Plant and Equipment | 12.0 | 11.0 |
| Deferred Tax Assets | 13.3 | 9.1 |
| Goodwill & Other Intangible Assets | 103.5 | 65.3 |
| Other Assets | 6.6 | 8.6 |
| Total Assets | 183.5 | 153.8 |
| Trade and Other Payables | 11.9 | 16.3 |
| Other Liabilities | 14.0 | 12.2 |
| Total Liabilities | 25.9 | 28.5 |
| Net Assets | 157.6 | 125.3 |

- Zero debt
- Net cash of \$12.5 million
- Trade and other receivables reduction due to the reduction of Black Pepper wholesale sales and the performance of Metalicus
- Inventory increase due to the acquisition of new sports equipment category
- Property, plant and equipment reduction due to the impairment of the Metalicus assets, partially offset by the retail store rollout and the refresh and refurbishment of some existing stores
- Goodwill and other intangible assets include impairment of Metalicus goodwill and brand name
- Trade and other payables up, due to the timing of supplier payments

Cash Flow Statement



| Statutory (\$ millions) | FY2014 | FY2015 |
|--|---------------|-------------|
| EBITDA | 28.6 | 20.2 |
| Movement in Working Capital | (4.2) | 4.2 |
| <i>Movement in Trade & Other Receivables</i> | 2.1 | 4.1 |
| <i>Movement in Inventories</i> | (2.7) | (3.9) |
| <i>Movement in Trade & Other Payables</i> | (3.6) | 4.0 |
| Other Operating Cash Flows | 1.6 | (0.3) |
| <i>Cash Flow Conversion (%)⁽ⁱ⁾</i> | 90.9% | 119.3% |
| Net cash flow before financing activities and tax | 26.0 | 24.1 |
| Capital Expenditure | (5.9) | (6.3) |
| Net cash flow before financing activities and tax | 20.1 | 17.8 |
| Income Tax Payments | (2.8) | (2.4) |
| Net Interest | (12.7) | (0.8) |
| Proceeds from Issue of Shares | 120.5 | - |
| Repayment of Borrowings | (96.0) | - |
| Offer Costs | (7.2) | - |
| Funding of Minority Roll Up Transaction | (10.0) | - |
| Corporate Reorganisation | (9.4) | - |
| Dividends Paid (FY2014 Pre-IPO dividend) | (22.0) | (2.6) |
| Net Cash Flow | (19.5) | 12.0 |

- Positive net cash flow and high cash conversion resulting from:
 - lower trade receivables due to wholesale sales reduction and timing of payments
 - change in other operating cash flows due to timing of prepayments and a reduction of supplier deposits
 - effective cash flow management
- Capital expenditure increased due to:
 - increased number of new stores rolled out
 - increased investment in targeted refurbishments
 - implementation of a new merchandise planning system

(i) Cash flow conversion defined as Net cash flow from operating activities before financing activities and tax, divided by EBITDA

Sales by Brand and Segment



| Actual Underlying (\$ millions) | FY2014 | FY2015 |
|---|---------------|---------------|
| Retail | | |
| Black Pepper | 36.9 | 46.5 |
| Review | 64.4 | 70.4 |
| Metalicus | 27.6 | 25.3 |
| Other | 0.7 | 0.9 |
| Total Retail Sales | 129.6 | 143.1 |
| Wholesale | | |
| Black Pepper | 21.1 | 18.5 |
| Metalicus | 4.5 | 3.4 |
| Designworks | 74.1 | 73.5 |
| Other | 16.2 | 14.7 |
| Wholesale Sales | 115.9 | 110.1 |
| Total Sales | 245.5 | 253.2 |
| <i>Retail Sales % of Total Sales</i> | <i>53%</i> | <i>57%</i> |
| <i>Wholesale Sales % of Total Sales</i> | <i>47%</i> | <i>43%</i> |
| <i>Retail Sales Growth (%)</i> | <i>13.0%</i> | <i>10.4%</i> |
| <i>LFL Sales Growth (%)⁽ⁱ⁾</i> | <i>3.1%</i> | <i>(3.9%)</i> |
| <i>Wholesale Sales Growth (%)</i> | <i>(1.5%)</i> | <i>(5.0%)</i> |

(i) LFL Sales Growth excludes the performance of outlet stores

- Challenging trading conditions and low consumer sentiment adversely affected sales in retail
- Retail revenue increased in Black Pepper and Review due to the roll out of new stores and the annualisation impact of stores opened in the 2nd half of the prior year
- Concessions performance in Myer impacted Review and Metalicus
- Metalicus recovery slower than expected
- Wholesale revenue impacted by the accelerated reduction in sales of Target private label in Designworks and some cannibalisation of Black Pepper due to new store openings
- Strong margin in Review in July due to limited sale inventory. Margin strength has continued into Q1

Earnings by Segment



| Actual Underlying (\$ millions) | FY2014 | FY2015 |
|---------------------------------|-------------|-------------|
| EBITDA | | |
| Retail | 18.5 | 17.6 |
| <i>Margin (%)</i> | 14.3% | 12.3% |
| <i>Growth (%)</i> | 12.8% | (4.9%) |
| Wholesale | 18.3 | 9.9 |
| <i>Margin (%)</i> | 15.8% | 9.0% |
| <i>Growth (%)</i> | (2.7%) | (45.9%) |
| Unallocated / Corporate | (5.1) | (7.3) |
| Total EBITDA | 31.7 | 20.2 |
| <i>Margin (%)</i> | 12.9% | 8.0% |
| EBIT | | |
| Retail | 14.1 | 12.8 |
| <i>Margin (%)</i> | 10.9% | 8.9% |
| <i>Growth (%)</i> | 10.2% | (9.2%) |
| Wholesale | 18.0 | 9.8 |
| <i>Margin (%)</i> | 15.4% | 8.9% |
| <i>Growth (%)</i> | (3.8%) | (45.6%) |
| Unallocated / Corporate | (6.5) | (9.0) |
| Total EBIT | 25.6 | 13.6 |
| <i>Margin (%)</i> | 10.4% | 5.4% |

- Retail underlying EBITDA below prior year due to difficult trading conditions in the first half
- Whilst conditions remained challenging with continued promotional activity, there was a marked improvement in second half trading performance
- Wholesale underlying EBITDA below prior year due to the accelerated reduction in sales of Target private label in Designworks and some cannibalisation of Black Pepper due to new store openings
- Unallocated / Corporate underlying EBITDA increase primarily due to listed entity costs not incurred in the prior year, IT staff previously capitalised now expensed and the centralisation of the Group's payroll function

METALICUS

yarra trail

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Strategy and Conclusion



THE PAS GROUP LIMITED

Growth Strategy



| | |
|--------------------------------------|---|
| 1 New Store Roll Out | <ul style="list-style-type: none">• Expected to grow from current 275 retail sites to 290 by end of FY2016• New store roll out progressing in line with plan |
| 2 Store Enhancement | <ul style="list-style-type: none">• Targeted refurbishments planned for 33 Retail sites in FY2016• Opportunity to create larger format Black Pepper stores with expanded brand portfolio• Continued refresh of concession concepts through FY2016 |
| 3 Product and Brand Extension | <ul style="list-style-type: none">• Annualisation of H2 FY2015 sales and organic growth in Designworks sports division• New sports categories signed with Slazenger and Dunlop brands• Growing licensed business in Designworks with new customer channels |
| 4 Licensing Opportunities | <ul style="list-style-type: none">• Continue to leverage alliance with UK based global brand owner IBML• Continued growth in licensed product sales with Coles and Woolworths• Successful Toys"R"Us Japan relationship for infant and toddlerwear continues• Strong portfolio of licences including Hello Kitty, Star Wars, Marvel, Teenage Mutant Ninja Turtles, Fireman Sam and Angelina Ballerina |
| 5 Online Growth | <ul style="list-style-type: none">• "Store-to-Door" and "Floor-to-Door" roll out to all brands planned for FY2016• "Drop-Ship" model being developed to access key retail partners online customer base• Major update of the retail brands website user experience including enhanced mobile compatibility• Growth of White Runway |
| 6 Loyalty and Communication | <ul style="list-style-type: none">• Continued focus on growing loyalty program to support targeted communication• Mobile loyalty app and in-store emailed receipts for loyalty customers |
| 7 Acquisitions | <ul style="list-style-type: none">• White Runway online-led occasion-wear business acquired in July 2015• Continuing to evaluate a number of opportunities |

Conclusion and Outlook



- Retail environment remains challenging but showing improvement, sales for the first 8 weeks of FY2016 in line with expectations and positive LFL growth
- Growth strategy execution according to plan:
 - Store roll-out and refurbishment continues
 - Online and Loyalty strategy driving revenue online and in-store
 - Designworks continues to win new brand licenses
- Well positioned for FY2016 performance
 - Positive LFL sales driven by Online growth initiatives, store refurbishments, investment in retail infrastructure, strong product ranges in Black Pepper, Review and Yarra Trail
 - Sales from new store rollout program and stores opened in FY2015
 - New Sports Division growth
 - Growth from White Runway
 - Continued focus on operational efficiency
 - Strong discipline of cost control
- Underlying EBITDA is expected to increase broadly in line with sales growth
- Board maintains dividend policy of 70 – 80% of underlying NPAT
- Strong cash generation with no debt
- A number of acquisition opportunities under review

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Appendices



Appendix A: Statutory to Underlying Reconciliation



Underlying results are reported to give information to shareholders that provides a greater understanding of the performance of The PAS Group Limited and its controlled entities' ('PAS') operations.

The underlying results represent the statutory profit 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.

| (\$'millions) | FY2015 Revenue | FY2015 EBITDA | FY2015 EBIT | FY2015 NPAT | FY2014 Revenue | FY2014 EBITDA | FY2014 EBIT | FY2014 NPAT |
|---|----------------|---------------|---------------|---------------|----------------|---------------|-------------|-------------|
| Statutory | 253.2 | 20.2 | (27.1) | (31.9) | 245.5 | 28.6 | 22.5 | 13.0 |
| Add back / (deduct) significant items: | | | | | | | | |
| IPO costs (i) | - | - | - | - | - | 2.6 | 2.6 | 1.8 |
| Bonus payments relating to IPO (ii) | - | - | - | - | - | 0.5 | 0.5 | 0.3 |
| Impairment of Metalicus goodwill, brand name, property, plant and equipment and website (iii) | - | - | 40.7 | 40.7 | - | - | - | - |
| Tax consolidation benefit (iv) | - | - | - | - | - | - | - | (7.6) |
| Financing costs of pre-IPO debt structure (v) | - | - | - | - | - | - | - | 9.6 |
| Underlying | 253.2 | 20.2 | 13.6 | 8.8 | 245.5 | 31.7 | 25.6 | 17.2 |

(i) \$2.6 million of IPO costs recognised as an expense. Total IPO costs were \$7.2 million, with \$4.6 million (net of tax) recognised in equity and \$2.6 million (\$1.8 million after tax) expensed in the profit or loss.

(ii) Payment of \$0.5 million (\$0.3 million after tax) under the Group's previous long term incentive plan triggered upon the IPO

(iii) Included in the statutory results is a one-off non-cash impairment charge in respect of the carrying value of Metalicus goodwill (\$32.0 million), Metalicus brand name (\$6.1 million) and Metalicus property, plant and equipment and website (\$2.6 million) following a review of the recoverable amount of these assets during the current period.

(iv) \$5.9 million tax benefit recognised on formation of an Australian tax consolidation group upon IPO and \$1.7 million in respect of tax losses not previously brought to account.

(v) Add back of interest on shareholder loans \$6.2 million, interest on senior debt \$4.6 million and amortisation of borrowing costs \$1.6 million and write off of unamortised borrowing costs \$1.3 million (\$9.6 million after tax) in connection with the repayment of shareholder loans and other borrowings at IPO. This provides a comparable post-IPO debt structure.

Appendix B: Underlying Earnings per Share Reconciliation



| FY2015 (\$'millions) | Footnote | Underlying |
|---------------------------------------|----------|----------------------------|
| Underlying NPAT | (i) | 8.8 |
| Number of shares issued at IPO | (ii) | 136.7 million |
| Underlying EPS | (iii) | 6.4 cents per share |

(i) Refer to reconciliation in Appendix A

(ii) The number of shares issued at IPO was 136,690,860

(iii) The Underlying EPS (earnings per share) reflects the Underlying NPAT / The number of shares on issue

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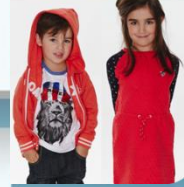
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Appendix C: Overview of The PAS Group

Key Brands and Operations



| | Review | Metalicus | Black Pepper | Designworks | Other |
|---------------------------------------|---|--|--|---|--|
| Gender | Female | Female | Both | Both | Female |
| Age | 24 – 40 | 25 – 50 | 50+ | All | 40+ |
| Indicative Price Point | \$60 – \$300 | \$40 – \$300 | \$50 – \$150 | Various | \$40 – \$300 |
| Products | Dresses, tops, skirts, knitwear, pants, jackets, coats, accessories | Dresses, tops, cardigans, jackets, skirts, pants, legwear, accessories | Shirts, tees, polo's, pants, shorts, tops, skirts, jeans, jackets, knitwear, dresses | Men's, women's kids, all apparel categories, accessories, license product | Tops, shirts, knitwear, vests, jackets, pants, skirts, dresses |
| Range | Daywear, occasion wear, bridesmaid, career | Collections, basics | Various | Various | Daywear, occasion wear, weekend wear, casual and city dressing |
| # of Stores | 104 | 48 | 121 | N/A | 2 |
| Brands | REVIEW | METALICUS | BLACK PEPPER BREAKAWAY yo yvonne black EQUEE | Various | yarra trail MARCO POLO annapelle FIORELLI |
| % of Group FY2015 Net Sales | | | | | |
| FY2015 Net Sales: Retail vs Wholesale | | | | | |
| | | | | | |
| Established | 1985 | 1992 | 1976 | 1993 | Various |



REVIEW

- Established in 1985, Review has built a strong and loyal customer base
- Unique brand positioning offering feminine products inspired by vintage designs with a modern twist
- Target market is women aged between 24 and 40 years
- Review captures a large share of the value chain through operating a vertically integrated retailer model
 - Operates 41 stand alone stores nationally and 63 concessions within Myer
- Consistently in the top three performing concessions in Myer
- Rapidly growing online channel more around 8% of sales driven through
- Speed to market and regular store inputs of up to 15 new styles provided weekly



Review at a Glance



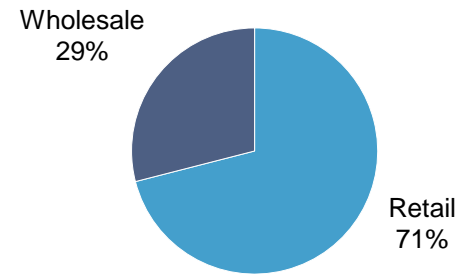
Brand Overview – Black Pepper



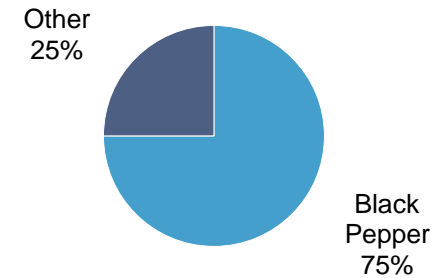
BLACK PEPPER

- Established in 1976 with a distinctive and sustainable position within the older demographic
- Black Pepper brands target a market segment which includes women's and men's leisurewear to a loyal over 50's customer base
- Key brands include Black Pepper, Breakaway, Yvonne Black, Equus and Extra Pepper. All brands have strong brand equity
- Significant intellectual property in designing products targeted to the older demographic body shape
- No major customer reliance with the products delivered through a broad distribution network including owned retail stores and outlet stores
- Currently have 116 retail stores and 5 concessions with significant growth opportunities based on a proven model. Retail sites target "strips" and neighbourhood centres with a strong focus on regional areas
 - Black Pepper is a key focus of the Group's medium term store rollout strategy
- High earnings predictability with majority of wholesale sales on indent basis (ie. committed orders received in advance of production)
- Strong profitability and high earnings to cashflow conversion
- Diversified distribution network with over 650 retail accounts in Australia and NZ
- Limited competition in an under-served and growing demographic

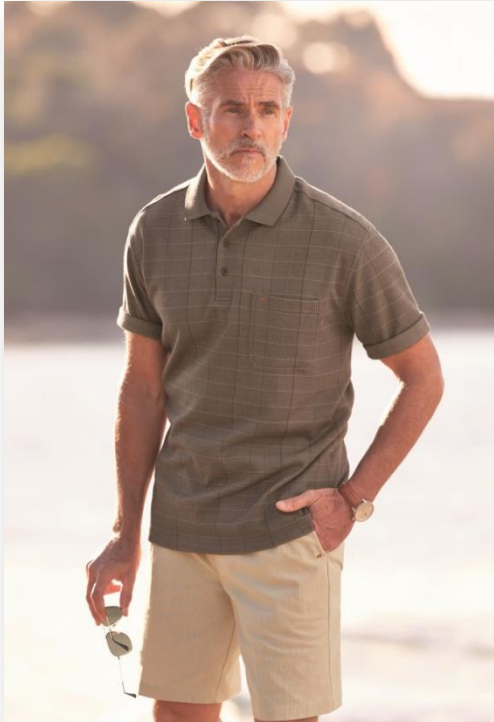
Sales by Distribution Channel
FY2015



Sales by Brand FY2015



Black Pepper at a glance



Operation Overview – Designworks

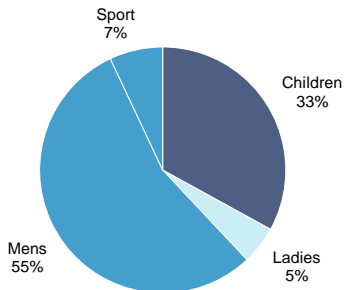


Designworks®

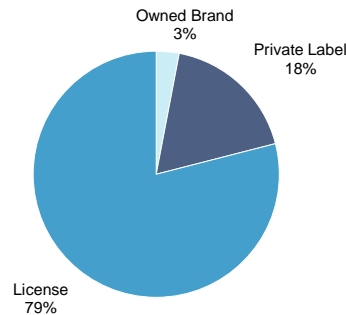
Overview

- Designworks is a designer, marketer and wholesale supplier of owned brands, licensed brands and private label to customers including K Mart, Big W, Target and Myer
- Talented design team with over 40 designers
- Efficient supply chain enables speed to market
- Deliberate strategy to migrate from private label to licensed brands
- Australian representative of IBML provides access to new brand licenses
- Growing footwear and accessories business

Sales Demographic FY2015



Sales Mix FY2015



Brand Portfolio

Owned Brands



IBML Brands



3rd Party Private Label



Other Brands



Character Licenses



Designworks at a glance



NO.1 BALL
WORLD'S # 1 BALL

- PRO** (N-1000) Advanced Players: This tennis racket ball has the lowest bounce of all four balls in this range, suitable for advanced players.
- COMPETITION** (N-1000) Intermediate to Advanced Players: This competition approach ball is the same size as the ball used in tennis, but with a slightly lower bounce, suitable for intermediate players.
- PROGRESS** (N-1000) Beginner to Intermediate Players: This progress approach ball is the same size as the ball used in tennis, but with a slightly higher bounce, suitable for beginner players.
- INTRO** (N-1000) Beginner Players: This intro approach ball is the same size as the ball used in tennis, but with a significantly higher bounce, suitable for beginner players.

Official Ball of **DPSA**, **BWSA**, **SQUASH**, and **DUNLOP SPORT**.
facebook.com/dunlopsport



Slazenger

Nathan Coulter-Nile
Australian Cricketer

Steve Hooker
Olympic Gold Medalist



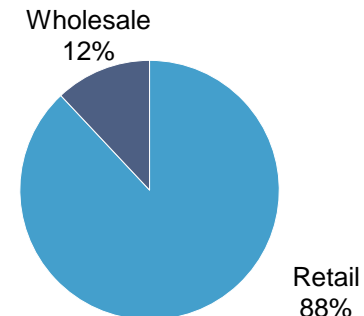


METALICUS

- Established in 1992, Metalicus has a loyal customer base built on its distinctive and innovative collection which uses two way stretch fabrications
- The easy care nature of the fabrication enables the product to be perfect for travel
 - Also suitable for maternity wear
- Broad distribution network of 35 owned retail stores, 13 Myer concessions, a rapidly growing online channel and 250 wholesale accounts
- Minor distribution currently in South Africa and Canada
- Small store footprints and efficient layout drive higher returns per square metre
- Strong performance for Airport stores with additional locations planned



Sales by Distribution Channel FY2015



Metalicus at a Glance





yarra trail

- Established in 1984, Yarra Trail produces high-quality mid-range fashion products for women aged over 40, mostly via the Yarra Trail brand which has strong brand equity
- Yarra Trail distributes its product through 320 retailers including Myer and David Jones and operates 2 stand-alone stores
- Disciplined and focussed approach to the targeted consumer

MARCO POLO

- Established in 1972, Marco Polo has an emphasis on knitwear and co-ordinates focused on the female 45+ consumer
- A wholesale customer base of 200 accounts with long standing relationships

FIORELLI

- Owner and licensor of the Fiorelli and Annapelle brands
- Fiorelli and Annapelle are licensors only and employ no staff
- Established in the 1986 (Fiorelli) and 1994 (Annapelle)
- Fiorelli is a licensing business which licenses the Fiorelli brand for bags, accessories and sunglasses
- Annapelle licenses handbags and accessories to 3rd parties
- Product is sold through department stores and independents

Yarra Trail at a Glance



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