



25th February 2016

THE PAS GROUP DELIVERS STRONG H1 FY2016 RESULT

EBITDA up 27.3% to \$11.0 million

Underlying NPAT up 51.5% to \$5.0 million

Sales up 22.2%

Interim dividend up 36.8% to 2.6 cents per share

HIGHLIGHTS FOR H1 FY2016

- Underlying net profit after tax (NPAT) up 51.5% to \$5.0 million
- EBITDA up 27.3% to \$11.0 million
- Sales up 22.2% to \$143.4 million
- Retail sales up 13.9% to \$79.6 million, like for like store sales up 3.4%
- 16 new stores opened taking the total to 282 retail sites
- Acquisition of White Runway and JETS Swimwear
- Strong cash generation, cash on hand of \$5.9 million as at 31st December 2015
- Interim Dividend of 2.6 cents per share fully franked, up from 1.9 cents per share in H1 FY2015

The PAS Group Limited (ASX: PGR) (“PAS”, “the Group” or “the Company”) today reported underlying net profit after tax (NPAT) of \$5.0 million for the half year ended 31st December 2015. Earnings before interest, tax, depreciation and amortisation (EBITDA) were up 27.3% to \$11.0 million.

The strong H1 FY2016 result was driven by:

- Positive like for like store sales in Review and Black Pepper;
- Positive sales and contribution growth from new stores;
- Online growth; and
- Continuation of the strong growth in the Designworks licensed business and Sport Division.

A summary of the Company's financial performance for the half year ended 31st December 2015 on an underlying and a statutory basis is shown below:

\$ million	Statutory H1 FY2016	Statutory H1 FY2015	Underlying H1 FY2016	Underlying H1 FY2015	Underlying Change %
Revenue from Sales	\$143.4	\$117.4	\$143.4	\$117.4	+22.2%
EBITDA	\$11.0	\$8.7	\$11.0	\$8.7	+27.3%
EBIT	\$7.6	(\$32.6)	\$7.6	\$5.5	+39.2%
NPAT	\$5.0	(\$34.8)	\$5.0	\$3.3	+51.5%

Segment Performance

Retail

Retail sales were up 13.9% to \$79.6 million in H1 FY2016. This increase came from online sales growth, the opening of new stores and the full year impact of stores opened during FY2015. During the period, 16 new stores were opened taking the total number of stores as at 31st December 2015 to 282. Like for like retail sales were up 3.4% with strong positive store performance in Review and Black Pepper. The online business continued to grow strongly almost doubling in H1 FY2016 over H1 FY2015.

Wholesale

Wholesale sales for the half were up 34.5% to \$63.8 million, driven by strong growth in the new sport and licensed business in Designworks.

Operational Highlights and Growth Strategy

Retail

In Retail, the new store roll-out and store refurbishment program is progressing according to plan. Loyalty membership across the Group increased to 581,800 members at 31st December 2015, up 106,900 members since June 2015. Loyalty sales now represent c. 69% of total retail sales.

Wholesale - Designworks

In Designworks, the Sport Division drove significant growth on the prior year with strong performances from Everlast, Dunlop and Slazenger in apparel and sports equipment. The roll out of Dunlop and Everlast footwear and new equipment ranges are on track, as well as the additional Slazenger and Dunlop sport category licences. The Japan Toys"R"Us business grew ahead of expectations.

New Business Acquisitions – JETS Swimwear and White Runway

At the end of November 2015 PAS acquired JETS Swimwear, Australia's leading premium swimwear brand. JETS is sold online and in major department stores and boutiques in Australia and internationally. There are significant growth opportunities in JETS through the expansion of its retail footprint including online and international wholesale expansion.

The new online led White Runway continued its strong growth and during the half opened a second Sydney showroom as well as international showrooms in New York (USA) and Cape Town (South Africa).

Assessing Growth Opportunities

The Board has engaged L.E.K. Consulting, a leading global consultancy, to help in evaluating a range of opportunities that seek to maximise the company's potential. The plan will leverage the strength of the Company's existing infrastructure and brand portfolio and capitalise on opportunities to pursue organic and acquisition-led growth in order to drive long-term value creation. The company will report further on the implementation of these growth plans as they unfold.

Dividend

The business continued to generate strong cash flows with a cash balance of \$5.9 million at 31st December 2015. The Board has declared an interim dividend of 2.6 cents per share, fully franked and payable on 8th April 2016 with a record date of 18th March 2016.

Eric Morris, Chief Executive Officer of PAS commented:

"The Company has delivered a strong first half result including positive retail like for like sales and significant earnings improvement over the prior year. Like for like sales growth for the first eight weeks of the second half has been softer than H1 but continues to be positive. Growth in H2 FY2016 will be driven from new stores, online, moderate wholesale growth in Designworks and contribution from the two new businesses.

PAS is in a strong financial position with no debt and strong cash flows. The new White Runway and JETS business's along with growth in the Designworks Sport Division provide PAS a strong portfolio for future growth.

- ENDS -



For further information, please contact:

The PAS Group
Mr. Eric Morris
Chief Executive Officer & Managing Director
(03) 9902 5501

Citadel-MAGNUS
Mr. Matthew Gregorowski
(02) 8234 0100

Mr. Matthew Durbin
Chief Financial & Operations Officer
(03) 9902 5525