

Media Release

August 22nd 2014

Fantastic Holdings delivers improved second half trading performance

Financial Key Points

- Statutory sales of \$447.8 million, up 0.6% on pcp (2H \$223.1 million, up 5.3% on pcp)
- Like for like sales growth was negative 1.5% on pcp (2H \$214.9 million, up 3.8% on pcp)
- Statutory NPAT of \$5.9 million, down 56.6% on pcp
- Underlying NPAT of \$9.1 million excluding asset adjustments and redundancy costs
- EBITDA of \$20.0M down 21.8% (2H EBITDA of \$8.6M, up \$4.3M on pcp)
- Final dividend of 3.0 cents, fully franked

Leading Australian furniture retailer, manufacturer and importer, Fantastic Holdings Limited (ASX: FAN) today announced a Statutory NPAT of \$5.9 million including asset adjustments of \$2.7 million and redundancy costs of \$0.5 million, with an underlying NPAT result of \$9.1 million for the 2014 financial year.

Group statutory sales for the year were \$447.8 million, an increase of 0.6%, while comparative store sales have declined by 1.5% due to lower average transaction value as a result of clearance activity in Fantastic Furniture and Plush. Sales in the second half of \$223.1 million improved by 5.3% on pcp with strong performance from Fantastic Furniture and Plush. Group EBITDA was \$20.0 million for the full year with a positive underlying profit result in the second half from Plush.

Operating cash flow for the full year was \$11.7 million and the Group retained a cash balance of \$21.1 million at 30 June 2014 compared to a debt position of \$15.0 million. During the year, the Group sold the Campbelltown property for \$12.0 million, recording a pre-tax profit of \$2 million on the sale. Fantastic Holdings opened 3 new stores and closed 3 stores during the year, operating 133 company owned stores nationally.

Fantastic Holdings has declared a final dividend of 3.0 cents per share fully franked. The closing date for shareholders to be registered for this dividend is 5pm on 1 October 2014. The dividend will be paid on 15 October 2014.

In August 2014, Ms Debra Singh, was appointed to the role of Fantastic Furniture CEO. As Group Managing Director and CEO, Mr Heath will continue to oversee all domestic business units as well as the introduction of operations in China and new growth initiatives for the Group.

Commenting on the results, FHL Managing Director Stephen Heath said "FY14 has been a year of consolidation with improving second half performance. The second half comparative store sales was positive 3.8% and undelivered customer orders at June 2014 were \$31.7 million compared to \$23.7 million in the prior year, an increase of 34% with solid growth in our Plush business".

Looking ahead, Mr Heath further commented "We have been working hard across our business to lay the foundations for solid operational improvement and whilst there is more work to be done, we expect to see a continuation of the second half improvements featuring our FY15 performance."

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