



ASX ANNOUNCEMENT

Thursday 28th July 2016

The PAS Group Divests Metalicus Business

The PAS Group Limited (PAS) announced today that it has signed an agreement for the sale of its Metalicus business to the General Pants Group.

The divestment will positively impact EBITDA in FY2017, as although Metalicus sales in FY2016 were c.\$25m the profitability has been disappointing. The divestment will allow management to concentrate on our core and new growth businesses whilst freeing up working capital.

Eric Morris, Chief Executive Officer of PAS said: “The divestment of Metalicus is a positive outcome for the company. Metalicus has been a long standing, valued brand within our portfolio; however its performance has been challenged in recent times. We are excited about the future of PAS and the growth opportunities available.”

Craig King, CEO of General Pants said: “We have long been admirers of the Metalicus brand throughout its evolution. We are excited to acquire the brand and build on its strong heritage for today's consumer.”

Subject to the satisfaction of certain conditions precedent, the transaction is expected to complete at the end of September 2016. The transaction, which is by way of a sale of assets, is not expected to result in any material gain or loss as the assets have been written down in prior periods. All lease obligations for the Metalicus retail sites are expected to transfer with the business.

PAS remains in a strong position to invest in our new and existing businesses as well as potential future acquisitions. The group has a strong balance sheet and high cash flow conversion.

A further update and financial detail will be provided with our Full Year 2016 Results announcement on Friday 26th August 2016.

-ENDS-

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