

19 August 2020

**HALLENSTEIN GLASSON HOLDINGS LIMITED
TRADING UPDATE FOR THE FULL YEAR ENDED 1 AUGUST 2020**

The Company advises that the unaudited sales for the 12 months ended 1 August 2020 were \$287.76 million, an increase of 0.1% on the prior year (\$287.55 million).

Group unaudited net profit after tax is expected to be within the range of \$27.2 million to \$27.8 million, a decrease of approximately -5.1% on the prior year (\$29.0 million).

During the last six months stores were closed in New Zealand from 26 March 2020 until 14 May. Stores in Australia were closed from 26 March 2020 and were re-opened over the Month of May. All stores in the state of Victoria are now closed with ten closing on the 20th July 2020 and the final store in Chapel Street Closing on 3rd August. Glassons.com web shop in Australia traded throughout the season but in New Zealand both Hallensteins.com and Glassons.com initially closed from 26 March 2020 but reopened to sell essentials on 4 April. We experienced significant growth online over the lockdown period in both countries and this has continued once stores re-opened.

Sales for the six-month period ended 1 August 2020 were down -6.2% on the same period last year, performing much better than anticipated due to the growth in online sales. Online sales grew 80.1% on the same period last year. For the full year online sales were 22% as a percentage of total sales but increased to 31% for the last 6 months. Whilst the sales have improved, the Company will continue to be cautious in regard to the future impacts of COVID-19.

The Company continues to take steps to preserve liquidity as previously stated, particularly managing stock levels and costs across the business. The negotiations with landlords are continuing.

The Directors have declared an interim dividend of 15 cents per share (fully imputed) (last year 20 cents per share) to be paid on 4 September 2020. The Group's balance sheet and projected future cash flow remains strong. Stock levels are also well managed.

A full profit release will be made to the market on 25 September 2020 when a final dividend will be considered.

Following Auckland moving to Level 3 on Wednesday 12 August, thirteen Hallenstein Brothers stores and twelve Glassons stores are currently closed until the return to level 2 in Auckland.

Mary Devine
Group Managing Director