



2nd Quarter Sales to 31 July 2016

The directors of Briscoe Group Limited announce unaudited sales for the thirteen week period ended 31 July 2016 of \$135.4 million, an increase of 9.01% on the \$124.2 million reported for the second quarter of last year. The Group's homeware segment increased sales by 6.56% during this period and the sporting goods segment by 14.33%.

On a same store basis the Group's sales for the second quarter ended 31 July 2016 were 6.53% above the second quarter for last year. The same store calculation adjusts for new Briscoes Homeware and Rebel Sport stores opened by the Group at Queenstown (October 2015) and Westgate, Northwest Auckland (March 2016) and also for the Briscoes Homeware store at Wairau Park in Auckland which was closed between 23 May and 8 July due to fire damage.

On a same store basis, homeware sales increased by 4.54% for the quarter while sporting goods sales were 10.73% ahead of last year.

The July quarter sales figure takes unaudited Group sales for the half year to 31 July 2016 to \$268.4 million, an increase of 10.00% on the \$244.0 million reported for the first six months of last year. The Group's homeware segment increased sales by 7.60% during this period and the sporting goods segment by 14.42%.

Both gross profit margin dollars and percentage will finish significantly higher than for the first half of last year reflecting; strong Group sales performance - particularly from sporting goods, the careful management of promotional and clearance activity, the continued focus on inventory management and supply chain process improvements.

On a same store basis the Group's sales for the half year ended 31 July 2016 were 7.11% ahead of the same period last year.

On a same store basis homeware sales increased by 5.17%, while sporting goods sales increased by 10.63% over the first half of last year.

Group Managing Director, Rod Duke said, "The Group's results represent a continuation of the excellent growth in performance we have been achieving in recent years. Our bottom line is tracking well ahead of last year despite the high levels of competitiveness across the retailing sectors in which we operate.

"We are very pleased with the gross margin percentage performance achieved for this half however, we are conscious that hedging of foreign exchange exposures at less-favourable rates than last year will continue to flow through to the cost of imported product. This will cause increased pressure on the gross profit margin percentage for the second half of this year. We also note that the second half of this year comprises one less week than for the previous year.

“Sales growth through our online channel is also pleasing, growing at around 40% compared to last year and now representing more than 5% of the total Group sales.

“We are expecting to report an increase of at least 32% over last year’s profit for the first six months. This would represent a record first half Net Profit After Tax (NPAT) of no less than \$27 million.”

The Group expects to announce its first half results on 19 September 2016.

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