



4th Quarter Sales to 29 January 2017

Full year: 1 February 2016 - 29 January 2017:

The directors of Briscoe Group announce unaudited sales for the 52 weeks ended 29 January 2017 of \$582.8 million, being 5.42% above the \$552.9 million reported for the 53 weeks ended 31 January 2016.

For the 52 week period from 1 February 2016 to 29 January 2017, homeware sales increased by 4.09% to \$372.5 million while sporting goods sales increased sales by 7.85% to \$210.3 million against last year's 53 week year.

The reason for the difference between the two years in relation to the number of weeks is that the Group operates on a weekly trading and reporting cycle of 52 weeks for most years with a 53 week year required once every five to six years to realign the financial and calendar year-ends, as was the case for 2015/16.

On a same store basis and adjusting for the additional week included in last year's 53 week period, Group sales for the year ended 29 January 2017 were 4.94% ahead of the previous year.

On the adjusted same store basis, homeware sales increased by 3.79%, while sporting goods sales increased by 7.04%.

Fourth Quarter: 31 October 2016 – 29 January 2017:

On a same store basis and adjusting for the additional week included in last year's final quarter, the Group's sales for the fourth quarter ended 29 January 2017 were 1.78% ahead of the fourth quarter for last year.

On the adjusted same store basis, homeware sales increased by 1.52% and sporting goods sales increased by 2.27% for the same quarter.

Unadjusted sales for the Group for the 13 week quarter ended 29 January 2017 were \$188.9 million, a decrease of 2.15% on the 14 week quarter for the previous year. Homeware sales decreased by 2.16% to \$123.2 million, while sporting goods sales were \$65.7 million, a decrease of 2.12% on the fourth quarter last year.

Commentary:

Managing Director, Rod Duke said, "We are pleased with the Group's overall performance for this final quarter of the year. The strong growth in sales recorded throughout the first three quarters of the year eased a little on the back of one less week being included in this quarter compared to last year's final quarter, a slow start to the Christmas trading period and also the late and inconsistent weather so far this summer.

"We made the decision early in the fourth quarter to protect gross profit and profitability by resisting the temptation to unnecessarily chase profitless sales. Our inventory is in good shape, stock-turn has improved on last year and with the trend of recent summers finishing later, we are confident the decision was the right one.

"Gross profit margin percentage continues to be a highlight for the Group and will finish the financial year significantly ahead of last year despite the continued aggressive promotional activity across the retail markets in which we operate and the impact of increased product cost as foreign exchange cover taken in previous years was replaced with currency at less favourable rates.

"We are also pleased with the continued growth we are generating in online sales. For the full year ended 29 January 2017 online sales finished more than 40% up on the previous year.

"We are expecting to report a record full year Net Profit After Tax (NPAT) of around \$59 million, an increase of approximately 25% on last year's reported NPAT of \$47.1 million.

"We note that this includes a \$2.0 million gain from the sale of property in Hastings booked during the final quarter of this year and also the subsequent reversal of a deferred tax liability in relation to this property. The amount of \$0.8 million was booked as a tax expense for the year ended January 2011 when the deferred tax liability was created as a result of legislation introduced in relation to the tax deductibility of depreciation on buildings. The sale of this property was completed in December 2016 as a result of management's decision to relocate the existing Briscoes Homeware and Rebel Sport stores to a better retail location.

"Even excluding these one-off items we expect we would have been able to report a full year tax paid Group profit in excess of \$56 million, representing an increase over last year of around 19%.

The directors expect to report the final full year audited result on 14 March 2017.

Thursday 2 February 2017