# SPECIALTY FASHION | GROUP

## **ASX Announcement/Media Release**

### 15 July 2011

## Specialty Fashion Group Market Update for FY2011

Specialty Fashion Group Limited (ASX: SFH), announce that revenue for the half year ended 30 June 2011 was \$261 million, which represents a 5.7 per cent increase over the same period of the prior year of the ongoing group. The ongoing group excludes the Queenspark brand that was sold in October 2010. Sales growth achieved in the half year was from new stores. Comparable stores sales growth for the half year was flat, which was an improvement to the prior year's second half of negative 8.1 per cent.

Full year revenue to 30 June 2011 was \$574 million (ongoing group \$570 million), a 0.3% increase year on year. The company continued to experience challenging trading conditions throughout the year and, as expected, increases in manufacturing costs of product were incurred in the second half of the year as well as higher rental and wage costs.

The company has not previously provided EBITDA guidance for FY2011. At this time Specialty Fashion Group expects EBITDA for the full year will be within the range of \$40 million to \$41 million.

Gary Perlstein, Chief Executive Officer commented: "The downturn in consumer discretionary spend that we have seen over the past 18 months is unprecedented. In this situation where the consumer dollar is shrinking and inflation is rising, we recognise the need to be innovative and expansionary in our approach, in order to differentiate and grow our offer to customers. We are gaining benefits through our product sourcing transformation and enhancement of our customer relationship management capabilities. Our rollout of La Senza stores nationally is on track, finishing the year with 15 stores, as part of the Group's portfolio of 891 stores across all brands."

The guidance contained in this update is preliminary in nature, subject to finalisation within the company as well as review by the Company's external auditors. Further details will be available with the full year results which are scheduled to be released on 22 August 2011.

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