



**OVER
50
MILLION
CUSTOMERS
ANNUALLY**

**OVER
5000
TEAM
MEMBERS**

**271
STORES
BY JUNE**

**40
NEW STORES
THIS YEAR**

**257
CURRENT
STORES**

**FY 2013
HALF YEAR RESULTS
FEBRUARY 2013**

THE REJECT SHOP
THE SAVVY WAY TO SHOP

Agenda

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Summary of Financial Results

Half Year Financial Results	HY 2013 \$'m			HY2012 \$'m	Movements Inc / (Dec) Prior Year
	Normalised Trading	Ins. Claim ⁽¹⁾	Total	Total	%
Sales	327.5m		327.5m	292.8m	+11.9%
Comp Sales	+2.1%				
EBITDA	33.2 m	2.9m	36.1m	31.0m	+16.7%
EBIT	26.5 m	2.9m	29.4m	25.3m	+16.3%
NPAT	18.1 m	2.0m	20.1m	16.6m	+21.2%

Sales Up \$34.7m (11.9%)

- Comparable Store Sales 2.1%
 - 1st Qtr +4.2%
 - 2nd Qtr +0.7%
- 17 New Stores and 2 stores relocated

NPAT Up 21.2%

- Consistent trading
- Finalisation of DCIP insurance claim
- Fully Franked Interim Dividend 24.0 cents per share

(1) HY2013 includes \$2.9m (pre-tax), \$2.0m (post-tax) of DCIP Insurance Claims Recovery

Cash Flows & Balance Sheet Restored

(\$'m)	HY2013	HY2012
Gross cash flow*	30.4	27.1
Changes in working capital & other	4.1	14.2
Operating cash flows	34.5	41.3
New stores	(7.7)	(4.2)
Existing stores maintenance	(2.4)	(0.9)
DC development	(0.1)	(2.7)
IT development	(1.6)	(0.6)
General capital maintenance	(0.3)	(0.3)
Net capital expenditure	(12.1)	(8.7)
Free cash flows	22.4	32.6
Key Statistics	HY2013	HY2012
Stock Turns (times)	2.7x	2.6x
Interest Cover (times)	27.7x	14.1x
Fixed Charges Cover (times) (rolling 12 months)	1.6x	1.5x
Net Debt	\$4.6m	\$8.8m
*Gross cash flow equals earnings before depreciation and amortisation and after interest and tax paid		

Continued Strong Cash Flow Performance

- Improved management of inventory
- Final insurance payment
- Increased inventory for second half new stores

Capital Expenditure

- 17 new stores
- 2 relocations
- Store refurbishment program re-commenced
- Merchandise Planning Tools / Mobile Printers

Balance Sheet – Net Debt Reduced

- Supports Second Half New Stores
- Prudent Capital Management Maintained

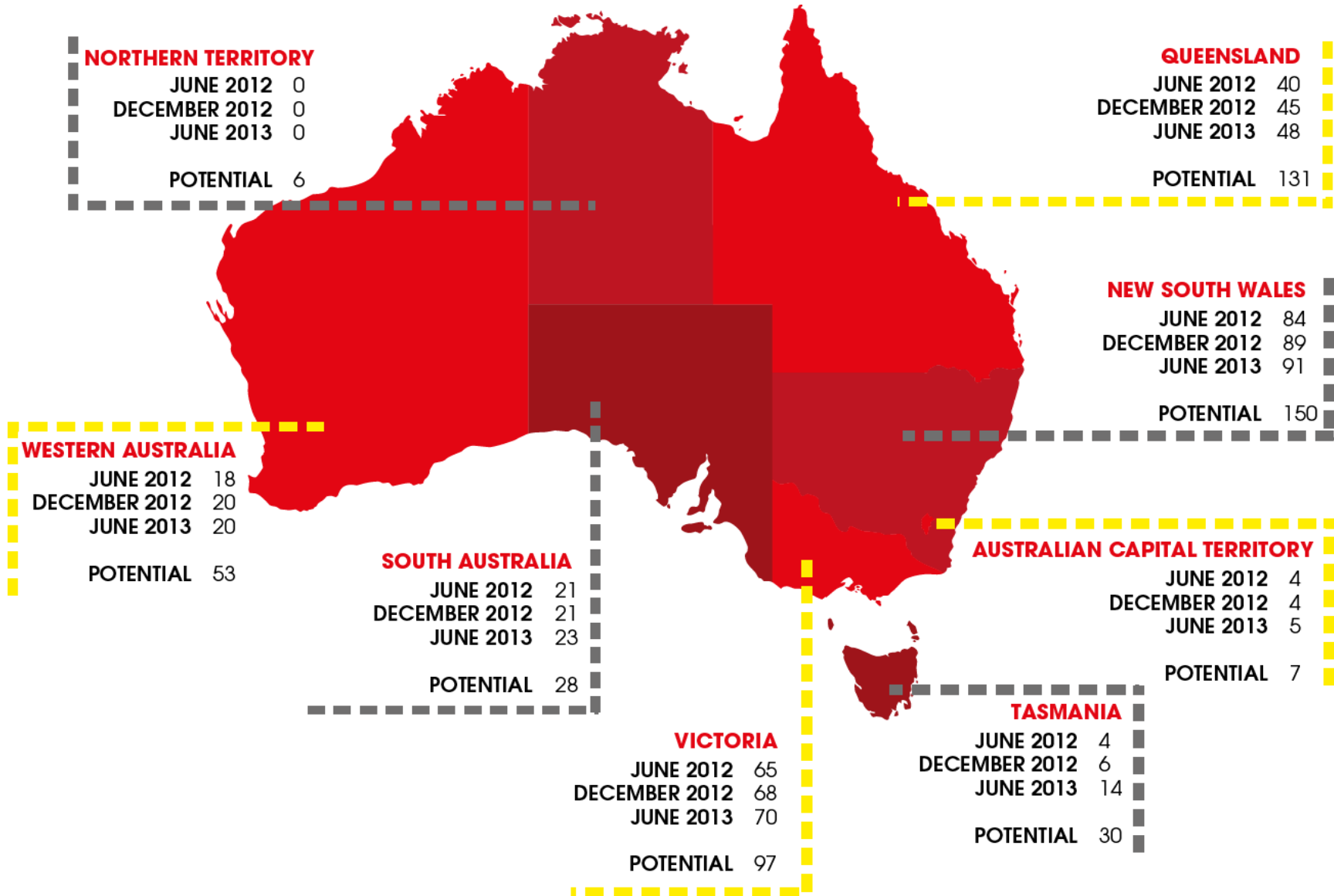
FY2013- Financial Drivers

Financial Metric	Key Drivers	Status @ August 2012	Current Status
First Half Sales Growth – Existing Stores	Item selection & timing/range improvements	Comparable Store Sales Positive YTD	2.1% comp growth
	Store Execution		
	Increased Brand Awareness		
– Seasonal Period	Timing & Execution	Well Executed – Moderate Growth Planned	1% comp growth in Nov/Dec
– New Stores	15 new stores to open - First Half	3 New Stores Opened YTD	17 New Stores Opened
Second Half Sales Growth – Existing Stores	Growth Opportunities Exist within Ranges	Second Half Planning Underway	Comp positive STD
– New Stores	More sites	5 New Stores Secured	23 Stores to Open / 6 Opened STD
Gross Margin – Consistent with LY	Stockflow Efficiency/Visibility Overseas	SAP integrated with Freight Forwarder	Done – Margin above LY
	Currency	FX Covered for Current Season	FX covered for half
Operating Leverage	Sales & Gross Margin Leverage	Maintaining Standards	Standards Improved
		Investing in Brand Awareness	Increased promotional activity
	Occupancy Costs	Strong Lease Negotiations	Year to date renewals = net reduction
	Limit Impact of Carbon Tax		17 Stores lighting re-fitted
Debt Reduced & Cash Flows Improved	Stockflow Efficiency	Stockturns Improving	Net Debt down

FY2013 - Operational Targets

Operational Targets	Target	Status @ August 2012	Current Status
Stockflow Efficiency	Integration of Freight Forwarder to SAP	Available Now	Bedded Down / Further Opportunities Being Explored
	Introduction of Merchandise Planning Tool	March 2013	In Testing
	Finalise Review of Overseas Sourcing	Review in October 2012	China & Hong Kong Visits Fruitful
	Re-tender Process for WA DC Completed	Early Calendar 2013/Targeted opening late FY2014	Tender process well underway
Store Portfolio Management	2 relocations	Finalise Pre-Christmas	2 stores successfully relocated
	23 refurbishments (full year)	2 completed	9 completed – Moderated due to New Store Expansion This Half
	10 stores fixtures upgraded	Not Yet Commenced	3 completed
People Management	Continued Improvement in Safety	Currently Working with WorkSafe Victoria	WorkSafe Review Finalised and Recommendations Actioned
	Learning & Development Program for Stores Revamped	Assessments of Current Programs Underway	New competency standards established
	Company Vision Understood and Measured Effectively	Internal Communication Plan by Dec 2012	Launched Internally September 2012
	Re-structure HR to Support growth	Under Review	Restructure complete in January 2013
Digital/Social Media	Longer Term Strategy Developed	Definition & Roadmap by October 2012	Reviewed – Next Steps Known
	IT Infrastructure Development	Initial Developments by February 2013	Development in Progress
Brand Awareness	Continued Positive Sales Trends/Fully Researched	Expanded Regionally from July 2012	Product Selection/Quantification Improving

Potential Store Base by State



FY2013 Outlook

- Potential Future Opportunities

Operational Targets	Target	Status Now
Overall Store Portfolio	Significant Attention on Portfolio Mix	Continuing to Achieve Targeted Rent Outcomes
	Smaller store concept being explored	Internal Project Complete – Product Mix/Layout being refined
E-Commerce	Evaluate all E-tailing models	Potential Business Case Prepared/Further Work Required
	Select Potential Business Model	
	Investigate Infrastructure Impacts	
Product Sourcing	Potential of Overseas Presence being Evaluated	Analysis Completed/Initial Evaluation Complete
	Improved Integration with Freight Forwarding (new provider)	Bedded down with refinements to come

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