

ASX ANNOUNCEMENT



ASX/Media Release

15 October 2014

Pre AGM Trading Update

The Reject Shop today announced that total company sales for the first quarter were up 2.7% on the prior period, while comparable store sales were -5.4%.

As reported at the full year results announcement, the Company had a challenging start to FY2015 with the first six weeks yielding negative comparable store sales. Subsequent to that announcement, trading conditions deteriorated significantly during the final two weeks of August. Comparable sales have improved considerably over the last five weeks as the initial impacts of planned initiatives to address the situation have begun to be felt, with comparable store sales for the first two weeks of October being flat.

The difficult trading conditions during July and August were primarily as a result of:

- A continuation of the negative sentiment impacting the entire retail sector during this period;
- The after effects of an unseasonably warm winter, which resulted in depressed sales of winter related product offerings, and which ultimately required significant markdown activity during the months of July and August, by most retailers, to clear related stocks;
- Final liquidation sales activity by the Retail Adventures / Discount Superstores during the months of July and August of which there were approximately 70 stores in direct competition to Reject Shop stores; and
- Disruption within the entire Reject Shop store network associated with the accelerated re-lay of all stores during a two month period commencing mid-July.

Commenting, the Chairman of The Reject Shop, Mr Bill Stevens said: “This has clearly been an extremely challenging period for The Reject Shop and the retail sector in general. We are pleased that the effects of initiatives introduced to address these challenges have begun to be reflected in the trading position.”

Ross Sudano

CEO
(03) 9371-5555

Darren Briggs

Chief Financial Officer & Company Secretary
(03) 9371-5555

Media:

Geoff Fowlstone
0413746949