

# THE REJECT SHOP

10 June 2014  
ASX/Media Announcement

## Trading Update

The Chairman of the Reject Shop today announced that the Company was unlikely to meet its Market Profit Guidance for the year-ended 30 June 2014, of between \$17 million and \$18 million and instead expects to report full year Net Profit after Tax of between \$14.5 million and \$15.5 million.

Notwithstanding the tough retail conditions existing since Christmas 2013, and flat sales performance for the half year up to the end of April 2014, the Company had been cautiously optimistic previous guidance would be achieved.

However, the unseasonably warm weather across the country led to a deterioration in sales of winter related departments and ranges during May.

Further, while the first week of May remained solid in sales terms, it is clear that sales for the balance of May were significantly affected by a drop-off in consumer confidence consistent with generally reported retail conditions during this period.

The revised profit forecast of between \$14.5 million and \$15.5 million includes the impact of costs associated with the opening of a further thirteen stores in the second half, and asset write downs in respect of three stores which are being closed, and a further three stores which are underperforming.

The Company also confirmed that the opening of the new satellite Distribution Centre in Perth will occur in late July; on time and on budget.

The Board also advised that they expect to make an announcement regarding the appointment of a new Chief Executive in the near future.

**William Stevens**

Chairman  
(03) 9371-5555

**Darren Briggs**

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

**Media:**

**Geoff Fowlstone**  
0413746949