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## **Steve Doyle appointed Lovisa Chief Executive Officer Trading Update**

### **Appointment of Chief Executive Officer**

Lovisa has been preparing itself for a period of strong potential growth as it becomes continually apparent that our brand and products have international appeal. In order to prosecute our growth strategy successfully, we need to ensure we invest in people, process and systems ahead of the curve. In August, the Board's decision to proceed with the U.K. store roll-out was announced and with other European markets being considered, it is apparent we need to restructure our team to optimise the pace and effectiveness of our expansion whilst continuing to deliver excellent results from the existing businesses.

Accordingly, the Board of Lovisa is delighted to announce the appointment of Steve Doyle as Chief Executive Officer of Lovisa Holdings. Steve was previously Global General Manager, having joined Lovisa in November 2015. Steve has over 29 years of retail experience both in Australia and internationally with twelve years at Super Retail Group most recently as Managing Director of BCF of which Steve developed the chain to 117 stores across Australia.

Steve will report to Managing Director Shane Fallscheer and Steve Doyle's key areas of responsibility will be to manage the operations of the current network of stores and support infrastructure with a focus on ongoing improvements in operational efficiency and continued profitable growth across the global network.

Shane Fallscheer will continue as Managing Director, reporting to the Board. In an organisational structure that is designed to deliver further profitable growth in Australia while building the group's international operations, Shane will continue to manage the key group wide function of merchandising while also focusing on building the store network in the UK and continuing to assess business development opportunities in the Northern Hemisphere.

Michael Kay, Chair of Lovisa said, "We are delighted to have two leaders of the capability and experience of Shane and Steve working collaboratively at Lovisa. Shane has done an excellent job in building Lovisa and with Steve's expertise we are confidently optimistic of continued growth and success both domestically and offshore. By putting this long term and complementary structure in place we are ensuring Lovisa has the leadership and resources in place to deliver ongoing profitable growth in the core Australian business while developing our emerging business in the UK and beyond. We congratulate Steve on his appointment and thank Shane for his ongoing commitment."

Steve Doyle said, "I am very pleased to have been appointed to the CEO role with Lovisa. I joined Lovisa because of the exciting fast pace of the business and significant growth opportunity that lies ahead. I look forward to capitalising on this potential."

Shane Fallscheer said, “Steve is a proven, passionate and dedicated leader in the retail sector. He is already making a great contribution to Lovisa and I congratulate him on his appointment. This new structure is a positive as it enables me to further focus on merchandising and continuing to build our Lovisa store network around the world while continuing to grow our core business and drive improved performance.”

The terms of Mr Doyle’s appointment as CEO are set out in the appendix below.

### **Trading Update**

Trading for the September quarter has seen a strong start to the year with same store sales growth tracking above the annual 3% to 5% guidance as anticipated, following the retail price increases in the second half of FY16. The store network has increased to 262 stores.

Following the successful UK pilot program the Board resolved to proceed with the rollout of additional stores in the UK. We are pleased to report that trading within the 4 stores continue to be within expectations and we expect an additional 3 stores to be trading by Xmas. We are continuing to take a disciplined and prudent approach to expanding in the UK market to ensure we secure good sites at the right rental rates.

## Appendix

### Steven Doyle Remuneration

|                            |                                                                                                                                                                                            |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commencement Date          | 25 October 2016                                                                                                                                                                            |
| Fixed Remuneration         | \$600,000 per annum includes superannuation and any salary sacrifice items                                                                                                                 |
| Short Term Incentive (STI) | 50% of Fixed Remuneration based on achievement against performance measures                                                                                                                |
| Long Term Incentive (LTI)  | 50% of Fixed Remuneration subject to service and in accordance with the terms of the Lovisa Equity Incentive Plan and based on achievement of EPS growth hurdles over a three year period. |
| Notice Period              | Six months by Lovisa and six months by Mr Doyle                                                                                                                                            |
| Post-Employment Restraint  | 12 Months                                                                                                                                                                                  |