



## TEMPLE & WEBSTER GROUP LTD

ABN 69 608 595 660

### ASX Announcement

13 December 2016

#### **Temple & Webster announces Milan Direct integration**

Twelve months on from its acquisition of online furniture store Milan Direct, Temple & Webster (ASX:TPW), Australia's largest e-commerce company in the furniture and homewares market, today announced it will be integrating the Milan Direct online furniture store into the Temple & Webster platform by the end of the month.

The move will see Milan Direct's extensive range of furniture for the home and office become a permanent private label available through the [Temple & Webster](#) online store. As a brand, Milan Direct will continue to maintain its product supply and inventory operations with a renewed focus on further developing its core offering.

The integration of Milan Direct into the Temple & Webster online store supports the next phase of the Company's revised business plan and vision, as outlined in April 2016. This plan focuses on building Temple & Webster into the dominant brand in the furniture and homewares category online and the first place Australians turn to when shopping for their homes, with a push towards profitability through greater integration of its strategic assets.

Commenting on the move, Temple & Webster CEO, Mark Coulter, said: "Milan Direct has pioneered the import of designer furniture for sale online for the past 10 years, and is now one of the largest private label brands in our category. Over the past six months, Temple & Webster has moved from predominantly selling homewares, to a point where furniture now makes up 50 per cent of sales. Moving Milan Direct's private label range and product sourcing and private label capabilities to sit under the Temple & Webster platform is the natural next step for the Group. The move will also deliver an enhanced user experience by offering shoppers the added convenience of purchasing all their home furnishing needs from the one destination," Mr Coulter said.

The move will further strengthen the financial position of the Group and accelerate the path to profitability by removing unnecessary duplication of core business operations and re-directing key resources.

"While we are planning for some impact to sales in the immediate term, we anticipate that most of Milan Direct's revenues will transition to the Temple & Webster platform, given that we will be migrating the entire Milan Direct private label range to the site," said Mr Coulter.

The integration of Milan Direct into the Temple & Webster online store follows the successful integration during the year of ZIZO, formerly Wayfair Australia, which significantly bolstered Temple & Webster's technology capability and product catalogue, making it the largest open e-commerce site in its category.



“The merger of the Wayfair/ZIZO business into Temple & Webster in April has been a tremendous success. Our flagship site [templeandwebster.com.au](http://templeandwebster.com.au) is trading up against the combined [templeandwebster.com.au](http://templeandwebster.com.au) and [zizo.com.au](http://zizo.com.au) sites year on year. Customers are responding to the strategy of making Temple & Webster into a one-stop shop for all their home needs,” Mr Coulter said.

The Milan Direct office in Melbourne will be closed as part of the consolidation of operations. Key personnel will relocate to Sydney, including founder Dean Ramler, who will continue to manage the Milan Direct brand and private label operations.

“I am extremely proud of the Milan Direct team, which has helped me build one of the biggest private label businesses in the country, and I thank them for their energy and hard work. Looking ahead, I am excited that Milan Direct will be the private label arm of the Temple & Webster platform. I joined the Temple & Webster team to help build the dominant online retailer in our category, and I’m glad to say we are well on our way to achieving that,” said Mr Ramler.

Further details regarding the consolidation will be included in the Company’s 2017 half year results.

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**For further information on this announcement, please contact:**

Melissa Shawyer, PR Group

M: +61 (0) 412 066 048

[melissa@prgroup.com.au](mailto:melissa@prgroup.com.au)