



ASX ANNOUNCEMENT FOR IMMEDIATE RELEASE

TRADING UPDATE

Melbourne, 23 December 2016

Shaver Shop Group Limited (ASX: SSG) ('Shaver Shop' or the 'Company') the Australian and New Zealand specialty retailer of male and female personal grooming products, today provides a trading update.

As noted in its announcement dated 18 October 2016, Shaver Shop's results at that time were tracking in-line with its prospectus forecast, prior to accounting for unbudgeted franchise buyback and unbudgeted greenfield sites.

The Christmas trading period (including Boxing Day Sale) is material to the Company's half and full year results. Sales for the half year ending 31 December 2016 are expected to be lower than previously anticipated, and below those assumed within our prospectus forecast in the month of December due to;

- weaker than expected sales in recent weeks in key gift giving product lines, (specifically in the Hair Styling category); and
- the closure of our Queensgate (NZ) store following the recent New Zealand earthquake.

Up to the end of November, our sales were on-track with our previous guidance and prospectus forecast. After including the revenue contribution from the unbudgeted franchise buybacks and greenfield sites, Shaver Shop's forecast for Corporate Store retail sales for the month of December was approximately \$29.5 million. Having regard to the above noted issues and expectations for trading for the balance of December, Shaver Shop now expects Corporate Store retail sales to be between \$26.5 million and \$28.0 million for the month.

Strong sales growth has been experienced in a range of key product categories including Long Term Hair Removal, Female Beauty and Men's Electric Shaver on the back of new product releases and category expansion initiatives, however, this has not been sufficient to offset weakness in the Hair Styling category (which was especially strong in the prior corresponding period ('pcp')).

Importantly, if the sales contribution from the Queensgate store and the Hair Styling category are removed from this year (YTD) and pcp, like-for-like store sales have increased 4.5% in December month to date (up to 22 December). As such, we believe that the softness in trading (relative to expectations) is isolated to a small number of issues. We remain confident that our organic growth, buyback and greenfield expansion strategies will lead to increased shareholder value over the medium to long term.

Given the significance of sales generated in the remaining days of pre-Christmas and Boxing Day trade, Shaver Shop is not in a position to update its full year Prospectus forecast at this time. An update regarding our full year forecast will be provided in due course.

-ENDS-

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