

# city chic collective

ASX ANNOUNCEMENT

20 November 2020

## City Chic Collective 2020 Annual General Meeting

### Chairman's Address

It is an understatement to say the 2020 financial year was eventful. After a strong first half which included the acquisition of the Avenue business in the United States, COVID-19 burst onto the world stage early in the second half, impacting supply lines, health and mortality rates, sapping consumer confidence and putting enormous pressure on businesses, governments and the world economy. Retail was particularly hard-hit and quite a number of businesses have not survived. We may see more failures, particularly companies reliant on large store footprints with lease terms that are no longer commercially viable in a world where malls and 'bricks and mortar' stores were already under pressure before the advent of COVID-19. Fortunately, there has been some sensible acceptance by some landlords of the need to provide relief to tenants that reflects the 'new normal'. City Chic has been a beneficiary of this.

#### **FY20 RECAP**

In this challenging context, we are pleased with the way the City Chic Collective performed. Here are some of the financial highlights from FY20:

- FY20 sales revenue was \$194.5m, representing 31.0% year on year total sales growth and 0.4% comparable sales growth, or 6.4% excluding the period of store closures and partial closures
- Southern hemisphere sales declined 4.8% for the full year; with growth of 9.9% in the first half, and a decline of 21.5% in the second half reflecting the impact of COVID-19 and store closures
- ANZ online year-on-year growth was strong at 20%. This growth is off a substantially higher base than most traditional retailers
- Northern hemisphere sales grew by 166% in the second half and 179% for the full year. This growth was driven principally by the expanded US customer base following the acquisition of Avenue
- We experienced strong growth for the CC US website in the first half and positive growth for CC US website in the second half but this was aided by discounting and promotional activity in an effort to defray the impact of the pandemic
- We achieved underlying EBITDA of \$26.5m compared to \$24.9m in FY19 which represented growth of 6.6% notwithstanding the disruption caused
- Gross Profit Margin of 48.1% (compared to 57.8% in FY19) was driven by a shift in mix to the lower GM%, but more profitable, online channels including Avenue, as well as discounting during the COVID-19 period
- Underlying CODB as a percentage of sales dropped from 41.3% in FY19 to 34.4% in FY20, reflecting the lower cost online model and relatively low fixed cost base
- Normalised operating cash flows of \$20.9m for FY20
- Relatively low ongoing capital requirements with \$3.7m of capital expenditure for FY20

- Net cash of \$3.9m at June 2020 with significant headroom from a \$40m finance facility, noting \$4.7m of deferred tax payments. We also announced an equity capital raise in July 2020 to support future growth including opportunities arising from businesses under pressure as a result of the pandemic. Following the capital raise in July, the cash position at 31 October was \$113m.

In navigating through the significant disruptions from COVID-19, our omni-channel model put us in an advantageous position, particularly during periods of store closures. Our business is geographically diversified and almost two thirds of our business is sold online. Our specialised focus and emotional connection with our plus-size customers means our loyal customer base trusts the consistent quality and fit of our products when buying from us online.

However, one of the lessons learned from COVID-19 is that companies should diversify their sources of production to mitigate against the risk of those sources being shut down, unavailable or impacted with delays. While City Chic was not unduly impacted on the supply side during the current pandemic, the current environment has highlighted the importance of flexibility in our operations and we believe it is prudent to mitigate future risk, with the growth in our business allowing us to do this without materially impacting our current suppliers. The process of diversifying our supplier base has begun and our CEO, Phil Ryan will touch upon this in his presentation.

The Board and Management have absolute clarity about our strategy and what we think will make our company successful. The COVID-19 experience and our ability to weather an unforeseen, worldwide, occurrence of this magnitude has reinforced our belief in the strategic intent we set ourselves.

Our vision is to 'Lead a World of Curves' and our focus remains solely on the \$50bn plus-size market. Our three strategic pillars for profitable growth are:

1. Curvy is all we do

- We continue to expand our categories and lifestyle coverage for the plus-size customer and now have expanded beyond City Chic's 'bold, sexy and glam' products to offerings in other parts of our customers' lives.

2. Global digital expansion

- Online penetration was 65% for the year, up from 44% in FY19. As at 31 October, it has risen to 70%.
- At 30 June 2020, the Northern Hemisphere represented 42% of sales up from 20% in FY19, with the US comprising the majority of sales. We expect this trend to continue.

3. Customer acquisition and enhanced customer service

- Customer numbers globally increased during FY20 by 65% to 663,000, up from 385,000 last year. The online channel provides an 'infinite' store size through which we can leverage our intimate knowledge of the plus-size segment from our deep, longstanding engagement with our customers. Our efficient production process and logistics capabilities allow us to give our customer what she wants, when she wants it and ensure the right quality, fit and price point.

I will leave it to Phil to take you through the operational achievements in FY20, but let me now touch upon a few of the highlights:

- Acquisition and integration of Avenue.

In July 2019, Avenue entered Chapter 11 bankruptcy and was headed for liquidation. A late move to try and sell its eCommerce business meant we got involved late in the process. We had an opportunity to bid for a strong brand in our segment with a large customer base and a solid online presence, however, one that had been commercially undermined by legacy store and leasing issues.

We acquired the online business, brand and customer base for US\$16.5m in October 2019. Avenue is well known in the north/north east of the US and has garnered a loyal customer following for over thirty years. The Avenue brand is more conservative than City Chic and appeals to a more mature, value conscious customer.

We have now completed the integration of Avenue into our operations and supply chain. We are pleased with this acquisition which has been materially accretive in its first year of operation in our collective and has exceeded our expectations. It proved to be an important addition to our business, offsetting the COVID-19 store closures in Australia and New Zealand and contributing valuable sales and cash-flow in the midst of the pandemic.

The success of the transition and integration of Avenue has given us the confidence to continue to invest in growth outside of Australia, including inorganic opportunities. The success and the learnings from this acquisition have also provided a blueprint for future acquisitions to be integrated within our business.

- We successfully launched our new global eCommerce platform which provides enhanced functionality and scalability for new brands.
- The launch of a new customer relationship management or 'CRM' platform allows us to gain further customer insights and predictive modelling.
- Inventory has been carefully managed through the pandemic with a clean stock position as we entered the new financial year.
- There has been a material increase in our online range, providing more choice for our customers. This diversification of our product range increases sales opportunities and also mitigates the risks from fluctuations in fashion.
- We continue to employ talented people to facilitate our profitable growth and to ensure our organisational capability remains ahead of the growth curve. Building our team bench strength will again be a key priority in FY21. We have materially enhanced our 'on the ground' capability in the USA with Jay Dunn joining our team as President of Marketing USA. Jay has had a distinguished career in the USA plus-size market, having been in management positions at Lane Bryant and Bare Necessities. He also brings deep experience in retail from his roles at The Home Depot and Brookstone. Jay adds great USA market knowledge to our company and is tasked with accelerating our organic growth in the world's biggest plus-size market.
- We continued to conduct wholesale trials in Europe and the UK to give us insights into those markets.
- During COVID-19 we worked closely with landlords to put in place rent deals that ensure the economics of our store portfolio is more appropriate for the future. This is an important part of

ensuring we have a sustainable business model as the balance between stores and online continues to adjust.

- In July 2020, after financial year end, we announced that we had been chosen as 'stalking horse' bidder for the brand and online assets of Catherines, a plus-size brand owned by the Ascena Group in the USA which had been placed into Chapter 11 bankruptcy. Unfortunately, we were outbid for Catherines at the auction. This was disappointing as the brand would have fit well into our collective and provided further growth and access to customers in the US market. We bid up to US\$40m, a number materially in excess of what we were expecting to pay. Based on the extensive due diligence we conducted as stalking horse bidder, we could not justify a higher bid.
- In conjunction with the Catherines bid, we announced an equity raise by way of an \$80m institutional placement and a share purchase plan which raised a further \$31m. We were very pleased with the success of the equity raising and the support of our existing and new shareholders. Despite the Catherines result, our balance sheet is unquestionably strong and puts us in a position to continue to survey inorganic opportunities, particularly in North America, the UK and Europe. It also means we can weather any ongoing impacts of COVID-19 which appears to be moving into a second wave in Europe and elsewhere. If the Spanish flu a century ago is any guide, this pandemic could continue for another year or more.

Throughout the initial peak of the COVID-19 pandemic, the Board of Directors and the executive management team met weekly to ensure all reasonable and sensible steps were taken to mitigate the impact of COVID-19 on the business, our team and our customers. Phil will take you through the detail but suffice to say the Board was delighted with the way management navigated our people and our business through the pandemic.

City Chic was eligible for the JobKeeper payment subsidy in Australia and the Wage Subsidy Scheme in New Zealand. During the reporting period, City Chic received JobKeeper and Wage Subsidy payments totalling A\$3.7m. These were passed through in their entirety to team members. The majority of the payments to team members represented the period stores were closed and top-up amounts above actual hours worked. Due to our performance and the changes in eligibility rules, from 28 September 2020 City Chic is no longer entitled to JobKeeper payments.

As I observed earlier, there is great uncertainty around the world as to the ongoing impact of the COVID-19 virus medically, socially and economically. As such, it is difficult to predict how our business will be affected. As can be seen from the foregoing, we have taken steps to strengthen our balance sheet, improve cash generation, diversify our geographical footprint and broaden our product offering. We believe our deep understanding of the niche market in which we operate, and the growing volume of our business sold online, will hold us in good stead should COVID-19 persist through FY21.

Accordingly, whilst being mindful of the risks COVID-19 poses, we must balance those risks with the taking of sensible opportunities to meaningfully change the scope and scale of our business. The other side of threat is opportunity, and during this ongoing period of uncertainty, we believe we are well placed to take the opportunities that come our way.

FY21 has started well. We are pleased with trading in both Northern and Southern Hemispheres. Of course, there is still much uncertainty, with COVID-19 moving into a second wave in the Northern Hemisphere. And the all-important Black Friday and Christmas trading periods are still to come. As such, it is not possible with any reasonable certainty to predict how the business will ultimately perform. That said, we believe with our increasingly online business, we are well placed to weather the COVID-19 storm and continue to provide value to our customers and our shareholders.

On behalf of the Board, let me express our gratitude to the wonderful team members at City Chic. Their ongoing commitment to the company and its customers is the bedrock of our success. In the face of a global pandemic, whether working from home, in the office, or in stores, our people simply got on with the job of serving our customers and doing it well.

We also express our sincere thanks to our customers for continuing to support City Chic throughout this global crisis, ensuring our business can continue and our people stay safe and employed.

I would also like to express my thanks to my colleagues on the Board. Their contributions have added enormous value over the year and I have greatly appreciated their wise counsel and advice.

Whether economic conditions normalise or not during FY21 and into FY22, we believe City Chic has demonstrated the resilience of its business model. The journey to 'Lead a World of Curves' has just begun and by delivering on our promises and taking opportunities, we believe we can continue to prosper and grow for many years to come.

It is now my great pleasure to hand over to our CEO, Phil Ryan, to give you his overview of your company's performance in FY20 and an update on current trading conditions and City Chic's prospects for FY21 and beyond.

# CEO's Address

Thank you Michael, and good morning ladies and gentlemen.

I would like to add my welcome to you all to the 2020 AGM.

## **LEADING A WORLD OF CURVES**

2020 was another big year for the Company and it is hard to believe that it is only two years since I spoke to you for the first time as the CEO of the standalone City Chic Collective.

The transformation we began in 2008 when we went online in Australia continued this year as we evolved from an omni-channel retailer into a global digital multi-brand business that remained focused on leading a world of curves.

As Michael stated, curvy is all we do.

Our global collective of brands now covers the fashion, conservative, youth and intimates segments of the plus size market or as we prefer to call it, 'the world of curves'. We have extended beyond apparel and intimates to specialty wide fitting shoes with our Cloudwalker brand which means that we can offer our customers a broad range of product to meet her diverse needs and capture a greater share of her wallet. We also extended our intimates range into playwear through our Fox & Royal brand in the southern hemisphere, which grew from our Hips and Curves acquisition.

As a retailer, our competitive advantage comes from the fact that we meet the needs of an under-served consumer who values the quality and fit she finds with us, and we talk to her as the centre of our world, resulting in a highly engaged customer with a deep and lasting connection to our brands.

During the past year, we have also continued to lay the foundations that set us up structurally, operationally and financially to drive growth as we focused on our three strategic pillars of curvy, digital and global customer acquisition.

We have put in place scalable infrastructure which includes a new global eCommerce platform and CRM system; and we continue to optimise our logistics operations, which recently included the consolidation of our warehouse in the US, facilitating cross-selling of our brands. These initiatives are aimed at delivering the best possible shopping experience for our consumer.

Our focus on customer acquisition globally has continued to be successful. At the end of FY20, we had 663,000 active customers compared to 360,000 two years ago. This growth has continued into FY21 and so far, results are pleasing, however with the annualisation of Avenue this number will normalise. Delivering cost effective organic customer growth remains a strategic and tactical priority for the team.

## **RESILIENCE THROUGH COVID-19**

I would also like to briefly comment on COVID-19 and what it has taught me about our business.

The events of 2020 highlighted the strengths of our nimble operating model as well as the importance of the trusting relationships that have been established over many years with our customers, suppliers and team members. It was this shared understanding that enabled us to swiftly adapt to the challenges created by the pandemic. As we were forced to close our stores temporarily, we were able to work with our key suppliers to adjust our inventory intake and change our product mix.

At City Chic, our customer engages with our brands rather than a category, so we can move with the customer depending on her needs. This meant that we could shift our CC product range from party and

occasion dressing to a more casual offering. Avenue's DNA is already more casual, so this helped us continue to grow in the USA despite the more occasion dressing segment being challenged. As a result, we ended the year with a clean inventory position.

I've always believed in listening and responding to the needs of the customer, and to do that we have built a reactive, customer led, supply chain. We didn't have an unforeseen global event of the likes of COVID-19 in mind when building that, but it was critical to achieving our results in 2020, by allowing us to adjust in-season the mix of inventory to the more casual product that the customer was demanding, and shift stock across our global network to maximise its value.

In the US, we took advantage of the timing of the situation and consolidated warehouses into one facility in Dallas which has allowed us to introduce the City Chic product to the Avenue customer base. Across all regions, we were able to expand our intimates and sleepwear options through our City Chic, Avenue, CCX and Fox & Royal brands, and the customer responded well to this.

Our cost base was prudently managed. We worked with our suppliers across all areas to minimise costs while still supporting those working with us to ensure that our partnerships will endure past this challenging period.

Most of all I would like to thank our team for their support of not only the company but me personally through these unprecedented times. Our store and office teams globally went above and beyond to make sure that the company not just survived but thrived. Our Victorian store teams have just come out of months at home and were all very engaged in the training and development and mental health and wellbeing workshops we ran during the lockdown period. I have learnt so much about our organisation and I am proud to be part of this team and I am confident we can achieve anything together.

## **CUSTOMER-CENTRIC OPERATING MODEL**

The key elements of our operating model which differentiate us include:

- It is reactive and responsive to what our customer wants as she drives our decision making.
- It is diverse in terms of product and across segments, channels and geographies.
- Our supply chain is nimble and flexible, and we have close partnerships with our suppliers.  
As Michael mentioned with the global uncertainty, we are looking to diversify our supply chain to new regions other than China. We have formed relationships with factories in Bangladesh and have placed orders in certain categories to be delivered in FY21. It is important that our supply partners agree to meet our stringent factory standards and that our ethical labour practice expectations are met. Our flexible supply chain is key to our operating success and we will ensure that risks are carefully evaluated and managed as we diversify our exposure to China.
- We have strong engagement with our customers via social media and our World of Curves community website.
- Finally, one of our key strengths is our longstanding executive team who have a deep understanding of our customer and strong mutual trust and accountability.

## **A YEAR OF AVENUE**

It has been a year since we acquired Avenue and what an incredible journey it has been. Not only has it allowed us to expand into the conservative segment of the significant US plus size market, but it has also given us a material wide fitting shoe business through the brand Cloudwalker.

Over the past year, we have worked hard to successfully integrate Avenue into our operating model and supply chain. Early on, we had to rebuild inventory to a commercial level and I was blown away by the support we received from our new customers who continued to shop with us through the disruption of the integration and COVID-19.

Through consistent ranging we have driven growth in the key extension categories of intimates, sleepwear and wide fitting footwear. These areas are emerging as a large opportunity for our business with a strong response from our customers for these underserved categories.

In addition, cross-selling opportunities are significant with our City Chic brand. We have now had the full City Chic product range on the Avenue site for 2 months and the initial results have exceeded my expectations.

The opportunity with the Avenue business is to re-engage the store customers to the digital channel. As Michael mentioned, to help us steer this, we have bought Jay Dunn on board to drive this both strategically and tactically. Jay was the Chief Marketing Officer at Lane Bryant when digital retail escalated in the USA and he has been a key contributor to the growth of numerous US based digital businesses. Jay's experience is extremely complementary to the current executive team and he will be instrumental in accelerating our organic growth.

Since acquisition, Avenue has traded profitably and exceeded our sales and profit expectations. It has also proven its diversification value, as it traded resiliently while our stores were closed in Australia and New Zealand.

With the upheavals of the past year behind us, I now feel we are ready and positioned to launch this business, and based on current momentum, I believe Avenue is set for a year of growth.

## **BRAND PORTFOLIO AND STRATEGIC OPPORTUNITY**

We have included in the presentation a summary of our brand portfolio and the strategic opportunity for us globally. Our three key product streams are Fashion / Youth, Conservative and Intimates. City Chic and CCX deliver the Fashion and Youth product stream; Avenue and Cloudwalker deliver Conservative; and Hips & Curves and Fox & Royal, together with our core brands City Chic and Avenue, service Intimates.

Through these brands we now produce between 700-800 styles a month, across many lifestyles. Whether it be cotton bras or special occasion dresses, wide fitting boots or casual sleepwear, we are refining and increasing our lifestyles in line with what our customer wants each week.

We have identified our three key markets as ANZ, North America and Europe / UK, and we see opportunity for each of the three product streams in each market.

Our vision is to 'Lead a World of Curves' by leveraging our product across more eyes in the global plus-size market which is worth an estimated \$50bn per annum. We have the infrastructure in place to do this across multiple brands and markets and meet our strategic pillars of being curvy, global and digital.

The current shifts in retailing with the ongoing decline in traditional channels creates exciting opportunities for us to drive future growth from customer acquisition, entering new markets and capturing a greater share of wallet.

## **KEY INITIATIVES TO LEAD A WORLD OF CURVES**

We have provided further detail on the key strategic priorities highlighted in the matrix on the previous slide. These include:

1. Market share expansion in North America
2. Introduction of the "Conservative" segment in ANZ; and
3. Entry into the UK and Europe.

The US plus size market is the largest in the world and our existing presence there provides multiple opportunities for growth. Recent initiatives such as the consolidation of US warehouse facilities and the



introduction of a new eCommerce platform and customer relationship management system will be important to building market share.

Our new eCommerce platform is improving our customers' digital experience through increased speed and functionality and has enhanced the scalability for new brands to join our collective digitally. It also enables us to have all brands on the same platform resulting in cross-selling opportunities as well as operational efficiencies.

We are driving the Avenue store customers to re-engage with the brand online, through social and digital retargeting and direct mail with a pleasing response. We are increasing our spend on marketing in the USA through affiliate and other personalised behavioural based technologies to capture market share as other players are suffering from low inventory levels. We have also had early success in selling City Chic product to Avenue's large customer base.

We have also recently introduced 24-hour live chat for our portfolio of brands, with trained experts who also provide style advice. This is a very important part of the digital experience as our customer care team are effectively the store team of our digital business. The new CRM and email platform allow us to gain further customer insights, improve our engagement with her and allows us to talk to our customer more effectively.

In addition, we recently launched a new social strategy, 'World of Curves', which provides a meeting place for our global community at [yourworldofcurves.com](http://yourworldofcurves.com) and on Instagram. It highlights the deep emotional connection that we have with our customer, which we refer to as the 'sisterhood'. This has been a central feature of our Australian business which is now being extended across our other markets.

We will continue to explore new marketplace and wholesale partnerships globally and have entered into partnerships with Dillard's and Bare Necessities in FY20 and more recently with Hudson's Bay in Canada, expanding our Northern Hemisphere touchpoints and driving brand awareness.

In ANZ, we will expand into the conservative segment of the market leveraging our infrastructure and existing product stream currently only available in the US market. We are in the process of building out our eCommerce platform and are targeting a mid-2021 launch.

In the UK and Europe, we continue to explore entry into that market, with our wholesale business proving successful to date. In the past year we increased our partnership with Zalando in Europe and launched on Amazon Europe. Through learnings from our experience in the USA, we know a partner led strategy to gain brand awareness and an online presence to capture the customer directly is an effective way to start our journey in a new market. We are currently limited to a small range through wholesale arrangements into Europe and the UK. The next step will be putting stock into market where an extended range is made available through our partners, as well as on our website. We have made great progress in assessing warehousing options and are targeting a launch in 2021.

Stores remain an important part of our dominant omni-channel position in the ANZ market, and we will continue to open new stores where we achieve the right rental economics. We have seen a materially better performance in our newer design gold stores, both larger and standard size. We will be actively managing our store portfolio to cycle out of our older fit-outs to enhance customer experience through improved in-store environments. In FY21 so far we have opened 5 stores and converted one to a larger format gold store, with two further new stores locked in for the second half.

## **CUSTOMER-FOCUSED GROWTH STRATEGY**

As we have mentioned, growing our customer base globally and through the digital channel is a key strategic driver. We currently serve approximately 700,000 customers globally, which has increased since June 2020 and is almost double that at June 2019.

This reflects our successful initiatives to gain market share, particularly in the US. We are always pushing to maximise the growth of our customer base as cost-effectively as possible.

Scaling our business digitally, a key strategic pillar, has been reflected in the doubling of online sales in FY20, and the increase in online penetration from 44% in FY19 to 65% in FY20. This is tracking at 70% so far in FY21 even with most of our stores open over the period. We continue to see significant opportunity to drive our online sales growth and further expansion of our online contribution of total group sales.

We have almost 40 million visits to our global websites annually and traffic numbers have been showing growth in all geographies. As a digital business this is a key measure for us. We drive this through personalised email campaigns, digital and social marketing initiatives and increased lifestyle offerings for our global customer base, and more recently direct mail in the US.

## **FY21 TRADING UPDATE & OUTLOOK**

Since the initial impact of COVID-19 and into the new financial year trading has continued to improve. In the first 20 weeks of FY21 we have pleasingly achieved comparable sales growth of 7.9%, and 18.7% if the period of temporary Victorian store closures are excluded.

Like-for-like store sales growth (excluding online and Victorian stores) was positive to date in FY21, reflecting the return of consumer spending in stores as restrictions eased. All stores across Australia and New Zealand are now open except for 4 stores in South Australia which were temporarily closed this week following a government directed shutdown due to COVID-19. Eighteen (18) Melbourne stores were closed for over three months from July to October, and regional Victorian and Auckland stores were also closed for a period during this time, but these are now all open.

The strong momentum for ANZ online has continued into FY21, as we further expand our range on our digital platform and capture an increased share of wallet.

Avenue has traded well throughout the disruptions caused by COVID-19 and the US Presidential election and continues to exceed the expectations we had for the business upon acquisition. Avenue has been included in comparable sales growth from mid-October 2020 given the business has been under our ownership for a year, and in the 4 weeks of comparable trading up to the AGM, the business has delivered growth versus last year.

The City Chic website in the US has shown improvement through FY21 so far, however is below trading levels in the corresponding period in FY20. We had positioned as a more occasion focused dress business in the USA as we see this as our strongest 'unique selling position'. Demand in this area has been challenging, however, I am confident this will rebound. We have found a more fashion forward casual customer for the City Chic product through the Avenue website, positioning us as a broader lifestyle brand in the US. This has resulted in higher aggregate direct to consumer sales for the City Chic brand in the USA compared to last year.

City Chic sales through marketplace and wholesale partners in the US have been significantly impacted as partners have struggled through the COVID-19 disruption; however, we plan to go live with our key partners by the second half of FY21.

As our customers have adopted a more casual style, we have been able to facilitate the expansion of these categories through our agile design process and supply chain. This expanded range has reduced our reliance on the dress business to drive growth, and as dress sales recover into FY22 and beyond, we expect this to provide incremental growth as we maintain the casual share of wallet we have captured.

We are just about to enter the critical trading period that includes Black Friday, Cyber Monday and Christmas and we feel comfortable with our stock position. Given the large trading months in this quarter for all our geographies, our earnings in the first half traditionally outweigh earnings in the second half of the financial year.

I would like to take this opportunity to thank our City Chic team for their hard work and dedication over this tumultuous year. We have a sensational team here at City Chic and I am very grateful for everything they do.

To Michael and the Board, your support and counsel has been invaluable this year and I appreciate how generous you have all been with your time during COVID-19.

Many thanks also to our wonderful customers who continue to inspire us all at City Chic.

And finally, to our shareholders, I thank you for your ongoing support.

**Ends**

The release of this announcement was authorised by the Company Secretary.

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