

30 October 2014

Markets Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via electronic lodgement

Dear Sir/Madam,

The PAS Group Limited ("PGR") 2014 AGM Addresses by the Chair and CEO

In accordance with listing rule 3.13.3, attached is a copy of the addresses to be given by the Chair and the CEO at PGR's Annual General Meeting today.

Yours faithfully,



Mr Derrick Krowitz
Company Secretary
The PAS Group Limited

MARKET ANNOUNCEMENT

2014 ANNUAL GENERAL MEETING

ADDRESSES BY CHAIR AND CHIEF EXECUTIVE OFFICER

1. QUORUM

Good morning Ladies and Gentlemen and welcome to the inaugural Annual General Meeting of The PAS Group.

My name is Rod Walker and I am your Chairman. The company secretary has declared that we have a quorum present and I declare the meeting open.

If you have a mobile phone, please could you ensure that it is on silent mode or turned off for the duration of the meeting.

Firstly, let me take you through the format of today's meeting. The first item of business will be my address followed by an address from Eric Morris, the PAS Group's Chief Executive Officer and Managing Director.

2. CHAIRMAN'S ADDRESS

Introduction of Board, Company Secretary and Auditor

I would now like to introduce the members of the board.

Jon Brett – Jon was appointed to the board in May 2014. Jon is Chairman of the Audit and Risk Committee

Jacque Naylor – Jacque also joined the board in May 2014 and is a member of the Nomination and Remuneration Committee

Dave Fenlon – Dave has been a director of the former PAS Group since April 2013 and is a member of the Audit and Risk Committee

Eric Morris – has been managing director since inception and is also the CEO.

Also joining us is:

- our CFO and Company Secretary Mr Derrick Krowitz; and
- Brad Pollock from the Company's Auditor, Deloitte Touche Tohmatsu is also present and will be available to answer questions on the audit process at the appropriate time.

Business Performance

During the past year the PAS team has continued to execute against our key objectives whilst having an eye on the future and the changing face of retail in Australia. Whilst I will leave it up to Eric to take you through last year's results, Eric and his team are to be commended for the solid result in the face of a number of external challenges as well as the significant amount of work behind the group's public listing.

The Public listing is one of the most significant events in the Company's history and a key component of its growth strategy. The listing;

- Provides greater market visibility to its brands
- Raises awareness of the scale and strength of the combined group
- Provides balance sheet flexibility to pursue acquisitions

The Retail Environment

Following the delivery of the Federal Budget in May, the trading environment has been volatile with subdued consumer sentiment, this is despite Australia being well positioned compared to both the United States and Europe. The uncertainty with regards to the geo political environment has certainly not assisted consumer confidence either.

Against this backdrop, Eric and the team have managed those aspects of the business that are within our control well.

The Year Ahead

The business will continue to execute against the multi-level growth strategy which is a continuation of what we have been doing over the past few years. The key components of that strategy are:

- New store roll out
- Store enhancements through refurbishments
- Product and brand extensions
- New brand licenses
- Online growth
- Loyalty programs
- Acquisitions

Despite the difficult trading environment that we are currently experiencing, I am confident in the Group's long term prospects.

We have a strong balance sheet with no debt and continue to generate strong cash flow from the business. The board has reiterated the dividend policy of 70%-80% of annual statutory net profit. The dividend will be fully franked with 46.9 million franking credits on the balance sheet.

Thank you, with that I will hand over to Chief Executive Officer and Managing Director, Eric Morris.

3. CHIEF EXECUTIVE'S ADDRESS

Ladies and Gentlemen,

I am pleased to be addressing shareholders today at our first Annual General Meeting following the initial public offering earlier this year.

It has been a long journey since I joined the PAS Group in 2005 and overseen the business grow from eight stores to a portfolio of 253 owned stores and retail concessions across Australia and New Zealand.

This growth has always been in keeping with the key attributes of the group around which the business was established. These are:

- Diversification – building a diverse portfolio of brands across channels to market, gender, age, metro vs regional, price point and major customer mix

- Design – we pride ourselves on our investment and capabilities in design
- Multi Channel – our online and digital focus provides sales generation, consumer insights and direct consumer communication which then drives further online and instore growth opportunities
- Platform for growth – establishing a strong platform for ongoing growth both organically and through bolt on and strategic acquisitions to leverage off our existing base

FY 2014 Results

Highlights of the results for the year to 30 June 2014 include:

- Overall revenue for the year was up 5.6% to \$245.5 million
- EBITDA was up 4.8% and NPAT up 0.6% (both ahead of Prospectus forecasts)
- New store roll-out is on track with 36 new stores opened during the FY2014 (primarily in Black Pepper which targets a mature audience , often in regional areas – a relatively underserved market segment)
- Sales growth in the Retail Segment in FY2014 was 13% driven by new store openings, full year impact of stores opened during FY2013 and like-for-like sales growth of 3.1%
- Online retail sales grew by more than 60% and the Metalicus and Review loyalty programs continued to grow demonstrating strong customer engagement
- Revenue in Designworks grew by 3.8% driven by growth in licensed brands. Revenue in other parts of the Wholesale segment fell by 9.7%, a significant component of which relates to the intentional migration of Black Pepper from Wholesale to Retail

Designworks signed several new licensed brands including Slazenger, Everlast, Fred Bare and Karrimor – which will be launched in the current year. This is in line with our strategy of replacing Target house branded business with new licensed brands.

During the past financial year, the final stages of the ERP implementation took place, with all brands now operating on a single platform.

Outlook

Looking ahead to FY 2015, we continue to focus on key strategic areas to grow the business and drive value for shareholders, including:

- New store opening program with 41 new stores – these remain firmly on track with 18 sites already opened and an additional 14 either signed or under negotiation
- Store refurbishment program - 31 stores planned to be refurbished in FY 2015
- Further development of our multi-channel and digital strategy driving traffic to both online and retail stores. This includes the launch of Black Pepper online which has showed early signs of success , the introduction of 'click and collect' and a variety of other initiatives
- Further growth of our existing Review and Metalicus loyalty programs and the launch of the Black Pepper loyalty program

- Continued acquisition of new brand licences to add to our existing brand license portfolio
- Introduction of other new products such as sleepwear through Review.
- Ongoing assessment of acquisition opportunities in line with our disciplined strategic and financial criteria
- Introduction of a new merchandise planning system into our retail brands during FY 2015

Current trading and market conditions

- Current trading conditions remain difficult across the discretionary retail segment with consumer sentiment continuing to be a challenge and consumer behaviour largely promotionally driven.
- Review continues to trade well although Black Pepper has been impacted by the general slowdown in consumer sentiment. Whilst Metalicus trading continues to be a challenge, we are encouraged with the new product ranges for next winter
- As mentioned in our year end results release, there will be a weighting towards the 2nd half of 2015 in the Wholesale segment. This is due to the faster than anticipated reduction in sales of Target house branded product in the first half and the contribution to second half revenue growth from new Designworks' brand licenses.
- We continue to focus and make good progress on areas within our own control, such as the execution of our store roll-out strategy, the introduction of new brand licenses, the investment across our key brands and driving the improvements in operating efficiencies.

A further update on trading and the outlook for the business will be provided post the peak Christmas trading period.

People

- I am pleased to announce the appointment of Mathew Durbin as Chief Operating Officer of The PAS Group. Mathew joins us in December after a lengthy and successful period with David Jones where he has held a number of senior positions, most recently Head of Strategy

I would also like to take this opportunity to acknowledge and thank the senior management team and all the loyal and committed staff of The PAS Group for their efforts over the last year.

Finally, I would like to thank the Board and shareholders for their support and look forward to reporting on further progress.

I will now hand back to our Chair for the formal section of the meeting.