

4 December 2019

**HALLENSTEIN GLASSON HOLDINGS LIMITED**

**TRADING UPDATE FOR THE SEASON TO 1 DECEMBER 2019**

Group sales for the first 16 weeks of the new financial year covering the period 2 August to 1 December 2019 are +7.1% on the prior corresponding period.

As previously noted in the Company's annual results release made 27 September 2019, the impact of a weaker New Zealand and Australian dollar is creating margin pressure as product is purchased in USD. The USD exchange rate in New Zealand is down around 4 cents to the dollar on last year and 4 cents down to the dollar in Australia, which in both cases is a significant shift. The ability to raise prices to compensate is limited due to the current trading environment and increased promotional activity in the market.

It is difficult to reliably forecast the total Summer season at this stage as the December and January trading periods are key contributors to the overall result.

The Group is well prepared to capitalise on this key trading period and a further update will be provided at the Company's Annual General Meeting on 11<sup>th</sup> December 2019.

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