



14 April 2016

POUNDLAND GROUP PLC

FOURTH QUARTER TRADING STATEMENT

Total sales +29.5%; 99p Stores' conversion programme to complete well ahead of plan

Poundland Group plc ("Poundland" or "the Group"), Europe's leading single price retailer, today announces an update on the 99p Stores Ltd ("99p Stores") property estate conversion programme and its fourth quarter ("Q4") trading statement for the 13 week period to 27 March 2016.

99p Stores' Conversion

- 190 conversions completed by the end of Q4; programme will finish at end of April
- The conversion programme has been delivered in four months, well ahead of plan
- Strong sales growth generated in converted stores
- On track to deliver targeted incremental annual EBITDA of at least £25 million, with around two-thirds expected to be generated in the year to March 2017
- The costs and investment required to convert the store portfolio will be in line with expectations, however the vast majority has been incurred in the 2016 financial year, given the acceleration of the conversion programme

Q4 Highlights

- Total sales, excluding Spain, increased by 29.5% (2015: 7.1%) on a constant currency basis, benefiting from the addition of the 99p Stores' portfolio
- Total sales, excluding Spain, increased by 29.8% to £330.8 million (2015: £255.0 million) on an actual currency basis
- Sales in Spain increased by 76.8% on a constant currency basis

Full year Highlights

- Total sales, excluding Spain, increased by 18.4% (2015: 11.8%) on a constant currency basis
- Total sales, excluding Spain, increased by 17.9% to £1,310.4 million (2015: £1,111.5 million) on an actual currency basis
- Like-for-like sales decreased by 3.9% (2015: + 2.4%); in H2, like-for-like sales fell by 4.9% (2015: + 0.5%)
- Sales in Spain amounted to £15.4 million (2015: £5.4 million); trial is progressing well with a further update to be given at results in June
- Including new store openings, the acquired 99p Stores estate and Spain, 336 gross stores have been added to our store portfolio in the last 12 months, increasing the estate by 57%

- We ended the year with 906 stores (2015: 593) including 843 stores in the UK (2015: 547), 53 stores in Ireland (2015: 41) and 10 stores in Spain (2015: 5)
- Underlying pre-tax profits expected to be broadly in line with current market expectations*

Revenue for Q4 and for the 12 months to 27 March 2016

Sales breakdown for Q4 and FY 2016

	Q4 FY 2015	Q4 FY 2016	Growth (%)	FY 2015	FY 2016	Growth (%)
Poundland (£m)	255.0	263.8	3.5	1,111.5	1,164.5	4.8
99p Stores converted to Poundland		40.3			50.4	
99p Stores		26.8			95.6	
Total	255.0	330.8	29.8	1,111.5	1,310.4	17.9

Q4 core trading

It has been a tough quarter for the core business, which was impacted by difficult market conditions and disruption from the accelerated pace of delivery of the 99p Stores' conversion programme. Nevertheless, we managed our margin and costs well, which means that we will deliver pre-tax profits broadly in line with current market expectations.

New store opening programme for FY 2017 for the UK and Ireland

In the last financial year, we added 331 gross stores to the Poundland estate in the UK & Ireland (an increase of 56%). Given the opportunities that this greater scale presents, it is appropriate in the current financial year to concentrate upon extracting value from a significantly enlarged store portfolio. Therefore, we will open fewer new stores in FY 2017.

Commenting on the statement, Chief Executive Jim McCarthy, said:

"Against a tough retail background, this has been a transformative year for Poundland, strengthening further our position as Europe's biggest single-price discounter. We have added over 300 shops to our portfolio in the UK & Ireland, in particular in the South of England, substantially increasing our geographical reach and scale.

The 99p Stores' conversion programme will complete by the end of April, at which point we expect to see the significant benefits of over 900 stores trading as one cohesive retail operation begin to materialise."

Poundland will report its preliminary results for the 12 months to 27 March 2016 on 16 June 2016, together with its Q1 trading statement for the 11 weeks to 12 June 2016.

A call for analysts and investors will be held today at 8am. Please use the following conference call details:

Dial in: +44 (0) 20 3003 2666
Password: Poundland

*Note 1: In line with current best practice from the FRC, we have decided to reclassify the amortisation of the intangible brand asset from non-underlying to underlying. The effect of this change, which has no impact upon Group profits or cash, will be to move an ongoing charge of c£1.1m from non-underlying costs to underlying costs, thereby reducing underlying pre-tax profits.

*Note 2: Market expectations (before this accounting change) for underlying pre-tax profit before 99p trading losses for FY 2016 range between £35.8m and £41.5m, with consensus of £38.7m.

For further information please contact

Investor Enquiries:

Nick Hateley, Chief Financial Officer +44 (0) 121 568 7000

Philip Dorgan, Head of Investor Relations +44 (0) 121 568 7000

Media Enquiries:

Citigate Dewe Rogerson

Simon Rigby +44 (0) 207 282 2847

Angharad Couch +44 (0) 207 282 2941