



Formally Trellis Capital Limited

Half Year
Review
2015

bringing the joy of the garden to everyone



We are pleased to present

We are pleased to present an update on the performance of Wyevale Garden Centres Capital Limited (the “Group”) for the six months to June 2015.



Trading Update

The Group has delivered a positive result for the first half of the year, with strong growth in like for like sales.

The weather has brought mixed fortunes as the cooler, wetter weather in the spring delayed the start of the gardening season which impacted footfall to centres. The

favourable summer conditions led to an extended season overall, compensating for the earlier more difficult trading conditions.

Overall, the business continues to grow its EBITDA as a result of the higher sales, growth in concession income and continued control of overheads.



Strategy Update

The Group continues to focus on achieving its vision: “to be the UK’s leading destination for garden, home and leisure, famous for the inspiration and advice we offer.”



Strategy Update (continued)

Underpinning the progress being made towards achieving the vision is the 3 pillar growth strategy; Strengthening the core, Growing core sales and Growing our estate. So far in 2015 the Group has made significant progress in each of these areas:

Strengthen the core business

Core Retail

The Group continues to invest in the development of the estate to ensure that the retail experience meets customers' expectations of the Wyevale Garden Centre brand. During the year the management team has completed a review of the current condition of the estate to assess consistency and quality across all centres and to help target investment in the right areas. This is helping to strengthen the estate and to guarantee that the infrastructure is in place to continue to drive growth. We also continue to invest in marketing to increase the level of national exposure of the Wyevale Garden Centre brand.

Engaging with concession partners to offer further products which are complimentary to the Wyevale Garden Centre brand.

Concession income

Alongside this investment programme the management team continue to work on enhancing the product offering, focusing on the core competencies of the business while engaging with concession partners to offer further products which are complementary to the Wyevale Garden Centre brand and appeal to our customers. This has led to significant growth in the concession income and further enhancement of the relationships the Group has with its concession partners.

Food and Beverage

The Food and Beverage (F&B) strategy has been further refined during the year, with four main offerings being rolled out across the estate; Garden Kitchen, Botanic Kitchen, Coffee Ground and Costa. Garden Kitchen is the core offering and encompasses a light touch refurbishment and menu refresh of existing restaurant offering aimed at delivering a modern and fresh experience. Botanic Kitchen is aimed at centres that have very high food and beverage potential and can justify a much larger scale restaurant. Coffee Ground is Wyevale Garden Centre's own brand coffee shop, and is being installed in centres too small for a full restaurant, or those large enough to support a coffee shop as a secondary offering to its main restaurant. The Group also continues to install Costa coffee outlets where supported by the local demographic. This operating model offers the Group sufficient options to tailor each centre to meet the needs of the local community. These offerings are being rolled out as appropriate across the estate.

Four main offerings are being rolled out across the estate;
Garden Kitchen
Botanic Kitchen
Coffee Ground
Costa



The Group has succeeded in securing a number of new products that are exclusive to Wyevale Garden Centres.

Growing core sales

During the first half of the year the Group successfully targeted marketing and promotional activities based on data collected from the 3 million + members of the Garden Club, the Group's loyalty programme, helping to drive footfall and sales growth. With the Garden Club continuing to grow, the scheme is a valuable asset to the business and the management team is confident that it will provide vital information to continue to tailor the Group proposition to offer the customer what they want.

Time and effort has also been invested into ensuring the best possible range of products are on offer across Wyevale Garden Centres. The Group has succeeded in securing a number of new products that are exclusive to Wyevale Garden Centres, offering customers a more extensive and unique range to meet their needs, helping to differentiate the brand. The merchandising has also been enhanced, resulting in garden centres looking fresh and vibrant, with each having an individual feel as store teams put their own unique twist on the displays. This has refined the customer experience, adding familiarity across the estate, but also retaining a local feel to each centre.

Growing our estate

The Group is proud to welcome a further two centres to the estate in 2015, with the completion of the acquisition of two sites from Armitage's Garden Centres in early June. Pennine and Birchencliffe garden centres are both located in Huddersfield, and bring the total number of centres in the estate to 149. Both centres have a strong heritage dating back to 1842, and are renowned for offering high quality horticultural products with experienced and knowledgeable staff.

The Group has successfully integrated the 2014 acquisitions into the core business, with Golden Acres, Raglan, Podington, Moreton Park, Ashford and Brooks all performing in line with expectation driven by the access to the Groups wider assets and resources.

The Group continues to look for further opportunities to expand the estate, and is confident further strategic acquisitions will be made before the end of the year.



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Corporate responsibility

We continue to make good progress on our 'Growing Together' CR Plan across the four pillars.

Nurturing our people

Given our commitment to be an employer of choice, we have continued to work with our colleagues across the first half of the year, implementing some of the required actions identified in our 'Your View' employee survey. We have increased investment in our Talent and Development programme to create high performance teams, rolling out workshops focusing on leadership, colleague development, managing operations and sales and services training. We have improved recognition through the introduction of 'Joy Cards', Annual Awards and our recent 'peak season' Team incentive.

Sourcing with care

We continue to work with our suppliers to source ethical and sustainable products and encourage our customers to make planet friendly purchases by offering them a range of information via in-centre point of sale, our Garden Club mailings and advice from our colleagues. We continue to increase the range of planet friendly products, extending the number of centres that sell our Pot to Product range and introducing sales of companion plants, where certain plants work together to provide a natural protection against pests.



Protecting our planet

Minimising our impact on the environment continues to be a key focus for us, being important to our customers and reducing costs in our centres. Through our Environment Champions and centre managers we have continued to embed good practices to reduce our utility use and improve our waste recycling. We ran the 'Turn it Off' campaign again, with awards given to the top three centres as an incentive. We also introduced the 'Recycle it Right' campaign this year to encourage good waste management practices in our centres and we continue to see our recycling rates improve. We piloted backhauling of pallets, cardboard and plastics across H1, which demonstrated good results and will be rolled out across centres, over the second half. We also piloted introducing waterless urinals in some centres, which has proven successful, with each estimated to save 100,000 litres of water/year. Going forward, these will be installed across the estate on a replacement basis.

Strengthening our communities

We have continued to support our national charity partner, Marie Curie, through our 'Gardens for Good' programme, with the money donated funding Marie Curie nurses to care for people with a terminal illness in their own homes where often looking out onto the garden can bring comfort through happy memories. In March we supported their Great Daffodil Appeal, with our Charity Champions running fundraising events in our centres. We also sold cut daffodils, which were branded to raise awareness for Marie Curie, with 10% of the price being donated to the charity. We continue to support the NSPCC, with a proportion of the play area income funding therapy sessions for children who have been mistreated. We also donated boxes containing tomato seeds, pots and compost to 36 therapy centres. The boxes were used in sessions with children, teaching them about protecting and nurturing to help grow strong and healthy. This has generated positive feedback from the NSPCC and local communities.

During H1 the Group has raised

£37,000

for Marie Curie, and continue to dedicate time and resource to this cause.



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Design by Eighth Day

**North**

Altrincham
Birchencliffe
Bold Heath
Bolton
Bridgemere
Carr Gate
Coley
Findern
Gosforth
Heighley Gate
Leyland
Marple
Pennine
Poppleton
Stockton
Tarpорley
World of Pets & Leisure

Central

Albrighton
Barnet Hill
Blooms Rugby
Blooms Solihull
Blooms Worcester
Country Gardens Aldridge
Bicester Avenue
Bournville
Chilton
Codicote
Coventry
Gardenlands
Harlestone Heath
Hemel Hempstead
Hitchin
Leicester Rowena
Melbicks
Northampton
Oxford
Percy Thrower's
Podington
Shenstone
Stevenage
Stratford-upon-Avon
Tring
Woodlands
World's End
Wolseley Bridge
Wyevale Garden Centre Telford
Wyevale Garden Centre Woburn
Sands

East

Braintree
Blooms of Bressingham
Bury St Edmunds
Country Gardens Ongar
Country Gardens Royston
Country Gardens Upminster
Country Gardens Wellingborough
Crowland
Huntingdon
Louth
Rayleigh
Springfield
Sprowston
Stanway
Sudbury
Wyevale Garden Centre Woodbridge

South

Alfold
Beaconsfield
Brighton
Brooks
Cadnam
Canterbury Chartham
Chichester
Chipperfield
Country Gardens Handcross
Country Gardens Playhatch
Country Gardens Rake
Country Gardens Seven Hills
Country Gardens Winnersh
Crawley
Croydon Purley Way
Dorking
Dummer
Elm Court
Enfield
Fair Oak
Farnham Royal
Findon
Folkestone
Hamstreet
Harrow
Hastings
Havant
Hillingdon
John Browns
Keston
Landford
Lewes
Lower Dicker
Lower Morden

Marlow

Old Barn
Osterley
Paddock Wood
Potters Bar
Pulborough
Ramsgate
Sherfield-on-Loddon
Shirley
Syon Park
Thatcham
Tunbridge Wells
West Parley
Weybridge
Willesborough
Windlesham
Windsor
Woking
Heathlands
Worthing Ferring
Wyevale Garden Centre Binfield
Wyevale Garden Centre Hare Hatch

Wales West & South West

Andover
Ashford Barnstaple
Brockworth
Blooms Cheltenham
Blooms Gloucester
Blooms Swindon
Cadbury
Carmarthen
Cheddar
Country Gardens Hereford
Country Gardens Salisbury
Endsleigh
Galton
Hungerford
Jack's Patch
Keynsham
Lechlade
Moreton Park
Nailsworth
Par
Raglan
Sanders Garden World
Swindon
Taunton
Westonbirt Plant Centre
Wimborne
Wyevale Garden Centre Hereford
Wyevale Garden Centre Lelant
Wyevale Garden Centre Swansea
Wyevale Garden Centre Thornbury