

## **SSI Group Posts 10.2% Increase in 2Q 2016 Revenues**

SSI Group, Inc., the country's largest specialty store retailer, generated revenues of P8.6 billion for the period ended June 30, 2016, a year-on-year increase of 8.5%. For the 2<sup>nd</sup> quarter of the year revenues grew at a faster rate increasing 10.2% to P4.3 billion. Revenue growth during the first half of the year outpaced the increase in the Group's retail footprint. Top line growth was driven by the diversity of the Group's brand portfolio, strong same store sales growth and resilient consumer demand.

As of end- June 2016, the Group was operating 737 specialty stores covering more than 143,000 square meters. This is as compared to 771 stores over more than 142,000 square meters at end-June 2015. As of end- June 2016 the Group's brand portfolio consisted of 117 brands.

Net income for the first half of the year was P241 million, reflecting declines in gross profit margins as compared to the same period last year. Excluding write-offs associated with the Group's store rationalization program, net income for the first half of the year was P264 million.

"SSI posted strong sales growth during the second quarter of the year, even as we selectively expanded our store network and rationalized stores that were performing below expectations. Over the 2<sup>nd</sup> half of the year we will continue to focus on top line growth and expect to begin realizing additional benefits from our store rationalization program. We likewise expect our gross margins during the second half of the year to stabilize as against the year ago period." Said Anthony T. Huang, SSI Group, Inc. President.