

SSI Group Posts 7% Increase in 9 Months 2016 Revenues

SSI Group, Inc., the country's largest specialty store retailer, generated revenues of P12.6 billion for the period ended September 30, 2016, a year-on-year increase of 7.2%. Top line growth continues to be driven by the diversity of the Group's brand portfolio and resilient consumer demand.

As of end- September 2016, the Group was operating 720 specialty stores covering more than 141,000 square meters. Also as of end-September 2016, the Group's brand portfolio consisted of 114 brands.

Net income for the first nine months of the year was P306 million, reflecting expected declines in gross profit margins as compared to the same period last year. Excluding write-offs associated with the Group's store rationalization program and write-offs of expiring net operating loss carry overs, core net income for the first nine months of the year was P395 million. For the third quarter alone, net income was P65 million, with core net income at P105 million.

The Group also operates 4 online properties, payless.ph, the first website outside of the United States of Payless ShoeSource, beautybar.com.ph, the first e-commerce site for a local personal care chain, ssilife.com.ph, an online market place carrying more than 60 brands and 158.db.com.ph, the Group's outlet and discount site. In November the Group will also be launching a mono brand website for the Lacoste brand, lacoste.com.ph, and will be relaunching a refreshed site for beautybar.com.ph.

During the 3rd quarter of the year payless.ph continued to see steady traffic with 3Q gross profit generated by the site increasing 420% as compared to the 2nd quarter. 158.db.com.ph, on the other hand, saw an increase in traffic of 230% as compared to the 2nd quarter with total transactions increasing 260% quarter-on-quarter.

"During the 3rd quarter of the year, we continued to selectively expand our store network, rationalize underperforming stores and strengthen our e-commerce properties. Also during the 3rd quarter we began to see

the stabilization of our gross profit margins as compared to the year ago period. “

“For the balance of the year we remain focused on driving top line growth and operating efficiencies as we look forward to a strong Christmas shopping season. I remain confident that the actions we are taking in 2016 will ensure a return to growth from 2017 onwards.” Said Anthony T. Huang, SSI Group, Inc. President.