

02 December 2009

MITRE 10 EARNINGS EXCEED BUDGET WHILE BRAND AWARENESS INCREASES

The turn around strategy at Mitre 10 has continued to produce positive results with sales and earnings in the month of October exceeding budget.

The Chief Executive of Mitre 10, Mark Burrowes, said today that the group produced earnings before interest and tax of \$2.67 million for October, boosting total EBIT for the four months to October 31 to \$6.44 million.

This compares to a loss of \$239,000 for the corresponding reporting period in 2008.

Mr Burrowes said the result was further evidence that the transformation program approved by the Board last year was delivering strong results.

“This is a great platform as we move into the key Christmas sales period. We expected to start the new financial year with a clean slate and we have. The result is vindication of our cost reduction program, further improvements to the inventory systems, improved supply chain efficiencies, the stabilisation of accounts and stronger relations with suppliers,” Mr Burrowes said.

“We are well on track to achieve a very strong half year result.”

Mitre 10 also said today that spontaneous consumer awareness of the Mitre 10 brand had jumped from 26 per cent to 32 per cent in the five months to September 30 this year, the highest level since January 2005.

“Our investment in the Mitre 10 brand is showing positive results, while the brand awareness of some of our competitors remained static or decreased,” Mr Burrowes said.

“The awareness reflects the additional marketing we have undertaken around our position as Australia’s leading independent hardware and home improvement company.

“Slogan awareness for Mitre 10 remains steady with about six out of 10 people in the survey correctly linking “Mighty Helpful” to Mitre 10.

The brand awareness survey is undertaken twice a year and was conducted by global market research specialists TNS.

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