

# CAVALIER CORPORATION

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**1 June 2017**

## **FY17 earnings guidance update**

The Board of Directors of Cavalier Corporation advises that normalised earnings after tax for the 16/17 year is now forecast to be a loss of around \$2 million, compared with the breakeven normalised profit after tax announced in February.

The reduction in forecast reflects ongoing difficult trading conditions in Australia that the Directors foreshadowed in February and, more recently, weaker demand in the New Zealand retail sector and exceptional competitor activity on both sides of the Tasman.

Cavalier has responded and will continue to respond as necessary to defend share in these markets.

The depressed wool market that the Directors discussed in February has continued, adversely impacting the performance of our wool acquisition business and earnings from our 27.5% interest in Cavalier Wool Holdings.

While the 16/17 forecast is down, the Directors are still expecting improved performance in 17/18 when the benefit of significantly reduced wool price and other cost out measures come through.



Paul Alston  
Chief Executive Officer  
For and on behalf of the Board of Directors

For more information regarding this announcement, please contact Paul Alston on 021 918 033 or 09 277 1135.