



ASX Announcement

13 August 2018

Closure of John Cootes Furniture

Further to Elanor Investors Group's ("ENN", "Elanor" or "Group") announcement on 25 June 2018, Elanor has completed a strategic review of the John Cootes Furniture business ("JCF"), including the consideration of a number of options. Elanor has sought interest for a sale of the business, but no firm proposals have been received to date. Following the review, Elanor has now decided to commence an orderly closure of the business.

The strategic review followed the deteriorating trading performance of JCF over the past year, and particularly during the six months ended 30 June 2018, reflecting a significant increase in the competitive environment for furniture retailing in New South Wales, and particularly the areas in which JCF trades.

It is expected that all JCF stores will be closed by the end of the calendar year. Twelve stores, and approximately 135 employees in NSW and the ACT, are affected. Elanor is committed to delivering full entitlements, redundancy payments and, additionally, an ex gratia payment to the 90 full-time and 45 part-time and casual employees.

The Ashley Furniture Homestores owned by the business will continue to trade whilst Elanor seeks to sell the Ashley Furniture component of the business as a going concern.

Elanor CEO, Glenn Willis said "Elanor acquired the business and the four properties in 2014. The significant increase in the competitive environment, combined with softer retail market conditions, has resulted in our decision to close the business."

JCF's 12 stores are located at Merrylands, Penrith, Tuggerah, Prospect, Newcastle, Auburn, Campbelltown, Canberra, Wagga Wagga, Taree, Bathurst and Rutherford. JCF's distribution centre is located at Silverwater. The stores will be closed progressively with all stores, other than the Merrylands store, expected to be closed by late September/early October.

ENN expects to announce its financial results for the year ended 30 June 2018 on Monday 20 August 2018. Elanor reaffirms its previously advised forecast distribution range for the six months ended 30 June 2018 of 8.2 cents to 8.6 cents per stapled security, with a point estimate of 8.4 cents. This point estimate results in a forecast distribution per security of 15.56 cents for the year ended 30 June 2018, reflecting a 22% increase on the prior comparative period.

Appropriate provisions for the orderly closure of JCF will be recorded in the financial statements of Elanor for the year ended 30 June 2018. It is not anticipated that trading of JCF post 30 June 2018 or the closure of JCF will impact the Group's Core Earnings for the year ending 30 June 2019.

ENDS.

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