

Rex Trueform turnover down by 2.5%

Rex Trueform on Wednesday, 16 November, advised that total group turnover for the four month period 1 July to 31 October decreased by 2.5%, largely a result of the discontinued manufacturing operation, which ceased on 30 June.

Retail sales from continuing operations (Queenspark) were impacted by the closure of three non-performing stores during the past twelve month period, which contributed to a decrease of 1.4% in retail trading space relative to the prior corresponding period, the company said.

"This restricted retail sales from continuing operations to an increase of 4.9% for the first four months of the 2012 financial year.

"Due to the withdrawal of the Duty Credit Certificate (DCC) benefits, profits for the first half of the 2012 financial year are expected to be negatively impacted," the company added.

Rex Trueform commented that in the 2011 financial year the retail segment operating profit improved by an amount of R14.3 million.

"We further anticipate that in the second half of the financial year there will be deterioration in margins due to escalating expenses and currency volatility, which we anticipate will negatively impact profits in respect of that period," it warned.

Rex Trueform's interim results for the six month period ending December 2011 are scheduled for release in March 2012.