

Noni B Limited  
2008 Annual General Meeting  
Address by joint managing director, James Kindl

Ladies and Gentlemen, it is a great privilege for David and I to lead Noni B and we thank the board for the opportunity.

I joined Noni B in 1992, when we had 30 odd stores, and seeing Noni B today as a strong, national chain with over 200 stores is very satisfying and fills me with pride. The secret of our success has, of course, been our excellent, retail-focused team and David and I are very proud to be able to lead them and chart the next stage of Noni B's growth.

While we can look back and share in past achievements, our focus now is to manage the present and to create a strategy and vision for the future success of our company.

As you are all aware from our ASX announcements and media reports, present trading conditions are very challenging. The negative news and financial instability in Australia and around the globe has taken its toll on consumer sentiment. We have been faced with a drop in demand and with pressure on our margins as we meet competitor activity.

While we did not anticipate such a severe downturn, we did expect consumer demand to slow and started to prepare for this last year, and especially in June when we restructured parts of our business and implemented cost containment initiatives, including stock management. As Bob has said, we are therefore in better shape than we would have been had we not acted when we did.

Fortunately, we have a loyal customer base and, while our customers are reducing their spending like all other consumers, we expect to maintain, and in fact increase, our share of the women's fashion market.

Managing a business through a challenging cycle, while at the same time positioning it for future growth calls for a different approach. Fresh thinking, firm disciplines and an even greater focus on Key Performance Indicators. Quite simply, we are driving short-term revenue growth with cost vigilance and tight stock management.

First, we must ensure that we never miss a sale, by driving the highest customer service standards in our stores, ensuring that we are in stock of fast moving lines, increasing shop floor efficiency and deploying our store team to maximise sales. Our sales team is focused totally on securing all available sales leading up to the all-important Christmas period.

Second, our marketing team has re-focused to ensure that we are communicating value to our customers and increasing our value proposition in our stores. This involves shifting our marketing mix to drive customer traffic in to the stores, through promotions and 'call to action' vehicles.

We have launched our new website and are continuing to strengthen and build our brand perceptions of quality, value and classic stylish clothing among our customers. Our aim is to make

Noni B the first choice for even more customers when they shop for clothing, knowing they will get the right product at the right price and be pampered with the best customer service available.

We are also continuing to develop our in-house designer label, Liz Jordan. It has its own branding focus, and its fashionable designs are delivering increased sales and higher profitability per item.

Third, we have increased the empowerment of our store managers and sales team, shortening reporting lines to allow quicker reaction and greater flexibility. Our sales team is motivated and customer-focused at all times.

Fourth, we are continuing to grow our buying margins and contain costs to decrease our cost of doing business. Management information is now flowing faster than ever, enabling quick, informed decisions to manage the business. Cost containment remains a focus for everyone in the business.

Last, and importantly, investment and refurbishment in our stores continue. A new and revitalised look is important for our future. Retailing operates in cycles, and while we are in a challenging cycle now, we must ensure that we are well placed when the cycle reverses. This is why we will continue to open stores and grow our business in a responsible way, and David will touch on this further in a few minutes.

As you can see, now – more than ever – it is time for us to review how we conduct and manage our business and to drive better and more efficient ways of doing things. This has always been a continuing process for Noni B and will hold us in good stead for the future.

Rest assured that our unique culture of family values – where we listen to the staff in our stores; maintain open communication, respect and support for one another; encourage passion; and strive for excellence – will never change.

While it is currently difficult to predict the future, we are dealing with what we have got and ensuring we take every opportunity to sell to our customers and maximise our sales and profitability.

Once again I would like to thank our directors and shareholders for the opportunity to lead this wonderful company that David and I both feel so passionately about. I also thank all members of the Noni B team for their hard work in challenging circumstances.

I will now pass you over to David.