

ASX/media release

20 October 2008

Noni B market update

Noni B Limited, the women's retail fashion group, advises that its sales over the first quarter of FY2009 have reflected a significant weakening in consumer spending on women's fashion. As a result, the company no longer expects to achieve its previous FY2009 after-tax profit guidance of between \$6.5 million and \$7.5 million, which assumed there would be no further deterioration in market conditions.

In view of the current economic uncertainty, with consumer confidence remaining weak as the key Christmas period begins, the company does not intend to issue revised earnings guidance. Management has taken a number of initiatives to boost sales and reduce costs and will continue to review opportunities to improve profitability. Stock remains under control and cash flow remains positive.

Most La Voca stock has been sold and there are no further lease commitments. Some stores have been converted to Noni B, and the remaining leases have been either surrendered or reassigned for a consideration of over \$0.5 million. A significant part of the \$2.5 million after-tax restructuring charge in the FY2008 accounts is expected to be written back in FY2009

Noni B Limited, founded in 1977, is one of Australia's leading fashion retailers. Its two brands, Noni and Liz Jordan, are designed for the woman who enjoys a full active lifestyle and wants to purchase stylish contemporary clothes for all occasions.

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