

ASX/media release

19 August 2009

## Noni B FY2009 results

Noni B Limited, the women's retail fashion group, today announced a net profit after tax of \$2.3 million for the year to 28 June 2009, slightly above the top of the range forecast in the market update on 10 July 2009. The result includes a \$0.8 million after-tax write-back of part of the La Voca restructuring charge in the company's FY2008 accounts and non-recurring costs totalling \$0.6 million after tax related to corporate and operational rationalisation of the Noni B business. Total sales revenue was \$118.2 million (FY2008: \$127.9 million).

A fully franked interim dividend of 2.0 cents per share was paid in April 2009. While there are signs that consumer sentiment is improving, the board has decided it would be prudent not to declare a final dividend at this time, but it intends to restore regular dividend payments as soon as trading improves.

Results summary for the full year	FY2009 <sup>1</sup> (\$000)	FY2008 <sup>2</sup> (\$000)	% change
Sales	118,153	127,859	(7.6)
EBITDA (Earnings before interest, tax, depreciation and amortisation)	7,640	6,688	14.2
EBIT (Earnings before interest and tax)	3,402	3,207	6.1
Profit before tax	3,291	3,589	(8.3)
Profit after tax	2,296	2,502	(8.2)
Earnings per share – basic/diluted (cents)	7.1c	7.8c	(8.9)
Final dividend per share (cents - fully franked)	-	10.0c	-
Total ordinary dividends per share (cents - fully franked)	2.0c	20.0c	(90.0)
<sup>1</sup> Includes write-back of La Voca restructure provision of \$808k after tax, less Noni B rationalisation cost of \$600k after tax.			
<sup>2</sup> Includes La Voca restructure provision of \$2.49 million after tax			

### Operational review

Joint managing director David Kindl said: 'As we announced on 10 July 2009, following an encouraging third quarter, demand weakened in the fourth quarter due to the economic pressure on Noni B's traditional customer base. Margins were affected by discounting, but inventory remained well under control.

'We are very pleased with our current inventory level, which at the end of June was lower than a year earlier – an important achievement in the current economic circumstances. The inventory mix is also better, with less winter stock and more new season summer stock.

'The number of Noni B stores increased during the year to 214 from 201, covering all states and territories. This included 18 new stores and 5 store closures. We are confident there is potential for a total of at least 250 stores, but will continue to be highly selective in choosing sites and negotiating favourable leases.

'Our strategy to attract a broader market demographic to Noni B stores and to become the dominant fashion retailer for 40+ women is beginning to win new customers. A key part of this strategy and our marketing program is to strengthen the appeal of our exclusive Liz Jordan brand as a designer label through in-store merchandising and external brand promotion.

'We are also building an email database to increase efficient communication with customers. Our new website, launched in October 2008, is already exceeding industry benchmarks according to the number and duration of visits.

'Our focus on maintaining the quality of our products and a high level of customer service has led to a further increase in membership of our loyalty program to nearly a million customers, of whom approximately 50 per cent buy regularly from Noni B stores.'

## **Outlook**

Although there has been uncertainty among Noni B's traditional 'baby boomer' market, demand has improved during recent weeks and our new season ranges have been well received.

The actions taken to broaden the company's market, increase margins and reduce expenses are having a positive impact on profitability, and further initiatives are planned for FY2010. Meanwhile, management is adopting a conservative approach to controlling inventory and expanding the branch network.

An update on progress will be provided at the annual general meeting on 28 October 2009.

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## **Noni B Briefing**

A briefing on the results will be held at FCR, Level 8, 2 Bligh Street, Sydney at 12.00 on 19 August 2009.

*Noni B Limited, founded in 1977, is one of Australia's leading women's fashion retailers with 214 stores nationally. Its two brands, Noni B and Liz Jordan, target the 40+ market.*

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