

ASX/media release

18 February 2010

Noni B first half profit \$3.6 million 6 cent interim dividend

Noni B Limited, the retail fashion group, today announced a 43.4 per cent increase in net profit after tax to \$3.6 million for the six months to 27 December 2009, compared with \$2.5 million for the first half of FY2009. Sales, at \$62.5 million, were in line with the previous corresponding period, but Noni B store sales (excluding La Voca) were up 3.1 per cent and comparative store sales increased by 1.6 per cent.

The directors have declared a fully franked interim dividend of 6.0 cents per share (2009: 2 cents), with a record date of 14 April 2010 and payable to shareholders on 28 April 2010.

Cash flow was strong; the company repaid its borrowings during the period and has no debt. Cash at 27 December 2009 was \$9.3 million, compared with \$3.0 million at 28 June 2009.

Results for the half year	27 Dec 2009 (\$000)	28 Dec 2008* (\$000)	% change
Sales	62,472	62,517	(0.1)
EBITDA (Earnings before interest, tax, depreciation and amortisation)	7,234	5,873	23.2
EBIT (Earnings before interest and tax)	5,264	3,768	39.7
Profit before tax	5,258	3,683	42.8
Profit after tax	3,644	2,542	43.4
Earnings per share - basic/diluted (cents)	11.4	7.9	44.3
Interim dividend (cents - fully franked)	6.0	2.0	

* includes sales of \$1.9 million and the reversal of restructuring provisions (\$1.2 million pre-tax and \$0.8 million after tax) related to the La Voca business which ceased trading in October 2008

'We are pleased that the actions we have taken to increase margins and reduce operating costs have resulted in significantly higher earnings,' said David Kindl, joint managing director.

'Tight inventory control enabled us to avoid the more aggressive discounting that took place leading up to Christmas, and this helped us increase our EBITDA margin to 11.6 per cent – a substantial improvement on the 9.4 per cent margin in the first half of FY2009 (7.5 per cent adjusted for the reversal of La Voca provision). Operating costs were reduced as a result of the restructuring initiatives we undertook in FY2009, which have led to increased productivity.

'Our Western Australian stores recorded the strongest comparative sales growth. Encouragingly, our stores in New South Wales and the ACT, which contribute more than 35 per cent of total sales, recorded higher than average comparative sales growth, reversing recent softness.

'Our number of stores increased by two to 216 during the half year. We are continuing to be highly selective in choosing sites and in negotiating lease renewals.'

'During the past three weeks we have met all store managers and have received a very encouraging response to our new season collections, which are being launched this week. We are continuing to focus our marketing budget on instore merchandising and on strengthening the appeal of our exclusive Liz Jordan designer label to increase our share of the 40+ fashion market.'

Outlook

'We remain cautious about customer demand during the coming months and will continue to keep inventory and costs under control. Sales since Christmas have been below the previous corresponding period, when we benefited from the federal government's first stimulus package. The initiatives we have taken to improve overall performance, however, will have an ongoing positive impact on earnings,' said Mr. Kindl.

Briefing

A briefing on the results will be held at FCR, Level 8, 2 Bligh Street, Sydney at 12.00pm on Thursday 18 February 2010.

Noni B Limited, founded in 1977, is one of Australia's leading women's fashion retailers with 216 stores nationally. It has two fashion labels, Noni B and Liz Jordan, and offers stylish, contemporary clothes for all occasions for the 40+ woman.

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