

ASX/media release

21 May 2008

Noni B market update

Noni B Limited, the women's retail fashion group, advises that after-tax profit for the year to 30 June 2008 is expected to be between \$6.0 million and \$6.7 million (FY2007:\$8.3 million).

Total sales are ahead of the same period of FY2007, and reports from shopping centres indicate that the company's stores are increasing their share of the current weak apparel market. Inventory has been kept under control through more selective buying and additional promotions, which have had an impact on average margin.

Noni B advised in February 2008 that its first half performance had been affected by a decline in consumer confidence, due mainly to recent interest rate rises and financial market instability. It has been widely reported that, since then, consumer confidence and discretionary spending on women's fashion have continued to weaken.

The performance of Noni B stores remains in line with FY2007. The performance of La Voca stores, which are at an early stage of development and are a key element of the company's long-term growth strategy, is similar to the first half when they recorded an after-tax loss of \$0.8 million. Moving the La Voca business into profit and achieving its full potential are major priorities for management.

Noni B has strong operating cash flow and no debt and is well placed to capitalise on an improvement in consumer demand. The company continues to invest in further growth, while containing costs, and it plans to open a further seven stores by December 2008, bringing the total to 227. Marketing programs are focused on building the Noni B, Liz Jordan and La Voca brands, on maintaining the loyalty of Noni B's 800,000 loyalty program members, and on expanding the company's regular customer base.

Noni B's results for FY2008 will be announced on 20 August 2008.

*Noni B Limited, founded in 1977, is one of Australia's leading fashion retailers with 220 stores nationally. The company has two store concepts: **Noni B** which offers both the Noni and Liz Jordan brands to the woman who enjoys a full active lifestyle and wants to purchase stylish contemporary clothes for all occasions; and **La Voca** which offers the aspirational woman chic European-inspired designs which embrace her individual sophisticated lifestyle.*

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