

ASX/media release

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Noni B market update

Noni B Limited, the retail fashion group, today announced that, following an encouraging third quarter after the December 2008 stimulus payments, demand weakened in the fourth quarter as the company's core customer base constrained spending in the difficult economic conditions. Noni B store apparel sales for FY2009, at \$116.2 million, were only 3.6 per cent below sales for FY2008 (\$120.6 million), however, the fourth quarter was characterised by industry-wide discounting which affected the company's margins.

As a result, the company's unaudited after-tax profit for FY2009 is now expected to be between \$1.9 million and \$2.2 million (including a \$0.8 million after tax write-back of the La Voca restructuring charge). This compares with \$2.5 million in FY2008 after the La Voca trading loss and restructuring charge.

Seven new stores were opened in the second half, and four stores closed. The total number of Noni B stores at 28 June 2009 was 214, compared with 201 a year ago. Further stores will be opened in FY2010 where it is possible to negotiate satisfactory lease terms.

Stock levels remain under control, and management has implemented many initiatives to reduce the overall cost base which will lead to ongoing cost savings in FY 2010.

"We are continuing to pursue our strategy of broadening the appeal of our Noni B and Liz Jordan brands which are designed especially for 40+ women and we intend to become the dominant fashion retailer in this market sector," said David Kindl, joint managing director of Noni B.

"This clear strategy, combined with our strong relationship with our 850,000 loyalty customers, superior customer service and continued growth in store numbers, positions Noni B to benefit from any improvement in discretionary spending by our customers."

Noni B's audited results for the financial year ending 28 June 2009 will be announced on Wednesday 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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