



# Noni B Limited

## Results presentation for the six months to 26 December 2010

17 February 2011

NONI B

# Key points

- Sales \$61.4 million, down 1.7% due to low consumer confidence and cool, wet weather
- EBITDA \$4.1 million (pcp: \$7.2 million), with industry discounting hitting margins
- NPAT \$1.5 million (pcp: \$3.6 million)
- 1.0 cent fully franked dividend, reflecting market uncertainties
- Inventory under control
- Focus on managing costs, although marketing and training investment increased

# Financial summary

Results for the six months to	26 Dec 2010 (\$000)	27 Dec 2009 (\$000)	% change
Sales	61,394	62,472	(1.7)
EBITDA (Earnings before interest, tax, depreciation and amortisation)	4,103	7,234	(43.3)
EBIT (Earnings before interest and tax)	2,136	5,264	(59.4)
Profit before tax	2,213	5,258	(59.7)
Profit after tax	1,520	3,644	(58.0)
Earnings per share - basic/diluted (cents)	4.7	11.4	(58.7)
Interim dividend (cents - fully franked)	1.0	6.0	-

- NPAT compares with guidance of \$1.5 - \$1.9 million
- Comparable store revenue down 2.1%
- Dividend record date 14/4/2011; payable 28/4/2011

# Balance sheet

	26-Dec-10 (\$000)	27-Dec-09 (\$000)	% change
Current assets	26,974	25,823	4.46
Non current assets	23,818	24,409	(2.42)
Total assets	50,792	50,232	1.11
Current liabilities	22,112	20,381	8.49
Non current liabilities	2,407	2,585	(6.88)
Total liabilities	24,519	22,966	6.76
Net assets	26,273	27,266	(3.64)
Issued capital	22,105	22,105	-
Reserves	364	210	73.30
Retained earnings	3,804	4,951	(23.17)
Total equity	26,273	27,266	(3.64)

- Cash of \$8.7 million, compared with \$9.3 million December 2009
- No bank borrowings

# Cash flow

	26-Dec-10 (\$000)	27-Dec-09 (\$000)	% change
Net cash from operating activities	7,137	10,582	(32.55)
Net cash used in investing activities	(1,829)	(1,174)	55.79
Net cash used in financing activities	(1,039)	(3,095)	(66.43)
Net increase in cash and cash equivalents	4,269	6,313	(32.38)
Cash and cash equivalents at beginning of half year	4,420	2,964	49.12
Cash and cash equivalents at the end of the half year	8,689	9,277	(6.34)

- Cash flow from operations \$7.1 million (pcp: \$10.6 million)

# Operational review - 1

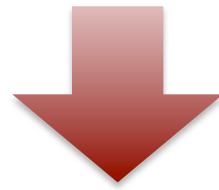
- Consumer confidence low since federal election
- Cool, wet weather in early summer delayed purchases of summer ranges
- Sales strongest in Western Australia
- Avoided most aggressive discounting but had to meet market, resulting in slight decrease in gross profit margin
- Inventory under control

# Operational review - 2

- Modest increase in operational costs
- Marketing spend increased to expand market share
- Staff training investment increased to enhance retail skills
- EBA renegotiated
- Opened five new stores (Sydney CBD, Perth CBD, Weston (ACT), Glenorchy (Tas), Top Ryde (NSW))
- Closed one non-performing store (Gold Coast)
- 217 stores at end December covering all main population centres

# Strategy update: overall strategy

- Strengthen relationships with existing customers through million+ loyalty program and growing email database
- Expand customer base through promoting Liz Jordan designer range and instore presentation



***Increase market share***



# Strategy update: stores

- Continue to review opportunities to increase market coverage
- Will only open stores and renew leases where terms reflect present market conditions
- Refurbishment program continuing



# Strategy update: product/new ranges

- New season's ranges well received by store staff and customers
- Noni B label updated for traditional customers
- Designer label Liz Jordan appealing to many new customers
- Differentiating Liz Jordan through collaboration with young Australian designer
- Quality non-negotiable with strong value proposition
- Products bought in Australian dollars from Australian suppliers



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# Our people and communities

- All business and store managers have completed nationally-recognised retail qualifications
- Highest EOWA\* rating
- Flexible arrangements to assist employees with family responsibilities
- Build community relationships through local events
- Mission Australia support through 'Jumpers for Joy' program



\*Equal Opportunity for Women in the Workplace Agency

# Outlook

- Cautious about demand
- Consumer confidence remains volatile and may be affected by prospect of higher energy costs and flood levy
- Trading in some stores disrupted by floods in Queensland and Victoria and by cyclone Yasi
- All staff safe and no serious damage to Noni B assets
- Continuing to manage tightly those aspects of the business we can control
- Confident our strong brand and reputation for quality fashion, service and value will enable Noni B to rebound when demand improves



# Questions



***“Noni B now isn’t the Noni B you knew”***

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# Appendix

NONI B

# About Noni B

- One of Australia's leading women's fashion retailers
- Focused on 40+ woman
- Founded in 1977; listed on ASX in 2000
- 217 stores nationally
- Two labels: Noni B and Liz Jordan
- Strong people focus; family culture; highly motivated team
- Market capitalisation: \$32 million

[www.nonib.com.au](http://www.nonib.com.au)

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# Management team

## Joint managing directors

**David Kindl**

Strategy, finance,  
administration, IT distribution,  
property and investor relations

**James Kindl**

Retail operations, HR,  
buying and marketing

**Chief financial officer  
and company secretary**

**Ann Phillips**

**General manager  
buying and marketing**

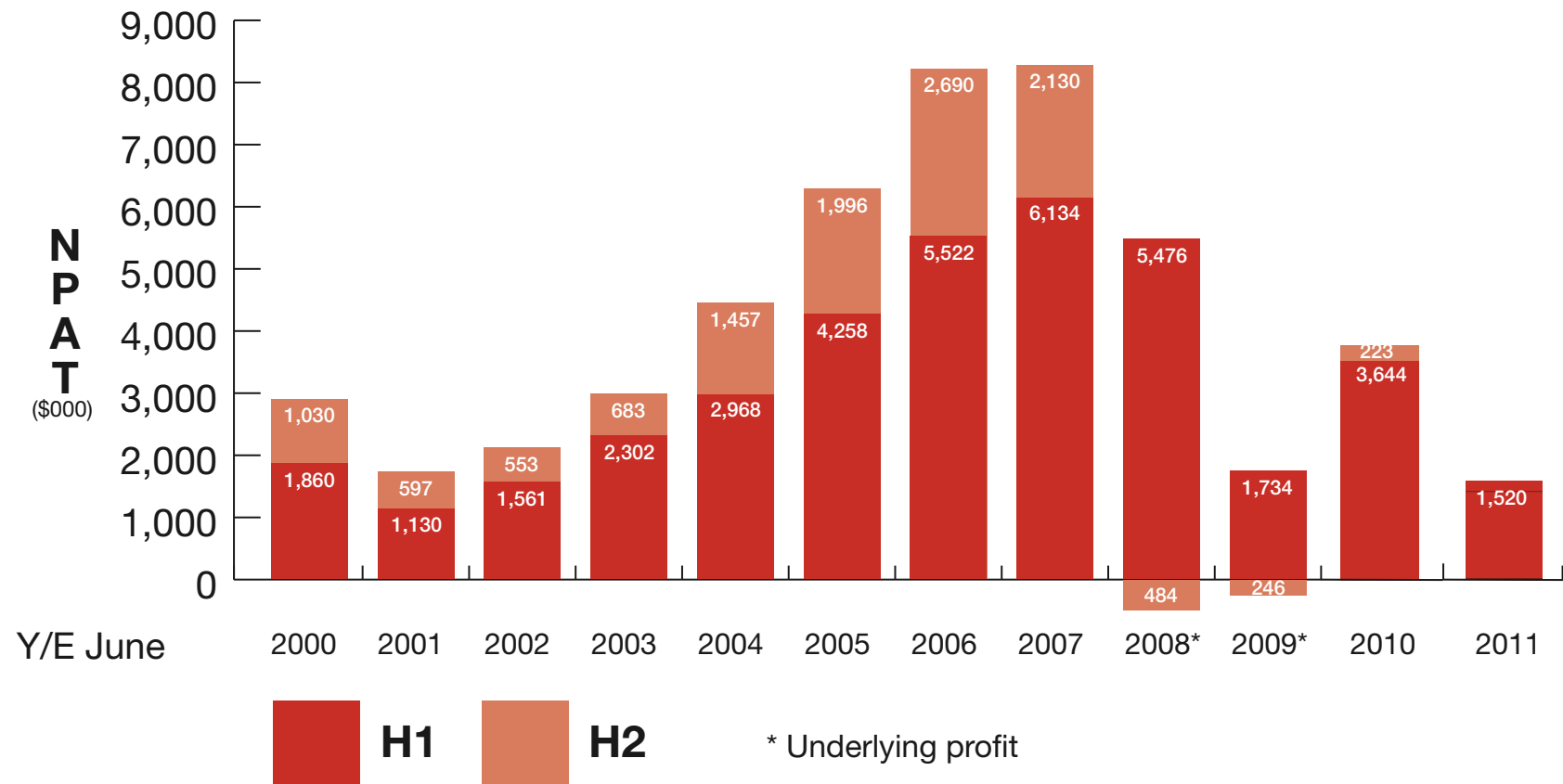
**Rhonda Kilpatrick**

**General manager  
human resources  
services**

**Philip Fikkers**

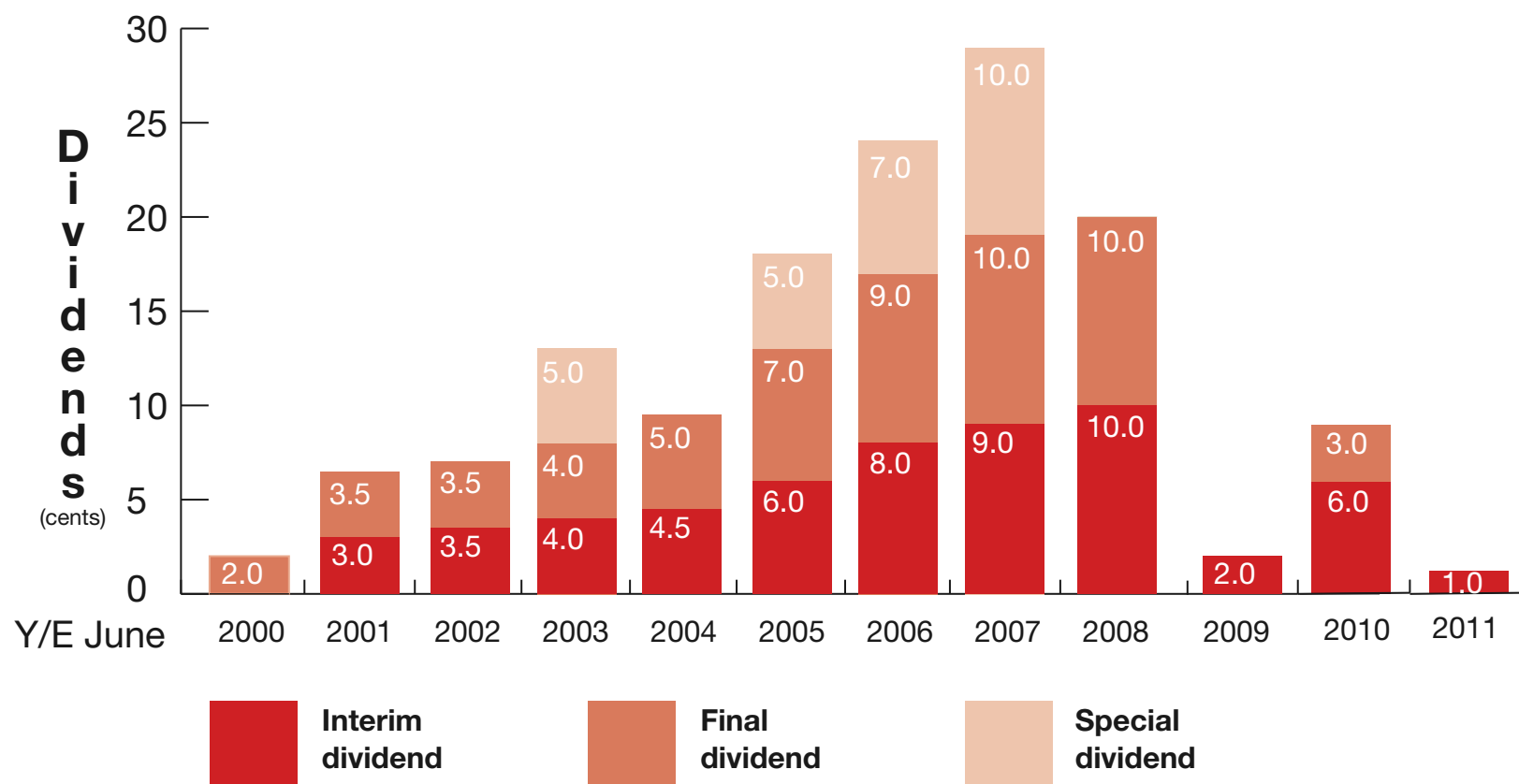


# Profit history



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# Dividend history



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