

## Appendix 4E

### Preliminary Final Report

**1. Name of entity**

Kresta Holdings Limited

ABN

26 008 675 803

Financial year ended ("current year")

30 June 2013

Comparative prior year ended ("prior year")

30 June 2012

**2. For announcement to the market**

					\$'000
2.1	Revenue from ordinary activities	down	9.1%	to	100,755
2.2	Profit from ordinary activities after tax attributable to members	up	94.1%	to	1,535
2.3	Net profit for the period attributable to members	up	94.1%	to	1,535
2.4	Dividends (see section 7)	Amount per security		Franked amount per security	
	Final dividend	0.25 cents		0.25 cents	
	Interim dividend	Nil		Nil	
2.5	Record date for determining entitlements to the dividends	11 October 2013			
2.6	Payment date of the dividends	25 October 2013			
2.7	Brief explanation of any of the figures reported above:  See audited financial statements.				

**3. Consolidated statement of comprehensive income**

	<b>Note</b>	<b>2013</b> \$000	<b>2012</b> \$000
Sale of goods		100,755	110,896
<b>Revenue</b>		100,755	110,896
Other income	3a	4,401	3,964
Changes in inventories of finished goods and work in progress		(1,742)	(3,824)
Raw materials and consumables used		(27,558)	(29,170)
Employee benefits expense	3b	(40,770)	(46,591)
Depreciation and amortisation charge	3c	(1,825)	(2,200)
Other expenses	3d	(31,412)	(32,685)
<b>Results from operating activities</b>		1,849	390
Finance income		193	249
Finance costs		(237)	(526)
<b>Net finance costs</b>	3e	(44)	(277)
<b>Profit before income tax</b>		1,805	113
Income tax (expense) / benefit		(270)	678
<b>Net profit for the period</b>		1,535	791
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net foreign currency translation		(40)	(44)
Effective portion of changes in fair value of cash flow hedges, net of tax		23	(5)
<b>Other comprehensive income for the period, net of tax</b>		(17)	(49)
<b>Total comprehensive income for the period</b>		1,518	742
<b>Total comprehensive income attributable to owners of the Company</b>		1,518	742
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent:</b>			
Basic earnings per share		1.06 cents	.55 cents
Diluted earnings per share		1.06 cents	.55 cents

**3. Other income and expenses**

	<b>2013</b>	<b>2012</b>
	\$000	\$000
<b>(a) Other income</b>		
Government grants	70	132
Net gain from disposal of property, plant & equipment	3,580	3,495
Net unrealised gain from derivatives	55	-
Other	696	337
	<u>4,401</u>	<u>3,964</u>
<b>(b) Employee benefits expense</b>		
Wages and salaries	25,775	29,550
Superannuation expense	2,140	2,342
Employee share-based payment	64	-
Subcontractors	10,154	11,597
Other employee benefits expense	2,637	3,102
	<u>40,770</u>	<u>46,591</u>
<b>(c) Depreciation and amortisation charge</b>		
Depreciation	1,727	2,107
Amortisation of IT software	98	93
	<u>1,825</u>	<u>2,200</u>
<b>(d) Other expenses</b>		
Advertising	9,727	10,377
Property rent	8,144	8,489
Property outgoings	3,805	4,073
Communication expenses	2,234	2,311
Banking and transaction expenses	806	1,050
Impairment loss – receivables	3	331
Impairment loss – intangibles	1,686	-
Net unrealised loss from derivatives	-	48
Foreign exchange losses	179	84
Freight	2,054	2,525
Other expenses	2,774	3,397
	<u>31,412</u>	<u>32,685</u>
<b>(e) Net finance costs</b>		
Finance income	193	249
Finance charges payable under finance leases and hire purchase contracts	(20)	(24)
Other borrowing costs	(217)	(502)
Finance costs	<u>(237)</u>	<u>(526)</u>
<b>Net finance costs</b>	<u>(44)</u>	<u>(277)</u>

**4. Consolidated statement of financial position**

	<b>2013</b>	<b>2012</b>
	\$000	\$000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,206	3,455
Trade and other receivables	2,338	2,931
Inventories	9,093	9,303
Prepayments	1,153	848
Derivative financial instruments	4	-
Income tax receivable	272	676
Non-current assets held for sale	-	1,933
<b>Total current assets</b>	<u>18,066</u>	<u>19,146</u>
<b>Non-current assets</b>		
Trade and other receivables	50	26
Property, plant and equipment	12,220	13,788
Deferred tax assets	2,714	2,984
Intangible assets and goodwill	2,061	3,826
<b>Total non-current assets</b>	<u>17,045</u>	<u>20,624</u>
<b>TOTAL ASSETS</b>	<u>35,111</u>	<u>39,770</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	7,310	8,128
Interest-bearing loans and borrowings	1,315	5,549
Provisions	3,851	4,152
Derivative financial instruments	28	102
Government grants	34	-
<b>Total current liabilities</b>	<u>12,538</u>	<u>17,931</u>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	150	1,001
Provisions	1,112	1,109
<b>Total non-current liabilities</b>	<u>1,262</u>	<u>2,110</u>
<b>TOTAL LIABILITIES</b>	<u>13,800</u>	<u>20,041</u>
<b>NET ASSETS</b>	<u>21,311</u>	<u>19,729</u>
<b>EQUITY</b>		
Contributed equity	12,733	11,961
Employee reserved shares	(772)	-
Reserves	(392)	(439)
Retained earnings	9,742	8,207
<b>TOTAL EQUITY</b>	<u>21,311</u>	<u>19,729</u>

**5. Consolidated statement of cash flows**

	<b>2013</b>	<b>2012</b>
	\$000	\$000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	112,407	122,358
Payments to suppliers and employees (inclusive of GST)	(111,357)	(123,613)
Receipt of government grants	104	-
Interest received	193	249
Interest paid	(237)	(526)
Income tax received / (paid)	403	(24)
<b>Net cash flows from / (used in) operating activities</b>	<u>1,513</u>	<u>(1,556)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	6,349	4,911
Purchase of property, plant and equipment	(958)	(1,531)
Purchase of intangibles	(19)	(1,004)
<b>Net cash flows from investing activities</b>	<u>5,372</u>	<u>2,376</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,083	590
Repayment of borrowings	(6,085)	(2,818)
Payment of finance lease liabilities	(83)	(93)
<b>Net cash flows used in financing activities</b>	<u>(5,085)</u>	<u>(2,321)</u>
Net increase / (decrease) in cash and cash equivalents	1,800	(1,501)
Net foreign exchange differences	(49)	(46)
Cash and cash equivalents at beginning of period	3,455	5,002
<b>Cash and cash equivalents at end of period</b>	<u>5,206</u>	<u>3,455</u>

## 5.1 Reconciliation of net profit after tax to net cash flows from operations

	2013	2012
	\$000	\$000
Net profit	1,535	791
<i>Adjustments for:</i>		
Depreciation	1,727	2,107
Amortisation	98	93
Net gain on disposal of property, plant and equipment	(3,580)	(3,495)
Net unrealised (gain) / loss on derivatives	(55)	48
Share-based payment expense	64	-
Impairment – intangibles	1,686	-
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in trade and other receivables	569	135
(Increase) / decrease in inventories	210	1,105
(Increase) / decrease in deferred tax assets	270	(726)
(Increase) / decrease in prepayments	(305)	69
Increase / (decrease) in trade and other payables	(818)	(493)
Increase / (decrease) in government grants	34	(132)
Increase / (decrease) in tax receivables/payable	404	24
Increase / (decrease) in provisions	(326)	(1,082)
Net cash (used in) / from operating activities	<u>1,513</u>	<u>(1,556)</u>

## 5.2 Reconciliation of cash

	2013	2012
	\$000	\$000
Cash at bank and on hand	<u>5,206</u>	<u>3,455</u>

## 5.3 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows:

Nil
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## 5.4 Financing facilities available

Total facilities of \$4.46m (2012: \$9.55m), consisting of \$2.08m (2012: \$2.08m) overdraft, \$0.74m (2012: \$0.74m) bank guarantee, \$0.18m (2012: \$0.18m) trade, \$0.09m (2012: \$0.18m) hire purchase and finance lease, \$0.46m (2012: \$0.47m) insurance finance loan, and \$0.91m (2012: \$5.90m) bill facilities.
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## 5.5 Financing facilities used

Total facilities used of \$1.88m (2012: \$6.95m), consisting of \$0.42m (2012: \$0.40m) bank guarantee, \$0.09m (2012: \$0.18m) hire purchase and finance lease, \$0.46m (2012: \$0.47m) insurance finance loan, and \$0.91m (2012: \$5.90m) bill facilities.
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6. Consolidated statement of changes in equity

	Ordinary shares	Employee reserved shares	Employee equity benefits reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>At 1 July 2012</b>	11,961	-	48	(19)	(468)	8,207	19,729
Profit for the period	-	-	-	-	-	1,535	1,535
Other comprehensive income	-	-	-	23	(40)	-	(17)
<b>Total comprehensive income for the period</b>	-	-	-	23	(40)	1,535	1,518
Employee share plan issue	772	(772)	-	-	-	-	-
Share-based payments	-	-	64	-	-	-	64
<b>At 30 June 2013</b>	12,733	(772)	112	4	(508)	9,742	21,311
<b>At 1 July 2011</b>	11,961	-	48	(14)	(424)	7,416	18,987
Loss for the period	-	-	-	-	-	791	791
Other comprehensive income	-	-	-	(5)	(44)	-	(49)
<b>Total comprehensive income for the period</b>	-	-	-	(5)	(44)	791	742
<b>At 30 June 2012</b>	11,961	-	48	(19)	(468)	8,207	19,729

## 7. Dividends

Date dividend is payable	25 October 2013
Record date to determine entitlements to the dividend (i.e. on the basis of security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules – securities are CHESS approved)	11 October 2013
If it is a final dividend, has it been declared	Yes

### 7.1 Amount per security

	Amount per security	Franked amount per security at 30% tax
<b>Final dividend:</b> Current year	0.25 cents	0.25 cents
Prior year	Nil	Nil
<b>Interim dividend:</b> Current year	Nil	Nil
Prior year	Nil	Nil

### 7.2 Total dividend per security (interim plus final)

	Current year	Prior year
Ordinary securities	0.25 cents	Nil

### 7.3 Preliminary final report – final dividend on all securities

	Current year	Prior year
Ordinary securities	0.25 cents	Nil
Total	0.25 cents	Nil

Any other disclosures in relation to dividends

Nil

## 8. Dividend plan

Details of the dividend reinvestment plan are as follows:

There is no dividend reinvestment plan in place.

The last date for receipt of election notices for participation in the dividend reinvestment plan

N/A



**9. NTA backing**

	Current year	Prior year
Net tangible asset backing per ordinary security	12.9 cents	11.0 cents

**10. Details of entities over which control has been gained or lost during the period**

Nil
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**11. Details of associates and joint venture entities**

Nil
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**12. Other significant information**

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Refer audited financial statements

**13. Foreign entities**

For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Accounting Standards).

N/A

**14. Commentary on results**

A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results.

Refer audited financial statements

#### 14.1 Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with AASB 133: <i>Earnings Per Share</i> are as follows:	Current year	Prior year
	\$'000	\$'000
Basic earnings:	1,535	791
Diluted earnings:	1,535	791
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic EPS:	144,158,518	144,158,518
Weighted average number of ordinary shares used in the calculation of diluted EPS:	144,507,272	144,158,518
Basic earnings per security:	1.06 cents	0.55 cents
Diluted earnings per security:	1.06 cents	0.55 cents

#### 14.2 Returns to shareholders

Including distributions and buy backs.

N/A

#### 14.3 Significant features of operating performance

Refer audited financial statements

#### 14.4 Segment report

The consolidated entity operates predominantly in Australia and substantially in one business segment being the manufacturing and sale of window coverings.

#### 14.5 Trends

Refer audited financial statements

#### 14.6 Other factors

Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

Nil

**15. Status of audit or review**

This report is based on accounts to which one of the following applies:

- |                                     |  |                          |   |
|-------------------------------------|--|--------------------------|---|
| <input checked="" type="checkbox"/> | The accounts have been audited.  | <input type="checkbox"/> | The accounts have been subject to review.           |
| <input type="checkbox"/>            | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

**16. Dispute or qualification – accounts not yet audited or subject to review**

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

N/A

**17. Dispute or qualification – accounts audited or subject to review**

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

N/A