

Kresta Holdings Limited

A.B.N. 26 008 675 803

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24 August 2009

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir/Madam

2009 FULL YEAR RESULT

In accordance with ASX Listing Rule 4.3A please find attached:

- Managing Director's announcement
- Appendix 4E

Yours faithfully



Thye Tan
COMPANY SECRETARY

enc

24th August 2009

Higher second-half earnings cushion Kresta's year-end result

The directors of Kresta Holdings Limited are pleased to report a significant improvement in its second-half results compared to the same six months last year, despite generally weaker consumer confidence in the Australian retail sector. This is particularly pleasing because Kresta's second-half trading results in each financial year have traditionally been lower than the first six months. This turn-around has been achieved mainly as a result of a focused programme to increase sales and reduce debtors, inventories and costs and the deferral of capital expenditure on new store-openings.

Earnings before interest and tax (EBIT) for the second-half was \$3.7 million compared to \$1.7 million in the corresponding period last year, an increase of 114 per cent.

On the back of this performance Kresta has recorded a full-year EBIT of \$6.3 million which is 12 per cent lower than the previous year's \$7.2 million. This result was achieved after the absorption of a number of one-off costs incurred as an integral part of the group's strategy to position the business against any further deterioration in the economy, including growing unemployment. These one-off costs were:

- Redundancy payments of \$450,000
- Closure of four non-performing stores and the relocation/refurbishment of seven stores at a cost of \$200,000
- Restructuring of the group's fitting and service department at a cost of \$400,000
- Opening seven new stores at a cost of \$900,000

In addition, an unrealised foreign exchange loss of \$500,000 has been booked to comply with IFRS requirements to recognize the valuation of derivatives at year-end. The directors have reviewed the carrying-value of other non-current assets, including land and buildings, and are satisfied that no adjustment to these values is required.

Kresta's net profit after tax for the year-ended 30 June 2009 was \$3.7 million compared to \$4.3 million last year (down 14.8 per cent) and earnings per share was 2.68 cents compared to last year's 3.22 cents. Group revenue for the year ended 30 June 2009 was \$117 million which was 0.4 per cent higher than sales of \$116 million achieved in 2008.

Final dividend

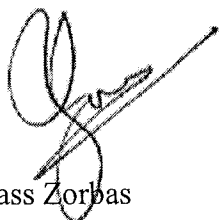
The directors have declared a fully-franked final dividend of one cent, payable in October 2009.

Outlook

It is the Kresta Board's view that the general economy and the retail trading environment remains fragile, particularly with the risk of higher unemployment, but the directors are confident that as a result of measures taken during the last two years, Kresta is well-positioned to withstand any further downturn in market conditions and to take advantage of any upturn when it occurs.

The group will continue to focus on its strategy of conserving a strong cash position and controlling costs.

For further information please contact:



Tass Zorbas

Managing Director

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APPENDIX 4E

Preliminary final report

1. Name of entity

Kresta Holdings Limited

ABN

26 008 675 803

Financial year ended ('current period')

30 June 2009

Previous corresponding period

30 June 2008

2. For announcement to the market

Results for announcement to the market.

2.1	Revenues from ordinary activities	up	0.4%	to	\$'000 117,104
2.2	Profit from ordinary activities after tax attributable to members	down	14.8%	to	3,658
2.3	Net profit for the period attributable to members	down	14.8%	to	3,658
2.4	Dividends (see section 6)	Amount per security		Franked amount per security	
	Final dividend	1.0 cent		1.0 cent	
	Interim period	Nil		Nil	
2.5	Record date for determining entitlements to the dividend	13 October 2009			
2.6	Brief explanation of any of the figures reported above: Refer attached				

3. Consolidated income statement

	Notes	CONSOLIDATED	
		2009 \$'000	2008 \$'000
Continuing operations			
Sale of goods		116,999	116,421
Finance revenue		105	196
Revenue	1a	117,104	116,617
Other income	1b	948	925
Changes in inventories of finished goods and work in progress		(2,509)	57
Raw materials and consumables used		(52,157)	(53,415)
Employee benefits expense	1c	(28,187)	(28,493)
Depreciation and amortisation expense	1d	(2,355)	(2,179)
Other expenses	1e	(26,515)	(26,325)
Finance costs	1f	(1,062)	(1,021)
Profit from continuing operations before income tax		5,267	6,166
Income tax expense		(1,609)	(1,872)
Profit attributable to members of the parent		3,658	4,294
Earnings per share (cents per share)			
Basic earnings per share (cents per share)		2.68	3.22
Diluted earnings per share (cents per share)		2.68	3.22
Franked dividends per share (cents per share)		1.00	2.50

Notes to the consolidated income statement

		CONSOLIDATED	
		2009	2008
		\$'000	\$'000
1. REVENUE INCOME AND EXPENSES			
<i>Revenue and Expenses from Continuing Operations</i>			
(a) Revenue			
Sale of goods	116,999	116,421	
Finance revenue	105	196	
	<u>117,104</u>	<u>116,617</u>	
(b) Other income			
Government grants	371	449	
Net gain from disposal of property, plant & equipment	-	6	
Others	577	470	
	<u>948</u>	<u>925</u>	
(c) Employee benefits expense			
Wages & salaries	15,471	14,158	
Defined contribution superannuation expense	2,628	2,674	
Employee share based payments	2	6	
Consultant commissions	8,132	8,315	
Installation fees	495	900	
Provision for long service leave	131	50	
Others	1,328	2,390	
	<u>28,187</u>	<u>28,493</u>	
(d) Depreciation and amortisation expense			
Depreciation	2,299	2,119	
Amortisation of IT software	56	60	
	<u>2,355</u>	<u>2,179</u>	
(e) Other expenses			
Advertising	10,163	10,679	
Property rent & lease payments	6,878	6,213	
Property outgoings	2,351	2,213	
Communication expenses	2,245	2,215	
Banking and transaction expenses	985	1,142	
Impairment allowance – loans and receivables	17	364	
Net loss from disposal of property, plant & equipment	107	-	
Other expenses	3,769	3,499	
	<u>26,515</u>	<u>26,325</u>	
(f) Finance costs			
Finance charges payable under finance lease and hire purchase agreements	217	279	
Other borrowings	845	742	
Total Finance cost expensed	<u>1,062</u>	<u>1,021</u>	

4.1 Consolidated balance sheet

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
ASSETS		
Current Assets		
Cash and cash equivalents	7,511	5,556
Trade and other receivables	3,462	3,458
Inventories	21,168	23,677
Prepayments	677	774
Total Current Assets	32,818	33,465
Non-current Assets		
Property, plant and equipment	18,130	15,574
Deferred tax assets	1,799	1,615
Intangible assets and goodwill	1,439	1,495
Total Non-current Assets	21,368	18,684
TOTAL ASSETS	54,186	52,149
LIABILITIES		
Current Liabilities		
Trade and other payables	10,007	11,654
Interest-bearing loans and borrowings	3,618	1,721
Income tax payable	542	1,248
Provisions	4,120	3,979
Derivatives	471	40
Government grants	53	35
Total Current Liabilities	18,811	18,677
Non-current Liabilities		
Interest-bearing loans and borrowings	10,434	11,939
Provisions	603	551
Government grants	204	136
Total Non-current liabilities	11,241	12,626
TOTAL LIABILITIES	30,052	31,303
NET ASSETS	24,134	20,846
EQUITY		
Contributed equity	11,676	10,679
Reserves	(220)	(184)
Retained earnings	12,678	10,351
TOTAL EQUITY	24,134	20,846

4.2 Statement of changes in equity

<i>CONSOLIDATED</i>	Issued Capital	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2007	10,679	(68)	9,386	19,997
Foreign currency translation	-	(122)	-	(122)
Total income and expense for the year recognised directly in equity	-	(122)	-	(122)
Profit for the year	-	-	4,294	4,294
Total income and expense for the year	-	(122)	4,294	4,172
Share-based payment	-	6	-	6
Dividends	-	-	(3,329)	(3,329)
At 30 June 2008	10,679	(184)	10,351	20,846
At 1 July 2008	10,679	(184)	10,351	20,846
Foreign currency translation	-	(38)	-	(38)
Income tax on item taken directly to equity	1	-	-	1
Total income and expense for the year recognised directly in equity	1	(38)	-	(37)
Profit for the year	-	-	3,658	3,658
Total income and expense for the year	1	(38)	3,658	3,621
Share-based payment	-	2	-	2
Shares issued	1,000	-	-	1,000
Transaction costs – shares issued	(4)	-	-	(4)
Dividends	-	-	(1,331)	(1,331)
At 30 June 2009	11,676	(220)	12,678	24,134

5.1 Consolidated cash flow statement

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	125,238	129,879
Payments to suppliers and employees	(113,416)	(119,522)
Government grants received	457	514
Interest received	105	142
Interest paid	(1,062)	(1,021)
Income tax (paid)/received	(2,498)	(1,521)
Net cash flows from/(used in) operating activities	8,824	8,471
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipment	50	317
Purchase of property, plant & equipment	(5,011)	(3,252)
Net cash flows from/(used in) investing activities	(4,961)	(2,935)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,000	-
Transaction costs on issue of shares	(4)	-
Payment of dividend on ordinary shares	(3,328)	(2,664)
Proceeds from borrowings	1,602	2,800
Repayment of borrowings	(3,011)	(1,385)
Net cash flows from/(used in) financing activities	(3,741)	(1,249)
Net increase/(decrease) in cash and cash equivalents	122	4,287
Cash and cash equivalents at beginning of year	5,556	1,317
Effect of exchange rate changes on the balance of cash held in foreign currencies	32	(48)
Cash and Cash Equivalents at end of year	5,710	5,556

5.2 Reconciliation of the net profit after tax to the net cash flows from operations

	2009 \$'000	2008 \$'000
Net profit	3,658	4,294
Adjustments for non cash items:		
Depreciation of non-current assets	2,299	2,119
Amortisation of non-current assets	56	60
Foreign exchange reserve	(38)	(125)
Employee share options	2	6
Net (gain)/loss on disposal of property, plant and equipment	107	(6)
Fair value change in derivatives	431	(200)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(4)	1,343
(Increase)/decrease in inventory	2,509	(57)
(Increase)/decrease in deferred tax assets	(184)	(61)
(Increase)/decrease in prepayments	97	(11)
(Decrease)/increase in trade and other payables	318	618
Increase/(decrease) in government grants	86	61
(Decrease)/increase in tax receivable/payable	(706)	120
(Decrease)/increase in provisions	193	310
Net cash flow from operating activities	<u>8,824</u>	<u>8,471</u>

5.3 Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated cash flow statement) to the related items in the accounts is as follows.

	7,511	5,556
Cash at bank and in hand		
Bank overdraft	(1,801)	-
Total cash at end of period	<u>5,710</u>	<u>5,556</u>

5.4 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

5.5 Financing facilities available

An overdraft facility of \$4.3m and bill facilities of \$11.4m exist with the Commonwealth Bank of Australia

5.6 Acquisition of controlled entity

Nil

6.1 Dividends

Date the dividend is payable

23 October 2009

Record date to determine entitlements to the dividend (ie, 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)

13 October 2009

If it is a final dividend, has it been declared?

Yes

6.2 Amount per security

	Amount per security	Franked amount per security at 30% tax
Final dividend: Current year	1.0 ¢	1.0 ¢
Previous year	1.0 ¢	1.0 ¢
Interim dividend: Current year	Nil	Nil
Previous year	1.5 ¢	1.5 ¢

6.3 Total dividend per security (interim *plus* final)

	Current year	Previous year
Ordinary securities	1.0 ¢	2.5 ¢

6.4 Preliminary final report - final dividend on all securities

	Current period \$'000	Previous corresponding period \$'000
Ordinary securities	1.0 ¢	1.0 ¢
Total	1.0 ¢	1.0 ¢

Any other disclosures in relation to dividends.

Nil

7. 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

8. Consolidated retained profits

	Current period \$'000	Previous corresponding period \$'000
Retained profits at the beginning of the financial period	10,351	9,386
Net profit attributable to members	3,658	4,294
Adjustment to deferred tax	-	-
Dividends and other equity distributions paid or payable	(1,331)	(3,329)
Retained profits at end of financial period	12,678	10,351

9. NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	15.8¢	14.5¢

10. Control gained/lost over entities having material effect

Nil

11. Details of aggregate share of profits (losses) of associates and joint venture entities

Nil

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 attached

13. Foreign entities

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

Kresta Blinds International Pty Ltd which operates in New Zealand was consolidated using Australian accounting standards.

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 attached

14.1 Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with AASB 133: *Earnings Per Share* are as follows.

	Current year	Previous corresponding year
	\$'000	\$'000
The following reflects the income and share data used in the calculation of basic and diluted EPS:		
Basic Earnings	3,658	4,294
Diluted Earnings	3,658	4,294
	<u>Number</u>	<u>Number</u>
Weighted average number of ordinary shares used in the calculation of basic EPS	136,610,573	133,158,518
Dilutive effect of options on issue	-	51,724
Weighted average number of ordinary shares used in the calculation of diluted EPS	136,610,573	133,210,242
Basic EPS	2.68¢	3.22¢
Diluted EPS	2.68¢	3.22¢

14.2 Returns to shareholders

Including distributions and buy backs.

N/A

14.3 Significant features of operating performance

Refer attached

14.4 Segment reporting

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

14.5 Trends

Refer attached

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.

N/A

15. Status of audit or review

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

	The accounts have been audited.	The accounts have been subject to review.
√	The accounts are in the process of being audited or subject to review.	The accounts have <i>not</i> 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