

ASX ANNOUNCEMENT

27 JANUARY 2010

PROFIT UPGRADE

KRESTA FORECASTS 189% PROFIT INCREASE

Key points:

- **Kresta expects to increase NPAT to approximately A\$4.2 million for six months ended 31 December 2009,**
- **Forecasted NPAT represents a 189% increase on the corresponding period last year,**
- **Improved trading performance of the group is the result of a number of proactive initiatives taken by management and the board in recent few years, and**
- **The board expects the lift in profit will be reflected in its interim dividend to be announced with the half year report in February.**

Leading national window furnishings manufacturer and retailer Kresta Holdings Limited (ASX: KRS) ("Kresta" or "the Company") wish to advise that, based on trading results to the end of December 2009, the group expects to report a lift in its net profit after tax to approximately A\$4.2 million for the six months ended 31 December 2009, an increase of 189% on the result for the corresponding period last year.

The group's actual audit-reviewed results will be announced towards the end of February 2010.

The improved trading performance of the group is a direct result of a number of proactive initiatives undertaken by the Kresta board and management in recent years, including;

- the introduction of a range of new products,
- a more focused approach to working capital management,
- the introduction of a range of cost control measures,
- selective roll-out of new stores, and
- a company-wide program focused on increasing sales in "high margin" products.

more.../

Subject to finalisation of the half year results, the board expects the lift in profit will be reflected in its interim dividend to be announced with the half year report in February.

A more detailed report on group activities and the outlook will be released following the board meeting scheduled for 22 February 2010, at which the half year results to 31 December 2009 will be considered.

For further information, please contact:

Mr. Tass Zorbas
Managing Director
Kresta Holdings Limited
T: 08 9249 0748

ABOUT KRESTA

The Kresta group is involved in the manufacturing, distribution and retailing of window furnishings and has been manufacturing blinds for over 37 years. The company is now the largest window coverings manufacturer/retailer in Australia and New Zealand, employing over 1100 people.

Kresta operates through four main brands: Kresta Blinds, Vista Window Coverings, Decor2Go and Curtain Wonderland.

A new business Ace of Shades, based in Victoria, specializing in external blinds and awnings was acquired in January and this purchase will provide the Group with an immediate profitable entry point into the Victorian market for outdoor products and will allow the Group to expand this service throughout Australia and New Zealand.

Website: www.kresta.com.au