

Kresta Holdings Limited

A.B.N. 26 008 675 803

389 Victoria Road
MALAGA WA 6090

PO Box 3036
MALAGA DC WA 6945

Telephone: (08) 9249 0781
Facsimile: (08) 9249 7923

22 February 2010

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

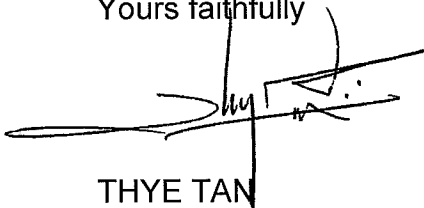
Dear Sir/Madam

HALF YEAR REPORT TO 31 DECEMBER 2009

In accordance with ASX Listing Rule 4.2A, the following documents are attached for release to the market:

1. Company Announcement
2. Appendix 4D
3. Half year results

Yours faithfully



THYE TAN
COMPANY SECRETARY

**ASX Announcement
22 February 2010**

**Kresta beats profit forecast with first half NPAT up 194%
to A\$4.3M – on track for increased full year profit**

Key performance table

	Dec 08	Dec 09	+/- %
Net Profit after tax (A\$M)	1.45	4.26	+194%
Earnings Before Interest & tax (A\$M)	2.61	6.63	+154%
Interim Dividend (fully franked)	0	2.0 cents	

Leading national window coverings company Kresta Holdings Limited (ASX: KRS) ("Kresta" or "the Company") is on track to exceed last year's full year financial result after announcing a net profit after tax (NPAT) for the period ending 31 December 2009 of A\$4.3M.

This result, representing a 194% increase on the NPAT of A\$1.5M for the corresponding period last year, is also higher than the profit forecast of A\$4.2M announced to the ASX on 27 January 2010.

In addition to the strong NPAT for the period the Company is also pleased to have achieved a 154% increase in Earnings before interest and tax (EBIT), from A\$2.6M to A\$6.6M.

Commenting on the results Kresta Managing Director, Mr Tass Zorbas said, "We have undertaken a number of initiatives in the past 12-18 months designed to ensure the Company had a sustainable and profitable growth model moving forward."

"The results announced today are a reflective of the success of the implementation of these initiatives and we strongly believe we are now well positioned to maintain sustainable profitable growth in the future," Mr Zorbas added.

More.../

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After paying no dividend in the corresponding period last year, the Board of Kresta has declared a fully franked interim dividend of 2.0 cents per share, to be paid on 14 May 2010.

"The decision to pay an interim dividend this period is a reflection of the Boards view on the first half results and strengthening conditions for the Company moving forward," said Mr Zorbas.

Other highlights of the reporting period in:

- the introduction of a range of new products,
- a more focused approach to working capital management,
- the introduction of a range of cost savings initiatives,
- selective stores opened 12 months ago performing now,
- refurbishing of existing stores,
- strong margin performance, and
- maintenance of a strong cash flow position.

Mr Zorbas believes it is the unique product offering of Kresta, plus its strong management disciplines, has seen it escape largely unscathed from a turbulent 2009.

"We like any other industries have been affected by the global financial crisis, but with strong management and cost savings initiatives we were able to manage through this difficult period," Mr Zorbas said.

"Also, being a "functional" rather than a "discretionary" retailer and not dependent on new housing activity, as most of our sales stem from established homes and renovations, has helped."

The Company also believes a number of successful store roll-outs in the period, in particular that of Curtain Wonderland, has, and will, continue to play a key role in driving sustainable growth for the Company moving forward.

"Curtain Wonderland, with its proven successful business model is on track to provide further benefits to the Company from incremental earnings associated with more new stores roll-out outside of Queensland in the next 12 months," Mr Zorbas added.

More.../

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While outside the reporting period, the Company wishes to note the acquisition of Melbourne based company Ace of Shades in early January (Refer ASX announcement dated 4 January 2010), as it highlights its desire to make strategic acquisitions that give it access to new product lines and/or markets throughout Australasia.

"With the acquisition of Ace of Shades based in Victoria, who specialise in external blinds and awnings, Kresta has been provided with an immediate profitable entry point into the Victorian market for outdoor products, which in time will allow the Company to expand this service throughout Australia and New Zealand."

Outlook

Whilst the current trading conditions are still patchy, with continued global uncertainty and the likelihood of upward pressure on interest rates, the Board believes the success of the range of initiatives undertaken to date, coupled with the growth related strategies now in place, will ensure the Company is well positioned to continue to achieve sustained and profitable growth moving forward.

Ends

For further information please contact:

Tass Zorbas
Managing Director
Contact: (08) 9249 0748

Kresta

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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

APPENDIX 4D

Half year report

1. Name of entity

Kresta Holdings Limited

ABN

26 008 675 803

Financial year ended ('current period')

31 December 2009

Previous corresponding period

31 December 2008

2. Results for announcement to the market:

2.1	Revenues from ordinary activities	up	9%	to	\$'000 64,783
2.2	Profit from ordinary activities after tax attributable to members	up	194%	to	4,262
2.3	Net profit for the period attributable to members	up	194%	to	4,262
2.4	Dividends (see section 3)				
	Interim period		Amount per security 2.0 cent		Franked amount per security 2.0 cent
2.5	Refer Directors' Report attached.				

3. Dividends

Date the dividend is payable

14 May 2010

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)

3 May 2010

4. 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

5. NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	17.7¢	14.6¢

6. Control gained/lost over entities having material effect

Nil

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

Nil

8. Foreign entities

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

N/A

The Kresta logo is presented within a rectangular frame. It features the word "Kresta" in a white, serif typeface, centered against a solid black background.

Kresta Holdings Limited
A.C.N. 008 675 803

Half-Yearly Report
31 December 2009

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Directors' Report

Your directors submit their report for the half year ended 31 December 2009.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Neil Christian Fearis LLB, MAICD, FFIN (Non-executive Chairman) retired on 31 December 2009

Tass Zorbas (Managing Director)

Trent Josiah Bartlett Grad Dip Bus FAICD (Non-executive Director)

Peter John Johnston FCPA, FCIS (Non-executive Director)

Peter Hatfull ACA, MAICD (Non-executive Director)

REVIEW AND RESULTS OF OPERATIONS

Revenue from operations was \$64,657,000 compared to \$59,551,000 for the corresponding period last year. Like-for-like sales for the six months ended 31 December 2009 increased by 11% when compared to the six months ended 31 December 2008.

Earnings before interest and tax (EBIT) was \$6,630,000 compared to \$2,608,000 for the corresponding period, an increase of 154%. Net profit after tax was \$4,262,000 compared to \$1,451,000, an increase of 194%.

Outlook:

With the unexpected strong recovery in commodity demand from China and the general strength of the Australian economy, the directors are confident that the Group will continue to extract the benefits of the measures taken by the Group during the last few years. Mainly, a strong focused program to increase sales through selective stores opening, new products, acquisition of new businesses, cost control measures, working capital management and combined with a successful and proven business model.

A new business based in Victoria, specializing in external blinds and awnings was acquired subsequent to 31 December 2009 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.

Two stores were refurbished during the first half, with another three stores committed in the second half for refurbishing. New products are still being targeted for revenue growth and more costs savings are targeted to safeguard earnings.

In light of the increase in earnings and also recognizing the importance of conserving cash to maintain a strong balance sheet, the directors have considered it prudent to declare fully franked interim dividend of 2.0 cents payable in May 2010.

ROUNDING

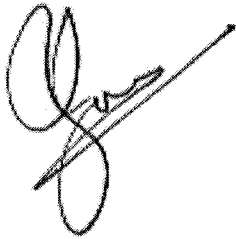
The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Directors' Report (continued)

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditor, Ernst and Young, which is set out on this page and forms part of this report.

Signed in accordance with a resolution of the directors.



T Zorbas
Director
Perth, 22 February 2010

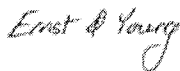


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Auditor's Independence Declaration to the Directors of Kresta Holdings Limited

In relation to our review of the financial report of Kresta Holdings Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



D Lewysen
Partner
Perth
22 February 2010

Income Statement

For the half-year ended 31 December 2009

Note

CONSOLIDATED
2009
\$'000

2008
\$'000

Continuing operations

Sale of goods		64,657	59,551
Finance revenue		126	88
Revenue	2a	64,783	59,639
Other income	2b	470	296
Changes in inventories of finished goods and work in progress		(1,489)	1,643
Raw materials, consumables and labour used		(28,678)	(29,046)
Employee benefits expense	2c	(14,819)	(14,407)
Depreciation and amortisation expense	2d	(1,392)	(1,178)
Other expenses	2e	(12,245)	(14,339)
Finance costs	2f	(482)	(488)
Profit from continuing operations before income tax		6,148	2,120
Income tax expense		(1,886)	(669)
Profit attributable to ordinary equity holders of the parent		4,262	1,451

Earnings per share for profit attributable to the ordinary equity holders of the parent: (cents per share)

Basic earnings per share	2.98	1.09
Diluted earnings per share	2.98	1.09

Franked dividends per share (cents per share)	3	2.0	-
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Statement of comprehensive income

For the half-year ended 31 December 2009

Note

CONSOLIDATED
2009 2008
\$'000 \$'000

Profit for the period

4,262

1,451

Other comprehensive income

Net foreign currency translation differences

(37)

7

Other comprehensive income for the period, net of tax

(37)

7

Total comprehensive income for the period

4,225

1,458

Total comprehensive income attributable to the ordinary
equity holders of the parent

4,225

1,458

Statement of financial position

As at 31 December 2009

Note

CONSOLIDATED

As at 31 December
2009
\$'000

As at 30 June
2009
\$'000

ASSETS**Current Assets**

Cash and cash equivalents	7	9,965	7,511
Trade and other receivables		2,778	3,462
Inventories		19,479	21,168
Prepayments		1,567	677
Total Current Assets		33,789	32,818

Non-current Assets

Property, plant and equipment		17,292	18,130
Deferred tax assets		1,987	1,799
Intangible assets and goodwill		1,582	1,439
Total Non-current Assets		20,861	21,368
TOTAL ASSETS		54,650	54,186

LIABILITIES**Current Liabilities**

Trade and other payables		8,700	10,007
Interest-bearing loans and borrowings		2,512	3,618
Income tax payable		1,573	542
Provisions		4,486	4,120
Derivative financial instruments		7	471
Government grants		49	53
Total Current Liabilities		17,327	18,811

Non-current Liabilities

Interest-bearing loans and borrowings		9,616	10,434
Provisions		597	603
Government grants		183	204
Total Non-current liabilities		10,396	11,241
TOTAL LIABILITIES		27,723	30,052
NET ASSETS		26,927	24,134

EQUITY

Contributed equity	4	11,676	11,676
Reserves		(257)	(220)
Retained earnings		15,508	12,678
TOTAL EQUITY		26,927	24,134

Statement of cash flows

For the Half-Year Ended 31 December 2009

	CONSOLIDATED	
	2009 \$'000	2008 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	70,263	64,428
Payments to suppliers and employees	(62,640)	(61,270)
Interest received	126	88
Interest paid	(482)	(488)
Government grants received	284	371
Income tax paid	(1,044)	(1,670)
Net cash flows from operating activities	6,507	1,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipment	14	17
Purchase of property, plant & equipment	(710)	(3,552)
Net cash flows used in investing activities	(696)	(3,535)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend on ordinary shares	(1,432)	(1,997)
Repayment of borrowings	(1,466)	(836)
Proceeds from borrowings	1,024	902
Net cash flows used in financing activities	(1,874)	(1,931)
Net increase/(decrease) in cash and cash equivalents	3,937	(4,007)
Net foreign exchange differences	26	17
Cash and cash equivalents at beginning of year	5,710	5,556
Cash and Cash Equivalents at end of the half-year	9,673	1,566

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Statement of changes in equity

For the Half-Year Ended 31 December
2009

	Issued Capital \$'000	Foreign currency translation reserve \$'000	Employee equity benefits reserve \$'000	Retained Earnings \$'000	Total \$'000
At 1 July 2009	11,676	(268)	48	12,678	24,134
Profit for period	-	-	-	4,262	4,262
Other comprehensive income	-	(37)	-	-	(37)
Total comprehensive income for the half-year	-	(37)	-	4,262	4,225
Transactions with owners in their capacity as owners					
Share-based payments	-	-	-	-	-
Dividends	-	-	-	(1,432)	(1,432)
Balance at 31 December 2009	11,676	(305)	48	15,508	26,927

At 1 July 2008	10,679	(230)	46	10,351	20,846
Profit for period	-	-	-	1,451	1,451
Other comprehensive income	-	7	-	-	7
Total comprehensive income for the half-year	-	7	-	1,451	1,458
Transactions with owners in their capacity as owners					
Share-based payments	-	-	1	-	1
Dividends	-	-	-	(1,331)	(1,331)
Balance at 31 December 2008	10,679	(223)	47	10,471	20,974

Notes to the financial statements

For the Half-Year Ended 31 December 2009

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This general purpose condensed financial report for the half year ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by Kresta Holdings Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX Listing rules.

Apart from the new and revised accounting standards noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

New and revised accounting standards

Since 1 July 2009, the Group has adopted all the Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009 including the following. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the Group.

- AASB 101 *Presentation of Financial Statements* (revised). The revised Standard separates owner and non-owner changes in equity and requires a statement of comprehensive income to be prepared which discloses all changes in equity during a period resulting from non-owner transactions. The Group has elected to present comprehensive income using the two statement approach.
- AASB 8 *Operating Segments*. The Standard requires a management approach to be used for segment reporting and replaces the requirement to determine primary and secondary reporting segments of the Group. This approach identifies operating segments by reference to internal reports that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The adoption of the Standard did not have any effect on the financial position or performance of the Group and resulted in the same operating segment as reported in the Annual Financial Report for the year ended 30 June 2009.
- AASB 3 *Business Combinations* (revised). The revised Standard introduces a number of changes to accounting for business combination, including the requirement to expense transaction costs, accounting for non controlling interests and the recognition of contingent consideration at fair value. The Group adopted this revised Standard as of 1 July 2009 and has amended its accounting policy accordingly.

The Group has not elected to early adopt any new standards or amendments that are not mandatorily effective.

Notes to the financial statements

For the Half-Year Ended 31 December 2009

2. REVENUE, INCOME AND EXPENSES

CONSOLIDATED
2009 2008
\$'000 \$'000

Revenue Income and Expenses from Continuing Operations

(a) Revenue

Sale of goods	64,657	59,551
Finance revenue	126	88
	64,783	59,639

(b) Other income

Government grants	308	262
Net gain from disposal of property, plant & equipment	2	-
Net unrealised gain from derivatives	-	-
Other	160	34
	470	296

(c) Employee benefits expense

Wages & salaries	9,486	9,405
Employee share based payments	-	1
Consultant commissions	4,632	4,068
Provision for long service leave	87	57
Other	614	876
	14,819	14,407

(d) Depreciation and amortisation expense

Depreciation	1,370	1,128
Amortisation of IT software	22	50
	1,392	1,178

(e) Other expenses

Advertising	4,885	5,417
Property rent & lease payments	3,490	3,305
Property outgoings	1,257	1,185
Communication expenses	1,075	1,164
Banking and transaction expenses	682	554
Bad and doubtful debts expense/(reversal)	(6)	(26)
Foreign exchange (gains)/losses	(239)	487
Net loss from disposal of property, plant & equipment	-	91
Other expenses	1,101	2,162
	12,245	14,339

(f) Finance costs

Finance charges payable under finance lease and hire purchase agreements	95	109
Other borrowing costs	387	379
Total Finance costs expensed	482	488

Notes to the financial statements

For the Half-Year Ended 31 December 2009

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000

3. DIVIDENDS PAID AND PROPOSED

(a) Dividends paid during the half-year

Final franked dividend for the year ended 30 June 2009:	1,432	1,332
1.0 cent, paid 23 October 2009 (2008: 1.0 cent)		

(b) Dividends proposed and not yet recognised as a liability

Interim franked dividend for the half year ended 31 December 2009:		
2.0 cents, proposed to be paid 14 May 2010 (2008: nil)	2,863	-

4. CONTRIBUTED EQUITY

	Consolidated	
	31 December	30 June
	2009	2009
	\$'000	\$'000
(a) Issued and fully paid shares		
143,158,518 ordinary shares	11,676	11,676
(b) Movement in ordinary shares on issue		
	Number of Shares	\$'000
Balance as at 1 July 2009	143,158,518	11,676
Balance as at 31 December 2009	143,158,518	11,676

5. SEGMENT INFORMATION

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

Notes to the financial statements

For the Half-Year Ended 31 December 2009

6. COMMITMENTS

The only changes to the commitments disclosed in the most recent annual financial report are specified below:

Capital commitments

The Company has committed to purchase software called "Solatech" tailored especially for the window covering business. The total estimated project cost including both hardware and software is \$930,840. As at 31 December 2009, \$359,000 was spent on the project. The project is expected to complete in December 2010.

7. NOTES TO THE CASH FLOW STATEMENT

For the purpose of the half-year cash flow statement, cash and cash equivalent are comprised of the following:

	31/12/2009 \$'000	31/12/2008 \$'000
Cash at bank and on hand	9,965	2,863
Bank overdraft	(292)	(1,297)
	<u>9,673</u>	<u>1,566</u>

Notes to the financial statements

For the Half-Year Ended 31 December 2009

8. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

- a. On 22 February 2010 the directors of Kresta Holdings Limited declared an interim dividend on ordinary shares in respect of the 2010 financial year. The total amount of the dividend is \$2,863,170 which represents a fully franked dividend of 2.0 cents per share.

b. Business Combination

On 4 January 2010, Kresta Group acquired all of the business operations of the Ace of Shades business based in Victoria. The business specializes in external blinds and awnings and has been a well regarded and profitable supplier in Melbourne for the past 17 years.

The purchase price was \$1,687,701 which was paid in cash.

The purchase of the Ace of Shades business will provide Kresta with an immediate profitable entry point into the Victorian market for outdoor products and will allow Kresta to expand this service throughout Australia and New Zealand and to complement its existing range of indoor products.

The Group has provisionally recognized the fair values of the identifiable net assets of Ace of Shades business based upon the best information available as of the reporting date. Provisional business combination accounting is as follows:

	CONSOLIDATED	
	Fair value at acquisition date \$'000	Carrying Value \$'000
Plant and equipment	167	167
Inventories	301	301
Prepayments	105	105
Accounts receivable	230	230
Intangibles	1,089	1,089
	<u>1,892</u>	<u>1,892</u>
Customer deposits	(137)	(137)
Provisions	(68)	(68)
	<u>(205)</u>	<u>(205)</u>
Fair value of identifiable net assets	<u>1,687</u>	
Acquisition-date-fair-value of consideration transferred:		
Cash paid	<u>1,687</u>	
	<u>1,687</u>	
Direct costs relating to the acquisition		
- legal fees	3	
The cash outflow on acquisition is as follows:		
Cash paid	<u>1,687</u>	
Net cash outflow	<u>1,687</u>	

DIRECTORS' DECLARATION

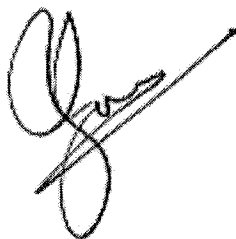
In accordance with a resolution of the Directors of Kresta Holdings Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that Kresta Holdings Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

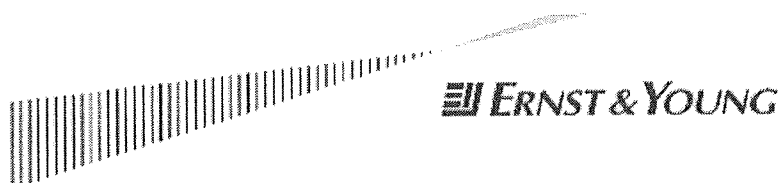
On behalf of the Board



T Zorbas
Director

Perth, 22 February 2010

INDEPENDENT REVIEW REPORT



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To the members of Kresta Holdings Limited

Report on the half-year Financial Report

We have reviewed the accompanying half-year financial report of Kresta Holdings Limited, which comprises the statement of financial position as at 31 December 2009, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2009 or from time to time during the half year.

Directors' Responsibility for the half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kresta Holdings Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kresta Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A stylized signature of 'Ernst & Young' in a cursive script.

Ernst & Young

A stylized signature of 'D Lewsen' in a cursive script.

D Lewsen
Partner
Perth
22 February 2010