



Kresta Holdings Limited

ABN 26 008 675 803

380 Victoria Road  
MALAGA WA 6090

PO Box 3036  
Malaga DC WA 6945

Telephone: (08) 9249 0777  
Facsimile: (08) 9249 7923

Monday 29 August 2011

ASX ANNOUNCEMENT

## PRESENTATION TO ANALYSTS

Kresta is pleased to provide a presentation that will be made to industry analysts over the coming days.

Yours faithfully

A handwritten signature in dark ink, appearing to read "K McKinnon", is written over a light blue horizontal line.

Kenneth McKinnon  
Company Secretary and Chief Financial Officer

### For further information please contact:

John Molloy  
Chairman  
Kresta Holdings Limited  
T: 08 9249 0748

David Ikin  
Professional  
Public Relations  
T: 08 9388 0944 / 0408 438 772  
E: [david.ikin@ppr.com.au](mailto:david.ikin@ppr.com.au)

### About Kresta

Kresta is a leading national window furnishings manufacturer and retailer. The Company has been manufacturing blinds for over 39 years, and is now the largest window coverings manufacturer / retailer in Australia and New Zealand, employing over 900 people. Kresta's brands include: Kresta Blinds, Vista Window Coverings, Decor2Go, Curtain Wonderland and Ace of Shades. For further information, see [www.kresta.com.au](http://www.kresta.com.au)

Kresta

---

Kresta Holdings Limited

# Kresta

Kresta Holdings Limited

## Kresta

Vista  
WINDOW COVERINGS

Curtain  
**Wonderland**  
home & living™

**DÉCOR<sub>2</sub>GO**



mardo

 sharatan  
window fashions

# HISTORY OF KRESTA

- Established 39 years ago
- 900+ work force
- Retails, manufactures & wholesales
- Strong bricks and mortar presence
- Strength is in in-home sales

# RECENT HISTORY

- Tass Zorbas Managing Director resigns
- Inventory write down of \$7.4m
- Take over offer declined by shareholders
- 4 new directors appointed (1 director continues)
- New CEO appointed & new management team follows

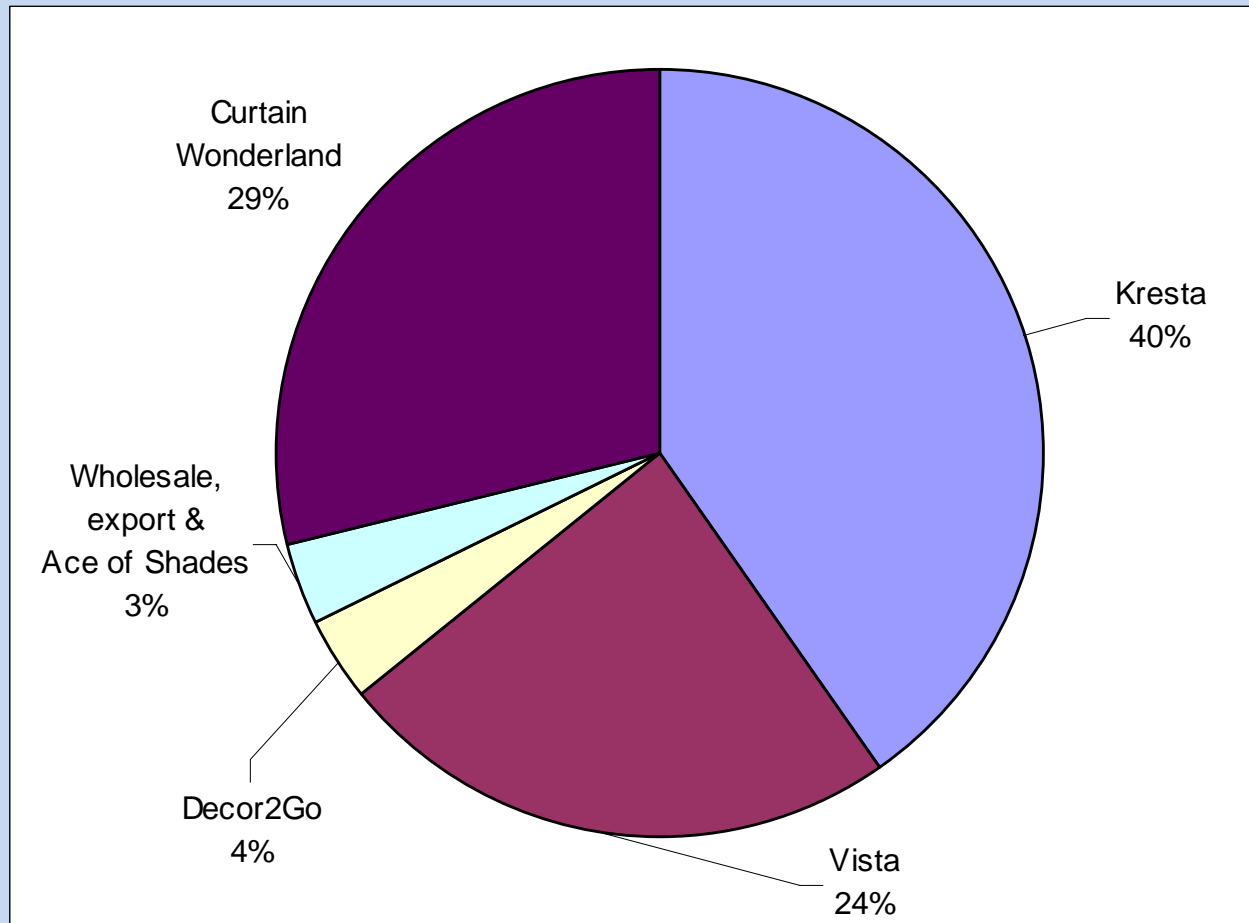
# BLINDS & CURTAINS INDUSTRY

- \$3 billion total industry sales annually
- Approximately 4000 individual b&c retailers in Australia
- Highly fragmented, large number of smaller family businesses

# DEMAND DETERMINANTS

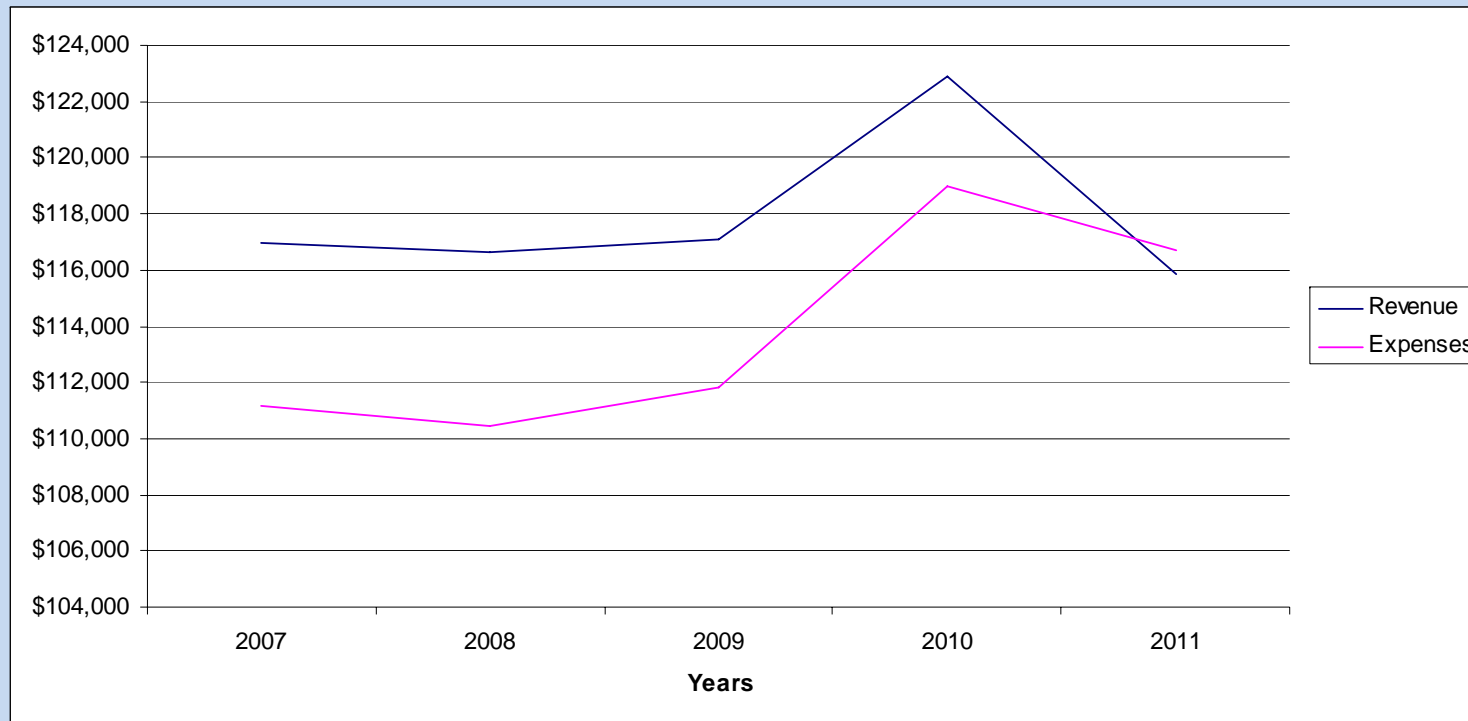
- Consumer sentiment is the primary driver of retail demand for window coverings products
- Housing starts / interest rates
- Real household disposable income

# REVENUE BY BRAND





# FINANCIAL PERFORMANCE IN HISTORICAL CONTEXT





# STRATEGIC REVIEW & IMPLEMENTATION PLAN

# THE WAY FORWARD

- Reduce fixed costs
- Improve GP

Achieved by:

- New management team
- New organisational structure
- Team building (high performance)

# ACTION ALREADY TAKEN

- Manufacturing equally split between Australia, Indonesia and China/Taiwan
- New machinery for Australian manufacturing
- ERP system implemented in CW
- New product ranges
- 72 redundancies
- Retraining some mfg staff

# FURTHER ACTION

- Consolidation of curtain mfg
- Continued analysis of mfg
- Implement ERP into Kresta
- Continue streamlining production
- Sale of excess properties

# 2011 Financial Results

|   | 2011<br>\$'000 | 2010<br>\$'000 | 2009<br>\$'000 | 2008<br>\$'000 | 2007<br>\$'000 |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Sale of goods</b>                        | <b>115,489</b> | <b>122,630</b> | <b>116,999</b> | <b>116,421</b> | <b>116,860</b> |
| Finance revenue                             | 386            | 286            | 105            | 196            | 89             |
| <b>Revenue</b>                              | <b>115,875</b> | <b>122,916</b> | <b>117,104</b> | <b>116,617</b> | <b>116,949</b> |
| Other income                                | 749            | 1,496          | 948            | 925            | 640            |
| Changes in inventories finished goods & wip | (2,241)        | (7,138)        | (2,509)        | 57             | 5,086          |
| Raw materials and consumables used          | (27,944)       | (30,685)       | (52,157)       | (53,415)       | (62,217)       |
| Employee benefits expense                   | (49,718)       | (48,084)       | (28,187)       | (28,493)       | (26,957)       |
| Depreciation and amortisation expense       | (2,418)        | (2,521)        | (2,355)        | (2,179)        | (2,107)        |
| Other expenses                              | (34,309)       | (31,089)       | (26,515)       | (26,325)       | (24,398)       |
| <b>EBIT</b>                                 | <b>(6)</b>     | <b>4,895</b>   | <b>6,329</b>   | <b>7,187</b>   | <b>6,996</b>   |
| Finance costs                               | (852)          | (974)          | (1,062)        | (1,021)        | (1,227)        |
| (Loss)/profit before income tax             | (858)          | 3,921          | 5,267          | 6,166          | 5,769          |
| Income tax benefit/(expense)                | 77             | (1,224)        | (1,609)        | (1,872)        | (1,670)        |
| <b>Net (loss)/profit for the period</b>     | <b>(781)</b>   | <b>2,697</b>   | <b>3,658</b>   | <b>4,294</b>   | <b>4,099</b>   |