



Kresta Holdings Limited

ABN 26 008 675 803

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31st August 2012

Appendix 4E – Preliminary Final Report

Kresta Holdings Limited is please to release its Appendix 4E - Preliminary Final Report for the year ended 30th June 2012.

For further information please contact:

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About Kresta

Kresta is a leading national window furnishings manufacturer and retailer. The Company has been manufacturing blinds for over 38 years, and is now the largest window coverings manufacturer / retailer in Australia and New Zealand, employing over 800 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

Appendix 4E

Preliminary Final Report

1. Name of entity

Kresta Holdings Limited

ABN

26 008 675 803

Financial year ended ("current year")

30 June 2012

Comparative prior year ended ("prior year")

30 June 2011

2. For announcement to the market

					\$'000
2.1	Revenue from ordinary activities	down	4.0%	to	110,896
2.2	Profit from ordinary activities after tax attributable to members	up	201.3%	to	791 *
2.3	Net profit for the period attributable to members	up	201.3%	to	791 *
2.4	Dividends (see section 7)	Amount per security		Franked amount per security	
	Final dividend	Nil		Nil	
	Interim dividend	Nil		Nil	
2.5	Record date for determining entitlements to the dividend	N/A			
2.6	Brief explanation of any of the figures reported above:				
	* Includes profit on sale of surplus land and building of \$3,598,000 restructuring expenses of \$1,277,000, and stock provision write off of \$203,000 before tax.				

3. Consolidated statement of comprehensive income

	<i>Note</i>	2012 \$000	2011 \$000
Continuing operations			
Sale of goods		110,896	115,489
Finance income		249	386
Revenue		111,145	115,875
Other income	3a	3,964	749
Changes in inventories of finished goods and work in progress		(3,824)	(2,241)
Raw materials and consumables used		(29,170)	(27,944)
Employee benefits expense	3b	(46,591)	(49,718)
Depreciation and amortisation charge	3c	(2,200)	(2,418)
Other expenses	3d	(32,685)	(34,309)
Finance costs	3e	(526)	(852)
Profit / (loss) before income tax		113	(858)
Income tax benefit		678	77
Net profit / (loss) for the period		791	(781)
Other comprehensive income			
Net foreign currency translation		(44)	(79)
Effective portion of changes in fair value of cash flow hedges		(5)	(14)
Other comprehensive income for the period, net of tax		(49)	(93)
Total comprehensive income / (loss) for the period		742	(874)
Total comprehensive income / (loss) attributable to owners of the Company		742	(874)
Earnings per share for profit attributable to the ordinary equity holders of the parent:			
Basic earnings / (losses) per share		.55 cents	(0.54) cents
Diluted earnings / (losses) per share		.55 cents	(0.54) cents

3. Other income and expenses

	2012	2011
	\$000	\$000
(a) Other income		
Government grants	132	510
Net gain from disposal of property, plant & equipment	3,495	-
Other	337	239
	<u>3,964</u>	<u>749</u>
(b) Employee benefits expense		
Wages and salaries	29,550	32,902
Superannuation expense	2,342	2,628
Subcontractors	11,597	11,419
Other employee benefits expense	3,102	2,769
	<u>46,591</u>	<u>49,718</u>
(c) Depreciation and amortisation charge		
Depreciation	2,107	2,369
Amortisation of IT software	93	49
	<u>2,200</u>	<u>2,418</u>
(d) Other expenses		
Advertising	10,377	11,193
Property rent	8,489	7,796
Property outgoings	4,073	3,900
Communication expenses	2,311	2,566
Banking and transaction expenses	1,050	1,085
Impairment loss – receivables	331	47
Net loss from disposal of property, plant & equipment	-	4
Net unrealised loss from derivatives	48	76
Foreign exchange losses	84	130
Freight	2,525	2,562
Other expenses	3,397	4,950
	<u>32,685</u>	<u>34,309</u>
(e) Finance costs		
Finance charges payable under finance leases and hire purchase contracts	24	175
Other borrowing costs	502	677
	<u>526</u>	<u>852</u>

4. Consolidated statement of financial position

	2012	2011
	\$000	\$000
ASSETS		
Current assets		
Cash and cash equivalents	3,455	5,002
Trade and other receivables	2,931	3,045
Inventories	9,303	10,408
Prepayments	848	917
Non-current assets held for sale	1,933	-
Income tax receivable	676	700
Total current assets	<u>19,146</u>	<u>20,072</u>
Non-current assets		
Trade and other receivables	26	47
Property, plant and equipment	13,788	17,818
Deferred tax assets	2,984	2,258
Intangible assets and goodwill	3,826	2,736
Total non-current assets	<u>20,624</u>	<u>22,859</u>
TOTAL ASSETS	<u>39,770</u>	<u>42,931</u>
LIABILITIES		
Current liabilities		
Trade and other payables	8,128	8,621
Interest-bearing loans and borrowings	5,549	8,848
Provisions	4,152	5,149
Derivative financial instruments	102	49
Government grants	-	73
Total current liabilities	<u>17,931</u>	<u>22,740</u>
Non-current liabilities		
Interest-bearing loans and borrowings	1,001	23
Provisions	1,109	1,122
Government grants	-	59
Total non-current liabilities	<u>2,110</u>	<u>1,204</u>
TOTAL LIABILITIES	<u>20,041</u>	<u>23,944</u>
NET ASSETS	<u>19,729</u>	<u>18,987</u>
EQUITY		
Contributed equity	11,961	11,961
Reserves	(439)	(390)
Retained earnings	8,207	7,416
TOTAL EQUITY	<u>19,729</u>	<u>18,987</u>

5. Consolidated statement of cash flows

	2012	2011
	\$000	\$000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	122,358	125,766
Payments to suppliers and employees (inclusive of GST)	(123,613)	(120,076)
Receipt of government grants	-	434
Interest received	249	386
Interest paid	(526)	(852)
Income tax paid	(24)	(849)
Net cash flows (used in) / from operating activities	<u>(1,556)</u>	<u>4,809</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	4,911	95
Purchase of intangibles	(1,004)	(129)
Purchase of property, plant and equipment	(1,531)	(3,062)
Net cash flows from / (used in) investing activities	<u>2,376</u>	<u>(3,096)</u>
Cash flows from financing activities		
Dividends paid	-	(2,883)
Repayment of borrowings	(2,818)	(1,987)
Proceeds from borrowings	590	526
Payment of finance lease liabilities	(93)	(152)
Net cash flows used in financing activities	<u>(2,321)</u>	<u>(4,496)</u>
Net decrease in cash and cash equivalents	(1,501)	(2,783)
Net foreign exchange differences	(46)	(76)
Cash and cash equivalents at beginning of period	5,002	7,861
Cash and cash equivalents at end of period	<u>3,455</u>	<u>5,002</u>

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

	2012	2011
	\$000	\$000
Net profit / (loss)	791	(781)
<i>Adjustments for:</i>		
Depreciation	2,107	2,369
Amortisation	93	49
Net (gain) / loss on disposal of property, plant and equipment	(3,495)	4
Net fair value change in derivatives	48	76
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in trade and other receivables	135	520
(Increase) / decrease in inventories	1,105	2,063
(Increase) / decrease in deferred tax assets	(726)	1,697
(Increase) / decrease in prepayments	69	(299)
Increase / (decrease) in trade and other payables	(493)	1,013
Increase / (decrease) in government grants	(132)	(76)
Increase / (decrease) in tax receivables/payable	24	(2,624)
Increase / (decrease) in provisions	(1,082)	798
Net cash (used in) / from operating activities	(1,556)	4,809

5.2 Reconciliation of cash

	2012	2011
	\$000	\$000
Cash at bank and on hand	3,455	5,002
Total cash and cash equivalents	3,455	5,002

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

5.4 Financing facilities available

Total facilities of \$9.55m (2011: \$11.87m), consisting of \$2.08m (2011: \$2.08m) overdraft, \$0.74m (2011: \$0.74m) bank guarantee, \$0.18m (2011: \$0.18m) trade, \$0.18m (2011: \$0.27m) hire purchase and finance lease, \$0.47m (2011: \$nil) insurance finance loan, and \$5.90m (2011: \$8.60m) bill facilities.

5.5 Financing facilities used

Total facilities used of \$6.95m (2011: \$9.34m), consisting of \$0.40m (2011: \$0.47m) bank guarantee, \$0.18m (2011: \$0.27m) hire purchase and finance lease, \$0.47m (2011: \$nil) insurance finance loan, and \$5.90m (2011: \$8.60m) bill facilities.

6. Consolidated statement of changes in equity

	Ordinary shares	Foreign currency translation reserve	Employee equity benefits reserve	Hedging reserve	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000	\$000
At 1 July 2011	11,961	(424)	48	(14)	7,416	18,987
Profit for the period	-	-	-	-	791	791
Other comprehensive income	-	(44)	-	(5)	-	(49)
Total comprehensive income for the period	-	(44)	-	(5)	791	742
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	-	-	-	-
At 30 June 2012	11,961	(468)	48	(19)	8,207	19,729
At 1 July 2010	11,961	(345)	48	-	11,080	22,744
Loss for the period	-	-	-	-	(781)	(781)
Other comprehensive income	-	(79)	-	(14)	-	(93)
Total comprehensive income for the period	-	(79)	-	(14)	(781)	(874)
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	-	-	(2,883)	(2,883)
At 30 June 2011	11,961	(424)	48	(14)	7,416	18,987

7. Dividends

Date of dividend is payable	N/A
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)	N/A
If it is a final dividend, has it been declared	N/A

7.1 Amount per security

	Amount per security	Franked amount per security at 30% tax
Final dividend: Current year	Nil	Nil
Prior year	Nil	Nil
Interim dividend: Current year	Nil	Nil
Prior year	0.5 cents	0.5 cents

7.2 Total dividend per security (interim plus final)

	Current year	Prior year
Ordinary securities	Nil	0.5 cents

7.3 Preliminary final report – final dividend on all securities

	Current year	Prior year
Ordinary securities	Nil	Nil
Total	Nil	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	11.0 cents	11.3 cents

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

Nil

11. Details 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 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 / (losses):	791	(781)
Diluted earnings / (losses):	791	(781)
	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:	144,158,518	144,158,518
Basic earnings / (losses) per security:	.55 cents	(0.54) cents
Diluted earnings / (losses) per security:	.55 cents	(0.54) 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