



Kresta Holdings Limited

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ASX ANNOUNCEMENT

Management changes and trading update

Leading window furnishings manufacturer and retailer Kresta Holdings Limited (ASX:KRS) advises that its Chief Executive Officer, Andrew Tacey, has resigned from the position with immediate effect.

Mr Tacey will return to his previous role as General Manager of Curtain Wonderland, a Brisbane-based subsidiary of Kresta, having informed the Company that he wishes to relocate to Queensland for family reasons.

The Board has appointed Tass Zorbas as interim CEO. Mr Zorbas is a founder and former Managing Director of Kresta and has extensive experience in the window furnishings sector.

Kresta Chairman, John Molloy, said: "We are delighted that someone with Mr Zorbas' deep industry experience and knowledge of the business can step into the role at this time".

"We have already embarked on the search for our new CEO and to this end have briefed a recruitment company. We are seeking an external candidate with strong management experience within the consumer goods sector."

Although the company reported interim underlying EBIT profit of \$1.3m, recent trading results have reflected the soft retail market environment. Current year revenue is 4% lower than the preceding year, with margins adversely affected.

As a result, it is anticipated that underlying EBIT for the 2011-2012 financial year will be a loss of between \$1.5m and \$2.0m (FY2011 profit \$2.1m) and that the NPAT for the 2011-2012 financial year will be between \$0.1m and \$0.5m (FY2011 loss \$0.8m).

The 2012 full financial year NPAT result will be assisted by gains made on the sale of real estate which was surplus to the Company's requirements.

“The Board recognizes that current retail conditions are far from easy, and are taking further action to improve the underlying profitability of the company, this includes fully utilizing our new streamlined Western Australian manufacturing facilities” Mr Molloy states.

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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