## NONIB

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## Noni B reports \$1.9 million profit for 1H2013

Noni B Limited (ASX:NBL) today announced an after-tax profit of \$1.9 million for the first half of FY2013 (26 weeks). This compares with \$2.4 million for the first half of FY2012 (27 weeks) and guidance of between \$1.7 million and \$1.9 million provided on 24 January 2013. Earnings per share were 6.1 cents (pcp: 7.5 cents).

Revenue was \$64.3 million, compared with \$64.1 million for the first half of FY2012.

At 30 December 2012 the cash balance was \$14.3 million, compared with \$14.2 million a year earlier, and the company had no bank borrowings. Net tangible assets per share increased to 52.9 cents from 51.8 cents at 1 January 2012.

Store numbers increased to 219, with 5 new stores opened and 1 underperforming store closed in the first half. The level of inventory at \$17.2m was in line with the previous half year even with the increase in the number of stores.

The company has declared a fully franked interim dividend of 2.5 cents per share (pcp: 2.5 cents) with a record date of 15 March 2013 and payable to shareholders on 27 March 2013. The board expects total dividends for the full year to equal between 50 and 75 per cent of after-tax profit.

Results for the half year to	30 Dec 2012 (26 weeks) (\$000)	1 Jan 2012 (27 weeks) (\$000)	% change
Revenue	64,343	64,052	0.5
EBITDA (Earnings before interest, tax, depreciation and amortisation)	4,151	5,081	(18.3)
EBIT (Earnings before interest and tax)	2,750	3,356	(18.1)
Profit before tax	2,823	3,468	(18.6)
Profit after tax	1,946	2,403	(19.0)
Earnings per share - basic/diluted (cents)	6.1	7.5	(18.7)
Interim dividend (cents - fully franked)	2.5	2.5	-

David Kindl, Joint Managing Director, said "We recognise that customers expect nothing less than the best personal attention. Accordingly, we have maintained staffing levels in stores and continue to invest in training in order to deliver superior customer service.

"We are continuing to focus on the profitability of each store. Second half revenue will include contributions by new stores that give us access to new customers in Perth, Melbourne, Sydney and Brisbane. Lease renewals continue to depend on negotiating satisfactory commercial terms, and in many cases we are achieving rent reductions.

"In November we launched exclusively through our web store a new label 'NONI +' for the fuller figure woman. This new range has been very successful and will be introduced to our stores during the coming months.

"During the half year we welcomed 50,000 new members to our loyalty club, which continues to be a strong contributor to our business. Accordingly, a substantial part of our marketing budget is targeted at direct engagement with our loyalty customers."

## **Outlook**

"The women's fashion market remains challenging, and we continue to manage the business as efficiently as possible, without compromising the service and quality that will provide long term growth. We will maintain a conservative approach to inventory levels and the company's strong balance sheet and cash position," said David Kindl.

"As consumer demand recovers, we are confident that our investment in improving customer service, the superior style and fit of our products, the convenience of our national store network and web store and the strong Noni B and Liz Jordan labels will enable us to return to sales and earnings growth."

Noni B Limited, founded in 1977, is one of Australia's leading fashion retailers, with 219 stores nationally and online at www.nonib.com.au. Noni B differentiates itself by focusing on superior service, style and fit. Our dedicated team is passionate about providing women with an instore experience where personalised advice is the basis of great customer service, and our styles are designed to make our customers look and feel good through day and evening, even when they travel. The exclusive Noni B and Liz Jordan designer collections offer classic and stylish contemporary fashion for today's woman.

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