

Noni B Limited

Results presentation for 1H 12

15 February 2012



NONI B

About Noni B

- ❖ Leading fashion retailer for today's busy woman who wants to look and feel special
- ❖ Recognised for a wide choice of career, casual and evening wear
- ❖ Two exclusive fashion labels: Noni B and Liz Jordan targeting different customers
- ❖ 212 stores nationally
- ❖ Brand established for more than 30 years
- ❖ No direct competitor
- ❖ Sells the best fashion with superior value, style and fit, rather than the cheapest fashion
- ❖ Differentiated through providing REAL service and specialised attention
- ❖ Management team who have experienced retail down-turns before and increased profits as demand recovered

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Key financial results

- ❖ Revenue \$64.0 million, in line with 1H 12 (27 vs 26 weeks)
- ❖ NPAT \$2.4 million (pcp: \$1.5 million)
- ❖ EBITDA \$5 million (pcp \$4.1 million)
- ❖ Interim dividend 2.5 cents fully franked (pcp 1 cent)
- ❖ Inventory in line with prior year
- ❖ Stores: 2 opened (in Victoria); 3 closed (+ 1 store closed in January)

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Financial summary

Results summary for the half year to	1 Jan 2012 \$'000	26 Dec 2010 \$'000	% change
Revenue	64,052	62,867	1.9%
Earnings before interest, tax, depreciation and amortisation	5,081	4,103	23.9%
Earnings before interest and tax	3,356	2,136	57.1%
Profit before tax	3,469	2,213	56.8%
Profit after tax	2,403	1,520	58.1%
Earnings per share (cents)	7.5	4.7	
Interim dividend per share – fully franked (cents)	2.5	1.0	

- ❖ NPAT compares with January 2012 guidance of \$2.1 - \$2.4 million
- ❖ Fully franked 2.5 cent dividend payable with a record date of 15 March 2012, payable to shareholders on 29 March 2012

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Balance sheet

	1 Jan 2012 \$'000	26 Dec 2010 \$'000	% change
Current assets	32,642	26,974	21.0%
Non current assets	21,187	23,818	(11.0%)
Total assets	53,829	50,792	6.0%
Current liabilities	24,514	22,112	10.9%
Non current liabilities	2,098	2,407	(12.8%)
Total liabilities	26,612	24,519	8.5%
Net assets	27,217	26,273	3.6%
Issued capital	22,105	22,105	-
Reserves	515	364	41.5%
Retained earnings	4,597	3,804	20.8%
Total equity	27,217	26,273	3.6%

- ❖ Cash of \$14.2 million, compared with \$8.7 million Dec 2010
- ❖ No bank borrowings
- ❖ Inventory in line with December 2010

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Cash flow

Cash flow for the half year to	1 Jan 2012 \$'000	26 Dec 2010 \$'000	% change
Net cash from operating activities	9,565	7,137	34.0%
Net cash used in investing activities	(822)	(1,829)	(55.1%)
Net cash used in financing activities	(64)	(1,039)	(93.8%)
Net increase in cash and cash equivalents	8,679	4,269	103.3%
Cash and cash equivalents at beginning of year	5,483	4,420	24.0%
Cash and cash equivalents at end of year	14,162	8,689	63.0%

- ❖ Cash flow from operations \$9.6 million (pcp: \$7.1 million)

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Key drivers of the results

❖ Consumer confidence remained low, leading to flat sales

❖ Management focusing on what we can control:

1. Creating great clothes
2. Exceptional service in our stores
3. Tighter control of costs
4. Innovation
5. Engagement with staff and customers



Together these differentiate Noni B and attract customers, reducing the need to discount and increasing margins

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The changing retail world

- ❖ Rise in online purchasing
- ❖ Rise in household expenses reducing discretionary expenditure, especially by those on fixed incomes
- ❖ Retail expenditure overseas due to strong AUD

Opportunity

- ❖ Lack of personalised service by online retailers and staff reductions by bricks-and-mortar retailers give Noni B an opportunity to build on one of its key strengths: personal service and advice on style, colour and fit

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Our strategy for the changing retail world

- ❖ Business model and all parts of the business reviewed in detail to identify opportunities to improve performance
- ❖ Management restructured so executives closer to the shop floor
- ❖ Administration costs reduced
- ❖ Increased investment in training, including retail qualification for all store managers and assistant managers
- ❖ Develop online sales
- ❖ Continue to fine-tune store network, closing non-performing stores and expanding geographic coverage where attractive terms can be negotiated
- ❖ CRM – focus on low cost promotion to our million+ loyalty club database

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Focus in 2H 12 and beyond

- ❖ Strengthen the brand and attract a broader customer base
- ❖ Differentiate Noni B through emphasising personalised service and advice
- ❖ Introduce new product ranges to suit the busy woman's lifestyle
- ❖ Increase stores in Victoria and Queensland, where we are under-represented
- ❖ Increase online business
- ❖ Conservative management of inventory, expenses and balance sheet

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Outlook

- ❖ Consumer confidence will remain challenging in 2012
- ❖ Initiatives taken to increase margins and control costs are expected to result in an improvement in second half earnings compared with 2H11
- ❖ Plans to enable Noni B to prosper in the new retail environment will continue to be pursued
- ❖ Confident Noni B is well placed to improve performance as demand recovers



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Questions

"We are passionate about providing our customers with personalised service and superior service , fit and style."



NONI B

Executive team

Joint managing directors

David Kindl

Strategy, finance,
administration, IT, distribution,
property and investor relations

James Kindl

Retail operations, HR,
buying and marketing

Chief financial officer
and company secretary

Ann Phillips

General manager
buying and marketing

Rhonda Kilpatrick

General manager
human resource
services

Philip Fikkers

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