

27 February 2015

ASX ANNOUNCEMENT

## December 2014 results and acquisition update

### Results – 6 Months ending December 2014

Kresta Holdings Limited (ASX: KRS) would like to report it has achieved an after tax profit of \$52k for the six months ended 31 December 2014, this compares with a reported after tax profit of \$565k for the prior year corresponding period (“PCP”) and a reported loss for the year ended June 14 of (\$1,375k).

#### Key points:

- **Net profit after tax of \$0.1 million**
- **Sales revenue of \$48.4 million**
- **Cash at bank of \$1.2 million**
- **Net Cash out flow of (\$4.5) million**

#### Change from 2013

- ↓ **\$0.5m from PCP**
- ↓ **4% from PCP**
- ↓ **\$5.7 million from June 14**
- ↓ **(\$0.9) million in PCP**

The Company recorded revenue 4% below last year, however sales orders received during the period were at similar levels to last year with the key difference being an increase in the company’s order bank (unprocessed orders) at the end of the period.

Profitability during the period was modest and was impacted by reduced revenue recorded during the period. Furthermore the business incurred costs outside their normal operation in relation to acceleration of executive share based remuneration and advisory costs related to the takeover of the Company by Aplus and also costs related to the acquisition of Franklyn Blinds Awnings Security to be completed in 2015.

There was a program of capital investment within the business aimed at refurbishing our showrooms, establishing new stores and showrooms where needed and investing in additional production capacity on the East coast of Australia. This along

with an increase in our quantity and ranging of stock resulted in a \$4.5m cash out flow for the period.

Kresta Director Mr Rick Taylor said: “While the Company reported a modest profit, it was pleasing to see an increase in investment in the Kresta business. We are encouraged that the investment being undertaken will have a positive impact on the business for years to come”.

The Company has decided not to declare a dividend for the six months.

## **Acquisition Update Franklyn Blind Awnings Security**

On December 29<sup>th</sup> 2014 the Company announced it had entered into a conditional agreement to acquire the Franklyn Blinds Awnings Security business in Queensland. With an expected completion date of February 2015.

The acquisition is progressing well however the Company now expects that they will be in a position to satisfy the conditions and complete in March 2015 rather than February. The change in timing is due to the time required to complete and establish the Company’s preferred financing method.

Franklyn Blinds is a leading manufacturer and retailer of blinds, shutters, awnings and security screens in the Brisbane and South East Queensland area and is a well established brand with a strong market presence and reputation. It is anticipated the acquisition of Franklyn will be earnings per share accretive to Kresta and contribute positively to our annual cashflow.

### **For further information please contact:**

Rick Taylor  
Chairman – Kresta Holdings Limited  
T: 08 9249 0733  
E: [rtaylor@khl.com.au](mailto:rtaylor@khl.com.au)

Brendan Cocks  
CFO - Kresta Holdings Limited  
T: 08 9249 0733  
E: [bcocks@khl.com.au](mailto:bcocks@khl.com.au)

### **About Kresta**

Kresta Holdings is a leading national window furnishings manufacturer and retailer. The Company has been manufacturing blinds for over 40 years, and is now the largest window coverings manufacturer / retailer in Australia and New Zealand, employing approximately 700 people. Kresta’s brands include: Kresta Blinds, Vista Window Coverings, Decor2Go, Curtain Wonderland, Ace of Shades and Mardo. For further information, see [www.kresta.com.au](http://www.kresta.com.au)