



Kresta Holdings Limited

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ASX ANNOUNCEMENT

## June 2014 results for Kresta Holdings

Kresta Holdings Limited (ASX: KRS) incurred an after tax loss of \$1.4m for the year ended 30 June 2014, compared to the previous year's profit of \$1.5m.

### Key points:

- **Net loss after tax of \$1.4m**
- **Sales revenue of \$95.6m**
- **Net cash position of \$5.3m**
- **Operating Cashflow of \$2.4m**

### Change from 2013

↓	<b>\$1.5m profit last year</b>
↓	<b>5%</b>
↑	<b>\$3.7m last year</b>
↑	<b>\$1.5m last year</b>

Kresta Chairman Mr Rick Taylor said: "This year saw significant board and shareholder changes, a change of Managing Director with Mr Xianfeng Lu taking the leadership reins in March 2014 and then the launch of an "on market" takeover for Kresta by Aplus, a leading screen cloth manufacturing company listed on the Shenzhen Exchange in China controlled by Mr Lu."

For the last quarter of this year under the leadership of Mr Lu, Kresta focussed on enhancing our procurement and manufacturing processes and developing our growth plans for the future. These initiatives come at a cost in the short term, but when fully implemented should allow us to strongly compete in the market place.

In the first three quarters of the year, Kresta continued to make changes to its structure with the aim of reducing fixed costs and there was minimal investment in the business. There were non-recurring charges associated with the closure of 14 retail showrooms and stores and the restructure of personnel which should have benefits to the business in future years.

Included in the results were non cash charges of \$1.4m to the inventory and warranty provisions relating to changing some of our key suppliers (to boost quality and also achieve procurement savings) and a \$0.3m charge relating to the vesting of the previous CEO's LTI shares upon his departure in March.

From a cash perspective the Company has recorded an improved positive cash flow from operations of \$2.4m and at year end had a net cash position of \$5.7m, 44% higher than last year after the repayment of all outstanding bank debt during the year.

"The Company will continue its recent initiatives to invest in the business in the 2015 year and we look forward to a positive impact on the business for the years to come."  
" Mr Taylor said.

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

**For further information please contact:**

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**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 a leading 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)