



News Release
29 August 2012

NOEL LEEMING REPORTS STRONG ANNUAL RESULT DESPITE TOUGH MARKET CONDITIONS

Noel Leeming Group has reported a strong financial result for the 12 months to 31 March 2012 that further consolidates its position as market leader in the highly competitive electronics and appliance retail sector.

The company, which owns the Noel Leeming and Bond+Bond retail chains, has posted gross earnings ("EBITDA") of \$16.7 million and a net operating profit of \$10.6 million, which are increases of 20 per cent and 46 per cent respectively on the previous financial year.

The company achieved a revenue increase of 7.6% over the previous year, assisted by strong sales during the Rugby World Cup and increased sales in the Christchurch region following the February 2011 earthquake.

Noel Leeming Group Chief Executive John Journee said the result reflected the impact of a number of initiatives implemented over the past three years.

"A primary driver of our success has been a significant investment in staff training and development, with a determined focus on providing the best possible customer service and instore experience in all our stores."

"When prices continue to be under pressure in a competitive market, being able to increase Gross Margins and Operating Profit is a testament to the ability and commitment of our people."

Mr Journee said trading conditions continue to be challenging with consumers being more considered in their purchase decisions.

"There's a lot of choice facing consumers in the marketplace, and they are seeking a greater level of service and information from retailers. In this environment it is critical that our stores are able to offer high standards of service as well as competitive market pricing."

Noel Leeming Group reported that its Tech Solutions division (www.noelleeming.co.nz/techsolutions) continues to achieve significant growth,

showing that customers are increasingly requiring assistance to get the best from the new technologies that they are purchasing.

Over the past 12 months the company has opened several new stores in the Waikato region and one in Southland, in Gore. All new stores are trading at levels higher than expectations, said Mr Journee.

The company has also approved investment in an enlarged store in Rangiora, outside Christchurch, as well as in a new Noel Leeming store in Silverdale, just north of Auckland which is due to open late October.

“We want to capitalise on our growth and continue to increase our investment in the retail sector in New Zealand. As part of this we are actively looking for new store opportunities and we are currently reviewing a number of potential new sites,” said Mr Journee.

Supplementary Information

12 Months Ended 31 March 2012

Statutory Financial Statements are for Noel Leeming Holdings Limited (Consolidated Group). Financial highlights are;

in NZD '000	FY2012	FY2011	change %
Sales	607,784	564,695	7.6%
Earnings Before Interest, Tax and Amortisation (EBITDA)	16,696	13,920	20%
Net Operating Profit (EBIT)	10,642	7,287	46%
Net Profit After Tax (NPAT) (As reported)	(615)	(2,977)	
IFRS Adjustment - non cash /notional interest on Shareholder Loans **	2,986	2,581	
Provision for Earthquake related costs ***	353	462	
Normalised NPAT	\$ 2,724	\$66	
Cash Flow from Operations	\$ 10,870	\$ 10,447	4%

** IFRS Adjustment relates to a Non-Cash adjustment required for "Notional" Interest on Shareholder Loans. No interest is in fact accruing or paid on these loans.

*** Recognition of costs associated with the Christchurch Earthquake which are the subject of an Insurance Claim. There was not sufficient certainty at the time of preparation of the Financial Statements to include as a Receivable. The insurance claim is currently in progress.

Company Profile:

New Zealand's leading Consumer Electronic and Appliance Retailer
Number of stores – 66 Noel Leeming , 26 Bond and Bond , 1 Noel Leeming Lifestyle Appliances
Number of Employees – 1100
Owners – Gresham Private Equity (Australia) and Direct Capital (NZ)

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