

## **MEDIA RELEASE**

Monday 22 February 2010

### **FHL announces Half-Year Sales up 12%, Profit up 72% & Dividend up 56%.**

Leading furniture retailer, manufacturer and importer, Fantastic Holdings Limited today reported a record half year net profit before tax of \$18.1 million (HY09 \$10.6 million), an increase of 72%, which is at the upper end of the Group's previously provided profit guidance. Sales for the period were \$241.4 million (HY09 \$214.8 million), an increase of 12%, while comparative stores like for like growth amounted to 3%.

Fantastic Holdings will reward shareholders with a higher fully franked Dividend of 6.25 cents per share (HY09 4.0 cents), an increase of 56%. The closing date for Shareholders to be registered for this Dividend is 5pm on 19th March 2010 and it will be paid on 9th April 2010.

Managing Director Mr Tertini said "These financial results reflect the Group's proactive strategy of investing in new stores as well as taking advantage of growth opportunities presented during the last two years of economic downturn and financial uncertainty. Low interest rates, sustained employment levels and a strong Australian dollar created an environment which allowed FHL to capture additional market share through innovative products and attractive retail pricing across the Group's five Retail brands."

During the period, FHL opened a further eight stores, with the total number of stores across the Group now standing at 117. Fantastic Furniture opened two new stores and relocated four stores to larger premises. Plush and Dare Gallery opened one new store each, while Original Mattress Factory opened four stores. The Group plans to open a further five stores in the second half of the financial year.

Stage one of a comprehensive computer system implementation will soon be completed, with all Fantastic Furniture stores converted to the new system by May 2010. This is the first major step towards fully integrating the reporting information of the Logistics, Finance and Fantastic Furniture divisions.

Managing Director Mr Tertini acknowledged that the business outlook remained positive as Australia's economy continues to grow. "However", he said "ongoing retail performance continues to be very dependent upon sound employment, affordable interest rates and good consumer sentiment. With its strong Balance Sheet, the Group is well placed to take full advantage of opportunities as they arise and we remain cautiously optimistic that positive growth will continue."

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