

22 July 2011

ASX ANNOUNCEMENT

Market Update

Kresta Holdings Limited (**ASX: KRS**) wishes to provide a market update in advance of the release of the Company's full year results.

As a consequence of softening retail sales and abnormal items arising largely over the past six months from write-downs of the Company's inventory, as well as costs associated with recent corporate activity, the Company is anticipating an unaudited loss after tax of approximately \$780,000 for the 2011 financial year. The business recorded an unaudited underlying positive EBIT for the 2011 financial year of \$2.3m before the abnormal items.

The results will be confirmed when Kresta releases its full year results on or about 29 August 2011.

Kresta Holdings Limited Chairman, John Molloy, said: "We now have a new board and executive team in place, and are currently reviewing all aspects of the business, including overheads, purchasing and manufacturing efficiencies."

"We will announce Company's new strategy, over the next month."

For further information please contact:

Andrew Tacey

CEO

Kresta Holdings Limited

T: 08 9249 0777

Ken McKinnon

CFO/Company Secretary

Kresta Holdings Ltd

T: 08 9249 0777

David Ikin

Professional Public Relations

T: 08 9388 0944/0408 438 772

E: david.ikin@ppr.com.au

About Kresta

Kresta is a leading national window furnishings manufacturer and retailer. The Company has been manufacturing blinds for over 38 years, and is now the largest window coverings manufacturer / retailer in Australia and New Zealand, employing over 1100 people. Kresta's brands include: Kresta Blinds, Vista Window Coverings, Decor2Go, Curtain Wonderland and Ace of Shades. For further information, see www.kresta.com.au