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20 August 2009

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

By electronic lodgement

Nick Scali Limited
ACN 000 403 896
ASX Code: NCK

Year Ended 30 June 2009

The following document is attached for release to the market.

- Results Presentation.

For further information, contact:

David Clarke
Chief Financial Officer

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FURNITURE

Results Presentation

Year Ended 30 June 2009 (FY09)



Key points

Profit	<ul style="list-style-type: none">• A stronger second half with a recovery due to improving orders and margins• NPBT of \$6.9m vs FY08 \$9.4m – H2 up 16% vs H1 45% decline• EPS of 5.9 cents, down from 8.1 cents in FY08• FY09 gross margin 58% (FY08 60%) with H2 recovery to 59% from H1 57%
Sales	<ul style="list-style-type: none">• Sales decrease for the year of 1.7% to \$77.5m. Orders taken increased 1.2% to \$79.6m for the year• Same store sales growth up 3.5% in H2 from H1 decline of 12%. Full year same store decline held to 4.6%
New Stores	<ul style="list-style-type: none">• New stores opened in Frankston and Richmond in Victoria at the end of December, and Gepps Cross in South Australia in June
Cash Flow	<ul style="list-style-type: none">• Operating cashflow improved to \$8.6m (FY08 \$6.7m) and net cashflow was \$4.1m (FY08 -\$0.4m) with no interim dividend in FY09
Balance Sheet	<ul style="list-style-type: none">• Strong balance sheet maintained through uncertain year• Net cash at balance date of \$11.5m compared to \$6.2m June 08• No debt and reduced inventory levels
Dividend	<ul style="list-style-type: none">• Dividend of 6.0 cents (fully franked), compared to 7.0 cents in FY08• Equates to 101% payout ratio for the year

Earnings Summary

Year End 30 June (\$m)	FY08	FY09	Change
Sales revenue	78.8	77.5	-2%
Cost of sales	(31.4)	(32.5)	
Gross profit	47.5	45.0	
Other income	0.2	0.2	
Operating expenses	(37.6)	(37.9)	
EBITDA	10.0	7.3	-27%
Depreciation	(1.0)	(0.8)	
EBIT	9.0	6.5	-27%
Net interest	0.4	0.4	
Profit before tax	9.4	6.9	-26%
Taxation	(2.8)	(2.1)	
NPAT	6.6	4.8	-27%
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Gross margin	60.2%	58.1%	
Op expenses / sales	47.7%	48.9%	
EBITDA margin	12.7%	9.4%	
EBIT margin	11.4%	8.4%	
Effective tax rate	29.6%	30.0%	
Earnings ¢ per share	8.1	5.9	
Dividends ¢ per share	7.0	6.0	

- Orders taken were up 1.2% to \$79.6m and exceeded delivered sales by \$2m.
- Orders strengthened from March 09.
- H2 sales increased 6.2% compared to an 8% decline in H1.
- H2 same store sales increased by 3.5% compared to a 12% decline in H1, resulting in full year same store sales of -4.6%.
- Margin recovered to 59% in H2 from 57% in H1 (and a low of 55.7% in Q2 due to the rapid change in the AUD/USD rate)
- Additional operating expenses for new stores were offset by effective cost management across the whole business.
- Three new stores opened during the year; the most recent near the end of the financial year.



Cashflow

Year End 30 June (\$m)	FY08	FY09
Receipts from customers	86.9	86.0
Pmts to suppliers/employees	(77.0)	(75.9)
Other	0.4	0.4
Income tax paid	(3.6)	(1.9)
Operating Cash Flow	6.7	8.6
Capital expenditure	(1.1)	(1.2)
Investing Cash Flow	(1.1)	(1.2)
Borrowings	1.3	(1.3)
Dividends	(7.3)	(2.0)
Financing Cash Flow	(6.0)	(3.3)
Net Cash Flow	(0.4)	4.1

- Strong operating cash flow of \$8.6m.
- Non-operating cash outflows relate primarily to new stores, FY08 dividends, and clearing short term debt.
- Capex investment maintained at FY08 levels.
- No FY09 interim dividend paid, reinforcing the cash position of the Company during a very uncertain period.



Balance Sheet

Period End (\$m)	Jun'08	Jun'09
Cash	7.5	11.5
Receivables	0.6	0.6
Inventories	12.7	11.6
Fixed assets	4.0	4.4
Intangibles	2.4	2.4
Other	1.0	1.7
Total Assets	28.2	32.2
Borrowings	1.3	0.0
Payables	10.3	12.4
Current tax payable	0.7	1.0
Provisions	0.2	0.4
Total Liabilities	12.5	13.8
Net Assets	15.7	18.4
Net cash (debt)	6.2	11.5
Working capital	3.0	(0.2)

- Strong Balance Sheet and cash position
- Reduced inventory levels due to continued management focus and strong second half sales
- No impairment of goodwill or other assets
- Payables have increased due to higher levels of customer deposits received at year end, and accounting deferral of new lease incentives.



Outlook

Sales and Orders

- Orders to date in FY10 have seen a continuation of the positive momentum experienced in the latter part of FY09
- The Company has started FY10 with its customer forward order book at a historic high
- This appears driven by internal initiatives in respect to product offering, pricing, and marketing; and a number of external factors creating positive consumer sentiment amongst our target customers.

Stores and Growth

- Company expects to open 2-3 new stores in FY10 – leveraging existing infrastructure.
- Further stores are being sought nationally, particularly in Queensland and Victoria.

Cash and Balance Sheet

- The Company expects strong operating cashflows to continue in FY10.
- Well positioned to take advantage of opportunities.

Overall

- The Company expects to achieve a material increase in profit for the year ending 30 June 2010, though some risk remains of a short term slowing in retail demand.