

ASX Announcement

19 December 2008

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000



Earnings Update

UnderCoverWear has completed a review of its likely results for the six months to 31 December 2008.

Trading levels for the company have been affected by the current lack in consumer confidence and economic slowdown.

The company is experiencing a decrease in attendance and spend at its parties which will result in an expected reduction in turnover of around 23% for the first six months of the financial year. In addition gross margins have been adversely affected by the decline in the Australian currency, giving rise to an expected drop in Net Profit After Tax from \$2.45 million for the six months to December 2007 to a NPAT of between \$1.4 million and \$1.6 million.

The company is continuing to reduce costs wherever possible to improve profitability in the remaining 2009 year.

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