

ASX Announcement

UnderCoverWear

25 July 2011

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

Directors advise that they expect the full year financial result to be (pre goodwill impairment and subject to audit) a loss of \$2.4m, of which \$0.8m is an operating loss.

The new management team comprising Rick Lowry, Laurie Fitzgerald and Angela Catford, has conducted an extensive review of all aspects of the business and appropriate provisions have been made. As a consequence an additional provision of \$1.6m has been made in respect of obsolete inventory.

The results for May and June 2011 are cash positive following significant cost saving initiatives in all areas of the business. This early trend, combined with the extensive provisioning and new sale initiatives, is expected to allow the company to steadily rebuild its business to profitability.

NJV Geddes
Secretary