

## HELLABY HOLDINGS LIMITED

26 August 2005

### HELLABY ACHIEVES RECORD TRADING PROFIT AND LIFTS DIVIDEND

The directors of Hellaby Holdings today announced the company's financial results for the year to 30 June 2005, details of which are attached.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 20% to \$43 million (last year \$35.8 million) and the pre-tax operating surplus increased by 7% to \$26.2 million (last year \$24.4 million), reflecting the continued growth in profitability of the operating divisions and an overall record performance.

The Group achieved a tax paid surplus of \$20.9 million for the year (last year \$20.4 million).

However, last year's after tax surplus was boosted by a one-off tax benefit of \$2 million (this year \$1 million) and on a comparable basis with prior year's, the Group's underlying after tax surplus increased by 8% to \$19.9 million (last year \$18.5 million).

Hellaby's directors have approved an increased final dividend of 20 cents per share fully imputed (last year 19 cents) to be paid on 7 October 2005. This, together with the interim dividend of 19 cents per share, gives a fully imputed distribution for the year of 39 cents per share (last year 35 cents).

The increase in profitability was a result of higher contributions from all of the Group's trading divisions.

The Automotive and Industrial divisions both recorded sound earnings growth with AB Equipment achieving record earnings before interest and tax.

The improved contribution from the Diversified Companies division reflects higher earnings from Levana and a part-year contribution from newly acquired EILDex Packaging.

The increased profit from the Retail division reflects a record Hannahs result and a part-year contribution from BBQ Factory. However, Rodd & Gunn was below last year, and the contribution from BBQ Factory was less than expected due to the impact of adverse weather conditions on sales and margins in both the summer and winter seasons, and because of one-off restructuring costs expensed in the year's result.

Since balance date Hellaby has acquired an 80% shareholding in No1 Shoe Warehouse and increased its shareholding in Hannahs from 85% to 94%.

Trading conditions remain challenging for a number of the Group's subsidiaries but the directors are confident that the contribution from No1 Shoe Warehouse, a full year's contribution from EILDex Packaging and a forecast improved profit from BBQ Factory will lead to a further sound improvement in the Group's trading surplus in the coming year.

Hellaby directors note that timing differences and other one-off tax benefits enjoyed by the company are no longer available and as a consequence the tax expense for 2006 and future years will be higher.

The company has elected to adopt the new International Financial Reporting Standards (IFRS) from 1 July 2005 onwards and this will have an impact on Hellaby's reported profit in the 2006 and subsequent financial years.

However, the Hellaby directors are of the view that after all these factors are taken into account the Group will again achieve a comfortable increase over the \$19.9 million underlying after tax surplus achieved in the 2005 financial year.

For further information please contact:

David Houldsworth  
 Managing Director  
 (09) 306 7405  
 021 722 455

**Financial performance of the Hellaby Group for the year ended 30 June 2005 is summarised as follows:**

	<b>2005</b>	<b>2004</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Gross Trading Surplus</b>	44,966	37,644
Administration	1,912	1,811
	<hr/>	<hr/>
<b>Trading Surplus before depreciation, amortisation &amp; interest</b>	43,054	35,832
Depreciation	9,451	8,315
Amortisation	2,399	1,338
Interest	5,806	2,435
	<hr/>	<hr/>
<b>Net trading Surplus</b>	25,398	23,744
<b>Other</b>		
Surplus on sale of assets	778	1,216
Revaluation of assets	-	518
Rent abatement	-	(1,031)
	<hr/>	<hr/>
<b>Operating Surplus</b>	26,176	24,447
Less tax	6,296	5,962
	<hr/>	<hr/>
	19,880	18,485
Plus one-off tax benefits	978	1,955
	<hr/>	<hr/>
<b>Operating surplus after tax</b>	20,858	20,440
	<hr/>	<hr/>
<b>Earnings per share</b>	42.4	41.5
	cents	cents
	=====	=====

**PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT**

**Hellaby Holdings Limited**

(Name of Listed Issuer)

**For Full Year Ended**

**30-Jun-05**

(referred to in this report as the "current full year")

Preliminary **full year** report on consolidated results (including the results for the previous corresponding full year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates [see Note (X) attached] and is based on audited financial statements. If the report is based on audited financial statements, any qualification made by the auditor is to be attached.

The Listed Issuer **has** a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	*Consolidated Statement Financial Performance		
	Current full Year \$NZ'000	*Up/Down %	Previous corresponding full year \$NZ'000
<b>1.1 OPERATING REVENUE</b>			
(a) Trading Revenue	390,230	20.8% up	322,951
(b) Other Revenue	47	99.4% down	8,361
(c) Total Operating Revenue	390,277	17.4% up	-
<b>1.2 OPERATING SURPLUS BEFORE TAXATION</b>	26,941	-	25,322
(a) Less taxation on operating result	(5,318)	32.7% up	(4,007)
<b>1.3 OPERATING SURPLUS AFTER TAX</b>	21,623	-	21,315
(a) Extraordinary Items after Tax [detail in Item 3]			
(b) Unrealised net change in value of investment properties			
<b>1.4 NET SURPLUS FOR THE PERIOD</b>	21,623	-	21,315
(a) Net *Surplus attributable to minority interests	765	12.6% down	875
<b>1.5 NET SURPLUS ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	20,858	-	20,440

2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR FULL YEAR	*Consolidated Statement of Financial Performance	
	Current full year \$NZ'000	Previous corresponding full year \$NZ'000
<b>2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>		
(a) Interest revenue included in Item 1.1(b)	173	416
(b) # Unusual items for separate disclosure (gain/loss) (detail - Item 3)		
(c) Equity earnings (gain/loss) (detail - Item 16)	1,309	926
(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	( 5,979)	( 2,851)
(e) Leasing and renting expenses	( 33,720)	( 28,466)
(f) Depreciation	( 9,450)	( 8,315)
(g) Increase/(diminution) in the value of assets (other than depreciation)	34	894
(h) Amortisation of goodwill	( 2,104)	( 1,077)
(i) Amortisation of other intangible assets	( 295)	( 261)
(j) Impairment of goodwill		
(k) Impairment of other intangible assets		



5 EARNINGS PER SECURITY	Earnings Per Security	
	Current full year \$NZ'000	Previous corresponding full year \$NZ'000
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share		
(a) Basic EPS	42.4 cents	41.5 cents
(b) Diluted EPS (if materially different from (a))		

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES (See Note (VII) at	
(a) Name of subsidiary or group of subsidiaries	BBQ Factory Limited
(b) Percentage of ownership acquired	100%
(c) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	\$
(d) Date from which such contribution has been calculated	31-Aug-04
(a) Name of subsidiary or group of subsidiaries	Eldex Packaging Limited
(b) Percentage of ownership acquired	100%
(c) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	\$
(d) Date from which such contribution has been calculated	1-Feb-05

7 MATERIAL DISPOSALS OF SUBSIDIARIES (See Note (VII) attached)	
(a) Name of subsidiary or group of subsidiaries	
(b) Contribution to consolidated net Surplus (Item 1.4)	
(c) Date from which such contribution has been calculated	
(d) Contribution to consolidated net Surplus (Item 1.4) for the previous corresponding full year	
(e) Contribution to consolidated net (Deficit) (Item 1.4) from sale of subsidiary	

### 8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

Information on the industry and geographical segments of the Listed Issuer is to be reported for the full year in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the full year report:

#### SEGMENTS

	Revenue \$000	Surplus/(Deficit) \$000	Assets \$000
2005			
Automotive	90,973	12,666	50,565
Industrial	127,385	10,001	81,680
Retail	141,648	10,477	69,343
Other	30,239	2,530	24,630
Corporate Office & Investment	32	( 3,692)	18,183
	390,277	31,982	244,401
Interest		( 5,806)	
Taxation		( 5,318)	
Operating Surplus before Tax		20,858	

	Revenue \$000	Surplus/(Deficit) \$000	Assets \$000
2004			
Automotive	86,676	11,366	46,767
Industrial	114,500	9,125	78,166
Retail	99,314	8,834	34,376
Other	30,804	393	12,883
Corporate Office & Investment	18	(2,836)	17,680
	<hr/>		
	331,312	26,882	189,872
Interest		(2,435)	
Taxation		(4,007)	
		<hr/>	
Operating Surplus before Tax		20,440	

**GEOGRAPHIC SEGMENTS**

	Revenue \$000	Surplus/(Deficit) \$000	Assets \$000
2005			
New Zealand	387,233	20,777	241,456
Australia	3,044	49	2,738
United States	-	32	207
	<hr/>		
	390,277	20,858	244,401

	Revenue \$000	Surplus/(Deficit) \$000	Assets \$000
2004			
New Zealand	330,617	20,747	188,513
Australia	695	(319)	1,184
United States	-	12	175
	<hr/>		
	331,312	20,440	189,872

(Note (VIII) attached has particular relevance for the preparation)	<b>Consolidated Statement of Financial Position</b>		
	At end of current full Year \$NZ'000	As shown in last Annual Report \$NZ'000	If half yearly as shown in last half yearly report \$NZ'000
<b>9 CURRENT ASSETS:</b>			
(a) Cash	5,601	4,308	
(b) Trade receivables	45,493	38,513	
(c) Investments	346	245	
(d) Inventories	94,181	78,734	
(e) Other assets, current		3,628	
<b>TOTAL CURRENT ASSETS</b>	<b>145,621</b>	<b>125,428</b>	
<b>9.1 NON-CURRENT ASSETS</b>			
(a) Trade receivables			
(b) Investments	8,391	10,072	
(c) Inventories			
(d) Property, plant and equipment	40,400	34,742	
(e) Goodwill	39,123	14,033	
(f) Deferred Taxation Assets	10,133	4,814	
(g) Other Intangible Assets	733	783	
(h) Other assets, non current		-	
<b>9.2 TOTAL NON-CURRENT ASSETS</b>	<b>98,780</b>	<b>64,444</b>	
<b>9.3 TOTAL ASSETS</b>	<b>244,401</b>	<b>189,872</b>	
<b>9.4 CURRENT LIABILITIES</b>			
(a) Trade Creditors	44,549	36,111	
(b) Income in advance, current			
(c) Secured loans	10,163	11,501	
(d) Unsecured loans			
(e) Provisions, current - Taxation	-	3,647	
(f) Other liabilities, current			
<b>TOTAL CURRENT LIABILITIES</b>	<b>54,712</b>	<b>51,259</b>	
<b>9.5 NON-CURRENT LIABILITIES</b>			
(a) Accounts payable, non-current			
(b) Secured loans	83,000	34,000	
(c) Unsecured loans			
(d) Provisions, non-current	2,244	2,885	
(e) Deferred Taxation Liability, non-current			
(f) Other liabilities, non-current			
<b>9.6 TOTAL NON-CURRENT LIABILITIES</b>	<b>85,244</b>	<b>36,885</b>	
<b>9.7 TOTAL LIABILITIES</b>	<b>139,956</b>	<b>88,144</b>	
<b>9.8 NET ASSETS</b>	<b>104,445</b>	<b>101,728</b>	
<b>9.9 SHAREHOLDERS' EQUITY</b>			
(a) Share capital (optional)	16,286	16,287	
(b) Reserves (optional) (i) Revaluation reserve (ii) Other reserves			
(c) Retained Surplus (accumulated Deficit) (optional)	83,990	81,827	
<b>9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	<b>100,276</b>	<b>98,114</b>	
(a) Minority equity interests in subsidiaries	4,169	3,614	
<b>9.11 TOTAL SHAREHOLDERS' EQUITY</b>	<b>104,445</b>	<b>101,728</b>	
(a) Returns on Assets (%) (EBIT divided by Total Assets)	13.4%	14.6%	
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	20.0%	20.0%	
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	134.0%	86.7%	

(See Note (IX) attached )		<b>Consolidated Statement of cashflows for *half/full year</b>	
<b>10 CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>	Current full year \$NZ'000	Corresponding full year \$NZ'000	
(a) Receipts from customers	391,649	329,946	
(b) Interest received	184	250	
(c) Dividends received	1,489	895	
(d) Payments to suppliers and employees	(361,947)	(301,810)	
(e) Interest paid	(5,991)	(2,756)	
(f) Income taxes paid	(10,635)	(5,672)	
(g) Other cash flows relating to operating activities	(1,513)	(3,239)	
<b>NET OPERATING FLOWS</b>	<b>13,236</b>	<b>17,614</b>	

(See Note (IX) attached )			
<b>11 CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>			
(a) Cash proceeds from sale of property, plant and equipment	13,064	1,561	
(b) Cash proceeds from sale of equity investments	1,637	10,839	
(c) Loans repaid by other entities	607	-	
(d) Cash paid for purchases of property, plant and equipment	(19,156)	(14,448)	
(e) Interest paid - capitalised			
(f) Cash paid for purchases of equity investments	(36,580)	(2,111)	
(g) Loans to other entities	(43)	-	
(h) Other cash flows relating to investing activities	(442)	2,056	
<b>NET INVESTING CASH FLOWS</b>	<b>(40,913)</b>	<b>(2,103)</b>	

(See Note (IX) attached )			
<b>12 CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
(a) Cash proceeds from issue of shares, options, etc.	-	29	
(b) Borrowings	53,087	2,307	
(c) Repayment of borrowings	(1,062)	(5,038)	
(d) Dividends paid	(19,295)	(15,651)	
(e) Other cash flows relating to financing activities	(1)		
<b>NET FINANCING CASH FLOWS</b>	<b>32,729</b>	<b>(18,353)</b>	

(See Note (IX) attached )			
<b>13 NET INCREASE (DECREASE IN CASH HELD)</b>			
(a) Cash at beginning of full year	485	3,327	
(b) Exchange rate adjustments to Item 12.3(a) above			
<b>(c) CASH AT END OF FULL YEAR</b>	<b>5,537</b>	<b>485</b>	

**14 NON-CASH FINANCING AND INVESTING ACTIVITIES**  
Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:

.....

.....

.....

.....

(See Note (IX) attached )		Current full Year NZ\$'000	Previous Corresponding full year NZ\$'000
<b>15 RECONCILIATION OF CASH</b>			
For the purposes of the above Statement of cash flows, cash includes:			
.....			
Cash at the end of the full year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:			
Cash on hand and at bank	5,601	4,308	
Deposits at call			
Bank overdraft	( 64)	( 3,823)	
Other (provide details eg Term Deposits			
<b>Total = Cash at End of Full Year (Item 13(c) above)</b>	<b>5,537</b>	<b>485</b>	

## 16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

### 16.1 GROUP SHARE OF RESULTS OF ASSOCIATES

- (a) **OPERATING SURPLUS BEFORE TAX**  
 (b) Less tax  
 (c) **OPERATING SURPLUS AFTER TAX**  
 (i) Extraordinary items  
 (d) **NET SURPLUS AND EXTRAORDINARY ITEMS AFTER TAX**

Equity Earnings	
Current full year \$NZ'000	Previous corresponding full year \$NZ'000
1,572	1,593
(263)	(667)
1,309	926
2,618	1,852

### 16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES

- (a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of Full Year		Contribution to net *surplus (deficit) (Item 1.5)	
	Current Full Year	Previous Corresponding Full Year	Current Full Year NZ\$'000	Previous Corresponding Full Year NZ\$'000
<b>Equity Accounted Associates</b>				
			<i>Equity Accounted in current year</i>	
Bombay Petfoods Limited	49.0%	49.0%		
Bert Teubel Limited	-	49.0%		
Energy Intellect Limited	25.0%	25.0%		
NZ Wool Services International Limited	20.0%	20.0%		
<b>Other Material Interests</b>			<i>Not Equity Accounted in current year</i>	

- (b) Investments in Associates

	Current full Year \$NZ'000	Previous Corresponding full year \$NZ'000
Carrying value of investments in associates beginning of full year	9,902	8,091
Share of changes in associates' post acquisition surpluses/and reserves:		
- Retained surplus	1,309	926
- Revaluation	(63)	1,555
Acquisitions/(Disposals) during the year	(1,900)	207
Less Dividends received in the period	(861)	(877)
Equity carrying value of investments at the end of full year	8,387	9,902
Amount of goodwill included in carrying value at end of that full year		

**17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT FULL YEAR**

Category of Securities	Number		Number	Paid-Up Value Cents (If not fully paid)
	Issued	Quoted		
<b>PREFERENCE SHARES:</b>				
# (Description)				
Issued during current *half year/full year				
<b>ORDINARY SHARES:</b>				
<b>Issued</b>	50,311,302			
Treasury Stock	1,114,406			
<b>Net Shares on Issue</b>	49,196,896			
Issued during current *half year/full year				
<b>CONVERTIBLE NOTES</b>				
# (Description)				
Issued during current *half year/full year				
<b>OPTIONS:</b>				
	Issued	Quoted	Exercise Price	Expiry Date
Issued during current *half year/full year				
<b>DEBENTURES - Totals only:</b>		\$		
<b>UNSECURED NOTES - Totals only:</b>		\$		
<b>OTHER SECURITIES</b>		\$	\$	

# Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

**18 COMMENTS BY DIRECTORS**

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

**REFER ATTACHED REPORT**

- (a) Material factors affecting the revenues and expenses of the group for the current \*half/full year
- (b) Significant trends or events since end of current \*half/full year
- (c) Changes in accounting policies since last Annual Report and/or last Half Yearly to be disclosed
- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain
- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty
- (f) Other comments

**19 DIVIDEND**

(a) Gross Dividend Yield at 12:30 pm 26 August 2005 - 9.8%

.....  
(b) Net Dividend Yield at 12:30 pm 26 August 2005 - 6.6%

**20 ANNUAL MEETING (if full year report)**

(a) To be held at  
Langham Hotel (formerly Sheraton Hotel), 83 Symonds Street, Auckland

(b) Date: 18 November 2005 Time: 10:00 am

(c) Approximate date of availability of Annual Report 30-Sep-05

If this full year report was approved by resolution of the Board of Directors, please indicate date of meeting:

.....  
Trevor Dwerryhouse, Company Secretary

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(signed by) Authorised Officer of Listed Issuer

\*Delete as required

.....  
26-Aug-05

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(date)

**Notice of event affecting securities**

New Zealand Stock Exchange Listing Rule 7.12.2. For rights, Listing Rules 7.10.9 and 7.10.10.  
For change to allotment, Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one  
(Please provide any other relevant  
details on additional pages)

Full name of Issuer	HELLABY HOLDINGS LIMITED		
Name of officer authorised to make this notice	T Dwerryhouse	Authority for event, e.g. Directors' resolution	Director's Resolution
Contact phone number	0-9-307 6844	Contact fax number	0-9-307 3559
Date	26 / 8 / 2005		

<b>Nature of event</b> Tick as appropriate	Bonus Issue <input type="checkbox"/>	If ticked, state whether: Taxable <input type="checkbox"/> / Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/>	Interest <input type="checkbox"/>	Rights Issue Renounceable <input type="checkbox"/>
	Rights Issue non-renounceable <input type="checkbox"/>	Capital change <input type="checkbox"/>	Call <input type="checkbox"/>	Dividend <input checked="" type="checkbox"/>	If ticked, state whether: Interim <input type="checkbox"/>
				Full Year <input checked="" type="checkbox"/>	Special <input type="checkbox"/>

**EXISTING securities affected by this**

If more than one security is affected by the event, use a separate form.

Description of the class of securities	Ordinary Shares	ISIN	NZHBYE000158
			If unknown, contact NZX

**Details of securities issued pursuant to this event**

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities		ISIN	
			If unknown, contact NZX
Number of Securities to be issued following event		Minimum Entitlement	
Conversion, Maturity, Call Payable or Exercise Date	Enter N/A if not applicable	Treatment of Fractions	
Strike price per security for any issue in lieu or date Strike Price available.		Tick if <i>pari passu</i> <input type="checkbox"/>	OR provide an explanation of the ranking

**Monies Associated with Event**

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents		Source of Payment	Revenue Reserves
Amount per security	20 cents Fully Imputed	Supplementary dividend details - Listing Rule 7.12.7	Amount per security in dollars and cents
Currency	NZ Dollars		3.529412 cents
Total monies	\$9,347,446		Date Payable
			7 October 2005

**Taxation**

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price	N/A	Resident Withholding Tax	Nil	Credits (Give details)	9.850746 cents
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**Timing**

(Refer Appendix 8 in the Listing Rules)

**Record Date 5pm**

For calculation of entitlements - must be the last business day of a week

30 September 2005

**Payment Date**

Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.

7 October 2005

**Notice Date**

Entitlement letters, call notices, conversion notices mailed

**Allotment Date**

For the issue of new securities. Must be within 5 business days of record date.

**OFFICE USE ONLY**

Ex Date:  
Commence Quoting Rights:  
Cease Quoting Rights 5pm:  
Commence Quoting New Securities:  
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

