

**Income Statements**  
**For the year ended 30 June 2008**

	Group	
	2008	2007
	\$000	\$000
<b>Continuing operations:</b>		
Revenue		
Sale of goods	515,271	448,269
Other income	4,711	3,162
<b>Total income</b>	<b>519,982</b>	451,431
Expenses		
Cost of inventory sold	302,072	265,878
Rental & operating leases	43,894	39,356
Salaries & wages	77,942	65,879
Depreciation & amortisation	9,687	9,211
Other expenses	48,072	44,622
Profit/(deficit) before finance costs	38,315	26,485
Finance (costs)/revenue	(12,444)	(9,150)
Share of profit from associates	1,586	227
Profit/(deficit) before tax	27,457	17,562
Income tax (expense)/credit	(8,089)	(6,313)
<b>Profit/(deficit) after tax from continuing operations</b>	<b>19,368</b>	11,249
<b>Discontinued operations:</b>		
(Deficit) from discontinued operations	(14,689)	(21,078)
<b>Profit/(deficit) after tax attributable to Shareholders of Parent Company</b>	<b>4,679</b>	(9,829)

	Group	
	cents	cents
<b>Basic and diluted earnings per share</b>		
<b>Earnings/(deficit) per share attributable to the Shareholders of Parent Company</b>	<b>9.3</b>	(19.7)
<b>Earnings/(deficit) per share from continuing operations attributable to the Shareholders of Parent Company</b>	<b>38.7</b>	22.6
<b>(Deficit) per share from discontinued operations attributable to the Shareholders of Parent Company</b>	<b>(29.3)</b>	(42.3)

**Balance Sheets**  
**As at 30 June 2008**

	Group	
	2008	2007
	\$000	\$000
<b>ASSETS</b>		
Current assets		
Inventories	132,591	126,685
Derivative financial instruments	700	1
Current tax asset	-	-
Receivables and prepayments	50,883	53,046
Receivables from related parties	-	1
Cash and cash equivalents	3,597	5,830
Loans and advances	3,342	154
<b>Total current assets</b>	<b>191,113</b>	<b>185,717</b>
Non-current assets		
Property, plant and equipment	34,482	36,932
Intangible assets	56,871	57,524
Investment in associates	5,808	4,422
Investment in subsidiaries	-	-
Other investments	-	861
Loans and advances	2,592	784
Future tax benefit	13,551	18,600
<b>Total non-current assets</b>	<b>113,304</b>	<b>119,123</b>
<b>Total Assets</b>	<b>304,417</b>	<b>304,840</b>
<b>LIABILITIES</b>		
Current liabilities		
Derivative financial instruments	2,296	13,023
Current tax liabilities	1,058	2,292
Trade and other payables	57,737	45,339
Payable to related parties	-	553
Provisions	8,087	5,062
Deferred consideration	-	14,378
Borrowings	9,605	7,048
<b>Total current liabilities</b>	<b>78,783</b>	<b>87,695</b>
Non-current liabilities		
Borrowings	85,500	84,500
Capital notes	48,898	48,525
Payables	346	125
Deferred consideration	-	2,941
Provisions	340	416
<b>Total non-current liabilities</b>	<b>135,084</b>	<b>136,507</b>
<b>Total Liabilities</b>	<b>213,867</b>	<b>224,202</b>
<b>Net Assets</b>	<b>90,550</b>	<b>80,638</b>

	Group	
	2008	2007
	\$000	\$000
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<b>EQUITY</b>		
Contributed equity	20,145	19,752
Cash flow hedge reserve	(1,174)	(8,514)
Retained earnings	71,579	69,400
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<b>Total Equity</b>	<b>90,550</b>	<b>80,638</b>

The Board of Directors of Hellaby Holdings Limited authorised these financial statements for issue on 28 August 2008.

On behalf of the Board

Director

Director

**Statements of Movements in Equity  
For the year ended 30 June 2008**

	2008	Group 2007
	\$000	\$000
<b>Total equity at the beginning of the period</b>	<b>80,638</b>	113,534
Movement in cash flow hedge reserve net of tax	<b>7,340</b>	(12,325)
Profit/(deficit) for the period	<b>4,679</b>	(9,829)
Total recognised income and expense	<b>12,019</b>	(22,154)
Dividends provided for or paid	<b>(2,107)</b>	(10,742)
<b>Total equity at the end of period</b>	<b>90,550</b>	80,638

**Statements of Cash Flows**  
**For the year ended 30 June 2008**

	2008	Group 2007
	\$000	\$000
<b>Cash flows from operating activities</b>		
Receipts from customers	545,882	484,437
Payments to suppliers and employees	(510,101)	(458,330)
Cash from/(used in) operations	35,781	26,107
Dividends received	257	157
Interest received	111	229
Other revenue	1,659	857
Interest paid	(15,272)	(11,130)
Income taxes paid	(794)	(8,336)
<b>Net cash inflow from operating activities</b>	<b>21,742</b>	<b>7,884</b>
<b>Cash flows from investing activities</b>		
Payment for purchase of businesses, net of cash acquired	(25,441)	(20,521)
Payment for purchase of equity investments	-	(1,500)
Payments for property, plant and equipment and software	(16,546)	(17,996)
Loans advanced	-	(6)
Proceeds from sale of business, net of cash disposed	6,301	-
Proceeds from sale of equity investments	-	6,144
Proceeds from sale of property, plant and equipment and software	9,678	8,397
Repayment of loans	802	1,330
<b>Net cash (outflow) from investing activities</b>	<b>(25,206)</b>	<b>(24,152)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	7,612	41,708
Repayment of borrowings	(4,444)	(11,142)
Advances (to)/from subsidiaries and associates	-	(200)
Dividends paid to Company's shareholders	(2,107)	(10,742)
<b>Net cash inflow from financing activities</b>	<b>1,061</b>	<b>19,624</b>
Net (decrease)/increase in cash and cash equivalents	(2,403)	3,356
Cash and cash equivalents at the beginning of the period	5,817	2,461
Effects of exchange rate changes on cash and cash equivalents	(61)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>3,353</b>	<b>5,817</b>

	2008	Group 2007
	\$000	\$000
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Consisting of:		
Cash and cash equivalents	3,597	5,830
Bank overdraft	(244)	(13)
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<b>Closing cash balance</b>	<b>3,353</b>	<b>5,817</b>

Segmental reporting  
Primary reporting format – business segments

Year ended 30 June 2008

	Automotive \$000	Equipment \$000	Footwear \$000
<b>INCOME STATEMENT</b>			
Sales to external customers	157,972	130,247	166,961
Intersegment sales	1,007	314	-
Total sales revenue	158,979	130,561	166,961
Other income	957	967	528
Total segment income	159,936	131,528	167,489
Segment result	19,690	7,053	7,926
Finance costs			
Share of profit from associates			
Income tax expense			
Discontinued operations			
<b>Net Profit for the year</b>			

	Packaging \$000	Diversified \$000	Corporate \$000	Inter- segment eliminations /unallocated \$000	Group \$000
<b>INCOME STATEMENT</b>					
Sales to external customers	56,171	3,920	-	-	515,271
Intersegment sales	93	-	-	(1,414)	-
Total sales revenue	56,264	3,920	-	(1,414)	515,271
Other income	1,376	1	16,585	(15,703)	4,711
Total segment income	57,640	3,921	16,585	(17,117)	519,982
Segment result	4,782	309	(1,445)	-	38,315
Finance costs					(12,444)
Share of profit from associates					1,586
Income tax expense					(8,089)
Discontinued operations					(14,689)
<b>Net Profit for the year</b>					
					4,679

## Principal Subsidiaries

Name	Activity	2008 Interest	2007 Interest
AB Equipment Limited	Materials handling and construction equipment	100%	100%
AB Rental Limited	Forklift rentals	100%	100%
Retail Properties 2008 Limited (previously BBQ Factory Limited)	Barbeque and spa pool retailer	100%	100%
Brake & Transmission NZ Limited	Automotive parts distributor	100%	100%
Diesel Distributors Limited	Diesel engine components distributor	100%	100%
Diesel Distributors Australia Pty Limited	Diesel engine components distributor	100%	100%
Discount Shoe Warehouse Limited	Specialty shoe retailer	100%	100%
Elldex Packaging Limited	Packaging manufacturer and distributor	100%	100%
Eurolift NZ Limited	Forklift sales and rentals	100%	100%
LTL 2007 Limited (previously Levana Textiles Limited)	Textiles manufacturer	100%	100%
R Hannah & Co Limited	Specialty shoe retailer	100%	100%
TRS Tyre & Wheel Limited	Tyre and wheel importer and distributor	100%	100%
TRS Tyre & Wheel Pty Limited	Tyre and wheel importer and distributor	100%	100%

On 30 June 2008 Hellaby Holdings sold the trade and assets of BBQ Factory Limited for consideration of \$5.8 million.

On 31 October 2007 Hellaby Holdings sold the assets and business of Levana Textiles Limited for \$5.9 million.

On 31 July 2007 Elldex Packaging Limited acquired the trade and assets of the Christchurch operations of Chequer Packaging Limited (In Receivership) for consideration of \$5.8 million.

On 6 July 2007 Elldex Packaging Limited acquired the trade and assets of PPL Corporation Limited for consideration of \$6.4 million.

On 1 April 2007 Brake & Transmission NZ Limited acquired the trade and assets of NZ Brake Co Limited for consideration of \$2.07 million.

On 1 November 2006 Hellaby Holdings acquired 100% of automotive and industrial battery importer and distributor, HCB Technologies Limited (and its subsidiaries) for consideration of \$7.9 million. Effective 1 May 2007 the assets and liabilities were transferred to Brake & Transmission NZ Limited.

On 1 July 2005 Hellaby Holdings acquired 80% of Discount Shoe Warehouse Limited with the remaining 20% acquired on 31 August 2007. The purchase price is based on a multiple of its forecast earnings before interest and tax over the financial years ending 31 August 2005, 2006, 2007 and 2008, less external debt at these dates. As at 30 June 2008 the purchase price has been estimated as \$29.8 million (30 June 2007: \$32.9 million) of which \$29.8 million (2007: \$15.6 million) has been paid.

All companies above have a balance date of 30 June with the exception of Discount Shoe Warehouse Limited which has a 31 August balance date and, with the exception of Diesel Distributors Australia Pty Limited and TRS Tyre & Wheel Pty Limited which are incorporated in Australia, are incorporated in New Zealand.

## Associates

Name	Activity	2008 Interest	2007 Interest
BPF 2008 Limited (formerly Bombay Petfoods Limited)	Petfood supplier	<b>49.0%</b>	<b>49.0%</b>
Energy Intellect Limited	Metering/communications	<b>34.4%</b>	<b>34.4%</b>

The associated companies have a balance date of 30 June and are incorporated in New Zealand.

The sale of the trade and assets of Bombay Petfoods Limited was completed on 30 June 2008 and all conditions of sale were either satisfied or waived as at that date. The Group's share of the gain on sale has been reflected in the share of total recognised revenue and expenses of associates.

### Note to financial statements

#### Critical accounting estimates

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Specific areas of critical accounting estimates and assumptions are as follows:

(i) Carrying value of indefinite life intangible assets

Impairment reviews are performed by management to assess the carrying value of indefinite life intangible assets including goodwill and brands.

These reviews include making assumptions in relation to future performance and growth as well as determining the period of expected benefits and appropriate discount rates. Refer to Note 15 for key assumptions made.

The carrying value of indefinite life intangible assets is subjective and changes to these assumptions can have a significant impact on their carrying value.

(ii) Unexpired lease provision

A provision is recognised for any shortfall between lease rentals payable as compared to anticipated current and future rental income for the unexpired term of leases. Judgement is exercised in determining the timing and amount, if any, of future rental income and changes to this income can have a significant impact on the carrying value of the provision. The provision is detailed in Note 16(d).

The Directors continually review all accounting policies and areas of judgement in presenting the financial statements.

## Discontinued operations

An analysis of the result of discontinued operations is as follows:

	<b>2008</b>	2007
	<b>\$000</b>	\$000
Revenue	<b>31,239</b>	35,242
Expenses	<b>(38,380)</b>	(37,472)
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(Deficit) before interest and tax from operating activities	<b>(7,141)</b>	(2,230)
Finance (costs)	<b>(1,994)</b>	(1,238)
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(Deficit) before tax from operating activities	<b>(9,135)</b>	(3,468)
Loss on disposal of shares and assets	<b>(11,916)</b>	-
Tangible assets impairment	<b>(720)</b>	-
Intangible assets impairment	<b>(1)</b>	-
Goodwill and brands impairment	<b>-</b>	(18,792)
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(Deficit) before tax	<b>(21,772)</b>	(22,260)
Income tax credit	<b>7,083</b>	1,182
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(Deficit) after tax from discontinued operations	<b>(14,689)</b>	(21,078)
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## Notice of Annual General Meeting

**Notice is hereby given** that Hellaby Holdings Limited intends to hold its Annual General Meeting of Shareholders on Thursday 30 October 2008 at the Waitemata Room, Langham Hotel, 83 Symonds Street, Auckland at 10:00 am.