

## 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:

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**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
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<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
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<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)
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<b>Operating Surplus</b>	26,176	24,447
Less tax	6,296	5,962
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	19,880	18,485
Plus one-off tax benefits	978	1,955
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<b>Operating surplus after tax</b>	20,858	20,440
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<b>Earnings per share</b>	42.4	41.5
	cents	cents
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