

**Income Statements**  
**For the year ended 30 June 2007**

	Notes	2007 \$000	Group 2006 \$000
Revenue			
Sale of goods	3	<b>482,876</b>	487,145
Other income		<b>3,603</b>	15,975
<b>Total income</b>		<b>486,479</b>	503,120
Expenses	4		
Cost of inventory sold		<b>289,666</b>	278,182
Rental & operating leases		<b>41,526</b>	45,489
Salaries & wages		<b>69,633</b>	71,349
Depreciation & amortisation		<b>9,829</b>	10,597
Impairment of intangibles		<b>18,792</b>	5,119
Other expenses		<b>51,570</b>	50,367
Profit/(deficit) before finance costs	3	<b>5,463</b>	42,017
Finance (costs)/revenue	4	<b>(10,388)</b>	(9,601)
Share of profit from associates	4	<b>227</b>	680
(Deficit)/profit before tax		<b>(4,698)</b>	33,096
Income tax (expense)/credit	5	<b>(5,131)</b>	(9,349)
(Deficit)/profit after tax		<b>(9,829)</b>	23,747
Minority interest in surpluses of subsidiaries		-	(611)
<b>(Deficit)/profit after tax attributable to Shareholders of Parent Company</b>		<b>(9,829)</b>	23,136

		Group cents	cents
<b>Earnings per share attributable to the Shareholders of Parent Company:</b>	6		
Basic and diluted earnings per share		<b>(19.7)</b>	46.9

The above income statements are to be read in conjunction with the notes on pages 7 to 49.

**Balance Sheets**  
**As at 30 June 2007**

	Notes	2007 \$000	Group 2006 \$000
<b>ASSETS</b>			
Current assets			
Inventories	9	<b>126,685</b>	119,393
Derivative financial instruments	10	<b>1</b>	7,018
Receivables and prepayments	8	<b>53,046</b>	48,877
Receivables from related parties	8	<b>1</b>	1,001
Cash and cash equivalents	7	<b>5,830</b>	3,406
Other current assets	11	<b>154</b>	382
<b>Total current assets</b>		<b>185,717</b>	180,077
Non-current assets			
Property, plant and equipment	13	<b>36,932</b>	35,542
Intangible assets	15	<b>57,524</b>	72,301
Investments	12	<b>5,283</b>	2,842
Loans and advances	12	<b>784</b>	712
Future tax benefit	14	<b>18,600</b>	11,969
<b>Total non-current assets</b>		<b>119,123</b>	123,366
<b>Total Assets</b>		<b>304,840</b>	303,443
<b>LIABILITIES</b>			
Current liabilities			
Derivative financial instruments	10	<b>13,023</b>	20
Current tax liabilities	14	<b>2,292</b>	5,026
Trade and other payables	16	<b>45,339</b>	40,425
Payable to related parties	16	<b>553</b>	753
Provisions	16	<b>5,062</b>	5,064
Deferred consideration	16	<b>14,378</b>	9,025
Borrowings	17	<b>7,048</b>	17,841
<b>Total current liabilities</b>		<b>87,695</b>	78,154
Non-current liabilities			
Borrowings	17	<b>84,500</b>	43,000
Capital notes	17	<b>48,525</b>	48,152
Payables	16	<b>125</b>	376
Deferred consideration	16	<b>2,941</b>	19,523
Provisions	16	<b>416</b>	704
<b>Total non-current liabilities</b>		<b>136,507</b>	111,755
<b>Total Liabilities</b>		<b>224,202</b>	189,909
<b>Net Assets</b>		<b>80,638</b>	113,534

	Notes	2007 \$000	Group 2006 \$000
<b>EQUITY</b>			
Contributed equity	21	<b>19,752</b>	17,591
Cash flow hedge reserve	22	<b>(8,514)</b>	3,811
Retained profits	22	<b>69,400</b>	92,132
<b>Total Equity</b>		<b>80,638</b>	113,534

The above balance sheets are to be read in conjunction with the notes on pages 7 to 49.

**Statements of Movements in Equity  
For the year ended 30 June 2007**

	Notes	2007 \$000	Group 2006 \$000
<b>Total equity at the beginning of the period</b>		<b>113,534</b>	106,749
Fair value of financial instruments on adoption of NZ IFRS net of tax	22	-	(41)
Movement in cash flow hedge reserve net of tax	22	<b>(12,325)</b>	3,811
(Deficit)/profit for the period		<b>(9,829)</b>	23,136
Total recognised income and expense		<b>(22,154)</b>	26,906
Dividends provided for or paid	23	<b>(10,742)</b>	(15,914)
Total changes in minority interest		-	(4,207)
<b>Total equity at the end of period</b>		<b>80,638</b>	113,534

The above statements of movements in equity are to be read in conjunction with the notes on pages 7 to 49.

**Statements of Cash Flows**  
**For the year ended 30 June 2007**

	Notes	2007 \$000	Group 2006 \$000
<b>Cash flows from operating activities</b>			
Receipts from customers		484,437	504,748
Payments to suppliers and employees		(458,330)	(475,451)
Cash from operations		26,107	29,297
Dividends received		157	556
Interest received		229	230
Other revenue		857	1,347
Interest paid		(11,130)	(9,881)
Income taxes paid		(8,336)	(8,096)
<b>Net cash inflow from operating activities</b>	28	<b>7,884</b>	13,453
<b>Cash flows from investing activities</b>			
Payment for purchase of businesses, net of cash acquired	19	(20,521)	(19,214)
Payment for purchase of equity investments		(1,500)	(9)
Payments for property, plant and equipment and software		(17,996)	(18,057)
Loans advanced		(6)	(845)
Proceeds from sale of business, net of cash disposed	20	6,144	11,301
Proceeds from sale of equity investments		-	690
Proceeds from sale of property, plant and equipment and software		8,397	13,364
Repayment of loans		1,330	548
<b>Net cash (outflow) from investing activities</b>		<b>(24,152)</b>	(12,222)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		41,708	55,762
Repayment of borrowings		(11,142)	(43,774)
Advances from subsidiaries and associates		(200)	150
Dividends paid to Company's shareholders		(10,742)	(15,914)
Repurchase of shares		-	-
Dividends paid to minority interests		-	(500)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>19,624</b>	(4,276)
Net increase/(decrease) in cash and cash equivalents		3,356	(3,045)
Cash and cash equivalents at the beginning of the period		2,461	5,537
Effects of exchange rate changes on cash and cash equivalents		-	(31)
<b>Cash and cash equivalents at the end of the period</b>	7	<b>5,817</b>	2,461

	Notes	2007 \$000	Group 2006 \$000
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Consisting of:			
Cash and cash equivalents		5,830	3,406
Bank overdraft		(13)	(945)
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<b>Closing cash balance</b>	7	<b>5,817</b>	2,461

The above statements of cash flows are inclusive of applicable goods and services tax. They should be read in conjunction with the notes on pages 7 to 49.

**Segmental Reporting**  
**Primary reporting format – business segments**

Year ended 30 June 2007

	Automotive \$000	Industrial \$000	Retail \$000
<b>INCOME STATEMENT</b>			
Sales to external customers	118,065	133,011	190,373
Intersegment sales	192	195	-
Total sales revenue	118,257	133,206	190,373
Other income	215	1,138	1,349
Total segment income	118,472	134,344	191,722
Segment result	12,830	6,214	6,669
Finance costs			
Share of profit from associates			
Income tax expense			
Minority interest			
<b>Net (Deficit) for the year</b>			

	Diversified \$000	Corporate \$000	Inter- segment eliminations /unallocated \$000	Group \$000
<b>INCOME STATEMENT</b>				
Sales to external customers	41,427	-	-	482,876
Intersegment sales	81	-	(468)	-
Total sales revenue	41,508	-	(468)	482,876
Other income	3	17,003	(16,105)	3,603
Total segment income	41,511	17,003	(16,573)	486,479
Segment result	2,639	(22,889)	-	5,463
Finance costs				(10,388)
Share of profit from associates				227
Income tax expense				(5,131)
Minority interest				-
<b>Net (Deficit) for the year</b>				<b>(9,829)</b>

## Principal Subsidiaries

<b>Name</b>	<b>Activity</b>	<b>2007 Interest</b>	<b>2006 Interest</b>
AB Equipment Limited	Materials handling and construction equipment	100%	100%
AB Rental Limited	Forklift rentals	100%	100%
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%
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 1 April 2007 Brake & Transmission NZ Limited acquired the trade and assets of NZ Brake 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 an agreement to acquire the remaining 20% 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 2007 the purchase price has been estimated as \$32.9 million (30 June 2006: \$34.3 million) of which \$15.8 million (2006: \$5.8 million) has been paid with the balance due progressively over the period to 31 August 2008.

On 1 July 2005 Hellaby Holdings acquired a further 9.2% of R Hannah & Co Limited for consideration of \$6.2 million and on 31 March 2006 a further 5.8% for consideration of \$2.3 million.

On 1 September 2005 BBQ Factory Limited acquired the Manukau, Tauranga and Rotorua franchises and on 1 October 2005 the Hamilton franchise.

On 1 October 2005 Brake & Transmission NZ Limited acquired the trade and assets of Automotive Supplies Thames for consideration of \$0.7 million.

On 31 December 2005 Hellaby Holdings sold the 75% shareholding in Oakleys Plumbing Supplies Limited for consideration of \$0.72 million.

On 1 April 2006 Diesel Distributors Australia Pty Limited purchased the trade and assets of B&E Diesel Spares for consideration of \$1.3 million.

On 30 June 2006 the trade and assets of Rodd & Gunn Limited were sold for consideration of \$12.3 million.

Details of the assets and liabilities acquired and disposed are shown in Notes 19 and 20.

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, are incorporated in New Zealand.

## **Associates**

Name	Activity	2007 Interest	2006 Interest
Bombay Petfoods Limited	Petfood supplier	49.0%	49.0%
Energy Intellect Limited	Metering/communications	34.4%	25.0%

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

## **Impairment tests for goodwill and indefinite life brands**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition.

Goodwill on acquisitions of businesses is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the Group's investment in each subsidiary.

After assessing the trading results of all companies in the Group for the year ended 30 June 2007, a review was completed to determine whether any impairment existed in respect of goodwill and indefinite life brands together with the completion of 2007/08 budgets and strategic reviews. As a consequence of the review, the BBQ Factory goodwill and brands, (included in retail), was written down by \$18.792 million (2006: \$4.064 million), goodwill in Bindons, a division of Brake & Transmission (included in automotive), was written down by \$Nil (2006: \$0.845 million), and intellectual property in Teamwork Inteletrac was written down by \$Nil (2006: \$0.21 million). All amounts have been included within the Income statement.

## **Notice of Annual General Meeting**

**Notice is hereby given** that the Annual General Meeting of Shareholders of Hellaby Holdings Limited will be held in the Waitemata Room, Langham Hotel, 83 Symonds Street, Auckland on Friday 16 November 2007, at 10:00 am.